BOARD OF DIRECTORS
AGENDA

Friday, April 23, 2004
9 a.m.
SANDAG
401 B Street, 7th Floor
Downtown San Diego

AGENDA HIGHLIGHTS

• SMART GROWTH OPPORTUNITY AREAS
• STRATEGIC INITIATIVES FOR REGIONAL COMPREHENSIVE PLAN
• FY 2005 OVERALL WORK PROGRAM

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ITEM # | RECOMMENDATION
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1. APPROVAL OF MEETING MINUTES
   
   + A. MARCH 19, 2004 MEETING | APPROVE
   
   + B. MARCH 26, 2004 MEETING | APPROVE
   
   + C. APRIL 9, 2004 MEETING | APPROVE
2. ADDITIONS AND DELETIONS
3. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Speakers are limited to three minutes. Board members may provide information and announcements under this agenda item.

CONSENT

+4. ACTIONS FROM POLICY ADVISORY COMMITTEES | APPROVE

+5. APPROVAL OF APPLICATIONS FOR VEHICLES TO TRANSPORT SENIORS AND PERSONS WITH DISABILITIES (Lydia Callis) | APPROVE

SANDAG’s Subcommittee for Accessible Transportation (SCAT) recommends approval of Resolution No. 2004-17, which endorses the scores awarded by the Local Review Committee, finds the applications for federal funds in Section 5310 of the TEA-21 program in conformance with the Regional Transportation Plan, and assures that the projects will be added to the Regional Transportation Improvement Program. These funds are available in statewide competition for social service agencies to purchase vehicles and related equipment that are used to transport seniors and persons with disabilities.

+6. LOCAL TECHNICAL ASSISTANCE PROJECTS REQUIRING MORE THAN $1,000 OR THREE DAYS STAFF TIME (Jeff Tayman) | INFORMATION/POSSIBLE ACTION

Local Technical Assistance (LTA) policy guidelines require that projects involving more than three days staff time be reported to the Board of Directors. The projects covered in this month’s report are transportation forecast modeling for the City of Encinitas and a survey of public safety personnel who use the San Diego County-Imperial County Regional Communication System.
+7. MASTER MEMORANDUM OF UNDERSTANDING (MOU) WITH THE NORTH COUNTY TRANSIT DISTRICT (NCTD) AND THE METROPOLITAN TRANSIT SYSTEM (MTS), AND SANDAG BOARD POLICY ON ASSET OWNERSHIP AND DISPOSITION (Julie Wiley)

APPROVE

An MOU between SANDAG, NCTD, and MTS is proposed that is intended to establish a central document that includes the current and future agreements between the agencies. The first proposed supplement to the MOU concerns an agreement among the parties regarding ownership of real and personal property. A related Board policy is also proposed concerning ownership and disposal of real and personal property assets. The Transportation Committee has recommended approval of the MOU and proposed Board Policy No. 028.

+8. MEMORANDUM OF UNDERSTANDING (MOU) WITH THE NORTH SAN DIEGO COUNTY TRANSIT DEVELOPMENT BOARD (NCTD) WITH RESPECT TO SPRINTER FINANCING (Ellen Roundtree)

APPROVE

NCTD plans to use private financing to enable the Sprinter project construction and start-up to continue on schedule while awaiting decisions on future State dollars from the Traffic Congestion Relief Program (TCRP). The financing institution that NCTD is working with is requesting a Memorandum of Understanding (MOU) between NCTD and SANDAG acknowledging the programming of future funding to cover the debt service. The Transportation Committee discussed this item at their April 16, 2004 meeting and voted to recommend Board approval authorizing the Executive Director to execute the MOU.

CHAIR’S REPORT

9. RECOGNITION OF MIKE McLAUGHLIN

In 1979, Mike McLaughlin joined the planning staff at SANDAG. Next month, Mike will retire from SANDAG as the agency’s Director of Land Use and Environmental Planning. He is being recognized today for his 25 years of dedicated public service, encompassing a professional career that includes exemplary knowledge of the planning profession, outstanding leadership guiding staff and planning students, and creativity finding solutions to the region’s challenges.

10. APPOINTMENT TO SOURCEPOINT BOARD OF DIRECTORS (Marney Cox)

APPROVE

The Chair has nominated El Cajon Mayor Mark Lewis to fill the vacant position on the SourcePoint Board. SourcePoint, a nonprofit corporation chartered by SANDAG, offers a broad range of services including economic and fiscal impact analysis, market feasibility studies, economic development strategies, transportation modeling, and geographic information system (GIS) services.
11. STATUS REPORT ON REGIONAL COMPREHENSIVE PLAN (RCP) (Mayor Lori Holt Pfeiler, Chair of the Regional Planning Committee)

+A. SMART GROWTH OPPORTUNITY AREAS (Stephan Vance) INFORMATION

The draft RCP calls for greater coordination between land use and transportation, and recommends focusing SANDAG’s transportation investments in support of smart growth. A first step in this direction is identifying “smart growth opportunity areas.” The draft RCP identified several broad categories for smart growth opportunity areas. In the past few months, the Regional Planning Committee and its Regional Planning Technical and Stakeholders Working Groups have been refining the categories. The agenda report includes the updated categories, and forms the basis for modifications to the Urban Form chapter of the final RCP.

+B. STRATEGIC INITIATIVES (Bob Leiter) INFORMATION

The Implementation chapter of the final RCP will include Strategic Initiatives, a related set of priority actions that could be undertaken by various groups to implement the key concepts contained in the Plan. The report provides an overview of the Strategic Initiatives.

+C. REMINDER ABOUT RCP WORKSHOPS INFORMATION

The third round of workshops on the RCP is underway. Board members are encouraged to attend the remaining workshops. A report summarizing the results of the workshops will be provided next month.

12. FY 2005 DRAFT OVERALL WORK PROGRAM (Renee Wasmund) DISCUSSION/POSSIBLE ACTION

The FY 2005 Draft Overall Work Program (OWP) was distributed for review and comments to SANDAG’s federal and state funding agencies and to the Member Agencies at the beginning of March. Comments were due March 29, 2004. Staff met with federal and state representatives on April 6. All comments received and staff’s written response to each comment and proposed changes to the OWP were discussed at the Executive Committee’s April 9 meeting. The comments and responses are provided for Board information. The final FY 2005 OWP is scheduled for Executive Committee review on May 14, 2004 and Board approval on May 28, 2004.

13. UPCOMING MEETINGS INFORMATION

The next Board of Directors business meeting is scheduled for Friday, May 28, 2004 at 9 a.m. A special meeting will be held on Friday, May 14, 2004 at 10:15 a.m. to consider the first reading of the TransNet Extension Ordinance and Expenditure Plan.
14. ADJOURNMENT

GARY L. GALLEGOS
Executive Director

+ next to an agenda item indicates an attachment
BOARD OF DIRECTORS DISCUSSION AND ACTIONS
Meeting of March 19, 2004

Chairman Ron Morrison (National City) called the meeting of the SANDAG Board of Directors to order at 9:12 a.m. The attendance sheet for the meeting is attached.

1. ADDITIONS AND DELETIONS TO THE AGENDA

Chairman Morrison noted that we would be adding one sub-item. Following Agenda Item 3, there will be a 3a, which will be a “Report and Recommendations from the Executive Director” for “Possible Action.” Also, for Agenda Item 4, Regional Transportation Congestion Improvement Program Proposal, the recommended action is listed as “Information” and that will be changed to “Possible Action.”

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Carol Bonomo, representing California State University, San Marcos, said that this university was the first entity in north San Diego County to declare support for smart growth. She expressed gratitude that SANDAG and the elected officials have provided the opportunity to do it right in San Marcos and that there is support for light rail.

Chuck Lungerhausen, a member of the public, said to date he has collected $5,495 of his Multiple Sclerosis Water Walking Team’s total of over $25,000. He mentioned that he is still accepting sponsorship donations until April 13, 2004. On the county transportation front, he hoped that Supervisor Dianne Jacob is informed that SANDAG has the responsibility to allocate TransNet tax funds each year to achieve the best improvement for mobility in the region. This doesn’t mean that a certain percentage of the tax is spent in the same way every year. It also doesn’t mean that the rural needs will not be met. The County Board recently issued claims of a $25 million surplus. He thought that perhaps this surplus could be spent on rural roads. He said that Supervisor Jacobs’ request for more TransNet money for local streets and roads is a blatant attempt to turn the TransNet tax into the County Supervisors’ piggybank. He didn’t think that Supervisor Jacob had the consensus of the County Board for her proposal.

Carolyn Chase, representing San Diego Earth Works, provided information about Earth Day 2004 projects including: the Earth Fair on April 25 in Balboa Park, Very Important Planet Reception and EARTH Awards on May 12, and the Green Built Tour in the fall of 2004. She also asked for volunteers for these events. She mentioned a Web site for those who are interested: www.earthdayweb.org.
Lloyd Davis, representing the Center for the Blind in Vista, expressed his appreciation for the North County Transit District (NCTD) services that make it possible for him to get to work and to other destinations. He requested that SANDAG continue to make services more accommodating to those with disabilities. He stated that there are many people who depend on these transportation services and requested that SANDAG ensure there is always enough funds to keep them operating.

REPORTS

3. VOTER OPINION RESEARCH UPDATE (POSSIBLE ACTION)

Staff reported that the Board has been actively working on the extension of TransNet for over a year including the conduct of two previous public opinion polls and six focus groups. These efforts have shown that the public is concerned about traffic and seeks congestion relief; however, the needs far exceed the revenues. TransNet is a critical piece in implementing the Regional Transportation Plan (RTP) and the Regional Comprehensive Plan (RCP). The latest poll was conducted to verify the public support for a TransNet Extension and to test the ability to extend the measure beyond the 30-year period.

D.J. Smith, SANDAG consultant, said that they wanted to have a large enough sample size to test the 30, 35 and 40-year extension periods for the measure. He stated that 41 percent of the voters surveyed indicated awareness of the 20-year original TransNet program. This is positive and reflects on the tremendous amount of beneficial projects that were completed. When asked whether they would support an extension of the existing sales tax, 63 percent said they would support it. The next question related to the time period of the extension measure. About 69 percent supported 30 years, 71 percent supported 35 years and 70 percent supported 40 years. It is also clear that the voters want to have a sunset provision. Other observations include support for the environmental mitigation if it has a direct nexus to transportation. The public appears to be reluctant to fund nontransportation issues. There was no difference in polling and focus groups on this issue. The sales tax issue is viewed as a local issue and will probably not be affected by state or federal issues. The public views this as a long-term mortgage and understood the importance of the improvements that will be implemented by the measure. Mr. Smith recommended that the TransNet Extension measure be changed to a 40-year term based on the survey results.

Board Member Comments:

Councilmember Jack Dale (Santee) asked about the timing issue. Mr. Smith replied that this is the first time the public was polled on the 40-year timeframe question. Councilmember Dale thought that we should look at this seriously as it will solve some issues.

Mayor Mickey Cafagna (Poway) asked about the size of the sampling. Mr. Smith said the first poll was 1,000 voters and the second one had 1,200. Each 400-group sample was characteristic of highly likely voters in San Diego.
County. The voters in these focus groups used the word “desperation” with regard to traffic congestion, and this was the issue raised most immediately.

Public Comments:

Jim Schmidt, a member of the public, said that he was excited to hear about the 40-year time frame. He pledged his support for this measure. He said that SANDAG did a terrific job with providing background information for the original measure and he was confident this will occur again.

Carolyn Chase, Policy Committee Chair for the Sierra Club, indicated that they had conducted a poll of environmental coalition groups. The poll results showed that support for the TransNet Extension would be reduced by 11 percent without the environmental mitigation component. She said that we must confront the fact that voters may not support any tax measure. She offered the Sierra Club’s assistance.

Mayor Pro Tem Phil Monroe (Coronado) clarified that the TransNet Extension is an extension of an existing sales tax, not a new sales tax. He encouraged various interest groups to use the correct lexicon when discussing the TransNet Extension measure.

Chair Morrison agreed that the sales tax extension measure will not be approved unless we all work together. He encouraged the area jurisdictions to come together with a unified front and not to have parochial interests. He stated that the Board would now hear a report from the Executive Director.

3a. REPORT AND RECOMMENDATIONS FROM THE EXECUTIVE DIRECTOR

The SANDAG Executive Director (via conference call) reported that even though he has been out of the office recently due to the death of his father, he has been kept abreast of the issues and in contact with the office. He said that over the past several months we have worked hard to develop the TransNet Expenditure Plan. We have relied on research, polls, and focus groups to validate the poll results. The research shows that traffic congestion is of utmost concern to our residents. The feedback shows that the public knows that we cannot build our way out of congestion and they support the concept of bus rapid transit (BRT) and managed lanes. There are more needs than available funds and it appears that modes are being pitted against each other. Given the challenges, additional polling was conducted with two goals: to validate voter support for the TransNet Extension, and the possibility of extending the measure’s timeline. As the poll results show, we received a positive response to extending the time line from 30 to 40 years. He strongly recommended that the Board approve the 40-year time line and ensure consistency with the RTP and RCP. This will bring the local streets and roads component up to the same level as in the original measure, delete the Proposition 42 backfill proposal, allow the restoration of cuts to the highway program, and allow us to provide service enhancements to the existing transit services.
Mayor Cafagna agreed that the 40-year plan will better satisfy the needs of the region.

**Motion Made:** Mayor Cafagna moved to direct staff to modify the draft TransNet Extension Ordinance and Expenditure Plan to encompass a 40-year period, and ensure the extension is consistent with the policies contained in the approved RTP as well as the planning principles embodied in the RCP, and report back to the Board no later than the April 9, 2004, Board meeting with the results and Expenditure Plan. Mayor Murphy (City of San Diego) seconded the motion.

Board Comments on the Motion:

Mayor Kellejian (Solana Beach), SANDAG Transportation Committee Chair, offered his wholehearted support to this motion.

Supervisor Dianne Jacob (County of San Diego) asked for a clarification that the motion was to extend the TransNet measure to a 40-year plan, would bring the local streets and roads up to a one-third component, and would eliminate the reliance on Proposition 42 funds. She supported this motion, but noted that there are still some unresolved issues. She applauded SANDAG for proposing this change.

Mayor Murphy wanted to make sure that the smart growth principles are added back into the measure. He said that we need to have smart land use planning as part of the solution.

Metropolitan Transit System (MTS) Chair Leon Williams commended the Transportation Committee Chair for coming up with this idea. Mayor Kellejian said it was the result of discussions with a number of people.

Mayor Steve Padilla (Chula Vista) added his congratulations to the staff and the Transportation Committee for moving in this direction. He said that this is a vehicle where we can move together in a positive way. The 40-year time frame will allow us to do things better. He cautioned that although this makes it easier, we are not out of the woods. He agreed that we need to remain true to the smart growth principles. Mobility and the connection between land use and planning is the key.

Councilmember Jack Feller (Oceanside) expressed his support of smart growth and the lengthened time span for the TransNet Extension measure.

Chair Morrison clarified that even the 40-year measure will not meet the entire needs of the region. The measure will not take affect until 2009, but we can begin planning in December 2004.

Supervisor Jacob clarified that the motion does not include the 2 percent for smart growth or livable communities. Mayor Cafagna responded that the motion states that the measure is consistent with the RCP and RTP. The details of the measure will come back to the Board for further consideration.
Supervisor Jacob suggested that the portion for livable communities be taken off the top then the remainder split with the one-third for highway, one-third for local streets and roads, and one-third for transit capital projects.

Chair Morrison noted that agenda item 6 is a moot point with this action and will be moved to the April 9, 2004, Board meeting. He provided the opportunity for those wishing to make public comments to wait until April 9 or to provide the comments at this meeting.

Public Comments:

Councilmember Bob Emery (Poway) said he would wait until the April 9 meeting.

Dutch Van Dierendonck, a member of the public who lives in Ramona, stated that there is a need to educate the public about this measure. He doesn’t want this measure to lead to increased sprawl in the unincorporated areas of the County of San Diego. He said that our region needs good TransNet measure and a focus of this money in our most needed areas.

Patrick Uriel, representing the Ramona Planning Group, said that 99 percent of all trips are made on local roads. Buses pay no gas tax, and they use the roads paid for by taxpayers. He believed that it is past time for a viable transit system and he thought that the public would vote for a transportation tax. He supported at least the amount in the original TransNet.

Rick Alexander, representing the East County Economic Development Council, applauded the SANDAG Board on the wisdom of taking Proposition 42 out of the mix and to have a one-third share for local roads. He expressed concern about spending $1 million for the education campaign as he didn’t think that was the wisest use of these funds.

Duncan McFetridge, Chairman of Save Our Forests and Ranchlands (SOFAR), was concerned about the changes on the agenda and if they were allowable. He objected to the idea of taking money from transit and putting it in local roads. He said that there was a tremendous mandate for less roads, more transit, and more smart growth. He stated that you can’t build more roads and reduce traffic. He thought the current Environmental Impact Report (EIR) would not cover the current proposal for a 40-year term.

Councilmember Feller asked about the comment related to violating procedures for the agenda. General Counsel replied that as he understands this the voter opinion research survey results discussed under Item 3 has led to the Board wishing to defer Agenda Item 6 and have it redrafted to be consistent with the 40-year timing and consistency with the RCP and RTP. He, therefore, thought that the Board’s action directing staff to update the draft Expenditure Plan for discussion at the next Board meeting and taking testimony from those who came to speak concerning Item 6 at this time was
appropriate. The General Counsel also stated that in an abundance of caution, the Board could add to the agenda the Executive Director’s Report and Recommendations as Item 3a by a vote. As far as the question about the Environmental Impact Report, we are working on the environmental findings necessary to support the Ordinance and the Expenditure Plan.

Lynne Baker, representing the Endangered Habitats League, said that the Extension creates a need for the plan to be sound, and she hoped the plan will implement the network strategy. The Plan must positively impact land use. She supported the principles of accountability.

Diane Conklin, representing the Massey Grade Road Alliance, didn’t think the Board could vote on this item today. She said that people in San Diego need to be able to get from place to place. She wondered about including a developer’s impact fee in this ordinance. She suggested that Board members think before spending money to help development.

Carol Angus, Chair for the Ramona 2020 Update, commented that roads will not impact the back country if the densities are misplaced. She did not want Ramona to be opened up to sprawl. She noted that there is a lot more lacking in Ramona than roads. She said that community input is being overrun by developers. She requested that SANDAG put pressure on the county departments of planning and land use to get the correct densities.

Chair Morrison noted that specific highways are mentioned within the Expenditure Plan but the local roads are not specified.

Gene Helsel, a resident of Julian, commented that much of the difficulty is due to the disconnection between transportation and land use planning. He suggested that 80- and 160-acre parcels be added to the 2020 plan. He thought that taking TransNet funds from public transit and putting it into back country roads will increase sprawl. He said that TransNet funds should be put where they are most needed and will benefit the most people.

Kim Kilkenny, representing San Diegans for Congestion Relief, passed on providing comments at this meeting.

Paul Blackburn, representing the Sierra Club, said he had worked on the original TransNet measure. He stated that the Sierra Club will be looking into the details of the Extension measure. He acknowledged that no one will get everything they want, but they want to know what they will be getting. He said that extending the measure to 40 years will increase bond costs and impact a future generation.

Joe Mannino, Chair of the North Bay Peninsula Traffic Task Force, asked for the Board to consider including the Interstate 5 (I-5)/I-8 interchange project in the TransNet Extension project list. He read a letter into the record from the North Bay Peninsula Traffic Task Force requesting funding for this
project at a lower amount to complete a project study report, engineering and design work, and environmental studies.

Craig Benedetto, representing the Alliance for Habitat Conservation, applauded the Board for taking this action today. He said he was interested in the environmental segment.

Angelika Villagrana, representing the San Diego Regional Chamber of Commerce, expressed the Chamber’s support for the TransNet Extension, and thought it was important to send a unified message to the voters that this measure needs to pass.

Lisa Briggs, Executive Director, San Diego Taxpayers Association, agreed with the proposed time extension to 40 years. She said that the allocations for regional arterials are a priority for the Taxpayers Association as local roads make up the lion’s share of miles traveled.

Tony Agurs, representing the East San Diego County Association of Realtors, strongly supported Supervisor Jacob and her plan. He noted that mass transit does not serve the East County, and the sole focus does not need to be on the City of San Diego. East County should not share its money for mass transit. He said that there are more people who live outside of the San Diego city limits than those who live within them.

Chair Morrison suggested that the Board take an action to add Agenda Item 3a, Report and Recommendations from the Executive Director, as an action item, and to defer Agenda Item 6.

Action Taken: Upon a motion by Mayor Kellejian (Solana Beach) and a second by Mayor Cafagna (Poway), the SANDAG Board of Directors moved to add item 3a, Report and Recommendations from the Executive Director, as a discussion item; and to defer Agenda Item 6. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – City of San Diego - B.

SANDAG General Counsel said that since the discussion under Items 3 and 3a was in lieu of a discussion under Agenda Item 6, this would also be the time to allow for comments on Agenda Item 6.

A break was called at 10:45 a.m., and the meeting was reconvened at 10:53 a.m.

Mayor Lori Holt Pfeiler (Escondido) clarified that the Expenditure Plan will come back to the Board on April 9. She asked if the first reading of the Ordinance would be held at this time. Chair Morrison stated that the first reading of the Ordinance would be held on April 9.

Action Taken: Upon a motion by Mayor Cafagna and a second by Mayor Murphy, the SANDAG Board of Directors directed staff to modify the draft TransNet Extension Ordinance and Expenditure Plan to encompass a 40-year period, ensure the extension is consistent with the policies contained in the approved RTP as well as the planning principles embodied in the RCP, and report back to the Board no later than the April 9, 2004, Board meeting with
the results. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – City of San Diego - B.

Chair Morrison called for Board Member comments on other matters related to the Expenditure Plan.

Mayor Holt Pfeiler agreed that the Expenditure Plan should incorporate the smart growth, livable communities, and regional arterial principles that are contained in the RCP.

Councilmember Patricia McCoy (Imperial Beach) indicated that the Transportation Committee Chair and SANDAG staff recently made a presentation to the Imperial Beach City Council. She expressed the support of Imperial Beach for the TransNet Extension, and also for the developer impact fee. She said that Highway 75 should be included in the proposed Ordinance as a major arterial.

Mayor Pro Tem Phil Monroe (Coronado) strongly supported the smart growth comments. He said that we need to do better Showcase projects. The Showcase Project from San Diego State University (SDSU) to the City of San Diego is a great design. He also suggested that staff preserve the ability to include a bike network in the Expenditure Plan.

Councilmember Ernest Ewen (La Mesa) asked if council members rather than only mayors could be on the selection committee for the independent taxpayers oversight committee, and whether each jurisdiction will have a voice on who will be on the selection committee.

Councilmember Christy Guerin (Encinitas) thanked the Chair, Vice Chair, the Transportation Committee Chair, the Executive Director, and staff for working on this proposed change. She said that the TransNet Extension measure needs to be of regional benefit and evenhanded. She noted the importance of remembering that needs have to be divided up. If we don’t get TransNet passed we will all lose. She suggested that from this point on information about the TransNet Extension should come directly from the Board and not from the Ad Hoc Working Group on TransNet. She said that including the regional arterials and grade separation program is extremely critical to the coastal communities. She agreed with the 40-year proposal, and reminded the Board that we need to think regionally.

Mayor Kellejian stated that it had been determined that the TransNet Extension work would come directly from the SANDAG Board rather than the Ad Hoc Working Group from this point forward.

Supervisor Dianne Jacob outlined some of her concerns including the following: the equal distribution of funds for the three components (highways, transit, and local streets and roads), no conditions on local road funding, no Proposition 42 backfill, expenditure off the top (1/10 of 1 percent) for the taxpayers oversight committee, and 2 percent for a bicycle safety program. What was proposed today will give us the ability to do that. We are not talking about increasing growth, but in relieving congestion. Her suggestions will result in 32.3 percent for each of the three components. She did not like the specificity in the measure and suggested using established goals and guidelines. If a developer impact fee is included in this measure there should be some consideration to use the fee to mitigate “arterials” per individual jurisdiction road classification. She suggested that the language related to a set aside for smart growth in Section 4d, page 15, be eliminated. She also was
concerned about the wording in Section 16, page 21, that by a two-thirds vote of the SANDAG Board any congestion relief project can be changed. She said that this would jeopardize the measure. She recommended some language that would clarify that in order to drop a congestion relief project concurrence of the jurisdiction(s) where the project is located would be required. She noted that Section 22 is an exemption. She clarified that the revenue allocation isn’t until June 30, 2008 and therefore the effective date of this Ordinance and allocation should be July 1, 2008.

Mayor Steve Padilla asked if Supervisor Jacob is speaking on behalf of the full Board of Supervisors. Supervisor Jacob replied that she is representing the County as Chair of the Board of Supervisors in consultation with County staff. Once she has a draft Ordinance, she will present that to the Board of Supervisors for action.

Councilmember Feller wanted to ensure that projects from the original measure that have not been completed will remain at the top of the priority list. He also asked if, following approval of the measure, we can begin to bond to fund the projects. Chair Morrison assured the Councilmember that projects that were included in the original measure would continue in the Extension.

Mayor Kellejian pointed out that Section H-1 on page 17, spells out the projects, the sufficiency of funding, the bonding capacity, and projects priorities.

Mayor Murphy expressed his preference for awarding smart growth funds on a competitive basis; however, he said that he would agree to 50 percent being awarded on a competitive basis and 50 percent on a formula basis.

Councilmember Ewen asked when Board members would receive information in order to share with their Council members prior to April 9. Chair Morrison said that it is a tight timeframe but they are striving to transmit information at least a week in advance of the April 9 meeting.

Councilmember Ewen asked if the Board will accept additional proposals following the first reading. Chair Morrison replied that the SANDAG Board meeting on May 14 will either be another first reading if there are significant changes or a second reading and approval.

Councilmember Crawford said that she received specific direction from her council on outstanding issues. Specifically, her council favors the Expenditure Plan that was presented in the initial draft Ordinance. There was unanimous support for the original Expenditure Plan, including the environmental mitigation plan. Her council supports the competitive grant process for those portions of the original Expenditure Plan that called for it. They believe there should be a competitive grant for livable communities, bikes and pedestrians, and smart growth. She said that if we want to change things, we need to be competitive. The position of her Council is that the fewer areas not amended by a two-thirds vote the better. They agreed that some things should be protected from change. They agreed that if you have too many things you can’t change, then there would be no need for an independent review and taxpayer oversight committee. The council also supported the longest possible extension.
Councilmember Crawford expressed a concern that not all jurisdictions have regional arterials. She agreed that there should be ways for jurisdictions to qualify for regional funds when their arterials are no longer eligible for these funds. She noted that Del Mar uses a design and build method of construction. The Ordinance will establish a baseline of an average of three fiscal years. However, there are a number of things that might cause delays that would affect the amount of money spent that could result in not meeting the baseline. She asked staff to consider looking at meeting the intent of Section A on baseline expenditures for each city, but allow for circumstances beyond their control, to cover any anomalies. Section 17 related to the comprehensive review program should be changed to reflect a 40-year term, so that the review will now occur in years 11, 21, and 31.

Mayor Kellejian suggested that the existing SANDAG “use it or lose it” policy be considered for the maintenance of effort. This will provide an opportunity for jurisdictions to present reasons why their project has been forestalled.

Chair Morrison commented that it will be extremely important that the public knows what it is approving. We need to be honest with the voters. The local roads component should be criteria based.

Councilmember Judy Ritter, Chair of NCTD, indicated that the NCTD Board supported the 40-year extension. Comments from the NCTD Board included the desire for as much money as possible into congestion relief projects because these dollars leverage state and federal money. In addition, money for bus rapid transit (BRT), arterials, smart growth, land use, and transportation connections are critical for the future and provide incentives for the RCP. The environmental work was supported as well as increased funding for local roads. The developer impact fee was supported. She asked what percent of funds would go for BRT projects. Staff replied that BRT projects will be dealt with as multimodal corridors.

Chair Morrison noted that we received a number of correspondences on this subject and will include these as comments to staff.

4. REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM PROPOSAL (POSSIBLE ACTION)

Staff provided background information, and indicated that the results of the voter survey showed that the electorate is concerned that TransNet not bail out the development community. This item is worth one or two percentage points and we are too close to the two-thirds approval rating to not respond to this concern. The Ad Hoc Working Group on TransNet directed staff to eliminate this potential threat to the passage of the measure. The Working Group wanted to know how San Diego’s development impact fees compare with Riverside. It was found that San Diego’s overall development impact fees were three to four times higher than in Riverside. However, Riverside’s transportation component is about 70 percent of the total fee. In San Diego, the transportation component is about 12-18 percent. There are some areas in San Diego that have high development impact fees. Staff distributed information that showed which jurisdictions charge a development impact fee.

Staff stated that the purposes of including the impact fee in the TransNet Extension measure are to help pass the ballot measure, and to fund regionally significant arterials.
The impact fee would apply to new residential units only, with a start date of July 1, 2008, and according to the fee contribution adjustment. The $2,000 fee could be adjusted annually by the Engineering Construction Cost Index.

Staff explained the expenditure guidelines. There would be exemptions for very low income households (50 percent of the median household income) and low income households (80 percent of the median household income). Credits against this impact fee would include contributions to the regionally significant arterial transportation system and/or SANDAG's Congestion Management Program.

The measure requires each jurisdiction to establish a collection procedure, an expenditure schedule, participation incentive, and oversight. The penalty for nonparticipation is that the jurisdiction would not be eligible for its TransNet local streets and roads money. In addition, the money has to be used within a certain period of time for the purpose it was committed.

A map was distributed that defines the regionally significant arterials by name and type of project currently anticipated. This is consistent with the most up-to-date and adopted long-range Regional Transportation Plan and the short-range Regional Transportation Improvement Program (RTIP).

Mayor Murphy clarified that if this money is not spent by a jurisdiction on a regionally significant arterial network then it could go into a regional pot. Staff replied that is an option under consideration, unless the jurisdiction still has the need that the monies were collected for.

Mayor Mark Lewis (El Cajon) stated that El Cajon does not have a program to collect transportation fees. This will impact the cost of housing in the El Cajon area by $2,000, and new residents will wind up paying this fee rather than the developers. He said that this would raise the cost of housing at a time when we are concerned about the high cost of housing. El Cajon has a program for converting apartments to condominiums. He asked if this will be considered new housing. If so, there are over 1,000 units already approved. Staff agreed that the $2,000 in today's housing market will be pushed to the consumer. The impact fee is related to developments that would add more trips. Thus, the condominium conversion would not add new transportation trips and therefore would not be charged this fee. Mayor Lewis asked that specific language related to conversions be included.

Mayor Kellejian noted that similarly, if you are taking a single-family unit and replacing it with a duplex on the property, you would only be charged for one new unit. A straight conversion does not add trips.

Councilmember Feller clarified that jurisdictions will collect this fee and then notify SANDAG that they have done so. He asked if the $2,000 is an additional impact fee. Staff replied that if money currently being collected today by a jurisdiction is being spent on a regionally significant arterial then there is no charge. If it is not, then you would add the $2,000 impact fee.

Mayor Pro Tem Monroe said that Orange Avenue in Coronado has higher average daily trip (ADT) counts on work days than major arterials in other areas. He asked about the criteria
Staff responded that there is a list of eight criteria in the RTP that were used to designate regionally significant arterials.

Pedro Orso-Delgado, Caltrans District 11 Director, stated that Highway 75 is designated as a state route and that’s why it doesn’t qualify as an arterial.

MTS Chair Leon Williams asked if there is a distinction between multi-family, single-family, and low-income housing in relationship with smart growth and if there are incentives for them to be located near transit versus adding to sprawl. Staff replied that this concept does not address incentives for locating development near transit. The purpose of the impact fee is to fund a specific arterial network that requires a specific amount of money.

MTS Chair Williams asked if we can add the incentive program language that encourages developments that locate adjacent to transit. Staff said that the SANDAG Board can direct staff to make such changes.

Councilmember Jack Dale (Santee) said that his community doesn’t have a major arterial. With future development and high density around the trolley station and single-family housing developments, this impact fee will be a tough sell to residents in Santee. Each of the SANDAG Board members will have to sell this to their city. He agreed with Leon Williams that residential developments adjacent to transit should receive an incentive.

Mayor Murphy noted that Mission Gorge Road, which extends to Santee, is a regionally significant arterial. Staff agreed that was true, but noted that there are some jurisdictions without regionally significant arterials today. That’s why it is important to provide for amendments as time goes on. Staff suggested that specific road networks could be included in the measure.

Leon Williams asked that staff be directed to look at a formula for encouraging smart growth.

Councilmember Ewen asked if we are on a firm legal basis in singling out residential units for this fee. The SANDAG General Counsel replied that he is comfortable with exempting retail and commercial units at this point.

Mayor Cafagna said that we have been working with the building industry on this issue. We’ve had some great cooperation from it and are assuming it is not opposed to this as long as it will have protections limiting expansion of the amount.

Councilmember Ewen asked what happens if a jurisdiction does not have eligible projects, but is involved with an adjoining jurisdiction on an eligible project.

Councilmember Crystal Crawford (Del Mar) said that her city council gave her direction that commercial and industrial as other types of projects should be included because they generate trips. She noted that Riverside County will be charging those businesses impact fees in the future. She said that the residential fee does not address all of the impacts.
Mayor Cafagna responded that there is an issue of where these trips are originating and that there is an argument related to duplication. He was opposed to adding this to the motion.

Councilmember McCoy noted that there is no encouragement for people to telecommute. She thought this should be mentioned somewhere. Chair Morrison stated that this is not a transportation plan, it is a funding mechanism.

Mayor Corky Smith (San Marcos) said that some of the roads on this map have already been developed. He asked if the city would get credit for the use of these roads and able to use the money for maintenance. Staff replied that if the road is improved to accommodate additional traffic then it is eligible. To the extent the maintenance is required for new growth the answer is yes; however, you can only pay for the amount of the maintenance that is related to new growth.

Mayor Murphy reiterated that the motion as structured does have jurisdictions collecting the money and spending it in the jurisdiction and, if the jurisdiction does not spend the money, then it goes to a regional pot.

Public Comments:

Jim Whelan, representing Barratt American, had signed up to speak, but was not present at this time.

David Krogh, a member of the public, supported the San Diego North Development Economic Council in its March 5, 2004, letter that two regular citizens be included on the oversight committee. He wondered if extending the time line to 40 years meant that communities with projects in year 30 will have to wait for year 40 for their projects to be completed. He supported the developer impact fee to mitigate freeway congestion. He was also pleased about changing the effective date from 2005 to 2008. He suggested that a study be conducted related to the regional impact to regional transportation in favor of a higher impact fee amount but no more than $5,000. He wanted a provision to include mitigation for growth. He suggested that Section F2 be modified with a five-year period of time.

Craig Benedetto, representing the Building Industry Association (BIA), said that the BIA is not enthusiastic about this approach. He disagreed with the notion that new development doesn’t pay its fair share. He said that all of the jurisdictions require impact fees or other project contributions, and the home buyer will pay for this fee. He thought that each jurisdiction should make the decision to use the money for impacts surrounding a project. He thought that the last sentence of Section 9 should be deleted. Staff agreed that that sentence is in the wrong place and staff is aware of it and will correct that error.

Tony Agurs, representing the East San Diego County Association of Realtors, said that this is called a new homeowners tax. He stated that this will have a significant impact and is a double tax. He suggested that this amount be offset by reducing other fees.
Jim Schmidt, a member of the public, said that the key is housing supply. He expressed concern about the $2,000 fee and felt it should not be increased.

Kim Kilkenny, representing the Otay Ranch Company, said they are opposed to a regional impact fee for a variety of reasons. If it is imposed it should be fair and reasonable. He distributed information that showed the amount of development fees charged by the City of Chula Vista, which has the highest traffic fees. He was concerned about the map in Chula Vista showing only two regional arterials. This map and the definition of regionally significant arterials will cause serious problems. He suggested that qualitative and quantitative criteria such as 15,000 average daily trips be used instead. Mayor Padilla stated that the City of Chula Vista is working on that.

Board Member Comments:

Councilmember Jerry Jones (Lemon Grove) expressed concern about what the impact fees can be used for. He wondered how a built-out city will make a nexus for spending money on roads when traffic counts will not be increased. Mayor Cafagna stated that if you are not building anything, then you won’t be charging an impact fee.

Councilmember Jones asked about the impact of one or two houses, rather than housing projects. Mayor Cafagna ensured Councilmember Jones that there will be a project in his city that will be eligible to use these funds.

Chair Morrison agreed that there should be sufficient flexibility to be able to use that money for projects in each jurisdiction.

Councilmember Guerin stated that there is a strong feeling that developers do not pay their fair share. She said that residents in her city have been calling for a development impact fee. She reminded the Board that this is being proposed because the polling, the voters, and our constituents told us that we need to do this. This is a good way to pay the freight for the needed infrastructure.

Councilmember Matt Hall (Carlsbad) stated that we are looking at a way to try to address a regional impact. We need to move forward to support this. There is something in it for everyone.

Mayor Cafagna asked if the motion was clear. Staff replied that it includes the following points: the $2,000 amount would be a cap but adjusted by the Engineers Construction Index, condominium conversions would be eliminated from the fee, we would include state routes, and direct staff to look at smart growth opportunity areas as another option for exemption.

Councilmember Dale asked that roads be specified. Chair Morrison replied that we will make sure that the areas are included. Then we will deal with parameters in the RCP.
Mayor Padilla commented that whatever the structure, the cost of assessing the impacts of new infrastructure demand is always borne by the consumer. This recognizes what consumers should bear that cost.

**Action Taken:** Upon a motion by Mayor Cafagna and a second by Mayor Kellejian, the SANDAG Board approved adding to the TransNet Extension Ordinance the $2,000 per unit fee as proposed in the staff report as adjusted by the Engineers Construction Index, with amendments regarding exempting apartment conversions to condominiums, the inclusion of state routes, directing staff to review an amendment to the arterial project list to ensure that all agencies have the ability to spend the funds in their community, and directing staff to look at smart growth opportunity areas as another option for exemption. Yes – 18 (weighted vote, 98%). No – 0 (weighted vote, 0%). Abstain – San Marcos (2%). Absent – City of San Diego - B.

5. LOCAL STREET AND ROAD FINANCING OVERVIEW (INFORMATION)

This report was presented for information only.

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

This item was deferred

7. UPCOMING MEETINGS

The next Board of Directors meeting is scheduled for Friday, March 26, 2004

8. ADJOURNMENT

The meeting was adjourned at 12:50 p.m.

GARY L. GALLEGOS
Secretary
## ATTENDANCE

**SANDAG BOARD OF DIRECTORS’ MEETING**  
**MARCH 19, 2004**

<table>
<thead>
<tr>
<th>JURISDICTION/ORGANIZATION</th>
<th>NAME</th>
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<th>COMMENTS</th>
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<tr>
<td>City of Carlsbad</td>
<td>Matt Hall (Alternate)</td>
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<tr>
<td>City of Chula Vista</td>
<td>Steve Padilla (Member)</td>
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<td>City of Coronado</td>
<td>Phil Monroe (Member)</td>
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<td>Crystal Crawford (Member)</td>
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<td>City of El Cajon</td>
<td>Mark Lewis (Member)</td>
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<td>City of Encinitas</td>
<td>Christy Guerin (Member)</td>
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<td>City of Escondido</td>
<td>Lori Holt Pfeiler (Member)</td>
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<td>City of Imperial Beach</td>
<td>Patricia McCoy (Member)</td>
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<td>City of La Mesa</td>
<td>Ernie Ewen (2nd Alternate)</td>
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<td>Jerry Jones (Alternate)</td>
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<td>City of National City</td>
<td>Ron Morrison, Chair (Member)</td>
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<td>City of Oceanside</td>
<td>Jack Feller (Member)</td>
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<td>City of Poway</td>
<td>Mickey Cafagna, Vice Chair (Member)</td>
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<td>City of San Diego - A</td>
<td>Dick Murphy (Member)</td>
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<td>City of San Diego - B</td>
<td>Jim Madaffer (Member)</td>
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<td>Corky Smith (Member)</td>
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<td>Joe Kellejian (Member)</td>
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<td>City of Vista</td>
<td>Morris Vance (Member)</td>
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<tr>
<td>County of San Diego</td>
<td>Diane Jacob (Member)</td>
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**ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)**

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<td>Judy Ritter (Member)</td>
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<td>Victor Carrillo (Member)</td>
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<td>CAPT Christopher Schanze (Member)</td>
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<td>SD Unified Port District</td>
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<td>Jess Van Deventer (Member)</td>
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<td>SD County Water Authority</td>
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<td>Bud Lewis (Alternate)</td>
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<td>Baja California/Mexico</td>
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Chairman Ron Morrison (National City) called the meeting of the SANDAG Board of Directors to order at 9:22 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MEETING MINUTES (APPROVE)

   Action: Upon a motion by Councilmember Patricia McCoy (Imperial Beach) and a second by Mayor Mickey Cafagna (Poway), the Board approved the minutes of the February 27, 2004, Board of Directors meeting. Yes – 16 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – 4 (Chula Vista, Oceanside, San Diego – B, Vista).

2. ADDITIONS AND DELETIONS

   There were no additions or deletions to the agenda.

3. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

   Debra Kelley, Vice President of the American Lung Association of San Diego and Imperial Counties, and representing the Tobacco Free Communication Coalition, stated that San Diego has been presented with the opportunity to continue leading the state and the nation in protecting the public from tobacco use. She presented results of a survey of illegal tobacco sells around the county. She also provided an overview of a model ordinance for retailer licensing, restricting the location of tobacco sources, bans on self service sales, and other efforts to reduce secondhand smoke. She noted that the San Diego region has the highest level of compliance for nonsmoking areas. She introduced several Tobacco-Free Communities Model Ordinance contacts and noted the communities they cover. Ms. Kelley invited SANDAG to support the ordinance and to provide a letter of endorsement. SANDAG would then be listed as a supporter in various promotional materials. She noted that the model ordinance is still being worked on, but it can be used as a framework that each city and the county can use for an ordinance that will fit each jurisdiction.

   Barbara J. Winton commented that amenities at bus stops and trolley and Coaster stations are woefully lacking. She suggested that streetlights be installed at every bus stop because a lot of crime is due to darkness. She also felt that those who park and ride mass transit should have some assurance that their vehicle will still be in the parking lot and in the same condition as when they left it. She noted that unless you have adequate security, you will not get the bus/trolley/Coaster ridership you should have.
CONSENT ITEMS (4 through 6)

4. ACTIONS BY POLICY ADVISORY COMMITTEES (APPROVE)

5. SANDAG BUDGET AMENDMENT AND MEMORANDUM OF UNDERSTANDING (MOU) WITH THE CITY OF CHULA VISTA (APPROVE)

SANDAG is partnering with the City of Chula Vista on the development and implementation of a Transportation Demand Management (TDM) project in East Chula Vista. The pilot project includes attractive incentives aimed at encouraging East Chula Vista residents to choose ridesharing as an alternative to driving alone. Staff proposes an amendment to the Overall Work Program (OWP) to reflect changes in project funding, and acceptance of an MOU that describes the partnership between SANDAG and the City of Chula Vista. Under the terms proposed, SANDAG will accept funding from the City for the development of the East Chula Vista TDM project. SANDAG will provide project management support to the City and will manage the development and implementation of the project, valued at $754,485.

6. MEMORANDUM OF UNDERSTANDING (MOU) WITH THE SAN DIEGO SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (APPROVE)

SANDAG is partnering with the San Diego Service Authority for Freeway Emergencies (SD SAFE) on the funding of a pilot expansion of SANDAG’s ongoing Freeway Service Patrol. Staff proposes that the Board accept an MOU which sets the terms under which SD SAFE would provide three years of pilot project funding, totaling $1,500,000, beginning in FY 2005.

Chair Morrison mentioned that SANDAG had received a letter from Robert Hoffman related to Agenda Item 5. Mr. Hoffman’s comments were that until transit can provide the same kind of independence that people get with automobiles, it will not be able to compete with automobiles. Mr. Hoffman also suggested that modern technology will solve transit problems.

Action: Upon a motion by Mayor Joe Kellejian (Solana Beach) and a second by Mayor Cafagna, the Board approved Consent Items 4 through 6. Yes – 19 (100%). No – 0 (0%). Abstain - 0. Absent – 1 (San Diego – B).

CHAIR’S REPORT

7. BOARD MEMBER PARTICIPATION AT UPCOMING REGIONAL COMPREHENSIVE PLAN (RCP) WORKSHOPS (INFORMATION)

Mayor Lori Holt Pfeiler (Escondido) stated that the draft RCP is out for public review, and that the third and final round of workshops will be held April 17-26. She invited Board members to attend and asked them to also invite the public. She commended North County for having the highest level of elected officials attending the last round of workshops.
8. REPORT ON NATIONAL CONFERENCES HELD IN WASHINGTON, D.C.; NATIONAL ASSOCIATION OF REGIONAL COUNCILS (NARC), AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA), AND ASSOCIATION OF METROPOLITAN PLANNING ORGANIZATIONS (AMPO) (INFORMATION)

Chair Morrison stated that there were three different conferences that Board members attended recently. He asked Board members who attended those conferences to provide briefings.

Mayor Steve Padilla (Chula Vista) indicated that the NARC conference was very informative. It also gave SANDAG a chance to provide information to the Federal Government about the types of activities related to homeland security that we are involved in. This information was well received and provided Board members with an opportunity to receive specific information on the government’s perspective and ways we can capitalize on that.

Chair Morrison noted that representatives from SANDAG, the Metropolitan Transit System (MTS) and North County Transit District (NCTD) met with congressional representatives as a unified group and dealt with public transportation issues and the overall expenditure plan for this year.

MTS Chair Leon Williams noted that one of the most salient points discussed was the reauthorization of the Transportation Equity Act for the 21st Century (TEA -21) or the lack thereof, the funding levels, and timing of those appropriations.

Councilmember Judy Ritter (NCTD) stated that for every $1 million in project funding 26,000 jobs are created. This is the type of information that was presented to the congressional delegation. She said that we tried to emphasize that transportation funding is really a “jobs” bill.

Mayor Kellejian stated that another function was to meet the entire congressional delegation. He felt that this trip was very successful as it provided the opportunity for us to present our joint legislative program that was attuned to each congressional delegation representative and their district. He commended Councilmember Ritter and MTS Chair Williams on their presentations. He noted that he also met with congressional leaders about sand issues.

REPORTS

9. 2004 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) ALTERNATIVES (APPROVE)

Mayor Kellejian (Transportation Committee Chair) introduced this item noting that the STIP has been reviewed and discussed during the last two months. The Transportation Committee looked at three options that weighed various levels of bond financing against project delays. He said that the recommendation is to select the option that maximizes the use of Grant Anticipation Revenue Vehicle (GARVEE) bonds (Option C). This approach will secure funding for projects in a timely manner, thus reducing delays. This option also has
the highest degree of risk, since it may not be approved by the California Transportation Commission (CTC) because of high interest in these bonds by other regions throughout the state.

Staff noted that the STIP is a five-year program updated every two years and it normally comes with new money. The last update was in 2002, and the amount of money the region was promised for the last three years of that STIP totaled $203.8 million. The CTC has indicated that there will not be any new funds with the 2004 STIP. In addition, the funds that were promised will not be available in the years previously indicated, which means that we will have to delay $109 million in projects to future years.

Staff described three funding options: Option A – no additional Grant Anticipation Revenue Vehicle (GARVEE) bonds, Option B – Limited Additional GARVEE, and Option C – Maximize GARVEE. Staff noted that GARVEE bonds are used to advance the schedule of projects or to prevent delays. All three options complete the 2002 STIP program but will have project delays depending on the option selected. Staff noted that the CTC approves which projects receive GARVEE bonds.

Staff stated that included is a proposal by NCTD to issue an interest-only bond for ten years for the Sprinter project and, during this time, the region would work with the state to make good the previous commitment of $80 million to the project in Transportation Congestion Relief Project (TCRP) funds. If the region is not successful in restoring these funds, then future years of this bond would be paid with STIP funds. If the CTC does not approve the use of STIP funds for the Sprinter bond, we will use federal Congestion Mitigation and Air Quality (CMAQ) money to pay the bonds.

Staff reiterated the recommendation to approve Option C of the draft 2004 STIP and submit the STIP proposal to the CTC by the April 12 deadline. The next steps are that CTC staff will develop the statewide STIP recommendation in April and June, and the CTC will adopt the STIP on August 5.

Mayor Cafagna asked how we are planning to pay for the bond debt service, and is Option C dependent upon the approval of the TransNet Extension. Staff responded that future STIP revenues will pay for the bond debt, and it is not dependent on passage of the TransNet Extension.

Mayor Cafagna wondered how likely are we to get the amount we are requesting approved. Staff stated that it will be a challenge to receive approval for the selected option.

The Executive Director strongly recommended that we take an aggressive approach with this proposal. He said that we have been working hard with the new Administration, especially Secretary Sunne McPeak, and she is excited about what we are trying to do. He thought that we can make a strong case for our projects.

Mayor Pro Tem Finnila (Carlsbad) asked if we anticipate obtaining a 3 percent interest rate on issuance of these bonds like the recent Interstate 15 (I-15) bonds. Staff replied that the bonds would not be sold until next year. At this point, interest rates are low, but the conservative assumption is 5 percent.
Mayor Pro Tem Finnila asked what happens if the CTC does not approve the bond proposal for the Sprinter project. Staff replied that we would use CMAQ as the backup for bonding for the Sprinter. We generally receive about $17 million - $20 million annually in CMAQ funding and the amount needed for bond payback is $10 million - $11 million.

Mayor Pro Tem Finnila asked if we have received any feedback on this Sprinter bonding proposal. Staff answered that we have not provided the CTC staff with details about our STIP proposal but have notified them that we will be aggressive in our approach.

The Executive Director commented that the Secretary of Business, Transportation, and Housing has indicated that she would work with us to help us get as much money as she can.

Mayor Kellejian strongly supported the recommended action. He thanked staff for putting this together in a form that everyone can understand. It is evident that we need to move now. He expressed confidence that SANDAG staff and their relationship with the State of California will move this proposal. Mayor Kellejian reiterated that April 12 is the submittal date to the CTC. We will know an answer by August 5 as far as what funding will be approved. This matter will come back to the Transportation Committee and the SANDAG Board before then if it needs to be modified.

The Executive Director mentioned that the proposal assumes a zero new dollar STIP. There are two issues that relate to this situation: a fix on the price of ethanol, and the assumption that the TCRP program would be suspended for the year. There are indications that the pending reauthorization of TEA-21 will include an ethanol fix and there is bipartisan opposition to suspending TCRP at the state level. We may have more information after the state May budget rewrite.

Mayor Pro Tem Monroe (Coronado) mentioned that staff projected the land acquisition costs if projects are delayed. The cost for delaying land acquisition was far more than the interest payment on the bonds.

Chair Morrison asked about the increase in construction due to project delays. Pedro Orso-Delgado (Caltrans) replied that it is 3 percent to 5 percent.

Mayor Cafagna commented that the Executive Director is considered the number one transportation person in the State of California, and he is very highly regarded in Sacramento.

Chair Morrison stated that the ethanol situation is very important. The Federal Government provides a subsidy to an industry and then mandates the use of the product.

Chair Morrison mentioned that Secretary McPeak has become an advocate for SANDAG, and she uses SANDAG as a model example throughout the rest of the state. We need to continue to build these kinds of relationships.
Mayor Corky Smith (San Marcos) indicated that he disagreed with one portion of the proposal but felt that it was important that we show unity so he will be supporting this action.

Councilmember Ritter thanked the SANDAG Board for its support on the Sprinter project bond proposal.

**Action:** Upon a motion by Supervisor Dianne Jacob (County of San Diego) and a second by Mayor Cafagna, the SANDAG Board approved Option C for the draft 2004 STIP, and authorized its submittal to the California Transportation Commission. Yes - 19 (weighted vote, 100%). No – 0 (0%). Abstain – 0 (0%). Absent – San Diego - B.

10. **QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS (INFORMATION)**

Staff provided an update on the progress of recently completed projects, those under construction, recent environmental clearances, the regional arterial system, and the Transportation Demand Management (TDM) vanpool program.

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

A break was called at 10:26 a.m., and the meeting was reconvened at 10:36 a.m.

11. **DRAFT 2005 OVERALL WORK PROGRAM (OWP) (ACCEPT)**

Staff reported that the SANDAG program budget includes several components: the regional capital budget, the administrative budget for the agency, the TransNet program budget, and the overall work program (OWP). The OWP work elements include planning, coordinating, evaluation, monitoring, consensus building, and research activities for the coming year. The comment period ends in early April, and a report will be presented to the Executive Committee with any comments and responses in April. The OWP concentrates on four priority areas: regional planning resulting from consolidation, implementation of the Regional Comprehensive Plan (RCP), advancing the Regional Transportation Plan (RTP) and Regional Transit Vision, and direct support of the TransNet Extension, including implementation of key TransNet projects. The challenge is to match funding with projects. The draft 2005 OWP is about $4 million or about 10 percent less than last year. This relates primarily to discretionary grant funding and no carryover in 2005. We expect a zero to minimum growth in revenue sources. Staff indicated the primary sources of funding, and noted that we are again holding member assessments constant. Given this constrained funding situation, we have had to delay some work, and we will be performing some tasks in-house rather than hiring consultants. We think this approach will reflect the Board’s priority and interest areas. SANDAG has not maintained a contingency reserve in the past. Most cities maintain a reserve account equal to 3 percent to 5 percent of their General Fund. Staff recommended that the Board consider establishing a reserve to smooth out the revenue stream in fiscally uncertain times, take advantage of opportunities to leverage with state or federal funds, and to guard against unforeseen economic occurrences that could negatively impact the budget.

Mayor Kellejian asked if comments can be made at this time. Staff indicated that comments can be made up to and including the June approval date.
Mayor Pro Tem Finnila asked how much should be in the contingency reserve account. Staff replied that the general rule of thumb is 3 percent to 5 percent, or approximately $1.5 million.

Mayor Mark Lewis (El Cajon) asked why we are getting involved in a syringe exchange program. Staff replied that this is a project with dedicated funding that cannot be used for any other purpose. Criminal Justice staff added that we also have been asked to provide an independent evaluation process for a Hepatitis project.

Chair Morrison added that we are conducting data collection only and we are not advocating this project at all. Criminal Justice staff noted that there is a disclaimer that it is an independent evaluation and does not reflect the opinion of the SANDAG Board.

Supervisor Jacob questioned the funding for the syringe exchange program. Criminal Justice staff replied that the funding for the syringe exchange program comes from Alliance Health Care.

Councilmember Barry Jantz (La Mesa) reiterated the concern about the syringe exchange program and asked that a general disclaimer be incorporated into the OWP for all such projects.

**Action:** Upon a motion by Supervisor Jacob and a second by Mayor Cafagna, the SANDAG Board accepted the staff report on the FY 2005 OWP and authorized its release for a public review period. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – San Diego - B.

12. **DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT (EIR) FOR THE REGIONAL COMPREHENSIVE PLAN (RCP) (ACCEPT)**

Staff reported that the RCP was released in December 2003 in order to solicit public input. In late January 2004, SANDAG circulated a Notice of Preparation of a Draft PEIR which notifies interested members of the public, organizations, and agencies that a draft PEIR is being prepared and provides an opportunity for input on the issues that should be addressed in the PEIR. Action would distribute this document for a 45-day review and public comment period. This period will end May 15, and it will be presented to the Board at its June 25, 2004, meeting for certification.

Mayor Pro Tem Finnila said that if we implement the RCP and smart growth principles, we will increase the residential units in certain areas, and this will naturally add an increase to water and sewer systems. She has not seen anything that indicates if our resources can handle this additional capacity. She suggested that Board members have their individual cities look at the impact on sewer and water systems of incorporating the increased densities that will result from smart growth.
Action: Upon a motion by Mayor Kellejian and a second by Mayor Holt Pfeiler, the SANDAG Board accepted the staff report on the EIR for the RCP, and authorized its release for a 45-day public comment period. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – San Diego - B.

13. COMMENTS TO CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) ON COST ALLOCATION FOR LONG-TERM ENERGY CONTRACTS (APPROVE)

Staff reported that the California Department of Water Resources (DWR) entered into long-term energy contracts during the 2000-2001 energy shortage on behalf of the customers of San Diego Gas and Electric (SDG&E), Southern California Edison (SCE), and Pacific Gas & Electric (PS&E). The CPUC allocates those costs among the contracts and then passes this to rate payers. The CPUC is considering a long-term cost allocation alternative proposal that could potentially shift $1.3 billion to SDG&E customers. Action would enable the Energy Working Group to submit comments to the CPUC when the draft decision on cost allocations for long-term energy contracts is made.

Chair Morrison asked what happens to the rates of PG&E and SCE. Staff replied that their rates will decrease while the rates for SDG&E will increase.

Mayor Dick Murphy (City of San Diego) asked how this translates to the average residential ratepayers in terms of their monthly bill. Staff said that the exact amount is unknown at this time, but would last through the remaining life of the contracts or 2013.

Frank Urtasun, representing SDG&E, said that they are expecting the Administrative Law Judge to issue a report in April. That report will tell us where they are coming from with respect to the methodology that has been proposed by SCE and PG&E. He suggested that the region provide unified opposition if this report is adverse to San Diego. He noted that the projected impact to the average residential rate payer is about $8 a year. SDG&E is opposed to this methodology, and the San Diego Regional Chamber of Commerce and other interested groups held a press conference recently to call on the CPUC to not adopt this methodology.

The Executive Director added that at a recent meeting of the San Diego Regional Chamber of Commerce, the Chamber indicated that it will ask the CPUC to hold the public hearings in San Diego regarding this matter, and encouraged SANDAG to join with them in this request.

Mr. Urtasun said that if the draft decision comes out in support of SCE and PG&E, it would be vitally important to hold hearings in San Diego.

Councilmember Ryan (Santee) asked about the methodology used by the CPUC. Mr. Urtasun said that this was the result of one utility being in Chapter 11 and another being on the brink of Chapter 11. The state then negotiated long-term contracts. The DWR determines the annual requirement necessary to recover the costs of providing power to customers under the long-term contracts and submits this revenue requirement to the CPUC for recovery. The CPUC then allocates the costs among the customers of the three utilities. This process is conducted on an annual basis. As part of the 2004 DWR revenue requirement proceeding, a permanent allocation methodology to distribute these costs among the
customers of the three utilities may be adopted. A proposed alternative to how the costs have been allocated in the past could shift over $1.3 billion in costs to SDG&E customers through 2013. Now we only pay for what we use, if this methodology is made permanent, we will pay more.

Councilmember Ryan asked if we should state our case before the CPUC now rather than waiting for the decision from the Administrative Law Judge. Mr. Urtasun said that they are currently in negotiations with CPUC staff. The decision by the Administrative Law Judge is considered a staff decision. Once that draft decision comes out then we will know how to approach the matter.

Mayor Smith asked if it would help if each city would send a letter to the CPUC requesting hearings in San Diego. Mr. Urtasun suggested that that action should await the decision.

Mayor Corky suggested that Mr. Urtasun send information to each SANDAG Board member for a letter from each jurisdiction requesting that the CPUC hold hearings in San Diego.

Supervisor Jacob noted that this is an extremely important issue to the region and it is very important that we are aggressive and weigh in on this. She supported the comments that the San Diego region should only pay for what it uses and the request that the CPUC hold hearings in San Diego.

Mayor Murphy asked if public hearings should only be held in San Diego if the decision by the Administrative Law Judge is adverse to San Diego. Supervisor Jacob stated that the CPUC should hold public hearings in San Diego regardless of the decision.

Mayor Murphy asked who the parties are in this decision. Mr. Urtasun explained that the Administrative Law Judge is assigned to a case and he/she will render a decision. The Office of Ratepayer Advocates will provide input. SDG&E is negotiating with staff in opposition to the position of PG&E and SCE. We need to have support ready in case the decision comes out adverse to our interests.

Councilmember McCoy suggested that SANDAG staff be directed to work with SDG&E so that the Board is kept abreast of this matter. We need to follow this issue as a group in tandem with SDG&E.

Mayor Pro Tem Finnila stated that right now this is an issue with three major players (SDG&E, PS&E, and SCE).

Councilmember Jantz asked why strategically it does not make sense to approach the CPUC staff at this point. Mr. Urtasun replied that the experts don’t feel it is appropriate to bring in others at this time while negotiations are ongoing at the CPUC staff level.

Action: Upon a motion by Supervisor Jacob and a second by Mayor Lewis (El Cajon), the SANDAG Board approved forwarding comments to the CPUC on the cost allocation of long-term energy contracts associated with the energy crisis of 2000-2001; incorporating the comments that the San Diego region should only pay for what it uses, and requesting that
the CPUC hold hearings here in San Diego. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – San Diego - B.

14. REVISED TRANSNET ORDINANCE AND EXPENDITURE PLAN (APPROVE)

Chair Morrison noted that at our meeting last Friday, the Board added an item to the agenda concerning the public opinion survey report that had been done over the weekend of March 20-21. As a result of the recently obtained survey results, the Board decided that staff should look at a 40-year extension and report back to the Board. The Board also directed staff to include language concerning the Regional Transportation Congestion Improvement Program in the Ordinance. Since both of these discussion topics were on the original agenda, the Board was advised by legal counsel that action could be taken. To dispel any perceptions of Brown Act violations, however, this item was added to today’s agenda to cure any potential defect under the Brown Act. No one requested an opportunity to make public comment on this item.

Action: Upon a motion by Mayor Cafagna and a second by Mayor Kellejian, the SANDAG Board took a new vote to approve the actions taken by the Board at the special Board meeting held on March 19, 2004, related to the draft TransNet Extension Ordinance and Regional Transportation Congestion Improvement Program. Yes – 18 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – 2 (Chula Vista and San Diego – B).

3. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS (Continued)

Chair Morrison stated that there is a vacancy on the SourcePoint Board. He has asked Mayor Mark Lewis (El Cajon) to fill this vacancy.

Mayor Pro Tem Monroe commented that the League of California Cities petition for a November ballot initiative on fiscal reform has fallen behind and they need signatures.

15. UPCOMING MEETINGS

The next Board meeting is scheduled for Friday, April 9, 2004, to discuss the TransNet Extension, and the next regular Board of Directors business meeting is scheduled for Friday, April 23, 2004.

15. ADJOURNMENT

The meeting was adjourned at 11:19 a.m.
## ATTENDANCE
### SANDAG BOARD OF DIRECTORS’ MEETING
#### MARCH 26, 2004

<table>
<thead>
<tr>
<th>JURISDICTION/ORGANIZATION</th>
<th>NAME</th>
<th>ATTENDING</th>
<th>COMMENTS</th>
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<tr>
<td>City of Carlsbad</td>
<td>Ramona Finnila (Member)</td>
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<td>City of Chula Vista</td>
<td>Steve Padilla (Member)</td>
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<td>City of Coronado</td>
<td>Phil Monroe (Member)</td>
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<td>City of Del Mar</td>
<td>Crystal Crawford (Member)</td>
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<td>City of El Cajon</td>
<td>Mark Lewis (Member)</td>
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<td>City of Encinitas</td>
<td>Christy Guerin (Member)</td>
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<tr>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler (Member)</td>
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<td>City of Imperial Beach</td>
<td>Patricia McCoy (Member)</td>
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<td>Barry Jantz (Member)</td>
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<td>City of Lemon Grove</td>
<td>Mary Sessom (Member)</td>
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<td>City of National City</td>
<td>Ron Morrison, Chair (Member)</td>
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<td>City of Oceanside</td>
<td>Jack Feller (Member)</td>
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<td>City of Poway</td>
<td>Mickey Cafagna, Vice Chair (Member)</td>
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<tr>
<td>City of San Diego – A</td>
<td>Dick Murphy (Member)</td>
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<td>City of San Diego - B</td>
<td>Jim Madaffer (Member)</td>
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<td>City of San Marcos</td>
<td>Corky Smith (Member)</td>
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<td>City of Santee</td>
<td>Hal Ryan (Member)</td>
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<td>City of Solana Beach</td>
<td>Joe Kellejian (Member)</td>
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<tr>
<td>City of Vista</td>
<td>Judy Ritter (Alternate)</td>
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<tr>
<td>County of San Diego</td>
<td>Diane Jacob (Member)</td>
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**ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)**

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<tr>
<td>Caltrans</td>
<td>Pedro Orso-Delgado (Alternate)</td>
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<td>Leon Williams (Member)</td>
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<td>NCTD</td>
<td>Tom Golich (1st Alternate)</td>
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<td>Victor Carrillo (Member)</td>
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<td>CAPT Richard Gamble (Alternate)</td>
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<td>Jess Van Deventer (Member)</td>
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<td>SD County Water Authority</td>
<td>Bud Lewis (Alternate)</td>
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<tr>
<td>Baja California/Mexico</td>
<td>Luis Cabrera Cuaron (Member)</td>
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Chairman Ron Morrison (National City) called the meeting of the SANDAG Board of Directors to order at 10:20 a.m. The attendance sheet for the meeting is attached.

1. ADDITIONS AND DELETIONS

There were no additions or deletions to the agenda.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Chair Morrison announced the open house and public workshop for the Mid-City Showcase Project on Thursday, May 13, 2004, at San Diego State University (SDSU). He also mentioned the opening ceremony for the new Bayshore Bikeway Sweetwater Bridge on Saturday, April 17, 2004, from 9-10 a.m.

David Krogh, a member of the public, expressed concerns about how the TransNet Extension is proposed to be structured, and noted that the impact fee is the most significant issue. He said that we need to get the TransNet Extension approved. He also solicited donations for a Program called “Dollars for Scholars” that raises money for scholarships for high school kids going to college. There are 13 locations for this program around the county including one in the City of San Diego. He asked for a proclamation from the City of San Diego for this cause.

3. DRAFT TRANSNET EXTENSION ENVIRONMENTAL MITIGATION PROGRAM (ACCEPT)

The Director of Land Use and Transportation Planning reported that this program is designed to allow early acquisition and management of habitat in line with regional habitat plans, to develop mitigation banks for transportation projects, and for those transportation projects to be eligible for environmental mitigation credit. The benefits to transportation include providing the opportunity for projects to be permitted quickly and that this program would be a source of funding for regional conservation plans. The original recommended total expenditure, based on a 30-year extension, was $550 million of which $450 million would be for direct mitigation for transportation projects. An additional $100 million was allocated for other regional habitat acquisition, management, and monitoring activities, based on a calculation of economic benefits associated with inclusion of the Regional Transportation Plan (RTP) projects as covered projects in local habitat plans.
conservation plans. Based on the 40-year program, staff took another look at this and is now recommending that this program be expanded to $850 million. Changes would add $200 million for direct mitigation habitat of local transportation projects, the amount allocated for the economic benefit program would be increased from $100 million to $150 million, and $50 million would be added to reflect the economic benefit associated with the inclusion of local transportation projects in the conservation plans. A revised set of Draft Principles has been prepared which reflects the key elements of the revised draft Environmental Mitigation Program. These Principles are referenced in the draft Ordinance.

Vice Chair Cafagna (Poway) asked if this will include the complete environmental mitigation for Highways 76 and 67. Staff responded that it would include funding for habitat mitigation for those projects. However, since these projects will still need to go through the final environmental process we don’t know the total amount at this time, but it is likely the needed amount would be covered. The Executive Director noted that about $80 million has been set aside for environmental mitigation alone for SR 76.

Public Comments:

Chuck Raysbrook, representing the Department of Fish and Game, expressed support of the Principles as stated, and said that they are looking forward to working with the various jurisdictions involved. He noted one comment about the principle which commits SANDAG and the Department to work actively to identify the means whereby permitting can be expedited. He said that they have not been able to hire anyone for the past 18 months and didn’t foresee the possibility of doing so in the near future.

Michael Beck, representing the Endangered Habitats League, noted their support of the draft Principles. He also expressed their appreciation to SANDAG staff and Board members participating in discussions to reach this point. He said that there are still some issues that have to be refined and worked through. He appreciated the expressed desire of the Board to work on this funding.

Therese O’Rourke, representing the US Fish and Wildlife Service, said that they worked with the Department of Fish and Game in reviewing the document and providing input. She said that this is a positive step forward for the quality of life and the habitat needs of San Diego.

David Hogan, representing the San Diego Chapter of the Sierra Club, stated that they are generally supportive of the Principles contained in this program; however, many details have to be worked out. They are dedicated to continue working with staff. He said that TransNet funding will provide the opportunity to improve the environmental condition of Highway 76. He expressed appreciation for the staff’s recommendation for a regional funding source for environmental programs. He also offered to work with staff to improve the California Environmental Quality Act (CEQA) process.

Nathan Johnson, representing Local 1309 of the Amalgamated Transit Union (ATU), reminded the Board that the ATU had requested consideration for a position for organized labor on the Independent Taxpayer Oversight Committee. He thought
that if there was labor representation on such a committee, there would be more careful examination of the criteria for contracting out bus routes.

Board Comments:

Mayor Joe Kellejian (Solana Beach), SANDAG Transportation Chair, thanked the Department of Fish and Game, the US Fish and Wildlife Service, and the Endangered Habitats League for their support on this issue. He acknowledged that the Sierra Club still had issues but it seems they understand that there is $850 million for environmental purposes.

Vice Chair Cafagna also thanked those organizations, and noted that this program will make a dynamic impact on our environment.

Pedro Orso-Delgado, Caltrans District 11 Director, said that one of the budget challenges is doing spot environmental mitigation for projects. He thought that having a mitigation bank will benefit the environment tremendously.

Councilmember Patricia McCoy (Imperial Beach) stated that we are spending our natural capital that we cannot recoup. She said that the severity of what we are doing caused her concern because we are not improving the environment, but only preserving the little we have left.

**Action:** Upon a motion by Mayor Kellejian and a second by Vice Chair Cafagna, the SANDAG Board of Directors accepted the draft TransNet Extension Environmental Mitigation Program for inclusion in the Draft Ordinance and Expenditure Plan for distribution to member agencies and interested parties for review and comment. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – 0.

4. REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (ACCEPT)

The Chief Economist reported that the purpose of this program is to assist with the passage of the TransNet Extension ballot measure and to fund the regional arterial system. There is a public perception that the development community has not been paying its fair share of regional projects. He has had the opportunity to meet with a number of groups and make presentations to councils. Based on those meetings, some adjustments have been made to this program, including an expanded definition of the arterial system to provide more roadways, and identification of a roadway in each of the cities to allow the opportunity to spend the money collected from impact fees in their own area. Another change was an expanded list of exemptions to include moderate income households and condominium conversions. The expenditure program was also expanded to seven years. At the end of seven years, if a city has uncommitted funds, the funds will be transferred to the regional agency and the regional agency will have three years to use these funds in the subregion from which they were collected. A severability clause has also been included in the Ordinance.

The Chief Economist stated that the focus is on the regional arterial system due to the high priority it has in the RTP, and its importance for congestion relief and mobility improvement.
He reviewed the requirements of the nexus study if jurisdictions chose to fund the fee requirements through a development impact fee. He noted that it would be SANDAG’s responsibility to carry out the nexus study. He said there are three major elements of the nexus requirements: fee use and development, facility need and development, and fee amount and facility cost. He explained the framework used to arrive at the $2,000 fee amount being included in the Ordinance. He noted that this calculation does not take the place of the nexus study.

Mayor Mark Lewis (El Cajon) asked under what authority SANDAG could require the jurisdictions to levy the $2,000 impact fee. The Deputy General Counsel replied that it is legal for SANDAG to condition payment of TransNet funds to the jurisdictions on compliance with this provision.

Mayor Lewis clarified that if a jurisdiction does not collect the impact fee then it stands to lose all of its TransNet dollars. He questioned how a jurisdiction will impose an impact fee if there are no new housing projects in that area. He stated that a housing developer will turn around and pass that fee onto the homebuyer, which will make the housing prices even higher than they are now. The Chief Economist stated that there is a perception that developers are not contributing their fair share toward providing infrastructure surrounding new development. This perception puts the TransNet Extension ballot measure in jeopardy. This program is an attempt to relieve that perception. The impact fee gives the opportunity for money to be spent in the area that it is collected and will allow jurisdictions to handle traffic and capacity. He acknowledged that new housing prices will probably rise, but at the same time the fees will help the transportation system surrounding that new house.

Chair Morrison said that while we hear that housing prices are too high, we also hear that housing is being built without the necessary infrastructure. This program will allow us to have money for that infrastructure. He noted that moderate and lower-priced housing are exempted from this fee. This will be an impetus to build more of these lower-priced homes.

The Executive Director clarified that if an area is already collecting a fee that goes for these regional improvements then there will be no additional fee. The jurisdiction will get credit for what it has already done.

Mayor Mary Sessom (Lemon Grove) asked if the amount of the impact fee in the Ordinance would change as a result of the nexus study. The Chief Economist replied that the amount for this fee in the Ordinance would not change. That’s why we are trying to figure out the amount in advance.

Mayor Sessom asked who would provide legal counsel if the nexus study is challenged in court. The Deputy General Counsel answered that since SANDAG would do the study we should be responsible for defending such a lawsuit. Mayor Sessom asked if there would be an additional assessment to SANDAG members in that case. The Deputy General Counsel replied negatively.

Mayor Sessom said that if a jurisdiction demonstrates need and has committed the funds, when does the determination of need occur. The Chief Economist replied that the jurisdiction has to show need on an existing basis.
Councilmember Barry Jantz (La Mesa) clarified that the TransNet Extension is not a new tax, but an extension of an existing one. He said that we have to look at what an impact fee does for the passage of the TransNet Extension. In the case of the public opinion survey, he wondered if the right questions were asked. He has not seen the question put to the public that if it was known that the impact fee would increase the cost of a new home, would it still receive support. His concern was not the 2-4 percent of votes we don’t lose from the environmental community, but it is the 7-10 percentage points we lose when the public realizes that this is an increase in the cost of new housing. The Chief Economist stated that according to the public opinion survey and the focus groups, the public understands that you have to collect this additional money to pay for the transportation system that you want. Councilmember Jantz said that his city council would like documentation of that information.

Mayor Corky Smith (San Marcos) thought that we should stress that the impact fee is for new residential development.

Councilmember Jack Feller (Oceanside) wondered why the fee was set at $2,000 rather than the $1,865 resulting from staff’s methodology. The Chief Economist stated that the nexus study hasn’t been completed and this is an estimate.

Councilmember Jack Dale believed that the nexus and the impact fee will be challengeable in court. He asked how that would affect the entire TransNet Extension Ordinance. The Executive Director stated that there is severability language in the Ordinance so that if certain pieces of the Ordinance were declared unconstitutional, others would stand.

Mayor Bud Lewis (Carlsbad) asked what percentage of the total package would be going for environmental purposes. The Executive Director answered that $850 million out of the $14 billion measure. The projects will still have to satisfy the permitting requirements. For most of the major projects half of the money will come from TransNet and other half will come from other sources.

Supervisor Jacob asked how long it will take to conduct the nexus study. The Chief Economist replied that it will take approximately nine months.

Chair Morrison asked when the collection of impact fees would take effect. The Chief Economist answered that it would be effective on July 1, 2008.

Supervisor Jacob asked if the regional arterial system is likely to change in the next few years. The Chief Economist indicated that the SANDAG Board currently has the opportunity to amend the arterial system contained in the Regional Transportation Program every three years based upon criteria adopted by the Board.

Supervisor Jacob asked how the impact fee amount can be determined without a nexus study. The Chief Economist stated that the objective is that the amount is adequate for the housing being built.

Councilmember Judy Ritter (NCTD) commented that the price of real estate is market driven. She didn’t think the $2,000 would deter someone from buying a house in this market.
Public Comment:

Matthew Adams, representing the government affairs office for the Building Industry Association (BIA), stated that the BIA recognizes the necessity of getting the TransNet Extension passed, and they are working hard with SANDAG to reach consensus on a sensitive issue to the Association. He noted that over the last 17 years the development community has contributed a significant amount of money to the region, and has provided approximately 24,000 acres of land for parks, schools, and fire stations. The BIA feels that it has paid its fair share and has been a good partner.

Jerry Harmon, representing Traffic Relief Is Possible (TRIP), suggested that instead of collecting the impact fees at the local level, they should be collected at the regional level. He commended the Board for what is being proposed, but he thought that these fees should also be collected from industrial or commercial development. He noted that in 1999, SANDAG produced a study that stated the true infrastructure cost for additional development is $10,000 to $20,000 per dwelling unit.

Paul Blackburn, representing the Sierra Club, didn’t feel this matter was ready for a decision today. He wondered how much this impact fee will generate. He thought that countywide, by the time this measure takes effect, a lot of housing will already be built. He didn’t think that the amount in the TransNet Extension will provide a significant contribution to congestion relief.

Nico Calavita, a professor at SDSU, said that he understood the attempt of the TransNet Extension is to provide a revenue source that comes from the community to pay for infrastructure. His concern was that it was only targeting residential and not commercial and industrial development. He did not think that impact fees should be a part of this particular package. He thought there should be another system that is community based. There is no consistency related to impact fees among the different jurisdictions.

Renata Mulry, a member of the public, said that there is no way you can equate the cost of housing to the number of miles traveled. There is an enormous amount of traffic generated from Riverside County, Orange County, and Los Angeles. This also impacts traffic in San Diego County. This Board needs to consider changing the funding formula so that roads and freeways get more funding. The impact fee will not solve the problem and does not adequately affect those who travel the miles. She also did not support the 40-year time period for the Ordinance, and suggested that it be 20 or 25 years instead.

Chair Morrison commented that most of the financial bonds that were approved on the March ballot had no time period for expiration.
Board comments:

Mayor Cafagna agreed that the building industry does pay a large amount of fees. The question is where have those monies been directed to? Regional arterials have been neglected with regard to funding. The issue of supporting the TransNet Extension tax is a matter of listening to the people. The voters believe that developers do not pay their fair share. He felt that the amount being proposed for the impact fee is appropriate.

Mayor Steve Padilla (Chula Vista) took issue with the assertion that this is a poll-driven focus. The purpose of the TransNet Extension is how to adequately address the region’s mobility needs. The question is whether the land uses driving demand and impact on the whole transportation system are contributing to the regional impact. We have to remember that all of us already pay the costs of the changes on the infrastructure in the region. The impact fee will serve to equalize the region. Should the people that are creating the demand on the system be a major contributor to underwriting these costs? The right public policy answer is yes.

Councilmember Feller said that the reason why people are commuting is the high cost of owning a home here. He hoped the nexus study will show the amount to be less than $2,000.

Vice Chair Cafagna stated that the nexus study related to Riverside’s recent passage of its sales tax indicated that the impact fee should be $6,600 per resident.

Councilmember Christy Guerin (Encinitas) noted the fact that we listen to the public is important. In Encinitas, development impact fees have been an ongoing issue. There are a lot of people in the environmental community that have been concerned about this for a long time. The cost of housing is not solely based on development fees. The TransNet Extension is what we have identified for projects. This fee is for the neglected regional arterial system. With regard to commercial development, no jurisdiction has large commercial development without extracting some fees from them. There is flexibility in each of our cities to address this issue.

Supervisor Jacob stated that the County Board of Supervisors discussed a developer impact fee, but it did not take action on this per se. It was her belief that the fee should be no more than $2,000, and that the nexus issue should be resolved as soon as possible.

Supervisor Jacob suggested that this not be acted on today but that it be distributed for public review to provide an opportunity for the jurisdictions around the table to take a position on this.

Motion Made: A motion was made by Supervisor Jacob and a second by Mayor Mark Lewis, to put this matter out for public review. Mayor Kellejian said that the staff report describes the uses for this impact fee to include construction of transportation improvements such as new or widened arterials, turning lanes, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional express bus and rail transit services that will be needed to accommodate future
travel demand generated by new development throughout the San Diego region. He asked how much the County of San Diego will receive in development impact fees over the life of the 40-year program. The Chief Economist indicated that 30 percent to 35 percent of the new dwelling units are expected to be built within the County during the time the measure is in place.

Mayor Kellejian asked if we have worked with the County of San Diego to identify the projects that this money would be used for. The Chief Economist replied that in the RTP we work with each local jurisdiction to identify the projects that the money would fund. Supervisor Jacob previously brought to our attention some projects that could use that money.

Councilmember McCoy said that the Imperial Beach City Council supports this proposal. We need to have decent public transportation, and we need to make mass transit more attractive for people to want to use it.

Mayor Morris Vance (Vista) said that over a period of time, Vista adopted a rigorous impact fee schedule and we were then able to take advantage of the first TransNet funds to build needed arterials and other needed improvements. He supports this program.

Councilmember Jantz stated that the La Mesa City Council supports this program. From a legal standpoint he would like to know what happens if the voters of the City of San Diego vote for the TransNet Extension but the City of La Mesa does not.

Mayor Padilla could not support the motion for this to go out for a separate public review from the TransNet Ordinance. He added that if this body cannot come together then we have problems. The consensus of the Chula Vista City Council has been to include the impact fee program in the TransNet Extension Ordinance.

Supervisor Jacob withdrew her motion.

Councilmember Dale said that we need an answer to the question of why we are not asking businesses to pay the impact fee.

**Action:** Upon a motion by Councilmember Guerin and a second by Councilmember Jantz, the SANDAG Board of Directors accepted the Regional Transportation Congestion Improvement Program for inclusion in the draft TransNet Extension Ordinance. Yes – 18 (weighted vote, 97%). No – El Cajon (weighted vote, 3%). Abstain – 0 (0%). Absent – 0.

Chair Morrison called a five-minute break at 12:18 p.m. and reconvened the meeting at 12:26 p.m.

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

Staff reviewed the direction provided by the Board at the March 19, 2004, special meeting including the extension of the measure to 40 years to increase the funding level for local streets and roads to the one-third level provided under the current TransNet program, to restore cuts that had been made in previous versions of the Expenditure Plan, to increase
the base level of funding for transit service improvements, and to eliminate the Proposition 42 Revenue Protection Fund concept. Staff also described the major components of the plan including congestion relief projects, expenditure plan funding distribution, the local street and road program, the smart growth incentive program, the transit programs, the transportation environmental mitigation program, “off-the-top” expenditures, the private developer funding/impact fee, the oversight committee, priority for remaining projects from the current TransNet program, and Ordinance amendment procedures.

Chair Morrison announced that due to the length of this meeting, the Public Safety Policy Committee meeting scheduled for 1:30 p.m. has been cancelled.

Chair Morrison clarified that the action for this item is to accept for distribution for public comment.

Councilmember Madaffer moved to approve the staff recommendation to accept the draft TransNet Extension Ordinance and Expenditure Plan for distribution to member agencies and interested parties for review and comment. Vice Chair Cafagna seconded the motion.

Supervisor Jacob said that the County Board of Supervisors has not taken a position on the entire TransNet proposal. She reviewed the following recommendations: (1) to support, in concept, the one-third allocation for local streets and roads and two-thirds allocation to highway and transit projects, eliminating the reliance on Proposition 42 dollars, and support for a 40-year measure; (2) support for the inclusion of a provision in the TransNet Extension that prohibits changes to the list of congestion relief projects, as listed in the Ordinance, unless there is a two-thirds vote of the SANDAG Board and the concurrence of each jurisdiction in which the project is proposed; (3) support excluding the following items from any future change in the proposed extension of the TransNet Ordinance: priority projects, the oversight committee, allocations to local streets and roads, changes to projects only with a two-thirds vote and concurrence of each jurisdiction; (4) the July 1, 2008, effective date of the Ordinance; and (5) open for discussion and possible action the requirement of a developer impact fee in the proposed TransNet Extension Ordinance.

Chair Morrison stated that the TransNet Extension Expenditure Plan would generate $14 billion, but current plan needs are in excess of $70 billion. This measure cannot meet all of the needs. Without this going forward, we can count on gridlock, degradation of our environment, and the lack of affordable housing.

Public Comment:

Robert Hoffman, representing SMART, said that studies show only 2 percent of trips are made by transit. That means 98 percent of trips are made by automobile. He didn’t see the rationalization for continuing to allocate one-third of the funds to transit.

Councilmember Bob Emery (Poway), representing MTS, lauded the work of the Ad Hoc Working Group on TransNet, the SANDAG Board, and staff. He said that it is imperative that we retain the one-third split. No matter how this works out, transit needs these funds. The position of the MTS Board is that we support the current
Kevin Wirsing, representing the University City Golden Triangle and Friends of Rose Canyon, opposed two surface street projects that pose serious threats to those communities: the Regents Road Bridge and Genesee Avenue widening. These have been proposed by the City of San Diego for the people who work in Sorrento Valley. The solution is to make the regional transportation system operate at maximum efficiency. He was delighted with the proposed widening of Interstate 5, but was disappointed that the “S” curve had not been removed. He urged the Board to do a fair comparison of bus rapid transit (BRT) and the trolley extension.

Elise Casby, representing San Diego Transit Riders United, expressed concern about the lack of planning around environmental issues. She noted that the price of transportation is very high. She was also concerned that we are putting more money into roads rather than mass transit.

Kathy Keehan, representing the San Diego County Bicycle Coalition, supported accepting this for public review. She noted that under item E, page 12, of the Ordinance related to the Bicycle, Pedestrian, and Neighborhood Safety Program, a dollar amount was listed and she thought that it should say 2 percent instead. The Bicycle Coalition also supported the smart growth incentive program.

Cynthia Conger, representing the Peninsula Community Planning Board, suggested that SANDAG consider funding the construction of the Interstate 8/Interstate 5 interchange project in the plan. She stated that changes need to be made so that people are able to reach the beach areas. The Executive Director stated that money has been included for a study of improvements to that interchange.

Chair Morrison said that the list of projects to be funded is based on criteria and not on a political basis. He added that the RTP is reevaluated every three years.

Lynne Baker, representing the Endangered Habitats League, thanked the Board for its ongoing efforts. She stressed the good faith among Board members and communities to help set good priorities and get appropriate funding.

Alejandra Mier y Teran, representing the Otay Mesa Chamber of Commerce, stated that the Chamber strongly supports the TransNet Extension.

Angelica Villagrana, representing the San Diego Regional Chamber of Commerce, urged support for the TransNet Extension. She said that we need to work together to send a unified voice to the voters to get the two-thirds majority needed for passage.

Clive Richard, a member of the public, expressed concern about the way the support was shown by the County Board of Supervisors. He will be strongly supporting the TransNet Extension. He said that it is important to support transportation in the future and to have transportation alternatives.
Brad Barnum, representing the Associated General Contractors, said that they strongly support the TransNet Extension. He said that they applaud the efforts to balance transit and the environment. He stated that the traffic congestion relief projects should be the message before the public. This measure is vital to all of us. He urged the Board to support this measure.

Board Comments:

Mayor Kellejian indicated that the City of Solana Beach took unanimous action to support the TransNet Extension Expenditure Plan. The County has requested that the 2 percent competitive smart growth funding be taken off the top of the local road portion. His council does not support that. He asked how much money is the County of San Diego going to be getting from the 2 percent competitive smart growth program, and are we working to identify smart growth projects in the County. The Executive Director responded that the amount any jurisdiction receives from the smart growth fund is a function of the competition. The Regional Planning Committee is working on the smart growth opportunities and have identified rural town centers as part of this. The County would get about $15 million or $16 million from the local streets and roads segment. If they compete and get their fair share from the smart growth fund, it would be about $1 million per year.

Mayor Pro Tem Monroe (Coronado) referred to a memo from Walt Brewer that asks for some figures to be provided. He would like to see those figures and asked staff to provide this information to the Board.

Mayor Pro Tem Monroe was opposed to the recommendation from the County of San Diego that would require agreement of the jurisdiction involved for changes to be made in the traffic congestion relief projects listed in the Ordinance. He noted that we have worked with the County to increase the percentages for the local streets and road segment. Now, a two-thirds vote of the SANDAG Board and recommendations from the oversight committee is not enough for the County. He recommended that the Board not adopt that recommendation from the County.

Paul Blackburn, representing the Sierra Club, said that they have nine issues on the TransNet Extension related to concerns about neighborhood safety, support for services for seniors and the disabled, support for the living wage provision, support for smart growth, and affordable housing. He did not think that the 16 percent funding for transit operations was going to provide significant improvement. He said that the Sierra Club is not on board with this program.

Mayor Corky Smith expressed his support for the staff recommendation; however, he felt that it would be a mistake not to have at least 40 percent for highways.

Chair Morrison said the split is really one-third for local roads and two-thirds for highways and transit. He stated that you cannot separate transit from highways. It’s really one-third for local roads and two-thirds for congestion management.

Councilmember Feller thought that fixed guideway should be added to the list of definitions under Transit in Section 21.B, on page 21. It mentions other types of transportation but the Sprinter is not covered there. He will support the motion.
Mayor Lori Pfeiler (Escondido), expressed support for the smart growth category. She noted that the Regional Planning Committee has developed some smart growth category descriptions. The plan is to recognize where we are going in the future and try to be responsive to where people want to live. She agreed with Mayor Pro Tem Monroe that we should not include the recommendation to require jurisdiction concurrence for amendments to the Ordinance.

Mayor Padilla supported the recommended action, and reminded the Board that we need to have a regional approach.

Councilmember Guerin pointed out that the Ordinance language was written “to provide a measure of flexibility in recognition of the possibility that circumstances and regional priorities could change between now and 2048.” She questioned the dollar amount related to the bicycle issue. The Executive Director stated that $280 million is 2 percent. Staff will change the language to include the percentage of TransNet revenues for this category.

Chair Morrison clarified that the proposed TransNet Extension Ordinance currently includes the requirement recommended by the County related to the jurisdictional concurrence.

Mayor Pro Tem Monroe suggested an amendment to the motion related to Section 16, page 20, of the Ordinance, to delete the sentence that reads, “To delete one or the projects identified in Section 2(A)(1) from the Expenditure Plan, the concurrence of the jurisdiction or jurisdictions with land use authority for the area in which the facility is located also must be obtained.” Both Councilmember Madaffer and Vice Chair Cafagna agreed to amend their original motion.

Councilmember Crystal Crawford (Del Mar) agreed with adding the percentage on the bicycle section. She stated that her city council felt that to allow flexibility in the future there should be few exceptions to the amendment procedure. She will support the motion on the floor.

Chair Morrison noted that the only exemptions to the amendment procedure are those contained on page 20, including Section 3(E)(1), related to those projects that were included in the original TransNet measure that are uncompleted; Section 8, Maintenance of Effort; Section 9, Regional Transportation Congestion Improvement Program, and Section 11, Independent Taxpayer Oversight Committee.

Mayor Dick Murphy (City of San Diego) questioned if the exemptions on page 20, Section 16, are the same as the bullet points on page 4 of the agenda item. The Executive Director indicated that they are the same.

Mayor Murphy agreed that the smart growth provision should be left in the local funding section. He asked staff to talk with Mr. Blackburn and the Sierra Club to try to address their concerns. The Executive Director stated that staff spent two hours this week meeting with the Sierra Club, and we have scheduled time to continue to work with them.
Chair Morrison asked Board members to add this issue to the agendas of their local jurisdictions. He also reminded the community and interest groups that this starts the 30-day time period for input.

Action: Upon a motion by Councilmember Madaffer and a second by Vice Chair Cafagna, the SANDAG Board accepted the draft TransNet Extension Ordinance and Expenditure Plan, as amended, for distribution to member agencies and interested parties for review and comment; and to schedule the first reading of the Ordinance for the May 14, 2004, Board meeting, with the second reading and adoption scheduled for the May 28, 2004, meeting. Yes – 16 (weighted vote, 80%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Carlsbad, County of San Diego, Lemon Grove.

6. ADJOURNMENT

The meeting was adjourned at 1:49 p.m.

GARY L. GALLEGOS
Secretary
## ATTENDANCE
### SANDAG BOARD OF DIRECTORS’ SPECIAL MEETING
#### APRIL 9, 2004

<table>
<thead>
<tr>
<th>JURISDICTION/ORGANIZATION</th>
<th>NAME</th>
<th>ATTENDING</th>
<th>COMMENTS</th>
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<tr>
<td>City of Carlsbad</td>
<td>Bud Lewis (Alternate)</td>
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<tr>
<td>City of Chula Vista</td>
<td>Steve Padilla (Member)</td>
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<td>City of Coronado</td>
<td>Phil Monroe (Member)</td>
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<td>Crystal Crawford (Member)</td>
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<td>Mark Lewis (Member)</td>
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<td>City of Encinitas</td>
<td>Christy Guerin (Member)</td>
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<td>City of Escondido</td>
<td>Lori Holt Pfeiler (Member)</td>
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<td>Patricia McCoy (Member)</td>
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<td>City of La Mesa</td>
<td>Barry Jantz (Member)</td>
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<td>City of Lemon Grove</td>
<td>Mary Sessom (Member)</td>
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<td>City of National City</td>
<td>Ron Morrison, Chair (Member)</td>
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<td>City of Oceanside</td>
<td>Jack Feller (Member)</td>
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<td>City of Poway</td>
<td>Mickey Cafagna, Vice Chair (Member)</td>
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<td>City of San Diego – A</td>
<td>Dick Murphy (Member)</td>
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<td>City of San Diego - B</td>
<td>Jim Madaffer (Member)</td>
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<td>City of San Marcos</td>
<td>Corky Smith (Member)</td>
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<td>Jack Dale (Alternate)</td>
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<td>City of Solana Beach</td>
<td>Joe Kellejian (Member)</td>
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<td>City of Vista</td>
<td>Morris Vance (Member)</td>
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<tr>
<td>County of San Diego</td>
<td>Diane Jacob (Member)</td>
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### ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)

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<td>Caltrans</td>
<td>Pedro Orso-Delgado (Alternate)</td>
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<td>MTDB</td>
<td>Leon Williams (Member)</td>
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<td>NCTD</td>
<td>Judy Ritter (Member)</td>
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<td>Imperial County</td>
<td>Victor Carrillo (Member)</td>
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<td>US Dept. of Defense</td>
<td>CAPT Christopher Schanze (Member)</td>
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<td>SD Unified Port District</td>
<td>Jess Van Deventer (Member)</td>
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<td>SD County Water Authority</td>
<td>Bernie Rhinerson (Member)</td>
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<tr>
<td>Baja California/Mexico</td>
<td>Luis Cabrera Cuaron (Member)</td>
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ACTIONS BY POLICY ADVISORY COMMITTEES

The following actions were taken by the Policy Advisory Committees (PACs) since the last Board meeting. Actions printed in bold typeface must be ratified by the Board of Directors to be effective.

IRP-Borders Committee Meeting (March 26, 2004)

The Borders Committee met jointly with representatives from Riverside County as the I-15 Interregional Partnership (I-15 IRP) Policy Committee. The Committee took the following action:

- Approved the proposed outreach effort, with minor changes.
- Accepted the draft final report for distribution to the public and agencies in the corridor, directing staff to incorporate targets for each performance measure for the final report.
- Recommended that the I-15 Interregional Partnership Draft Final Report be presented to the Transportation Committee before a final Board action.

Transportation Committee (April 2, 2004)

The Transportation Committee took the following actions:

- Recommended approval of a Master Memorandum of Understanding (MOU) with the North County Transit District (NCTD), the Metropolitan Transit System (MTS), and the SANDAG Board on a Board Policy on asset ownership and disposition.

Approved the following related to the Regional Transit Service Planning and Evaluation Policy Framework:

- The transit service planning framework for use in developing a transit service planning policy, including incorporation of the following direction by Transportation Committee members related to lifeline service, including a clarifying statement that if a proposed route is purely local and doesn’t have at least a 25 percent regional impact it may not be appealed to SANDAG, and a limit to the amount of subsidy for lifeline service.
- The use of the service evaluation methodology as a demonstration of the policy process for evaluating new and existing services for the FY 2005 budget development process;
- The framework for developing a fare-setting policy; and
- Directed staff to return to the JCRT in May 2004 with an evaluation of the application of the service planning framework and service evaluation demonstration to guide a subsequent JCRT recommendation to the Transportation Committee for a Transit Service Planning and Performance Evaluation Policy.
Approved the following actions related to the Transit First Showcase Project:

- Supported the concept of a “transit lane” along Park Boulevard through Balboa Park, to be designed in collaboration with the City of San Diego Park and Recreation Department as it completes the Balboa Park Parking and Circulation Study and plan amendments.

- Approved the following Action Plan to further define the Showcase Project and address issues that have arisen in project planning to date:
  
  - Authorized the preparation of a work scope, in collaboration with the Mid-City community, to conduct a Mid-City Transit Network Plan at a cost of approximately $75,000 to be funded from the Showcase Project budget. The Transit Network Plan would define the operating concept for the Showcase Project in the context of a community-wide transit network.
  
  - Pursue a peer review of industry experts to evaluate and provide input to the Showcase Project design and Transit Network Plan.
  
  - Deferred further preliminary engineering and final design work on the Showcase Project pending the completion of the Action Plan, which would result in completing the Final Design by mid-2006 with project opening (assuming funding availability) in 2007-08.
  
  - Incorporated comments made by Transportation Committee members.

Supported LOSSAN’s efforts to improve the coastal rail corridor and to continue to make conventional rail improvements along the coastal rail corridor a regional priority.

Regional Planning Committee (April 2, 2004)

There was no action taken.

Executive Committee (April 9, 2004)

The Executive Committee took the following action:

- Appointed El Cajon Councilmember Dick Ramos to the San Diego Regional Energy Office Board.

- Recommended the transfer of the Administrator of Information Technology and one Systems Engineer I/II from MTDB to SANDAG, an amendment to the Overall Work Program (OWP) and approved a budget adjustment to reflect revenues from MTDB for these two positions for the balance of the fiscal year.

- Approved the transmittal of a letter to the Federal Administration that includes support for a transportation reauthorization bill at a minimum amount proposed by the United States House of Representatives, support for the reopener clause, information documenting the need for increased funding, and information related to the return to the San Diego region from payments of federal gasoline payments.

Policy Board Meeting (April 9, 2004)

This meeting was cancelled.

Public Services Safety Committee (April 9, 2004)

This meeting was cancelled.
Transportation Committee (April 16, 2004)

The Transportation Committee took the following action:

- Adopted Resolution No. 2004-18, approving Amendment No. 18 to the 2002 Regional Transportation Improvement Program (RTIP), requesting revisions from local agencies.

- Authorized the use of the Jobs Access Reverse Commute/Air Pollution Control District (JARC/APCD) grant funding for implementation of Route 830, a reverse commute peak period transit service from downtown San Diego and Mid-City to the Poway Business Park, beginning in July 2004.

- Recommended that the SANDAG Board ratify its action taken at the March 26, 2004, meeting to approve an MOU between NCTD and SANDAG providing financial backup to NCTD’s plan to cover for the lack of TCRP funds for the sprinter.

Borders Committee Meeting (April 16, 2004)

The Committee took the following action:

- Created a task force to assess the impacts of undocumented immigrants in the San Diego region and explore ways that specific issues can be addressed within the role of the Borders Committee.

- Suggested a future meeting be held in Imperial County to strengthen collaboration with the region and to tour current developments.

- Approved the agenda structure for the 2004 Annual Binational Summer Conference: “Cooperation Across the California-Baja California Border: Where do we go from here?,” to be held Friday, July 16, 2004.

- Accepted the Strategic Initiatives for FY05 to be included as the Borders component of the Implementation Chapter of the Regional Comprehensive Plan.

- Requested the County of San Diego’s Tribal Government Liaison make a presentation to the Committee at a future meeting. Also requested that the Borders Strategic Priorities for FY05 map be updated to include the tribal governments and cities of neighboring counties.

GARY L. GALLEGOS
Executive Director
APPROVAL OF APPLICATIONS FOR VEHICLES TO TRANSPORT SENIORS AND PERSONS WITH DISABILITIES

Recommendation

It is recommended that the Board of Directors approve Resolution No. 2004-17 endorsing the scores recommended by the Subcommittee for Accessible Transportation, finding that the applications submitted for Fiscal Year 2004-2005 of the Section 5310 Program conform to the 2030 Regional Transportation Plan, and assuring that the projects will be added to the Regional Transportation Improvement Program.

Section 5310 of the Transportation Equity Act for the 21st Century (TEA-21) provides funding to nonprofit agencies, and to public agencies under certain conditions, with which to purchase vehicles to transport persons who are elderly or who have disabilities. The federal grant funds are distributed to the states, which then accept applications from nonprofit and public agencies. Awards are made based on the scores received from local and state review of the applications. This year, approximately $8.5 million will be available statewide.

As the Regional Transportation Planning Agency for San Diego, SANDAG is responsible for the local scoring of the applications. SANDAG designated its Subcommittee for Accessible Transportation (SCAT) as the regional scoring committee. SCAT completed the review of 17 applications for vehicles and two applications for related equipment from seven agencies. Applications were received from three agencies located in the NCTD service area and four agencies located in the MTS service area. The applications were scored, as listed in the Attachment, according to the state’s required criteria. SCAT adopted the scores at its meeting on March 23, 2004 and recommends that SANDAG endorse the scores as presented.

In addition to conducting the local review, SANDAG is required to assure the State that the applications are in conformance with the adopted Regional Transportation Plan (RTP) and will be added to the Regional Transportation Improvement Program (RTIP). All projects, if funded, would help meet the policies and actions of the RTP to assure transportation services throughout the region for persons unable to use fixed route public transit.

GARY L. GALLEGOS
Executive Director

Attachment

Key Staff Contact: Nan Valerio, (619) 699-6965; nva@sandag.org

Funds are budgeted in Work Element #30011
RESOLUTION NO. 2004-17

ENDORSING SCORES AND FINDING FISCAL YEAR 2004-2005 SECTION 5310 APPLICATIONS IN CONFORMANCE WITH THE 2030 REGIONAL TRANSPORTATION PLAN

WHEREAS, federal funds are available for grants to be awarded by the State of California Department of Transportation to eligible nonprofit and public agencies to purchase vehicles in which to transport elderly persons and persons with disabilities; and

WHEREAS, the State of California has established procedures for review of applications by local Regional Transportation Planning Agencies (RTPAs); and

WHEREAS, SANDAG is the designated RTPA for the San Diego region and has established its procedures for the local review of Section 5310 grant applications in the region; and

WHEREAS, the applications from seven eligible social service agencies for 17 vehicles and two requests for related equipment have been reviewed by the Subcommittee for Accessible Transportation according to SANDAG’s adopted procedures and have been scored according to the process established by the State of California; and

WHEREAS, all requested vehicles and equipment will be used in programs to provide transportation to elderly and disabled persons and will be coordinated with other private nonprofit transportation services and with public accessible transit, in keeping with the goals and policies of the 2030 Regional Transportation Plan; NOW THEREFORE

BE IT RESOLVED that the SANDAG Board of Directors endorses the scores of the applications listed in the Attachment, as recommended by the Subcommittee for Accessible Transportation. In addition, the Board of Directors finds that the applications submitted by agencies of the San Diego region, for the Section 5310 Program in Fiscal Year 2004-2005, are in conformance with the 2030 Regional Transportation Plan and assures that the projects will be added to the Regional Transportation Improvement Program.

PASSED AND ADOPTED this 23rd day of April 2004.

________________________________________           ATTEST: ________________________________________
CHAIRPERSON                   SECRETARY

MEMBER AGENCIES: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

ADVISORY MEMBERS: California Department of Transportation, Metropolitan Transit System, North San Diego County Transit Development Board, Imperial County, U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, and Baja California/Mexico.
Following are the scores of the applications in the FY 2004-2005 Section 5310 grant program. This federally-funded program provides vehicles for nonprofit agencies in which to transport senior citizens and persons with disabilities. Applications were received from seven nonprofit agencies in the San Diego region and all were found eligible. SANDAG’s Subcommittee for Accessible Transportation (SCAT) approved the following scores at its March 23, 2004 meeting.

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<th>Applicant</th>
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Federal funding requested: $770,040
Local Match of 20%: $192,510*
Total requests: $962,550

* Local Match is provided by the Applicant agency.
LOCAL TECHNICAL ASSISTANCE
PROJECTS REQUIRING MORE
THAN $1,000 OR THREE DAYS
STAFF TIME

Introduction

Local Technical Assistance (LTA) policy guidelines require that all projects involving more than three days staff time be reported to the Board of Directors.

City of Encinitas - Traffic Forecasts

The City of Encinitas has requested traffic forecasting analysis for the City’s General Plan Update. Encinitas is using SANDAG’s Final 2030 Cities/County Forecast and transportation model. City staff has provided considerable detail to incorporate into their traffic model. The primary focus of this work will be on calibration of the base year (2000) forecast. SANDAG will perform up to seven base year calibration runs and one set of future year forecasts (2005, 2010, 2020 and 2030). Traffic model inputs will be provided to the City for use in their General Plan update efforts. The total estimated cost of this project is $7,000. With the LTA deduction of $1,000, the cost to the City of Encinitas will be $6,000.

Project Manager: Mike Calandra, (619) 699-6929; e-mail mca@sandag.org

County of San Diego, Sheriff’s Department - Survey of Regional Communications System Users

The San Diego County-Imperial County Regional Communication System (RCS) is used by fire, law enforcement, and other public safety and public service personnel throughout San Diego and Imperial Counties. SANDAG will assist the County in designing, implementing, processing, and analyzing the results of an RCS customer satisfaction survey. Questions will be asked regarding the use of the system, level of satisfaction with various components of the system, and suggestions for making the system more effective. The total estimated cost of this project is $7,084. With the LTA deduction of $1,000, the cost to the County of San Diego will be $6,084.

Project Manager: Karen Lamphere, (619) 699-6955; e-mail kla@sandag.org

GARY L. GALLEGOS
Executive Director

Key Staff Contact: Jeff Tayman, (619) 699-1980; jta@sandag.org

Funds are budgeted in Work Element #7400000 and Reimbursement by the Requesting Agency
A Memorandum of Understanding (MOU) between SANDAG, NCTD, and MTS is proposed that is intended to establish a central document that includes the current and future agreements between the agencies. The first proposed supplement to the MOU concerns an agreement among the parties regarding ownership of real and personal property. A related Board policy, Policy No. 028, is also proposed concerning ownership and disposal of real and personal property assets. The Transportation Committee recommended Board approval of the MOU and Board Policy No. 028 at its meeting on April 2, 2004.

The purpose of the Master MOU is to provide a document that will serve as the main agreement among SANDAG, NCTD, and MTS following the consolidation of functions under Senate Bill 1703, as amended by Assembly Bill 361. For ease of reference, the Initial and Subsequent Transition Plans are incorporated into the MOU. As issues arise that would benefit from documentation of an agreement among the parties, the MOU will be supplemented. The first proposed supplement describes the parties’ agreements concerning ownership of property. Generally, the parties have agreed that so long as the federal grantor agency is in agreement, property purchased by SANDAG as grantee that will be used for operational purposes will be transferred to the relevant operator. This arrangement will usually make most sense from a liability and maintenance standpoint. Additionally, all property currently owned by the operating agencies will remain with those agencies.

Board Policy No. 028

The purpose of the Board policy concerning asset ownership and disposal is to provide the property ownership provisions of the Master MOU in a written form and to provide a methodology for disposing of surplus or obsolete property via competitive or negotiated sale, or other means that are deemed in the best interest of SANDAG. The policy applies to all property, including real property. It gives the Transportation

Discussion

The MOU

Recommendation

It is the Transportation Committee’s recommendation that the Board of Directors authorize the Executive Director to execute the Master MOU between SANDAG, NCTD, and MTS. Additionally, it is also recommended that the Board approve proposed Board Policy No. 028 concerning Asset Ownership and Disposition in substantially the same format as attached hereto.
Committee authority to decide when a negotiated sale should be used for assets with a value in excess of $100,000. The Executive Director is vested with authority to determine the method of sale for assets with an individual or aggregate value of less than $100,000.

GARY L. GALLEGOS
Executive Director

Attachments

Key Staff Contact: Julie D. Wiley;
(619) 699-6966; jwi@sandag.org

No Budget Impact

Attachment 1 is available in hard copy only and may be obtained by contacting SANDAG's Clerk of the Board at (619) 699-1912.

Attachment 2 is attached.
ASSET OWNERSHIP AND DISPOSITION

Purpose
This policy establishes guidelines and procedures for the ownership and disposal of SANDAG assets.

1. OWNERSHIP OF ASSETS

1.1 SANDAG, North San Diego County Transit Development Board ("NCTD"), and the Metropolitan Transit Development Board, a California Public Agency operating the Metropolitan Transit System ("MTS"), are parties to a Master Memorandum of Understanding (MOU), which among other things, describes the manner in which acquired real property and personal property will be owned and managed by the three agencies. This policy is consistent with the terms of the Master MOU.

1.2 Real Property

1.2.1 Real property currently owned by NCTD and MTS ("Pre-Owned Property") will be retained by NCTD and MTS.

1.2.2 When SANDAG constructs physical improvements on Pre-Owned Property, the Real Property, including the improvements constructed by SANDAG, will be owned by NCTD and MTS, unless otherwise agreed to in writing by the parties.

1.2.2.1 To enable SANDAG to construct improvements on Pre-Owned Property, the Parties will enter into addenda to the Master MOU for each project that will set forth the legal rights and remedies between or among SANDAG and the affected operating agency(ies) ("Affected Parties") to enable SANDAG to construct the project and the operating agency to continue necessary operations during construction.

1.2.2.2 To convey improvements developed on Pre-Owned Property to NCTD and MTS, the Affected Parties will enter into addenda to the Master MOU for each project that will set forth the legal rights and remedies amongst the parties to make the operating agency responsible to operate and maintain the property and allocate liability for claims involving the property to the operating agency.
When SANDAG constructs physical improvements to property acquired for the purpose of a project ("Subsequently Acquired Property"), the real property, including the improvements constructed by SANDAG, will be owned and operated by NCTD and MTS as the operating agency, if permitted by the funding source of the procurement, and unless otherwise agreed to by the parties. Notwithstanding the foregoing, the Affected Parties may agree to have one or more entities other than NCTD or MTS own Subsequently Acquired Property.

To convey the real property including improvements developed on Subsequently Acquired Property to NCTD or MTS, the Affected Parties will enter into an addendum to the Master MOU for each project that will set forth the legal rights and remedies amongst the parties to make the operating agency responsible to operate and maintain the property, and allocate liability for claims involving the property to the operating agency.

In the event the Affected Parties agree that Subsequently Acquired Property may offer the opportunity to be further developed for other public transportation uses, SANDAG will retain the appropriate real property interest to enable it to develop such public transportation projects on the property in the future.

In the event real property is procured by SANDAG utilizing Federal Transit Administration ("FTA") grants, said real property will be conveyed to NCTD or MTS, unless otherwise agreed to by the Affected Parties, and SANDAG will retain "satisfactory continuing control" within the meaning of the FTA regulations. The transfer mechanism for such property will be permitted by FTA regulations.

All property other than real property and its associated bundle of rights will be referred to herein as "Personal Property." Personal property procured by NCTD and MTS will be owned by the procuring agency or owned in accordance with the provisions of a Joint Procurement Agreement.

Personal Property procured by SANDAG for the operating purposes of NCTD or MTS will be owned, operated and maintained by the operating agency if permitted by the funding source of the procurement, and unless otherwise agreed to by the Affected Parties.

To the extent the funding source of the procurement of Personal Property requires SANDAG to retain ownership, SANDAG will convey possession of the Personal Property to NCTD or MTS pursuant to a lease which will obligate NCTD or MTS to operate and maintain the Personal Property and account for its use and maintenance. Said lease will require the operating agency to retain full responsibility for the operation, maintenance, and liability associated with the use and possession of the Personal Property.
1.3.4 In the event Personal Property is procured by SANDAG utilizing FTA grants, the Personal Property will be conveyed to NCTD or MTS unless otherwise agreed to by the Affected Parties, and SANDAG will retain "satisfactory continuing control" within the meaning of the FTA regulations. The transfer mechanism for such property will be permitted by FTA regulations.

2. DISPOSITION PROCEDURES

2.1 SANDAG has various assets which, over time, will be deemed obsolete due to normal use and wear, or new technology, or no longer needed due to project completion, underutilization, or surplus status. Therefore, these assets become candidates for disposal. Laws governing SANDAG's purchase of such assets require the use of a competitive procurement process. Likewise, the disposal or sale of property purchased with public funds should be done so in an open competitive process, unless the property will be assigned to government or nonprofit entities and designated for public purposes. It is SANDAG policy to capitalize assets with a unit purchase value of $5,000 or more. This policy is intended to ensure that when SANDAG disposes of personal assets or real property assets, it will be done in a manner which is in the best interests of SANDAG, within the standards and procedures set forth.

2.2 Surplus properties are made available for various public purposes, including negotiated sale to state and local governments and eligible nonprofit institutions, or are sold competitively to the general public. State and local governments, eligible public institutions, and nonprofit organizations may acquire Surplus Property that SANDAG no longer needs on terms that SANDAG's Transportation Committee deems are in the best interest of SANDAG's goals and public need.

2.3 Surplus property that is not conveyed to state/local governments or other eligible recipients for public purposes may be sold to private individuals and companies by competitive bid.

2.4 Methods. The method of disposal must be approved by the Transportation Committee for capital assets with an individual or aggregate depreciated value of $100,000 or more. For assets valued under $100,000, the Executive Director may authorize disposal and the method. In either case, such methods may include, but not be limited to, the following:

2.4.1 Trade-in allowance - provided that an independent appraisal is conducted to determine the value, or an analysis is conducted which certifies that the sale price is fair and reasonable.

2.4.2 Use of other government agency-sponsored competitive auctions, such as the County of San Diego.

2.4.3 Competitive sale.

2.4.4 Negotiated sale.
2.5 Competitive Sale. Under a competitive sale, the following procedures must be followed:

2.5.1 Notification to the public. This would include, at a minimum, the placing of an advertisement in a newspaper(s) of general circulation. The ad must specify the item(s) to be sold, the condition and the terms for the sale, and the date/time/place sealed bids are to be received.

2.5.2 All bids must be sealed.

2.5.3 Prospective bidders may be afforded an opportunity to view the item(s) being disposed.

2.5.4 Award. The award will be to the highest responsive, responsible bidder.

2.6 Negotiated Sale. Capital assets with an individual or aggregate value in excess of $100,000 may be disposed of on a negotiated sale basis provided a finding by the Transportation Committee by a two-thirds vote that special circumstances exist that make it in the best interest of SANDAG. Such circumstances may include the following:

2.6.1 Unique item(s) may have a limited resale market.

2.6.2 The financial interest of SANDAG would be best served by negotiation.

2.6.3 In the case of used buses, the Transportation Committee will give specific direction on the method of disposal to be followed on a case-by-case basis considering potential financial return and available alternatives, including the sale for scrap or other nonoperating purposes to avoid use of the vehicles and resultant air pollution in California and the San Diego region. A method of disposal may be approved even though the financial benefit may be less than other methods of disposal.

2.6.4 If approved, the Executive Director may be authorized to negotiate a sale price.

2.7 Ineligible Participants. SANDAG, NCTD, MTDB, SDTC, and SDTI employees, Board members and members of their immediate family may not participate in a competitive or negotiated sale of SANDAG capital assets.

2.8 Federal Grant Funded Assets. Capital assets which have been purchased with federal capital grant funds must be disposed of in a manner consistent with any applicable laws, including FTA regulations. The proceeds from such disposal will be distributed in the percent of which was provided for the original purchase unless fully depreciated.
2.9 Fully Depreciated Capital Assets. Capital assets with a depreciated asset value of less than $1,000 may be disposed of by the least costly, most efficient method as determined by the Executive Director. For audit purposes, a memorandum must be filed which certifies the depreciated value of the asset and indicates the method of disposal (i.e., trash, destruction).
MEMORANDUM OF UNDERSTANDING (MOU) WITH THE NORTH SAN DIEGO COUNTY TRANSIT DEVELOPMENT BOARD (NCTD) WITH RESPECT TO SPRINTER FINANCING

Recommendation

It is the recommendation of the Transportation Committee that the SANDAG Board of Directors authorize the Executive Director to execute an MOU with NCTD, in substantially the same form as attached, related to financing $80 million and associated interest costs for the Sprinter if the TCRP funds do not materialize.

Discussion

NCTD is currently undertaking the construction and implementation of the Sprinter Rail Project linking the Cities of Oceanside, Vista, San Marcos, and Escondido. Revenues committed to complete the project consist of a combination of federal, state, and local funding. The federal commitment of $152.1 million is in the form of a Full Funding Grant Agreement (FFGA). As a prerequisite to the FFGA, a financial plan was submitted to the Federal Transit Administration (FTA) which demonstrated a fully funded project. One element in the financial plan was an $80 million contribution from the state's TCRP consistent with Assembly Bill (AB) 2928. As well, an application for the $80 million was approved by the California Transportation Commission (CTC) in August 2001, and an allocation request submitted to the CTC in November 2002 is on a pending allocation list. As you are aware, funding for the TCRP program has been reduced significantly over the past two years and decisions on FY 2005 apportionments are still pending. As a result, the CTC has halted all decisions on TCRP allocations.

In order to proceed with the timely construction of the project, NCTD has researched various financing options and proposes to issue debt to fund the cash shortfall created by the suspension of the TCRP funds. A request was made to SANDAG to program funds for the interest and the principal on the $80 million in an amount not to exceed $105 million, if deemed necessary. The SANDAG Board approved programming
funding from the STIP. at its March 26, 2004, Board meeting. The action taken by the Board, which included use of the STIP funding, is dependant upon approval by the CTC. The Board was informed at the time that the backup position would be to use CMAQ funds under a 10-year payment approach if the CTC denied the use of the STIP funding.

This alternative scenario would have NCTD using its share of other funds to reimburse the interest-only debt in FY 2005 through 2007. Regional CMAQ funds would then be used to pay the principal and interest over a 10-year period, FY 2008 through 2017 at approximately $10.5 million per year.

Since the Transportation Committee meeting, conversations with the CTC staff have indicated that it is not likely that they would recommend approving the STIP funding request for the Sprinter.

In order to assist NCTD in establishing a positive credit rating needed for the debt, an MOU between NCTD and SANDAG memorializing this action is necessary.

Significant points of the proposed agreement are as follows:

- NCTD will undertake the construction of the project.

- NCTD will make the debt service payments using its share of local dollars (i.e., TransNet, Transportation Development Act (TDA), and/or other revenue) in FY 2005-2007.

- NCTD will adhere at all times to the provisions of the FFGA.

- NCTD shall submit quarterly and annual reports to the SANDAG Executive Director detailing the status of the construction, the schedule, percentage of project completion, budget status and projections, pending or threatened litigation, and other relevant information.

- If necessary, SANDAG shall annually program CMAQ funds, beginning in FY 2008 and through FY 2017 in the amount necessary to make scheduled interest and principal (up to the $105 million) payments.

In the event that TCRP or other funds become available to fund all or a portion of the $80 million, plus interest, SANDAG’s obligation to program CMAQ funds will be reduced proportionately.

This proposed action would allow the Sprinter project construction and start-up to continue on schedule while awaiting decisions on future state dollars. Delay of the construction could result in increased costs far outweighing the cost of financing. The action taken by the SANDAG Board on March 26, 2004, was a result of a recommendation by the Transportation Committee and demonstrates the positive effects of consolidation.

A draft MOU was distributed at the April 19, 2004 Transportation Committee meeting. Staff described the purpose, the obligations and responsibilities detailed in the MOU. The Committee discussed the MOU and recommended that the Board authorize the Executive Director to execute an MOU with NCTD in substantially the form attached.

GARY L. GALLEGOS
Executive Director

Attachment

Key Staff Contact: Ellen Roundtree
(619) 699-6960; ero@sandag.org
MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the “MOU”), dated as of April ___, 2004, between the SAN DIEGO ASSOCIATION OF GOVERNMENTS (“SANDAG”) and the NORTH SAN DIEGO COUNTY TRANSIT DEVELOPMENT BOARD (“NCTD”):

RECITALS:

The following recitals are a substantive part of this MOU:

WHEREAS, NCTD is undertaking the construction of the Sprinter rail project (the “Project”) to link the north San Diego County cities of Oceanside, Vista, San Marcos and Escondido; and

WHEREAS, the financing for the Project is proposed to be provided by a combination of federal, state and local funding; and

WHEREAS, NCTD has entered into a Full Funding Grant Agreement (the “FFGA”) with the United States of America, acting through the Department of Transportation, Federal Transit Administration (“FTA”) pursuant to which FTA has awarded federal assistance to the Project in the amount of $152,100,000; and

WHEREAS, the FFGA requires that NCTD commit and certify that it will provide funds (the “Local Share”), together with the federal contribution, to assure timely and full payment of all Project costs as necessary to complete construction of the Project; and

WHEREAS, approximately $80 million of the Local Share was projected to be funded by the California Transportation Commission through the Traffic Congestion Relief Program (“TCRP”); and

WHEREAS, funding through the TCRP had been reduced or suspended in previous years by the State of California (the “State”) as part of the State budget; and

WHEREAS, funding for the TCRP through the FY 2005 State budget is currently pending; and

WHEREAS, in order to timely proceed with the construction of the Project, NCTD proposes to cause the preparation, sale and delivery of Certificates of Participation (the “Certificates”) in an amount not to exceed $105 million to fund the cash shortfall created by the suspension of the TCRP funding; and

WHEREAS, the principal and interest on the Certificates will be payable from installment or lease payments (hereinafter referred to as the “Installment Payments”) to be made by NCTD pursuant to an Installment Purchase Agreement between NCTD and the California Transit Finance Corporation ((CTFC), the “Corporation”); and

WHEREAS, NCTD has previously requested and, on March 26, 2004, SANDAG agreed to program, if deemed necessary, CMAQ funds to pay the Installment Payments in Fiscal Years 2008 through 2017; and

WHEREAS, NCTD has committed to pay the Installment Payments using all funds of NCTD (“Pledged Revenues”) legally available to pay such Installment Payments which will include, but not
be limited to, its share of TransNet sales tax revenue (“TransNet”) and Transportation Development Act (“TDA”) sales tax revenue, State Transportation Improvement Program or Congestion Mitigation and Air Quality (“CMAQ”) funds received by NCTD from SANDAG pursuant to this MOU, and any other local revenues except certain locally generated real estate revenues; and

WHEREAS, NCTD shall be responsible for making the Installment Payments using its separate local funds for Fiscal Years 2005 through 2007; and

WHEREAS, in order to memorialize the understanding of NCTD and SANDAG regarding the funding of Installment Payments necessary to pay the interest and principal with respect to the Certificates and to convey this understanding to the prospective purchasers of the Certificates, NCTD and SANDAG desire to enter into the MOU.

NOW, THEREFORE, IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

Section 1. SANDAG Responsibilities. Subject to the provisions hereof, in the event the full amount of State TCRP funds are not available on a timely basis SANDAG shall, commencing in Fiscal Year 2008 and through Fiscal Year 2017, annually program CMAQ funds, and take all other actions necessary including amending Regional Transportation Improvement Program, in the amount necessary to enable NCTD to pay Installment Payments due and payable during such Fiscal Years. The parties project that such annual CMAQ program obligation will be not more than $10.5 million, representing the debt service attributable to the financing of the $80 million.

In the event that TCRP or other funds (other than funds already programmed as a part of the Local Share) become available to fund all or a portion of the Local Share of the cost of the construction of the Project so as to reduce the outstanding principal amount of the Certificates or to fund the payment by NCTD of the Installment Payments, SANDAG’s obligation to program CMAQ funds hereunder will be reduced proportionately.

Section 2. NCTD Responsibilities. NCTD shall:

A. Undertake the construction of the Project;

B. Adhere at all times to the provisions of the FFGA to insure continued eligibility for federal funding thereunder;

C. Covenant and pledge to utilize the CMAQ funds received from SANDAG pursuant to Section 1. above to pay Installment Payments as the same shall be due and payable;

D. Pay from other Pledged Revenues all Installment Payments, or any portion thereof, not funded from the CMAQ funds that may be provided by SANDAG pursuant to Section 1. above;

E. Not pledge or use its Pledged Revenues towards repayment of or security for any other indebtedness on a senior or parity basis with the obligation to use such Pledged Revenues to make payments with respect to the Certificates.
F. Comply with all applicable local, state and federal laws and regulations relating to the receipt by NCTD of other funds which may be utilized to finance the construction of the Project or to pay interest and/or principal with respect to the Certificates; and

G. Submit to the Executive Director of SANDAG quarterly and annual reports detailing the status of construction of the Project, including the current construction schedule, percentage of construction completed, cost overruns, budget projections, pending or threatened litigation concerning the Project and anticipated completion date. Such reports shall be made until the earlier of (a) the termination of the obligation of SANDAG to program CMAQ funds pursuant to Section 1 hereof or (b) the date on which NCTD certifies that the construction of the Project is complete and all outstanding costs with respect to the Project have been paid in full. In the event a quarterly or annual report shows an increase to the overall Project budget or a Project schedule delay of more than 30 (thirty) days, the Executive Director of NCTD will concurrently submit a report to the SANDAG Board describing the cause for the increase and/or delay and describing NCTD’s action plan to correct the budget and/or schedule problem.

Section 3. Term of the MOU. The term of this MOU shall be concurrent with the term of the Installment Purchase Agreement.

Section 4. This MOU may be amended by mutual written agreement of both NCTD and SANDAG and the written consent of the bond insurer, if any, for the Certificates.

Section 5. Indemnification. NCTD shall require its contractors to indemnify, defend and save harmless SANDAG and CTFC, their officers, agents, and employees from any losses, claims, or liabilities that may result from any injury to any person, firm, or corporation, including death, or damage to any property that may result from or arise out of this MOU.

Section 6. Certificate Holders as Third Party Beneficiaries. The parties hereto acknowledge that the owners of the Certificates and trustee appointed by NCTD for the Certificates shall be third party beneficiaries of the representations and agreements set forth in this MOU.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their respective officers, as of the date first above written.

NORTH SAN DIEGO COUNTY TRANSIT DEVELOPMENT BOARD

By: ______________________________
Its: _____________________________

SAN DIEGO ASSOCIATION OF GOVERNMENTS

By: ______________________________
Its: _____________________________
STATUS REPORT ON REGIONAL COMPREHENSIVE PLAN (RCP)

A. SMART GROWTH OPPORTUNITY AREAS

Introduction

The draft Regional Comprehensive Plan (RCP) states that in addition to meeting regional mobility objectives, SANDAG’s transportation funds should also provide incentives for local agencies to implement land use decisions that support smart growth.

The Urban Form chapter of the draft RCP states that the first step toward focusing SANDAG's infrastructure investments in support of smart growth is to identify the location of potential "smart growth opportunity areas" (SGOA's). The draft plan identifies several initial categories for opportunity areas, and calls for the refinement of the categories between the release of the draft RCP and the adoption of the final plan.

Over the past several months, the Regional Planning Committee and its Regional Planning Technical Working Group (planning and community development directors) and Regional Planning Stakeholders Working Group (stakeholders from throughout the region) have been working on three tasks associated with the smart growth discussions in the draft RCP. Specifically, their work has focused on:

1. Refining and expanding the smart growth opportunity area definitions to include seven general smart growth categories and developing a matrix that reflects the refined categories (Attachment);
2. Preparing guidelines for incorporating the RCP goals and policy objectives into local plans; and
3. Developing a framework for a smart growth incentive program that encourages smart growth development in appropriate locations.

The SGOA matrix, the guidelines for incorporating RCP goals into local plans and an outline for a smart growth incentive program will be included in the final RCP.

During FY 2005, local jurisdictions and SANDAG will work together to develop a Smart Growth Concept Map, showing the location of two levels of smart growth areas for each of the seven defined categories: areas where smart growth development exists or where smart growth is currently included in local plans, and areas with future opportunities for smart growth development.

The SANDAG Board of Directors will be asked to accept the Smart Growth Concept Map as an addendum to the RCP in late FY 2005. The Concept Map will serve as a guide to where SANDAG should focus its incentive funds to promote smart growth and will be used as a critical tool in updating the Regional Transportation Plan (RTP), further
strengthening the links between local and regional land use and transportation plans.

Discussion

The following section describes the progress made in each of the areas described above.

Characteristics of Smart Growth Areas. The Regional Planning Committee and its Technical and Stakeholders Working Groups have developed a proposed matrix of Smart Growth Area Classifications for the San Diego region (Attachment).

The Regional Planning Committee and its Working Groups developed the matrix by examining several regional efforts in other areas of the nation, including typologies developed by the Denver Regional Council of Governments and the Santa Clara Valley Transit Authority, as well as other contemporary resources, and then compiling data on existing and planned residential and employment intensities for a sampling of areas within the San Diego region.

The matrix has evolved over the past several months, and is still in draft form and under review. The matrix includes recommendations for desired ranges of development and employment intensities within each category. In addition, proposed land use and transportation system characteristics for each smart growth area type have been developed. The transportation system characteristics were derived from the existing RTP, matching public transit services to appropriate levels of urban development. This ensures that smart growth areas will have the level of public transit service needed, and that transit service is deployed where the land uses can support it. The range of sizes for each smart growth category is being developed. Urban design features that generally apply across all categories of smart growth areas also are identified.

The matrix will be used as the basis for identifying the smart growth areas to be included in the Smart Growth Concept Map, and as the foundation for developing the criteria for the smart growth incentive program, discussed later in this report.

The matrix currently is under review by the planning staffs of each local jurisdiction to discuss additional refinements and build consensus for the SGOA definitions and density ranges. At their April 22, 2004 meeting, the Technical and Stakeholders Working Groups will be asked to make a formal recommendation on the matrix to the Regional Planning Committee. At their May 7, 2004 meeting, the Regional Planning Committee will be requested to consider the proposed matrix for inclusion in the revised Urban Form chapter of the final RCP.

Guidelines for Strengthening the Local/Regional Plan Connection. The Regional Planning Committee and the Technical and Stakeholders Working Groups have also been developing proposed guidelines for strengthening the relationship between local general plans and the Regional Comprehensive Plan. The concept behind the guidelines is to provide a framework for local jurisdictions to consider where their local plans might better connect to the goals and policy objectives of the RCP. With that common understanding of the relationship between the regional and local plans, the guidelines could also be used to assist SANDAG in developing criteria for making funding decisions that would provide incentives for local jurisdictions.

In developing the guidelines, the Working Groups recognized that because of the focus in the RCP on encouraging smart growth land uses in key locations (the “smart growth opportunity areas”), local jurisdictions will want to consider how their plans can reflect the RCP goals and objectives at two levels:

1. What RCP goals and policy objectives are applicable to the entire planning area, and how they might be connected in their plan; and
2. What goals and policy objectives are applicable to specific smart growth opportunity areas, and how they might be supported in specific plans, or reflected directly through general plans, community plans, development regulations, and adopted policies.

The guidelines will serve as a tool to strengthen the connection between local land use plans, zoning ordinances, and design standards, and the Regional Comprehensive Plan. They can be used by local jurisdictions as they update their plans and policies, and by SANDAG as it considers incentive program fund allocations.

Smart Growth Incentive Program. The Stakeholders and Technical Working Groups also are working on ideas and recommendations for a smart growth incentive program. The Working Groups will be asked to make a recommendation to the Regional Planning Committee at their upcoming meeting.

A survey of smart growth incentive programs from around the country has been conducted. Existing incentive programs in other regions tend to focus on community-level planning efforts, and smaller-scale capital projects like streetscape enhancements, and pedestrian and bicycle improvements. Several regions provide incentives for building housing by offering grants based on the number of bedrooms built within specified areas. Grant programs range in size from a low of $1 million per year for the Atlanta Regional Council’s Livable Centers Initiative to $500 million over 25 years for a variety of funding programs being implemented by the Sacramento Area Council of Governments.

The final RCP will include the outlines of an incentive program for the San Diego region, building upon the concepts and categories contained in the smart growth matrix. Final program development will occur next fiscal year, with the first funding cycle likely to occur when SANDAG has the opportunity to program Transportation Enhancement Activity (TEA) funds available through the 2004 State Transportation Improvement Program.

Remaining Tasks and Schedule. The matrix of smart growth opportunity areas, the guidelines for connecting RCP goals to local plans, and an outline for a smart growth incentive program will be included in the revised Urban Form chapter of the final RCP.

The revised Urban Form chapter will be presented to the Regional Planning Committee and its Working Groups for their review at their May 24, 2004 joint meeting. The SANDAG Board of Directors will be asked to adopt the revised final Regional Comprehensive Plan on June 25, 2004.

GARY L. GALLEGOS
Executive Director

Attachment

Key Staff Contact: Stephan Vance, (619) 699-1924; sva@sandag.org
## PROPOSED SMART GROWTH AREA CLASSIFICATIONS

As presented to the Regional Planning Committee on April 2, 2004

### DESIGN PRINCIPLES:
The following smart growth design characteristics apply to all categories, and are critical to the success of smart growth.

- Human-scale built environment that create uniqueness and identity
- Vertically and horizontally mixed use development, with vertical mixed use located near transit stations
- Transit station(s) located centrally within main activity area(s)
- Strong pedestrian orientation
  - Network of streets & pedestrian paths
  - Narrower street scales
  - Special designs to facilitate pedestrian crossings at intersections
  - Walker has precedence
- Transit user amenities located adjacent to stations (e.g. child care facilities, coffee bars, dry cleaning drop-off)
- Strong bike access design and locker facilities
- Park-n-ride facilities woven in the human-scale design

### TABLE

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>LAND USE TYPE CHARACTERISTICS</th>
<th>LAND USE INTENSITY TARGETS</th>
<th>TRANSPORTATION SYSTEM CHARACTERISTICS</th>
<th>PUBLIC TRANSIT SERVICE CHARACTERISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Center</td>
<td>▪ Draws from throughout the region</td>
<td>▪ __ dwelling units/net acre</td>
<td>▪ Access from several freeways with multiple access points</td>
<td>▪ Served by numerous corridor/regional/local services</td>
</tr>
<tr>
<td></td>
<td>▪ Large area size</td>
<td>▪ Desired Building Types: High rise residential</td>
<td>▪ Hub transit system</td>
<td>▪ Very high frequency service (&lt;15 min) throughout the day on all corridor/regional services</td>
</tr>
<tr>
<td></td>
<td>▪ High density office</td>
<td>▪ __ employees/net acre</td>
<td>▪ Regional hub for numerous local, corridor, regional transit lines</td>
<td>▪ High frequency service (15 min) all day on most local services</td>
</tr>
<tr>
<td></td>
<td>▪ High density residential</td>
<td></td>
<td>▪ Shuttle services and ped orientation for internal trips</td>
<td>▪ Multiple station locations, with several key transfer pts</td>
</tr>
<tr>
<td></td>
<td>▪ Commercial/retail center</td>
<td></td>
<td></td>
<td>▪ Internal shuttle system</td>
</tr>
<tr>
<td></td>
<td>▪ Civic/cultural center</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Attachment**
## Proposed Smart Growth Area Classifications

<table>
<thead>
<tr>
<th>Category</th>
<th>Land Use Type Characteristics</th>
<th>Land Use Intensity Targets</th>
<th>Transportation System Characteristics</th>
<th>Public Transit Service Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Center</td>
<td>Employment draws from throughout region, while other uses draw mainly from subregional area</td>
<td>___ dwelling units/ net acre</td>
<td>Freeway connections with multiple access points</td>
<td>Served by several corridor/ regional lines &amp; several local services</td>
</tr>
<tr>
<td></td>
<td>Size ranges from ___ to ___ acres</td>
<td>Desired Building Types: Mid to high rise residential</td>
<td>Served by several corridor/ regional transit lines &amp; several local services</td>
<td>High to very high frequency service (&lt;15 min peak) on all corridor/ regional services</td>
</tr>
<tr>
<td></td>
<td>Mixed use employment</td>
<td>___ employees per net acre</td>
<td>Possible shuttle routes for internal trips</td>
<td>High frequency throughout the day on all lines</td>
</tr>
<tr>
<td></td>
<td>Higher density residential</td>
<td></td>
<td>Minimal park-and-ride facilities--- access should be handled by internal shuttle system</td>
<td>Key transit center, along with multiple smaller station locations</td>
</tr>
<tr>
<td></td>
<td>Civic/cultural facilities</td>
<td></td>
<td></td>
<td>Possible internal shuttle system</td>
</tr>
<tr>
<td></td>
<td>Draws mainly from immediate subregional area</td>
<td>___ dwelling units/ net acre</td>
<td>Node of several major arterials</td>
<td>Served by 1-2 corridor/ regional line + multiple local services</td>
</tr>
<tr>
<td>Town Center</td>
<td>Size ranges from ___ to ___ acres</td>
<td>Desired Building Types: Low to mid rise residential</td>
<td>Served by one or more corridor/ regional transit lines &amp; several local services</td>
<td>Very high frequency service (&lt;15 min peak) on corridor/ regional svc</td>
</tr>
<tr>
<td></td>
<td>Mixed use employment</td>
<td>___ employees per net acre</td>
<td>Shared-use or dedicated park-and-ride facilities</td>
<td>High frequency throughout the day on most lines</td>
</tr>
<tr>
<td></td>
<td>Higher density residential</td>
<td></td>
<td></td>
<td>Multiple station locations, some with central access/transfer point</td>
</tr>
<tr>
<td></td>
<td>Civic/cultural facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Center</td>
<td>Draws from nearby community/ neighborhoods</td>
<td>___ dwelling units/ net acre</td>
<td>Node along one or more major arterials</td>
<td>Served by at least one corridor/ regional line + local services</td>
</tr>
<tr>
<td></td>
<td>Size ranges from ___ to ___ acres</td>
<td>Desired Building Types: Low to mid rise residential</td>
<td>Served at least one corridor transit line, along one or more local services</td>
<td>High frequency service (15 min peak) on corridor/ regional svc</td>
</tr>
<tr>
<td></td>
<td>Low rise employment</td>
<td>Employment: Commercial and retail supportive uses</td>
<td>Shared use park-and-ride facilities</td>
<td>Moderate to high frequency throughout the day</td>
</tr>
<tr>
<td></td>
<td>Low to mid-rise residential</td>
<td></td>
<td></td>
<td>One or more on-street stations</td>
</tr>
<tr>
<td></td>
<td>Possible civic uses</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## PROPOSED SMART GROWTH AREA CLASSIFICATIONS

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>LAND USE TYPE CHARACTERISTICS</th>
<th>LAND USE INTENSITY TARGETS</th>
<th>TRANSPORTATION SYSTEM CHARACTERISTICS</th>
<th>PUBLIC TRANSIT SERVICE CHARACTERISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Corridor</td>
<td>• Draws mainly from several nearby communities</td>
<td>• ___ dwelling units/ net acre</td>
<td>• Located along a major arterial</td>
<td>• Generally served by a corridor/ regional line + local services</td>
</tr>
<tr>
<td></td>
<td>• Linear size with length extending from &gt;1 mile long, and width extending 1-2 blocks outward from corridor</td>
<td>• Desired Building Types: Mid to high rise residential</td>
<td>• Served by a corridor/regional service, or local services with &lt;10 minute travel time of corridor/ regional line station</td>
<td>• High frequency service (15 min in peak) on corridor/ regional and/or local services</td>
</tr>
<tr>
<td></td>
<td>• Potential for varied residential &amp; employment building heights</td>
<td>• Employment: Commercial and retail supportive uses</td>
<td>• Small shared-use park-and-ride facilities possible</td>
<td>• Multiple station locations, with one or more on-street transfer locations with intersecting services</td>
</tr>
<tr>
<td>Special Use Area</td>
<td>• Employment draws from throughout region, with other uses being community serving</td>
<td>• ___ dwelling units/ net acre</td>
<td>• Nearby freeway access</td>
<td>• Generally served by one or more corridor/ regional line + local services</td>
</tr>
<tr>
<td></td>
<td>• Size ranges from ____ to ____ acres</td>
<td>• Desired Building Types: Mid to high rise residential</td>
<td>• Served by one or more corridor/ regional lines and local services</td>
<td>• High to very high frequency service (15 min or better in peak) on corridor/ regional services</td>
</tr>
<tr>
<td></td>
<td>• Dominated by one non-residential land use</td>
<td>• ___ employees per net acre</td>
<td>• May be served by shuttle service for internal trips</td>
<td>• Moderate to high frequency throughout the day</td>
</tr>
<tr>
<td></td>
<td>• Retail support services</td>
<td></td>
<td></td>
<td>• Multiple station locations, with possible central access/transfer pt</td>
</tr>
</tbody>
</table>
## PROPOSED SMART GROWTH AREA CLASSIFICATIONS

<table>
<thead>
<tr>
<th>CATEGORY</th>
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<th>TRANSPORTATION SYSTEM CHARACTERISTICS</th>
<th>PUBLIC TRANSIT SERVICE CHARACTERISTICS</th>
</tr>
</thead>
</table>
| Unincorporated Rural Village    | • Draws from nearby rural areas  
• Size ranges from ____ to ____ acres  
• Low to mid-rise employment and residential  
• Civic center  
|                              | • ___ dwelling units/net acre  
• Desired Building Types: Low rise residential  
• ___ employees per net acre  
|                              | • Located at centroid for surrounding rural areas  
• Served by local transit service; central access point for possible corridor/ regional peak transit line  
• Park-n-ride facilities  
|                              | • “Transit ready” for possible peak period corridor/ regional service  
• Served by one or more local services  
• Moderate to high frequencies in peak; moderate frequencies throughout the day.  
• Central access point  

**TRANSIT SERVICE DEFINITIONS:**

- **Shuttle services (Green Car)** - Designed for short-distance trips in neighborhood/employment areas, and feeder access to/from corridor & regional services
- **Local services (Blue Car)** - Designed for shorter-distance trips with frequent stops (e.g. current local bus services)
- **Corridor services (Red Car)** - Designed for medium distance trips with station spacing about every mile on average (e.g. trolley services, future arterial based BRT routes)
- **Regional services (Yellow Car)** - Designed for longer distance trips with stations spacing every 4-5 miles on average (e.g. Coaster, future freeway-based BRT routes)
STATUS REPORT ON REGIONAL COMPREHENSIVE PLAN (RCP)

B. STRATEGIC INITIATIVES

Introduction

The Implementation Framework chapter of the draft Regional Comprehensive Plan (RCP) states:

"Effective plans – developed in the public or private sector – include detailed implementation strategies. They specify follow-up actions, identify responsible parties, establish timelines, and provide specific benchmark criteria for measuring success. Without strong implementation strategies, well-crafted and well-intentioned plans are left to gather dust on a shelf. To avoid such a fate, the RCP includes an initial implementation strategy that will evolve with the plan over time."

Because of the wide range of actions identified in the draft RCP, the Implementation Framework chapter recommends that RCP participants develop a list of “Strategic Initiatives,” that is, sets of priority actions that could be undertaken by various groups to implement the key concepts contained in the plan. Developing a list of Strategic Initiatives allows for the actions to be organized into manageable units of work and prioritized by timeframe, helping ensure implementation.

The Attachment provides an initial set of proposed Strategic Initiatives, including (1) the proposed lead agency, (2) supporting agencies, and (3) start date and duration times by fiscal year.

The Attachment also identifies the “Early Actions” – actions that either have already been initiated in order to complete key concepts to be included in the final RCP, or actions that will begin immediately and serve as a priority area of focus. (The early actions are identified by the initials "EA" in the left hand column.)

As organized, the Strategic Initiatives that are slated to begin in FY 2005 reflect a combination of general policy direction provided by the Regional Planning Committee over the course of the RCP’s preparation and currently anticipated levels of resource availability, as reflected in the draft FY 2005 Overall Work Program and Budget. Staff has begun working with other participating entities to determine what level of participation they will be able to provide during FY 2005.
As part of the RCP implementation process, it is anticipated that the list of Strategic Initiatives will be reviewed on an annual basis in order to coordinate with agency work programs and budget cycles.

Discussion

Borders-Related Strategic Initiatives

The Borders Committee has provided direction on the Strategic Initiatives for the Borders chapter, with an emphasis on the top priorities for FY 2005. As a result, the Borders section only includes Strategic Initiatives that begin in FY 2005. Other Strategic Initiatives will be added on a yearly basis.

Performance Monitoring

Performance monitoring and the Strategic Initiatives are related in two ways. First, SANDAG will monitor progress made on implementing the Strategic Initiatives on a yearly basis to ensure that participating agencies within the region are following through on implementation ("Did we do what we said we would do in the plan?"). Second, the performance indicators relate back to both the plan's goals and the Strategic Initiatives, serving as quantifiable measures that help us to determine "Is RCP implementation having a positive impact on the region?" The relationship between the plan's goals, Strategic Initiatives, and performance indicators is illustrated below.

Additional Refinements

Additional refinements to the Strategic Initiatives will be made based upon public comments and input gathered at the RCP workshops later this month. Those refinements will be reflected in the revised draft RCP that the Regional Planning Committee and its Technical and Stakeholders Working Groups will review on May 24, 2004, before the final RCP is presented to the SANDAG Board of Directors this June.

<table>
<thead>
<tr>
<th>RCP Goals</th>
<th>Strategic Initiatives</th>
<th>Performance Indicators</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus future population and job growth away from rural areas and closer to existing and planned job centers and public facilities.</td>
<td>Develop Smart Growth Opportunity Area Concept Map and incorporate into RCP as an Addendum</td>
<td>Share of new housing units located in Smart Growth Opportunity Areas</td>
<td>% of new housing units built between 2005 – 2010 should be located in Smart Growth Opportunity Areas</td>
</tr>
</tbody>
</table>

GARY L. GALLEGOS
Executive Director

Attachment

Key Staff Contact: Bob Leiter, (619) 699-6980; ble@sandag.org
## PROPOSED RCP STRATEGIC INITIATIVES
April 23, 2004

<table>
<thead>
<tr>
<th>START DATE &amp; DURATION BY FISCAL YEAR</th>
<th>LEAD AGENCIES*</th>
<th>OTHER PARTICIPANTS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>04 05 06 07 08 09</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 1. LAND USE / TRANSPORTATION

#### 1.1 Smart Growth Planning Program

- **EA** a. Develop matrix of Smart Growth Opportunity Area (SGOA) categories
  - LEAD AGENCIES: S-LU*
  - OTHER PARTICIPANTS: S-TP, S-TS, County, Cities, SWG, Caltrans
- **EA** b. Prepare guidelines for incorporating SGOA’s into local general plans and community plans, and process for reflecting local land use changes into future updates to the growth forecast
  - LEAD AGENCIES: S-LU
  - OTHER PARTICIPANTS: S-TP, S-TS, County, Cities, SWG, Caltrans, Coastal Commission
- **EA** c. Develop guidelines for Smart Growth Incentive Program, which will allocate funding for community improvements in SGOA’s
  - LEAD AGENCIES: S-LU
  - OTHER PARTICIPANTS: S-TP, S-MM, County, Cities, SWG, Caltrans
- **EA** d. Develop Smart Growth Opportunity Area (SGOA) Concept Map and incorporate into RCP as Addendum
  - LEAD AGENCIES: S-LU
  - OTHER PARTICIPANTS: S-TP, S-MM, County, Cities, SWG, Caltrans
- **EA** e. Revise SANDAG’s “Transportation Project Evaluation Criteria” to consolidate transportation project categories, to incorporate land use-related criteria, and to incentivize smart growth where appropriate
  - LEAD AGENCIES: S-TP, S-MM
  - OTHER PARTICIPANTS: S-LU, S-Econ, County, Cities, SWG, Caltrans
- **EA** f. Implement Smart Growth Incentive Program as funding becomes available
  - LEAD AGENCIES: S-LU
  - OTHER PARTICIPANTS: S-TP, S-MM, County, Cities, SWG, Caltrans, Coastal Commission
- **EA** g. Develop and initiate smart growth community education program
  - LEAD AGENCIES: S-LU
  - OTHER PARTICIPANTS: County, Cities, Caltrans, C-3, AIA, ULI, APA, WTS, Others

#### 1.2 Smart Growth Urban Design Guidelines

- **a.** Monitor and update information on Smart Growth trip generation rates
  - LEAD AGENCIES: S-MM, S-TS
  - OTHER PARTICIPANTS: S-LU, County, cities
- **b.** Prepare Smart Growth Parking Guidelines
  - LEAD AGENCIES: S-MM
  - OTHER PARTICIPANTS: S-LU, S-TS, County, cities, Caltrans

---

* Abbreviations for Lead Agencies and Other Participants can be found on page 14
** EA = Early Actions (Actions that either have already been initiated in order to complete key concepts to be included in the final RCP, or actions that will begin immediately and serve as a priority area of focus.)
<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>LEAD AGENCIES*</th>
<th>OTHER PARTICIPANTS*</th>
<th>START DATE &amp; DURATION BY FISCAL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Initiative Project / Activity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Prepare Urban Design Best Practices Manual which addresses:</td>
<td>S-LU</td>
<td>S-TP, S-MM, County, cities, AIA, County Board of Education, school districts, others</td>
<td>04 05 06 07 08 09</td>
</tr>
<tr>
<td>▪ Transportation design guidelines for SGOAs</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>▪ Transit facility guidelines for new development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Guidelines for public/private partnerships to fund enhanced transit facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Crime prevention, universal design, accessibility, bike and pedestrian access, and other urban design issues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Guidelines for schools in urbanized areas, and guidelines for joint use of school and park facilities in smart growth areas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3 Sub-regional Transportation / Land Use Planning Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EA a. Develop guidelines for preparation of transportation corridor and network studies</td>
<td>S-TP</td>
<td>S-MM, S-LU, County, cities, Caltrans</td>
<td></td>
</tr>
<tr>
<td>EA b. Develop guidelines for preparation of sub-regional transportation / land use plans and implementation programs, and prioritization mechanisms</td>
<td>S-TP</td>
<td>S-MM, S-LU, County, cities, Caltrans</td>
<td></td>
</tr>
<tr>
<td>c. Prepare studies for selected corridors and network study areas (focused on mainline improvements to those corridors)</td>
<td>S-TP</td>
<td>S-MM, S-LU, County, cities, Caltrans</td>
<td>➡ ➡ ➡ ➡ ➡ ➡ ➡</td>
</tr>
<tr>
<td>d. Prepare sub-regional plans / implementation programs for selected areas (focused on a smaller segment of the larger corridor, and on integration with local land use and transportation improvements, implementation, funding, etc.)</td>
<td>S-TP</td>
<td>S-MM, S-LU, County, cities, Caltrans</td>
<td>➡ ➡ ➡ ➡ ➡ ➡ ➡</td>
</tr>
<tr>
<td>1.4 Updated Growth and Development Forecast</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Prepare updated growth and development forecast, based on transportation / land use priorities from RCP as reflected in local general plans, to provide a guide for service providers</td>
<td>S-TS</td>
<td>S-LU, S-TP, S-Econ, County, Cities</td>
<td>➡ ➡ ➡</td>
</tr>
<tr>
<td>1.5 Regional Transportation Plan Update</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Incorporate RCP’s smart growth goals and policy objectives into the Regional Transportation Plan during the next RTP update</td>
<td>S-TP</td>
<td>S-LU, County, cities, Caltrans</td>
<td>➡ ➡ ➡</td>
</tr>
<tr>
<td>b. Identify needs at inter-modal connection points at key locations</td>
<td>S-TP</td>
<td>S-LU, County, cities, Caltrans</td>
<td>➡ ➡ ➡ ➡ ➡ ➡ ➡</td>
</tr>
<tr>
<td>c. Develop plans for regional airport</td>
<td>Airport Authority</td>
<td>S-TS, S-Econ, County, cities</td>
<td>➡ ➡ ➡ ➡ ➡ ➡ ➡</td>
</tr>
<tr>
<td>▪ Improve access to international and domestic markets at regional airport facilities.</td>
<td>Airport Authority</td>
<td>S-TP</td>
<td>➡ ➡ ➡ ➡ ➡ ➡ ➡</td>
</tr>
<tr>
<td>CATEGORY</td>
<td>LEAD AGENCIES*</td>
<td>OTHER PARTICIPANTS*</td>
<td></td>
</tr>
<tr>
<td>----------</td>
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<td></td>
</tr>
<tr>
<td>Strategic Initiative Project / Activity</td>
<td>S-MM</td>
<td>County, cities, Caltrans</td>
<td></td>
</tr>
<tr>
<td>Strategic Initiative Project / Activity</td>
<td>S-MM</td>
<td>County, cities, Caltrans</td>
<td></td>
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<td>Caltrans</td>
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<td>Strategic Initiative Project / Activity</td>
<td>S-MM</td>
<td>S-TP, County, cities, Caltrans</td>
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<td></td>
</tr>
<tr>
<td>Strategic Initiative Project / Activity</td>
<td>S-MM</td>
<td>S-TP, Caltrans, MTS, NCTD</td>
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<td>Strategic Initiative Project / Activity</td>
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<td>S-LU, County, cities, MTS, NCTD</td>
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<td>S-LU, County, cities, MTS, NCTD</td>
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<td>Strategic Initiative Project / Activity</td>
<td>S-MM</td>
<td>MTS, NCTD</td>
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</tbody>
</table>

### 1.6 Transportation Implementation Programs / Project Development

**a.** Develop strategy for completing the regionally significant arterials in the Mobility 2030 Network  

**b.** Ensure that appropriate transportation projects incorporate pedestrian and bicycle access  

**c.** Develop and implement local and regional strategies for Transportation Demand Management (TDM)  

**d.** Develop and implement local and regional strategies for Transportation Systems Management (TSM)  

**e.** Develop guidelines for use of Integrated Systems Management programs that facilitate transit use, car sharing, shuttle services, bike lockers, and other programs for transit stations / activity centers  

**f.** Update annual Short-Range Transit Plan (ensure transit is accessible, available, and affordable)  

**g.** Implement special transit programs for seniors and persons with disabilities  

**h.** Plan, define, obtain environmental clearance, design, and implement selected transit, highway, and managed lane projects included in the RTP, and in corridor and subregional plans.

### 1.7 Regional Transportation Funding Program

**EA a.** Develop and implement regional funding program for 2030 Mobility Network (Including finishing TransNet Expenditure Plan)  

**EA b.** Evaluate use of transportation development impact funding  

**C.** Evaluate use of transportation user fees / private investment funding
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<th>CATEGORY</th>
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<tr>
<td>Strategic Initiative</td>
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<td>Project / Activity</td>
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<td>LEAD AGENCIES*</td>
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<td>OTHER PARTICIPANTS*</td>
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<tr>
<td>START DATE &amp; DURATION BY FISCAL YEAR</td>
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</tbody>
</table>

1.8 Local Smart Growth Implementation

   a. Incorporate smart growth concepts into local plans and policies, and process development projects in conformance with the plans.

   County, cities

   S-LU, S-TP, S-Econ, EDC's

2 HOUSING

2.1 Regional Housing Needs Allocation Update

   EA a. Utilize policy objectives in draft RCP Regional Planning and Policy Framework, Urban Form, Transportation and Housing Chapters to guide preparation of draft Regional Housing Needs Assessment process

   S-LU

   S-Econ, County, cities

   EA b. Adopt updated Regional Housing Needs Assessment process

   S-LU

   County, cities

2.2 Regional Housing Implementation Programs

   a. Hold forums on local and regional housing planning issues

   S-LU, S-Econ

   County, cities, non-profits

   b. Implement affordable housing public education program

   S-LU

   County, cities, non-profits

   c. Explore moderate income housing incentives, e.g., location-efficient mortgages, employer assisted housing programs

   S-LU, S-B

   County, cities, state, federal

2.3 Local Housing Planning and Implementation Programs

   a. Update general plan housing and land use elements and zoning to reflect updated regional housing needs allocations and address other regional and local housing policy issues

   County, cities

   Coastal Commission

   ▪ Identify and rezone appropriate sites for new housing close to public transit, employment, and other services

   County, cities

   S-TS, S-LU

   ▪ Identify underutilized sites for housing, such as vacant and/or deteriorated shopping centers

   County, cities

   S-LU, S-TS

   ▪ Identify and rezone sites for special needs housing

   County, cities

   S-TS, S-LU

   ▪ Develop and implement local affordable housing programs and incentives

   County, cities

   S-LU

   ▪ Develop and implement housing rehabilitation programs

   County, cities

   State, Federal

   ▪ Implement homeownership programs

   County, cities

   State, Federal

   ▪ Provide replacement housing as redevelopment / infill development occurs

   County, cities

   ▪ Ensure efficient use of existing housing funds

   County, cities
### CATEGORY
**Strategic Initiative**
*Project / Activity*

<table>
<thead>
<tr>
<th>Category</th>
<th>LEAD AGENCIES*</th>
<th>OTHER PARTICIPANTS*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEW FUNDING PROGRAMS FOR AFFORDABLE HOUSING</strong></td>
<td>County, cities</td>
<td>State, federal</td>
</tr>
<tr>
<td>b. Develop guidelines for incorporating “green building” techniques and universal design principles for accessibility into new and existing housing</td>
<td>S-LU, County, cities</td>
<td>State, Federal</td>
</tr>
<tr>
<td>c. Develop and implement programs to eliminate environmental and health hazards in existing housing</td>
<td>County, cities</td>
<td>Environmental Health Coalition, State, Federal</td>
</tr>
</tbody>
</table>

### HEALTHY ENVIRONMENT / NATURAL HABITATS
#### 3.1 Regional Habitat Management Program

<table>
<thead>
<tr>
<th>Action</th>
<th>Lead Agencies</th>
<th>Other Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Develop regional habitat funding program</td>
<td>S-LU, S-Econ, SAFC</td>
<td>S-MM, County, cities, USFWS, DFG</td>
</tr>
<tr>
<td>b. Develop and implement regional habitat management and monitoring plan</td>
<td>S-LU</td>
<td>County, cities, USFWS, DFG, S-MM</td>
</tr>
<tr>
<td>c. Coordinate regional habitat monitoring databases</td>
<td>S-LU</td>
<td>County, cities, USFWS, DFG</td>
</tr>
<tr>
<td>d. Prepare guidelines for protecting natural habitats in urbanized areas, and for use of native vegetation in urban landscapes</td>
<td>S-LU</td>
<td>S-MM, County, cities</td>
</tr>
<tr>
<td>e. Develop guidelines to protect agricultural soils for future production, and to buffer them from native habitats and urban land uses (This Strategic Initiative could change based on SANDAG’s response to comment received by the County of San Diego)</td>
<td>S-LU</td>
<td>County, cities, Farm Bureau</td>
</tr>
</tbody>
</table>

### HEALTHY ENVIRONMENT / WATER QUALITY
#### 4.1 Regional Water Quality Management Program

<table>
<thead>
<tr>
<th>Action</th>
<th>Lead Agencies</th>
<th>Other Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Evaluate current efforts to implement Water Quality Best Management Practices in region, and revise programs as needed</td>
<td>County, cities, RWQCB</td>
<td>Caltrans</td>
</tr>
<tr>
<td>b. Develop and implement a watershed-based water quality planning process</td>
<td>County, cities, RWQCB</td>
<td>S-LU, S-MM, Caltrans</td>
</tr>
<tr>
<td>c. Develop and maintain water quality assessment database</td>
<td>County, cities, RWQCB</td>
<td>S-TS</td>
</tr>
<tr>
<td>d. Continue to implement water quality public education programs</td>
<td>County, cities, RWQCB</td>
<td></td>
</tr>
<tr>
<td>e. Prepare urban runoff design guidelines</td>
<td>County, cities, RWQCB</td>
<td>S-LU</td>
</tr>
<tr>
<td>f. Evaluate water quality in low income and minority communities, develop and implement programs to ensure they are not disproportionately impacted.</td>
<td>County, cities, RWQCB</td>
<td>Community-based organizations</td>
</tr>
<tr>
<td>CATEGORY</td>
<td>LEAD AGENCIES*</td>
<td>OTHER PARTICIPANTS*</td>
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<tr>
<td>g. Develop regional funding program</td>
<td>S-Econ, County, cities, RWQCB</td>
<td>S-LU</td>
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<tr>
<td>for water quality planning and</td>
<td></td>
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<tr>
<td>implementation</td>
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<td>5 HEALTHY ENVIRONMENT / SHORELINE</td>
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<td>PRESERVATION</td>
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<td>5.1 Regional Shoreline Preservation</td>
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<tr>
<td>Program</td>
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<td></td>
</tr>
<tr>
<td>a. Evaluate opportunities for</td>
<td>S-LU, S-LU, Coastal cities</td>
<td>Shoreline Preservation Committee</td>
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<tr>
<td>beach sand natural systems restoration</td>
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<tr>
<td>b. Develop and implement near-shore</td>
<td>S-LU, Coastal cities</td>
<td>Shoreline Preservation Committee</td>
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<tr>
<td>habitat conservation plan</td>
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<td>c. Continue to implement and</td>
<td>S-LU, Coastal cities</td>
<td>Shoreline Preservation Committee</td>
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<tr>
<td>improve existing beach sand</td>
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<tr>
<td>replenishment programs</td>
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<tr>
<td>d. Develop regional funding program</td>
<td>S-LU</td>
<td>County, cities, Shoreline Preservation</td>
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<tr>
<td>for beach sand replenishment and other</td>
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<td>shoreline preservation activities</td>
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<td>6 HEALTHY ENVIRONMENT / AIR QUALITY</td>
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<td>6.1 Regional Air Quality Management</td>
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<tr>
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<td>S-TP, County, Cities</td>
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<td>Regional Air Quality Strategy</td>
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<td>b. Continue to implement strategies</td>
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<td>to reduce industrial air pollution</td>
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<td>and other stationary sources</td>
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<td>7 ECONOMIC DEVELOPMENT</td>
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<td>7.1 Regional Economic Development</td>
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<td>Program</td>
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<tr>
<td>a. Expand access to international</td>
<td>S-Econ, S-TP, Regional Airport</td>
<td>EDCs, Other Regional Infrastructure</td>
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<td>trade infrastructure.</td>
<td>Authority, SD Unified Port District,</td>
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<td>Caltrans</td>
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<td>b. Develop and implement workforce</td>
<td>S-Econ, community colleges, trade</td>
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<tr>
<td>training and development programs</td>
<td>schools, unions</td>
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<td>consistent with the economic goals</td>
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<td>and objectives of the Regional</td>
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<td>Economic Prosperity Strategy.</td>
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<td></td>
<td>c. Continue to update and implement Regional Economic Prosperity Strategy and address major economic development infrastructure needs.</td>
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<td></td>
<td>d. Develop and implement state-local fiscal reform proposal that reflects regional consensus on these issues.</td>
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<td>e. Update regional employment and residential lands inventory and compare to RTIP expenditures.</td>
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<td>f. Implement programs to attract venture capital resources to the region.</td>
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<td>g. Conduct regional review of industrial “regulatory barriers” and implement improvements as needed.</td>
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<td>8 PUBLIC SERVICES / WATER SUPPLY</td>
<td>Regional Water Supply Plans and Programs</td>
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<tr>
<td></td>
<td></td>
<td>a. Update and implement regional water supply and facility plans</td>
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<td>b. Develop seawater desalination facilities to serve the region, and coordinate with bi-national and interregional areas to expand development of seawater desalination</td>
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<td>c. Implement water conservation programs and related public education efforts</td>
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<td>d. Develop funding program for local water conservation activities</td>
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<td></td>
<td></td>
<td>e. Continue to develop funding programs for regional water projects</td>
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<td></td>
<td></td>
<td>f. Seek funding for bi-national and interregional water projects</td>
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<td>Category</td>
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<tr>
<td>9 PUBLIC FACILITIES / ENERGY</td>
<td>Regional Energy Strategy Implementation</td>
<td>a. Coordinate planning and updating of Regional Energy Strategy</td>
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<tr>
<td></td>
<td></td>
<td>b. Develop renewable energy resource projects</td>
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<td>c. Increase use of renewable energy resources throughout the bi-national and interregional area</td>
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<tr>
<td></td>
<td></td>
<td>d. Develop energy generation and transmission facilities</td>
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<td></td>
<td></td>
<td>e. Develop and implement energy conservation programs</td>
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<td></td>
<td></td>
<td>f. Develop guidelines and incentives for energy-efficient building design</td>
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<td></td>
<td>g. Develop programs promoting energy-efficient vehicles and necessary transportation-related infrastructure</td>
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<tr>
<td>10 PUBLIC FACILITIES / WASTE MANAGEMENT</td>
<td>Regional Solid Waste Management Program</td>
<td>a. Implement County Integrated Waste Management Plan, including Siting Element and funding strategies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. Implement solid waste recycling programs</td>
</tr>
<tr>
<td>11 BORDERS – (To be reviewed at April 16 Borders Committee meeting)</td>
<td>Borders Comprehensive Project</td>
<td>a. Continue to strengthen existing, and develop new, partnerships with neighboring jurisdictions and tribal governments from a binational and interregional perspective</td>
</tr>
<tr>
<td>11.2 I-15 Interregional Partnership (Western Riverside)</td>
<td></td>
<td>a. Develop a permanent interregional coordination mechanism to address planning issues with an emphasis on transportation, jobs/housing, and energy</td>
</tr>
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</table>
### 11.3 Imperial County

<table>
<thead>
<tr>
<th>11.3</th>
<th>Imperial County</th>
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<tbody>
<tr>
<td>a.</td>
<td>Expand discussions with elected officials in Imperial County to develop an interregional partnership to address regional planning issues with a focus on: transportation, access to jobs/housing, and homeland security.</td>
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<td>S-B</td>
<td>S-MM, S-TP, S-LU, Caltrans</td>
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### 11.4 Tribal Governments

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<th>11.4</th>
<th>Tribal Governments</th>
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<tbody>
<tr>
<td>a.</td>
<td>Work with tribal governments, Caltrans, and County of San Diego to assess and propose solutions to reservation transportation needs</td>
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<tr>
<td>S-B</td>
<td>S-TP, County, Caltrans</td>
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<tr>
<td>b.</td>
<td>Improve communication and coordination with tribal governments regarding regional planning issues.</td>
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<td>S-B</td>
<td>S-LU, S-Econ</td>
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</tbody>
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### 11.5 Mexico

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<th>11.5</th>
<th>Mexico</th>
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<tbody>
<tr>
<td>a.</td>
<td>Develop a partnership with the Republic of Mexico to address binational border planning issues with a focus on: transportation and infrastructure; energy/water; homeland security; and the environment.</td>
</tr>
<tr>
<td>S-B, S-LU</td>
<td>S-TP, S-MM, Caltrans, MEX</td>
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<tr>
<td>b.</td>
<td>Continue to support the Border Energy Issues Group (BEIG) as a forum for discussion and development of strategies regarding binational energy issues</td>
</tr>
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<td>S-B</td>
<td>S-LU, MEX, EWG</td>
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<tr>
<td>c.</td>
<td>Facilitate a dialogue among jurisdictions and agencies to maximize border region water resources through diversification strategies</td>
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<tr>
<td>SDCWA; S-B</td>
<td>MEX</td>
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<tr>
<td>d.</td>
<td>Monitor progress on the implementation of security measures that protect our binational border, while enabling the growth of a prosperous economy within the greater border region (i.e. SENTRI and FAST lanes at POE, USVISIT Program, etc.)</td>
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<tr>
<td>S-B</td>
<td>Caltrans, DHS, Chambers of Commerce</td>
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<tr>
<td>e.</td>
<td>Establish a dialogue with the Republic of Mexico to link habitat corridors within San Diego County and the Baja California region to create interregional and international preserve systems.</td>
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<tr>
<td>S-B, S-LU</td>
<td>NGOs, Conservancies</td>
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<td>CATEGORY</td>
<td>Strategic Initiative Project / Activity</td>
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<tr>
<td>12</td>
<td>INTEGRATED REGIONAL INFRASTRUCTURE STRATEGY</td>
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<tr>
<td>12.1</td>
<td>IRIS Implementation</td>
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<td></td>
<td>a. Develop guidelines for linking annual expenditures of capital improvement programs to the long term goals of facility master plans that incorporate RCP goals.</td>
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<td></td>
<td>b. Promote coordination of plans and capital investments between local jurisdictions and infrastructure providers. Utilize Memorandums of Understanding (MOU) or compacts where appropriate.</td>
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<td></td>
<td>c. Implement demand and systems management strategies to maximize efficient service provision.</td>
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<td></td>
<td>d. Secure stable funding sources for all local services. Utilize user fees to fund local services whenever possible.</td>
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<td></td>
<td>e. Support legislation that reduces voter requirement for bond approval to 55%.</td>
</tr>
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<td>12.2</td>
<td>Strategic Initiatives for Specific Infrastructure Providers</td>
</tr>
<tr>
<td></td>
<td>a. Develop and adopt contingency funding plan to upgrade Point Loma Wastewater Treatment Plant.</td>
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<td>b. Seek bond funding for K-12 school renovation and expansion.</td>
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<td>c. Identify joint-use opportunities and collaborate to expand or improve schools in existing urbanized areas.</td>
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<td></td>
<td>d. Seek fair share of state funding for community colleges in San Diego region.</td>
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<td>e. Seek bond funding for community college renovation and expansion.</td>
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<tr>
<td>CATEGORY</td>
<td>LEAD AGENCIES*</td>
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<tr>
<td>Strategic Initiative</td>
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<td>Project / Activity</td>
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<td>13 OTHER</td>
<td></td>
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<tr>
<td>13.1 Intergovernmental Review Program</td>
<td>S-LU</td>
</tr>
<tr>
<td>a. Implement enhanced environmental review of large-scale projects ref RCP, CMP, RTP provisions, including social equity considerations</td>
<td></td>
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<tr>
<td>b. Develop social equity guidelines for large-scale projects that will address applicable RCP policy objectives in areas such as transportation, housing, air quality, water supply, water quality, energy, and solid waste</td>
<td>S-LU</td>
</tr>
<tr>
<td>13.2 RCP Performance Monitoring Program</td>
<td>S-Econ, S-TS, S-LU</td>
</tr>
<tr>
<td>a. Implement RCP performance monitoring program</td>
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<tr>
<td>13.3 RCP Public Participation Program</td>
<td>S-LU</td>
</tr>
<tr>
<td>a. Develop and implement strategies to ensure effective public participation in RCP implementation</td>
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<tr>
<td>13.4 Enhanced Analytical Tools</td>
<td>S-TS</td>
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<tr>
<td>a. Develop a consistent approach for analyzing traffic impacts of development, including consistent standards for measuring “level of service”</td>
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<tr>
<td>b. Develop model that can be used to evaluate effectiveness of smart growth urban design strategies</td>
<td>S-TS</td>
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<tr>
<td>b. Acquire visual simulation software that can be used to illustrate the outcomes of various transportation and land use strategies</td>
<td>S-TS</td>
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<tr>
<td>b. Develop traffic forecasting models to better predict trip generation rates and trip lengths, specifically as they related to jobs and housing availability within defined regional and sub-regional areas</td>
<td>S-TS</td>
</tr>
</tbody>
</table>
Abbreviations for Lead Agencies and Other Participants:

EA  Early Actions
S-LU  SANDAG Land Use and Environmental Planning Division
S-TP  SANDAG Transportation Planning Division
S-B  SANDAG Borders Division
S-Econ  SANDAG Chief Economist
S-MM  SANDAG Mobility Management and Project Implementation Department
S-TS  SANDAG Technical Services Department
S-Leg  SANDAG Legislative Program
SAFC  SANDAG Administration, Finance, and Communications
S-RPC  SANDAG Regional Planning Commission
S-PT  SANDAG Planning and Technical Services
S-AFC  SANDAG Administration, Finance, and Communications
BEIG  Border Energy Infrastructure Group
CIWMB  California Integrated Waste Management Board
CEC  California Energy Commission
DHE  Department of Homeland Security
DOE  Department of Energy
EDC  Economic Development Corporations
EVG  SANDAG Energy Working Group
IOU  Investor Owned Utilities
IRP  Interregional Partnership
LAFCO  Los Angeles County Formation Commission
MEX  Mexican agencies, as identified in consultation with the Mexican Consul General
NGO  Non-governmental Organizations
SDE  San Diego Gas and Electric
SDG&E  San Diego Gas and Electric
SDREO  San Diego Regional Energy Office
WRCOG  Western Riverside Council of Governments
Still time to look to the future

There still is time for your vision for our future to be included in the Regional Comprehensive Plan.

A final series of workshops will be held throughout the region to solicit input on the draft Regional Comprehensive Plan (RCP). Tell us what you think. How should our region grow?

The RCP serves as the long-term planning framework for the San Diego region. It lays a foundation to connect local and regional policy decisions that support our shared vision of the future. It balances population, housing, and employment growth with habitat preservation, agriculture, open space, and infrastructure needs.

These workshops will be structured in an “open house” format to provide an informal setting where residents can ask questions, discuss issues, and give comments and feedback on the draft RCP and draft Program Environmental Impact Report.

These workshops present an opportunity for residents to come together as a community to weigh in on important issues that will affect our region’s future. Please join us.

Public Comment Period for draft EIR

A draft Program Environmental Impact Report (EIR) has been prepared for the Regional Comprehensive Plan. SANDAG invites comments from residents, organizations, and agencies on the environmental information that has been addressed in the draft Program EIR. Public input on the draft Program EIR can be submitted in writing or to the court reporter at the workshops or submitted in writing to SANDAG by 5/13/04.

Your RSVP is important!

Call 619-515-4RCP (4727) or e-mail rcp@sandag.org
Learn about the RCP on the Web: www.sandag.org/rcp

Accommodations are available for those with disabilities. Contact SANDAG at the number above for more information and directions to each event.

In cooperation with

Our vision. Our future.
THE REGIONAL COMPREHENSIVE PLAN

SANDAG

In each taller habrá un facilitador bilingüe. Varias publicaciones se ofrecen en español.
### Regional Comprehensive Plan Workshop Dates and Locations

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Address</th>
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</thead>
<tbody>
<tr>
<td>Saturday, April 17, 2004</td>
<td>9 – 11 a.m.</td>
<td>Encinitas San Dieguito Boys and Girls Club</td>
<td>1221 Encinitas Boulevard</td>
</tr>
<tr>
<td>Monday, April 19, 2004</td>
<td>6 – 8 p.m.</td>
<td>Vista Wildwood Community Center</td>
<td>651 E. Vista Way</td>
</tr>
<tr>
<td>Wednesday, April 21, 2004</td>
<td>6 – 8 p.m.</td>
<td>Chula Vista Otay Recreation Center</td>
<td>3554 Main St.</td>
</tr>
<tr>
<td>Saturday, April 24, 2004</td>
<td>9 – 11 a.m.</td>
<td>El Cajon Renette Center</td>
<td>935 South Emerald Ave</td>
</tr>
<tr>
<td>Monday, April 26, 2004</td>
<td>6 – 8 p.m.</td>
<td>Oceanside Oceanside Senior Center</td>
<td>455 Country Club Lane</td>
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</table>

You are invited to attend any of the workshops near where you live or work.

See [www.sandag.org/rcp](http://www.sandag.org/rcp) for maps to each workshop location. Visit [www.sdcommute.com](http://www.sdcommute.com) for transit information.

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Your input needed on the draft Regional Comprehensive Plan.
FY 2005 DRAFT OVERALL WORK PROGRAM

Introduction

This item provides a revised version of the FY 2005 Overall Work Program (OWP). The OWP describes the work elements that will be accomplished by SANDAG during the coming year (FY 2005). Work elements include planning, coordination, evaluation, monitoring, consensus building, and research efforts. These activities are initially determined by the priorities, mandates, and agency designations established at SANDAG, and balanced against available local, state, and federal funding. Throughout the review process from January to May, this planning and funding document evolved in an attempt to optimize the various needs of the Board, the SANDAG management team, transit and other member agencies, and funding realities. The attached draft OWP is the latest draft in this interactive process, which will culminate in a final OWP, which the Board will be asked to approve in draft form at its May regular business meeting and then in final form as part of the Program Budget in June.

Discussion

The Executive Committee reviewed a draft list of proposed FY 2005 work elements at the meeting on February 13, which included a statement of objectives for each job. On March 12, the Executive Committee reviewed the first draft of the full document, which included a summary of expenditures and funding for each project. At the March 26 meeting, the Board of Directors also reviewed a draft of the full document. Along with other continuing revisions, the current draft incorporates the following comments received at those meetings:

1. Subtotals were added to each section of the project summary (now in Chapter 6) to more easily compare the balance of resources. Full-time equivalents are shown for each category.

2. Page references were also added to the project summary for easier access to the full description of objectives and tasks to be completed.

3. The entire list of projects were evaluated again with an eye toward eliminating duplicative efforts that may have inadvertently resulted from consolidation.

4. A process was determined for projects subject to new discretionary grants, so that as grants are approved, a project listing will be brought back to the Executive Committee for approval.

5. The Regional Energy Planning Coordination effort has been included for $146,000 which is the estimate of the unspent funding at the end of FY 2004. Additional funding is being sought.

6. A disclaimer has been added on the front page to clarify SANDAG’s support role in some of the potentially controversial social programs.
Comments received on the draft OWP and staff’s responses are contained in the Attachment. The Intermodal Planning Group (IPG), comprised of representatives from Caltrans, Federal Highway Administration and Federal Transit Administration, met on April 6 to discuss their comments and our responses. The IPG was satisfied with our responses, and appropriate changes will be made for the next draft. We also received letters from NCTD, MTS, and Chula Vista Transit expressing their concern with our proposal to reduce the FY 2005 funding for the Transit Passenger Counting program by approximately 30 percent. This program monitors, collects, and disseminates route-specific passenger counts to the transit operators which they use to evaluate route performance and to make decisions regarding service and operational adjustments. As a result of budget pressures, we’ve had to take a critical look at many programs and work elements. The annual cost of this program is $500,000; we are proposing to reduce this program by approximately $130,000. This is only one of the areas where we have proposed a reduction. Analysis of data yielded several conclusions that went into our proposal to reduce this program, as follows:

- The passenger counting program can be cut back substantially without compromising the regulatory reporting requirements for the FTA National Transit Database.

- Between 2002 and 2003, 46% of all bus routes had less than a 10% change in passenger levels per trip surveyed, while 22% had less than a 5% change. This indicates that the use of 1-year old data should still produce reliable results for all routes.

- The proposed approach would create a two-year cycle for every route to be counted. SANDAG is committed to working with the transit operators to determine which routes to survey and which could be deferred a year.

- Starting in late FY 2005, plans call for the implementation of an Automatic Passenger Counting (APC) system. As this equipment is installed on buses, the need for manual surveys will be reduced and the operators will have considerably more information than we presently provide. We are also looking into ways to fund quicker deployment of APCs than is currently planned.

This issue was discussed at the Executive Committee meeting, and we were given direction to work with the transit operators on this issue and report back at the next Executive Committee meeting. The Executive Committee also requested that a list of existing and proposed contracted services be included in the next draft, and that OWP Element #30022 (Smart Growth Incentive Program) be revised to include involvement of the Transportation Committee in the development of the Smart Growth Incentive Program. These changes will be reflected in the next draft.

GARY L. GALLEGOS
Executive Director

Attachment/Enclosure

Key Staff Contact: Renee Wasmund, (619) 699-1940; rwa@sandag.org
CONSOLIDATED RESPONSES TO COMMENTS RECEIVED ON DRAFT OWP APRIL 9, 2004

Comments are duplicated or summarized from each agency, with the SANDAG response shown below it.

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION (FHWA)

Comment #1: Planning Emphasis Areas and TEA-21 Planning Factors

The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) identify Planning Emphasis Areas (PEAs) annually to promote priority themes for consideration in transportation planning efforts. For FY 2004, we are continuing with the five PEAs identified for FY 2003. Thank you for including your discussion of the PEAs on Pages 47-49 of your document and including the cross-references to the OWP work elements.

Section 1203(f) of the Transportation Equity Act for the 21st Century (TEA-21) established seven planning factors that must be considered as part of the planning process for all metropolitan areas. We encourage SANDAG to include a brief discussion in the OWP that addresses how the seven prescribed factors are considered, analyzed as appropriate, and reflected in the planning process products.

Response #1: The seven planning factors described in TEA-21 have been revisited. A section will be added in Chapter 3 following the PEA discussion (p. 49). See separate handout.

Comment #2: Intelligent Transportation System (ITS) Architecture

We note that in February 2003, SANDAG fulfilled the requirement to establish a regional ITS architecture consistent with requirements of 23 CFR 940.9(d). The current ITS Architecture requirements in 23 CFR part 940 were published on January 8, 2001, and were effective April 8, 2001. These regulations implement section 5206(e) of TEA-21, which requires ITS projects funded through the Highway Trust Fund to conform to the National ITS Architecture and applicable standards. However, we understand that the requirement to establish a maintenance plan that identifies procedures and responsibilities for maintaining the regional ITS architecture, per 23 CFR 940.9(f), has not yet been met. Based on our review of the OWP we are unable to determine what resources, if any, are committed to establishing and maintaining the regional ITS architecture for the SANDAG region. During our IPG meeting we would like to discuss what resources are committed to developing and sustaining the maintenance plan for the ITS Architecture.

The current Project Approval and Oversight Letter of Agreement between the FHWA and the California Department of Transportation states that FHWA will be consulted prior to beginning
Systems Engineering Analysis and Design to determine if the FHWA approval of the Systems Engineering Analysis is required. We request that SANDAG work with Caltrans and the other transportation agencies in the region to identify or “flag” major ITS projects included in your 2004 FTIP submittals. We are flexible in regards to the format and presentation of this information. The identification major ITS projects included in the FTIP will facilitate early FHWA technical assistance to project sponsors in the application of the Systems Engineering process and help avoid delays in project implementation. Major ITS projects are defined as: multi-modal, multi-jurisdictional, or having significant regional impact.

Questions concerning the development of the ITS Architecture maintenance plan should be directed to Mr. Frank Cechini at (916) 498-5005 of the FHWA California Division office in Sacramento, or to Mr. Jesse Glazer at (213) 202-3955 of the FHWA/FTA Metro office in Los Angeles.

Response #2: Yes, we have a standard ITS architecture, and a maintenance plan for each individual project is being implemented. SANDAG staff will be available at the IPG meeting to discuss any additional procedures, maintenance responsibilities, and resources necessary to comply with the regulations.

Our Regional Architecture as approved by FHWA with minor comments is noted in the 2030 RTP. The current IMTMS consultant, NET, is tasked with updating the architecture to address these comments.

SANDAG, as part of formalizing its Intelligent Transportation System Program has dedicated two staff positions to ITS efforts, which include the Architecture. Maintenance plans for individual systems are being addressed as part the region’s “ownership” transfer efforts and will be reflected in an updated ITS Strategic Plan. SANDAG will act as the lead agency and will work with CalTrans, FHWA, and the region’s ITS committees to maintain and update the architecture based on the following:
- When major changes occur in the region’s ITS vision or system deployments;
- When the region adopts new standards; or at a minimum
- As part of any RTP update.

In addition, SANDAG will flag the following major ITS projects.
- 11093 Regional Arterial Management System (RAMS)
- 11094 Regional Automatic Vehicle Location (RAVL)
- 11095 Advanced Traveler Information System (ATIS – 511)
- 40002 Performance Monitoring System (PeMS)
- 50004 Inter-modal Transportation Management System (IMTMS)
- 60006 Automatic Vehicle Classification (AVC)

Financial Planning and Financial Constraint

Comment #3: In our letter dated January 27, 2004, we drew attention to the financial planning corrective action associated with our approval of California’s 2002/03-2004/05 Federal Statewide TIP. Concurrent with the submission of the RTIP for inclusion in the California STIP, FHWA expected each metropolitan planning organization (MPO) in California to have developed a new or updated financial plan meeting the applicable financial planning requirements of Title 23 USC, the Federal
Transit Act, and the joint FHWA/FTA programming and planning regulations in 23 CFR part 450. In the draft OWP, there appears to be little mention of developing or updating the federally mandated financial plan.

We recommend that SANDAG identify the financial plan development and updating activities in the OWP. This could be done under one or more existing work elements, such as: transportation funding administration (40005), regional transportation plan (3004), regional transportation improvement program (4006), TransNet/Financial Management (11102), or as a separate work element to emphasize the importance of financial planning to all components of the metropolitan transportation planning and programming process, including the Plan, FTIP, and related air quality conformity determinations.

Response #3: SANDAG will develop a comprehensive financial plan consistent with the recent ‘Guide to Federal and State Financial Planning Requirements.’ Specifically, the financial plan will include how the RTP/RTIP can be implemented, what resources are reasonably expected (to carry out the RTP/RTIP), and identify any innovative financing techniques to implement projects/strategies. Tasks describing these efforts more specifically will be added to OWP #30004 (RTP) and OWP #40006 (RTIP).

Work Elements & OWP Sections

Comment #4: Fund Sources listed in the Work Elements Budget Summary: The fund sources listed in each work element budget summary include a fund source titled FTA CMAQ (5309). We recommend that SANDAG revise the funding source descriptions to separate the FHWA congestion mitigation and air quality (CMAQ) program from the FTA 5309 program in the budget summary. Also, because FHWA has two principle programs that support transportation planning, specifically the metropolitan planning (PL) program and the state planning and research (SPR) program, we encourage SANDAG to explicitly identify the FHWA metropolitan planning or “PL” fund source in the OWP work elements budget summary for the work elements.

Response #4: We will be more explicit in the final document, most likely through the use of additional footnotes in the summary tables, and by specific reference in the individual work elements.

Comment #5: Work Elements Supported with Non-Metropolitan Planning Fund Sources: Several of the work elements in the OWP are funded with FHWA program funds other than metropolitan planning program funds (i.e. Work Elements 11095, 50007, 60003, 11093, 11094, and 50004). We remind SANDAG that the approval of the OWP by FHWA/FTA does not constitute the Federal agencies authorization to proceed with work on those activities funded from FHWA programs other than metropolitan planning (i.e. CMAQ, ITS, etc.). Our final approval of the OWP provides authorization only for those proposed planning activities funded with FHWA/FTA metropolitan planning funds.

Response #5: Duly noted. The ancillary work elements are included in the OWP primarily because SANDAG takes advantage of this useful format to consolidate all organizational planning efforts into one document. Additional authorization and funding approvals will be sought as necessary.
Comment #6: FHWA Planning Eligibility Requirements: A number of the work elements in the OWP that are supported with FHWA metropolitan planning program funds also appear to include activities that would not be eligible for funding with FHWA/FTA transportation planning funds (i.e. Work Elements 30001, 30002, 30022, 30026, 30031, 70003, and 70004). Since FHWA metropolitan planning funds can only be used for transportation planning activities, please ensure that these work elements are carried out so that FHWA metropolitan planning funds are used only for eligible transportation planning activities.

Response #6: As in past years, SANDAG’s premise behind using these funds for activities other than direct transportation planning is that transportation problems cannot be solved solely with transportation solutions. The current RTP, MOBILITY 2030, is built around four foundational components: Land Use, Demand Management, Systems Development, and Systems Management. They must be planned together to create optimal mobility for the region. For example, smart growth developments (OWP #30022) that are pivotal to the Regional Comprehensive Plan (OWP #30002) will play an important role in implementing Mobility 2030, while also helping to better balance jobs and housing thereby reducing commute distances. Land Use planning (OWP #30001) also has a significant impact on infrastructure needs. Similarly, housing supply has not kept pace with housing demand in the San Diego region, leading to increase commute lengths and increased traffic congestion. Providing for the housing demand (OWP #30031) through mixed-use development, and medium and higher density housing projects will not only help reduce commute lengths, but also provide the densities needed to support transit service. These efforts cannot be accomplished without regional intergovernmental cooperation (OWP #70003) and public involvement (OWP#70004).

Comment #7: Air Quality Planning/Conformity (Work Element 30013): We recommend that SANDAG revise the description of the last product listed for this activity to read, “Conformity analyses for the 2030 RTP consistent with the implementation regulations for the 8-hour Ozone standard.”

Response #7: The requested change will be made.

We appreciate the ongoing cooperation of SANDAG in addressing the Federal transportation planning program requirements as well as those issues arising during the planning and implementation of transportation improvements in the San Diego region. If you have questions or need additional information concerning the FHWA metropolitan planning program, please contact Wade Hobbs in the FHWA California Division office at (916) 498-5027 or by email at wade.hobbs@fhwa.dot.gov.
Comments received from Federal Transit Administration:


The document is well-written and successfully communicates Sandag's planning work program for the upcoming year.

The Sections addressing the Planning Emphasis Areas, Work Elements and specification of the funding sources are excellent.

Response: Thank you for the positive feedback.
DEPARTMENT OF TRANSPORTATION
CONSOLIDATED CALTRANS COMMENTS:

Comment #1A: In reference to pages identified below, we recommend every effort be made to engage the San Diego County Regional Airport Authority (SDCRAA) in a coordinated development of a GIS based application to analyze the compatibility/incompatibility of current and proposed land uses around airports. SANDAG and the SDCRAA have a tremendous opportunity to facilitate airport smart growth and reduce incompatible land uses around airports as the San Diego County Regional Airport Authority (SDCRAA) is planning to update the Airport Comprehensive Land Use Plan (ACLUP) for each airport in San Diego County. Recommend including Airport Comprehensive Land Use Plan compatibility zones in the geodatabase to facilitate informed decision making and awareness among your various stakeholders. At a minimum this GIS data set should include ACLUP safety compatibility zones, airport noise contours, and adopted airport influence areas to be used with parcel, land use, and transportation data sets. One area these data sets would be especially useful is in assisting city, county, and SDCRAA staff in responding to inquiries regarding real estate disclosure requirements within Airport Influence Areas per recently passed Assembly Bill 2776.

(see above General Comments) Page 118, (previously in the March 12th draft, Page 120), Work Element 20006: Geographic Information Systems Services;

Response #1A: SANDAG has an arrangement with the SDCRAA through our Local Technical Assistance Program to provide GIS and other technical assistance on a fee basis. Through the LTA and GIS work programs (Work Element 74000 and Work Element 20006), we will provide databases, expertise, and necessary coordination to develop this GIS-based application if requested by the SDCRAA.

Comment #1B: Page 175, (previously Page 179), Work Element 30001: Land Use and Environmental Planning Coordination;

Response #1B: There are tasks within several work elements that provide for coordination between SANDAG and SDCRAA. These include:

- Page 183 – Task 01 of Work Element 30002 (Regional Comprehensive Plan Implementation) provides for coordination between Planning and Technical Services staffs to refine existing analytical tools such as the GIS enhancements described above.
- Page 187 – Task 05 of Work Element 30004 (Regional Transportation Plan) provides for incorporation of relevant aviation information in the next update of the RTP.
- Page 198 – Tasks 01, 02, and 07 of Work Element 30009 (Freight/Inter-modal Planning) would incorporate aviation-related goods movement needs (i.e., air cargo) into freight/inter-modal planning activities.
- Page 315 – Task 03 of Work Element 70003 (Regional Intergovernmental Review) provides for coordination between SANDAG and SDCRAA on CLUP and aviation issues.
Comment #1C: Page 332 (previously Pages 334), Work Element 74000: Local Technical Assistance to Member Agencies

Response #1C: See Response #1A

Comment #2: The Division of Aeronautics has staff with extensive experience and knowledge of aviation and airport issues that frequently arise during the project planning or even construction process. Aeronautics staff is available to assist SANDAG staff and your various stakeholders should the need arise. Our website (http://www.dot.ca.gov/aeronautics) has many useful contacts and reference documents, including the 2003 California Airport Land Use Planning Handbook. Please feel free to contact the Office of Aeronautics directly via phone at (916) 654-4959.

Response #2: Thank you, and the reminders and references will be noted as Airport Land Use issues arise.

Comment #3: We like the format change of providing the pending planning grants as a separate appendix of the OWP.

Response #3: Thank you - since the grant approvals typically come after the middle of the fiscal year, it was determined that holding them in a pending section (page 345) is more prudent.

Comment #4: As we partner with you on these elements involving our Traffic Operations Division and our traffic modeling staff we would like an opportunity to coordinate with SANDAG staff to clarify the amount of work required for the coming year. This would enable us to identify our staff resources and scheduling for FY 2005.

Response #4: During FY 2004, we have improved our coordination with Caltrans staff regarding travel modeling services and established a high-speed connection to Caltrans’ offices to facilitate data transfer and joint database maintenance and model development. We will continue to work with Caltrans to make the best use of the modeling resources from both agencies.

Comment #5: The SANDAG OWP identifies tasks or activities that will be coordinated with the SDCRAA. If it can be coordinated, we believe it would be useful to incorporate an activity matrix for related programs undertaken by the SDCRAA.

Response #5: SANDAG will request a list of relevant projects, studies & activities planned by SDCRAA for FY 2005, and coordinate these efforts as appropriate.

Comment #6: Caltrans District 11 Planning Activities Matrix has been updated and we would like to replace the previous one submitted for the OWP Draft.

Response #6: We have received the updated list and it is ready for inclusion in the next draft (see page 441).
COMMENTS FOR SPECIFIC WORK ELEMENTS:

Comment #7: Page 87 (Previously Page 89), Work Element 11093:
We recommend identifying the demonstration agencies so it is known where the money is going.

Response #7: Task 01 will be revised to say SANDAG “will develop and deploy the upgrade to the traffic signal optimization software (QuickNet 4+) to all local jurisdictions within San Diego County with the exception of Santee.”

Comment #8: Page 129, (previously Page 133), Work Element 20011, Tasks 03, 04, and Products 2,3,4:
Tasks 03,04, Product bullets 2,3,4 indicate that they will be completed in FY 2004. The activities for this tasks and products should be for FY 2005 not prior year.

Response #8: The tasks and products referenced above have been updated to reflect FY 2005 objectives, as follows:

TASKS
03 - Complete the draft of the updated Regional Economic Prosperity Strategy that contains policies and actions designed to enhance the region’s economy and standard of living. Using an update to Sustainable Competitiveness Index, a report also will be produced on state-of-the-region’s economy. (FY 2005 – 50%)
04 - Conduct analysis, public outreach, and education efforts on Achieving Fiscal Reform and Financial Relief for Local Governments in California. This includes monitoring proposed legislation and ballot measures affecting local government finance and advising local agencies of their impacts. (FY 2005 – 10%)

PRODUCTS
• Report on the status of the region’s economy (March 2005)
• Draft update to the Economic Prosperity Strategy. (June 2005)

Comment #9: Page 177, (previously Page 181), Work Element 30002 and Page 336, (previously Page 390) Program Revenue Summary:
First paragraph includes two 3s, so Performance Monitoring should be number 4.

Response #9: Correction to be made in the next draft.

Comment #10: Page 177 (previously Page 181), Work Element 30002:
In general, we understand that many activities specifically tied to the San Diego International Airport (SDIA) may be held up until the determination is made whether it will continue to serve as either the region’s primary commercial service airport, a secondary commercial service airport, or be replaced in its entirety. Prime examples of this are some of the RCP implementation activities identified in OWP Element 30002. We are also cognizant of the fact that most, if not all, airport planning activities are now the responsibilities of the San Diego County Regional Airport Authority (SDCRAA). Nevertheless, we strongly encourage that every effort be made to coordinate planning activities between SANDAG and SDCRAA.
Response #10: As described in more detail in response #1A and #1B above, several of SANDAG’s work elements provide for coordination between SANDAG and SDCRAA. In addition, SDCRAA is a voting member of SANDAG’s Transportation Committee, and SANDAG staff sits on the SDCRAA working group for regional airport planning (site selection).

Comment #11: Page 178, (previously Page 182), 30002, Task number 01, bullet #3: The Smart Growth incentive program is a major key to RCP success. We fully support incorporating this program in the policy objective of the RCP.

Response #11: Comment noted. The Smart Growth Incentive Program (Work Element 30022) is included in the Draft FY 2005 OWP as a separate element (page 209, previously p. 213), and work has begun in FY 2004 to initiate development of this important program.

Comment #12: Page 182, (previously Page 186), Work Element 30004: We are pleased to see the update of the RTP Aviation Element included in FY2005 OWP activities. Please reference the “Aviation Planning Guidance for Regional Transportation Plans (December 2003)”. Close coordination with SDCRAA, especially regarding airport ground access is strongly encouraged.

Response #12: The proposed reference will be included in the next draft of the FY 2005 OWP, and staff will review the proposed guidance for its relevance to the respective roles of SANDAG and SDCRAA regarding aviation components in the next RTP update.

Comment #13: Page 182, (previously Page 187), Work Element 30004, Tasks 01 to 08: In the RTP tasks we recommend to incorporate the development of a methodology to integrate the RCP with the RTP.

Response #13: A draft methodology has been developed in FY 2004. Key RCP Strategic Initiatives have been developed that will integrate RCP policies, objectives, and actions into existing SANDAG plans and programs (as well as into activities of other local agencies). As part of the FY 2005 RCP Implementation work element (30002), staff will track implementation of the Strategic Initiatives. Various work elements in the Draft FY 2005 OWP include key Strategic Initiatives. For example, Tasks 01, 03, 04, and 05 of the RTP work element (30004) provide for implementation of the RTP-related Strategic Initiatives.

Comment #14: Page 185, (previously Page 189), Work Element 30005, Objective: We recommend including “Tribal Governments”, to read, “(1) coordinate and refine highway development plans with federal, state, local agencies, and Tribal Governments.”

Response #14: Tribal Governments will be added to the statement.

Comment #15: Page 185-6, (previously Page 189/190), Work Element 30005, Tasks 01-08: No mention of the North/South Transportation Corridor Study. Will no work be done at all this FY?
Response #15: The North/South Transportation Corridor Study will be added as a specific task to Work Element #30004, Regional Transportation Plan.

Comment #16: Page 186 (previously Page 190), Work Element 30005, Task 07: As part of the associated ramp improvements and potential freeway alternatives, will this task also look at the Collector Distributor (CD) road system as proposed in the Central I-5 Corridor Study or in another task?

Response #16: It will be included in this task.

Comment #17: Page 187 (previously Page 191), Work Element 30006 and Page 336 (previously Page 390) Program Revenue Summary: Does this element include the carry over of FTA 5313(b) funds for the project “San Diego Transit Service Planning Internship”?

Response #17: Yes. A total of $25,000 in carryover funding from the original grant is assumed.

Comment #18: Page 190, (previously Page 193), Work Element 30007, Task 3: Please ensure that the June 2003 Phase II Ground Access Study for San Diego International Airport is included as one of the sub-regional studies with which arterial planning efforts are coordinated.

Response #18: Duly noted.

Comment #19: Page 193, (previously 197), Work Element 30009: Inclusion of airports and SCAG in freight and inter-modal planning work element is commendable. Recommend close coordination also with SDCRAA on the issue of air cargo and ground access at airports where air cargo operators are currently operating or are envisioned to in the future.

Response #19: Comment noted. Coordination between SANDAG and SDCRAA regarding air cargo needs would occur as part of this work element. In addition, SANDAG staff also sits on the SDCRAA working group for regional airport planning for the purpose of addressing ground access to any future expanded or new airport site.

Comment #20: Page 209, (previously Page 213), Work Element 30022: This element alludes to passage of TransNet in order for this work to proceed. The incentive program is key to implementation of the RCP. We recommend that develop a smart growth incentive program that could be implemented with or without approval of the TransNet extension.

Response #20: Since the distribution of the Draft FY 2005 OWP, staff has identified the Transportation Enhancements (TE) funding available through the 2004 STIP as a potential funding source for the Smart Growth Incentive Pilot Program.

Response #21: As recommended, staff will review the handbook for relevance to the Regional Housing Program work element.

Comment #22: Page 236, (previously Page 238), Work Element 33038 and Page 337 (previously Page 391) Program Revenue Summary: This is a FTA 5313(b) grant and there is no match programmed in the work element. The match on these types of funds is 11.47%.

Response #22: Assuming the question is regarding 30038, not 33038, this is the Transit Emergency Manual. The funds will be passed through to MTS, who will provide the match. The match funds will not be provided by SANDAG.

Comment #23: Page 238, (previously Page 241), Work Element 30039, Task 05: Would transit facilities also include HOV facilities that will be used by transit?

Response #23: Yes. This clarification will be incorporated.

Comment #24: Page 313 (previously Page 316), Work Element 70004, Objective: Would like have sub-regional transportation plan include in the last sentence of the objective?

Response #24: SANDAG will include this reference in the last sentence.

Comment #25: Page 317, (previously Page 320), Work Element 70005 and Page 392 Program Revenue Summary: What is the fund source of state other? If it is one of previous planning grant which project is this funding tied to?

Response #25: This was a $220,000 grant for “Transportation Planning & Environmental Justice in the San Diego Region”. Upon further examination, we verified that this grant expires June 30, 2004. A correction will be made to the OWP to remove this funding.

Comment #26: Page 319, (previously Page 323), work element 70006 and Page 392 Program Revenue Summary: Is this a carry over from FY 2004 work element 30025 of FTA 5313(b) funding awarded for the project “Rural Transit Needs Assessment Study”? If so is the $36,000 estimated balance from that grant?

Response #26: Yes, this is the estimated carryover from the “Rural Transit Needs Assessment Study” grant.

Comment #27: Table on Page 345, (previously Page 341): At the bottom of the table OWP # 7xxG1 “Community-Based Outreach” the correct proposed Caltrans grant amount per the grant application should be $84,800 and local match of $21,200. Also the project “Reservation Transit Feasibility Study” OWP # 7xxG2 per the grant application should be $70,824 for proposed Caltrans grant and $9,176 for the local match. Please confirm our assumptions in regard to these amounts.
Response #27: The amounts cited above have been verified as the correct amounts, and will be changed in the detailed write-up and the summary table at the front of the section.

Comment #28: Page 394-5 (previously Page 400 and 401 Certifications and Assurances for FTA Assistance:

- In the first and second paragraphs, last line where it states “…Federal Transit Administration (FTA) in Federal Fiscal Year 2004”. Based on previous Certifications and Assurances please confirm that the year is correct?
- After the OWP is finalized please have signed by appropriate parties at SANDAG and forward to Caltrans for signature by Caltrans District Director.
- Please incorporate signed copy of certifications and assurances in final OWP document.

Response #28: We now have a signed copy of the FY 2005 certification prepared, which will be sent over for CalTrans District Director signature upon Board approval. This document will then be scanned into the Final OWP Document.

The following projects have been awarded yet do not appear in the OWP:

- Comment #29[OWP #30011?]  EJ Grant: “All Congregations Together Planning for Unsubsidized Community Based Transportation” for $141,750, local match $15,750. SANDAG Project Manager-Nan Valerio;

Response #29: An estimated $125,000 in carryover funds from this prior grant have been included in Work Element 30011 (Transportation Planning for Seniors and Persons with Disabilities). The funding source, which was shown incorrectly as Local Other in the Draft FY 2005 OWP, will be moved to the ‘State Other’ column with a footnote showing the grant type as Environmental Justice (SHA).

- Comment # 30:  FTA 5313(b): “Implementing Transportation Projects Using Effective Citizens Participation Techniques” for $22,133, local match $2,868. SANDAG Project Manager-Anne Steinberger.
- If this is correct each of these items needs to have an element to themselves or incorporated into existing element

Response #30: A work element for this grant-funded project will be amended into the FY 2004 OWP, and a separate work element also will be included in the next draft of the FY 2005 OWP to carryover funding and tasks. The work will be completed by September 2004.

All work elements funding source description:

Comment #31: A suggested format change is to specify the fund source of “State Other” and “Federal Other”. This would be particularly useful if it is a single fund source in this category. An example “Federal Other” (FTA 5313(b)).

Response #31: The Program Revenue table indicates specific fund sources of the “State Other” and “Federal Other” categories through the use of footnotes. In addition, in the next draft we will add more specific descriptions as footnotes to the individual work element description tables.
Comments from Transit Agencies:

Chula Vista Transit, MTDB, and NCTD wrote letters (attached) objecting to the reduction in funding for the Passenger Counting Survey done annually. Approximately $133,000, or approximately 30% of the survey budget, was reduced. This annual effort surveys every bus route in the region, providing extensive passenger information. Among the needs cited by the Transit Agencies as being met by these survey results are:

- Developing service reductions to achieve a sustainable level of service, as requested by SANDAG;
- Adjusting services to increase system productivity and effectiveness and to achieve the goals of SANDAG’s Transportation Development Act (TDA) Performance Improvement Program (PIP);
- Reallocating transit resources to provide new services that begin to achieve the goals of the Regional Transit Vision;
- Consolidating bus stops on key routes as part of SANDAG’s Transit First Now! Program; and
- Developing new services to support the region’s growth.

The Transit operators are of the opinion that without the Passenger Counting Program, these efforts would be completed with inadequate data and analysis, likely resulting in negative impacts to transit operations and service to our customers. All three agencies are urging SANDAG to restore the program at its’ historical level.

Response: SANDAG understands and appreciates concerns about the reduction in funding for the Transit Passenger Counting Program (PCP) for FY 2005. The PCP remains an important part of the services provided to the transit operators, and while it is encouraging to know that these services are highly valued, revenue shortfalls have forced reductions throughout the entire SANDAG work program for the coming year.

Analysis of data yielded several conclusions (shown below) that went into our decision regarding funding for the PCP.

- The PCP can be cut back substantially without compromising the regulatory reporting requirements for the FTA National Transit Database.
- Between 2002 and 2003, 46% of all bus routes had less than a 10% change in passenger levels per trip surveyed, while 22% had less than a 5% change. This indicates that the use of 1-year old data will still produce reliable results for many routes.
- The proposed approach would create a two-year cycle for every route to be counted at least once. SANDAG is committed to working with the transit operators to determine which routes to survey and which could be deferred a year. For example, routes that have changed and routes that are under consideration for service changes will receive high priority for surveying.
- Starting in FY 2005, plans call for the implementation of an Automatic Passenger Counting (APC) system. As buses are installed with this equipment, the need for manual surveys will be reduced and the operators will have considerably more information than we presently provide. We also are looking into ways to fund quicker deployment of APCs than is currently planned.

Note: Three additional comment letters are available in hard copy only and may be obtained by contacting SANDAG’s Clerk of the Board at (619) 699-1912.
Board of Directors Discussion and Actions
Meeting of March 19, 2004

Chairman Ron Morrison (National City) called the meeting of the SANDAG Board of Directors to order at 9:12 a.m. The attendance sheet for the meeting is attached.

1. Additions and Deletions to the Agenda

Chairman Morrison noted that we would be adding one sub-item. Following Agenda Item 3, there will be a 3a, which will be a “Report and Recommendations from the Executive Director” for “Possible Action.” Also, for Agenda Item 4, Regional Transportation Congestion Improvement Program Proposal, the recommended action is listed as “Information” and that will be changed to “Possible Action.”

2. Public Comments/Communications/Members Comments

Carol Bonomo, representing California State University, San Marcos, said that this university was the first entity in north San Diego County to declare support for smart growth. She expressed gratitude that SANDAG and the elected officials have provided the opportunity to do it right in San Marcos and that there is support for light rail.

Chuck Lungerhausen, a member of the public, said to date he has collected $5,495 of his Multiple Sclerosis Water Walking Team’s total of over $25,000. He mentioned that he is still accepting sponsorship donations until April 13, 2004. On the county transportation front, he hoped that Supervisor Dianne Jacob is informed that SANDAG has the responsibility to allocate TransNet tax funds each year to achieve the best improvement for mobility in the region. This doesn’t mean that a certain percentage of the tax is spent in the same way every year. It also doesn’t mean that the rural needs will not be met. The County Board recently issued claims of a $25 million surplus. He thought that perhaps this surplus could be spent on rural roads. He said that Supervisor Jacobs’ request for more TransNet money for local streets and roads is a blatant attempt to turn the TransNet tax into the County Supervisors’ piggybank. He didn’t think that Supervisor Jacob had the consensus of the County Board for her proposal.

Carolyn Chase, representing San Diego Earth Works, provided information about Earth Day 2004 projects including: the Earth Fair on April 25 in Balboa Park, Very Important Planet Reception and EARTH Awards on May 12, and the Green Built Tour in the fall of 2004. She also asked for volunteers for these events. She mentioned a Web site for those who are interested: www.earthdayweb.org.
Lloyd Davis, representing the Center for the Blind in Vista, expressed his appreciation for the North County Transit District (NCTD) services that make it possible for him to get to work and to other destinations. He requested that SANDAG continue to make services more accommodating to those with disabilities. He stated that there are many people who depend on these transportation services and requested that SANDAG ensure there is always enough funds to keep them operating.

REPORTS

3. VOTER OPINION RESEARCH UPDATE (POSSIBLE ACTION)

Staff reported that the Board has been actively working on the extension of TransNet for over a year including the conduct of two previous public opinion polls and six focus groups. These efforts have shown that the public is concerned about traffic and seeks congestion relief; however, the needs far exceed the revenues. TransNet is a critical piece in implementing the Regional Transportation Plan (RTP) and the Regional Comprehensive Plan (RCP). The latest poll was conducted to verify the public support for a TransNet Extension and to test the ability to extend the measure beyond the 30-year period.

D.J. Smith, SANDAG consultant, said that they wanted to have a large enough sample size to test the 30, 35 and 40-year extension periods for the measure. He stated that 41 percent of the voters surveyed indicated awareness of the 20-year original TransNet program. This is positive and reflects on the tremendous amount of beneficial projects that were completed. When asked whether they would support an extension of the existing sales tax, 63 percent said they would support it. The next question related to the time period of the extension measure. About 69 percent supported 30 years, 71 percent supported 35 years and 70 percent supported 40 years. It is also clear that the voters want to have a sunset provision. Other observations include support for the environmental mitigation if it has a direct nexus to transportation. The public appears to be reluctant to fund nontransportation issues. There was no difference in polling and focus groups on this issue. The sales tax issue is viewed as a local issue and will probably not be affected by state or federal issues. The public views this as a long-term mortgage and understood the importance of the improvements that will be implemented by the measure. Mr. Smith recommended that the TransNet Extension measure be changed to a 40-year term based on the survey results.

Board Member Comments:

Councilmember Jack Dale (Santee) asked about the timing issue. Mr. Smith replied that this is the first time the public was polled on the 40-year timeframe question. Councilmember Dale thought that we should look at this seriously as it will solve some issues.

Mayor Mickey Cafagna (Poway) asked about the size of the sampling. Mr. Smith said the first poll was 1,000 voters and the second one had 1,200. Each 400-group sample was characteristic of highly likely voters in San Diego.
County. The voters in these focus groups used the word “desperation” with regard to traffic congestion, and this was the issue raised most immediately.

Public Comments:

Jim Schmidt, a member of the public, said that he was excited to hear about the 40-year time frame. He pledged his support for this measure. He said that SANDAG did a terrific job with providing background information for the original measure and he was confident this will occur again.

Carolyn Chase, Policy Committee Chair for the Sierra Club, indicated that they had conducted a poll of environmental coalition groups. The poll results showed that support for the TransNet Extension would be reduced by 11 percent without the environmental mitigation component. She said that we must confront the fact that voters may not support any tax measure. She offered the Sierra Club’s assistance.

Mayor Pro Tem Phil Monroe (Coronado) clarified that the TransNet Extension is an extension of an existing sales tax, not a new sales tax. He encouraged various interest groups to use the correct lexicon when discussing the TransNet Extension measure.

Chair Morrison agreed that the sales tax extension measure will not be approved unless we all work together. He encouraged the area jurisdictions to come together with a unified front and not to have parochial interests. He stated that the Board would now hear a report from the Executive Director.

3a. REPORT AND RECOMMENDATIONS FROM THE EXECUTIVE DIRECTOR

The SANDAG Executive Director (via conference call) reported that even though he has been out of the office recently due to the death of his father, he has been kept abreast of the issues and in contact with the office. He said that over the past several months we have worked hard to develop the TransNet Expenditure Plan. We have relied on research, polls, and focus groups to validate the poll results. The research shows that traffic congestion is of utmost concern to our residents. The feedback shows that the public knows that we cannot build our way out of congestion and they support the concept of bus rapid transit (BRT) and managed lanes. There are more needs than available funds and it appears that modes are being pitted against each other. Given the challenges, additional polling was conducted with two goals: to validate voter support for the TransNet Extension, and the possibility of extending the measure’s timeline. As the poll results show, we received a positive response to extending the time line from 30 to 40 years. He strongly recommended that the Board approve the 40-year time line and ensure consistency with the RTP and RCP. This will bring the local streets and roads component up to the same level as in the original measure, delete the Proposition 42 backfill proposal, allow the restoration of cuts to the highway program, and allow us to provide service enhancements to the existing transit services.
Mayor Cafagna agreed that the 40-year plan will better satisfy the needs of the region.

**Motion Made:** Mayor Cafagna moved to direct staff to modify the draft TransNet Extension Ordinance and Expenditure Plan to encompass a 40-year period, and ensure the extension is consistent with the policies contained in the approved RTP as well as the planning principles embodied in the RCP, and report back to the Board no later than the April 9, 2004, Board meeting with the results and Expenditure Plan. Mayor Murphy (City of San Diego) seconded the motion.

**Board Comments on the Motion:**

Mayor Kellejian (Solana Beach), SANDAG Transportation Committee Chair, offered his wholehearted support to this motion.

Supervisor Dianne Jacob (County of San Diego) asked for a clarification that the motion was to extend the TransNet measure to a 40-year plan, would bring the local streets and roads up to a one-third component, and would eliminate the reliance on Proposition 42 funds. She supported this motion, but noted that there are still some unresolved issues. She applauded SANDAG for proposing this change.

Mayor Murphy wanted to make sure that the smart growth principles are added back into the measure. He said that we need to have smart land use planning as part of the solution.

Metropolitan Transit System (MTS) Chair Leon Williams commended the Transportation Committee Chair for coming up with this idea. Mayor Kellejian said it was the result of discussions with a number of people.

Mayor Steve Padilla (Chula Vista) added his congratulations to the staff and the Transportation Committee for moving in this direction. He said that this is a vehicle where we can move together in a positive way. The 40-year time frame will allow us to do things better. He cautioned that although this makes it easier, we are not out of the woods. He agreed that we need to remain true to the smart growth principles. Mobility and the connection between land use and planning is the key.

Councilmember Jack Feller (Oceanside) expressed his support of smart growth and the lengthened time span for the TransNet Extension measure.

Chair Morrison clarified that even the 40-year measure will not meet the entire needs of the region. The measure will not take affect until 2009, but we can begin planning in December 2004.

Supervisor Jacob clarified that the motion does not include the 2 percent for smart growth or livable communities. Mayor Cafagna responded that the motion states that the measure is consistent with the RCP and RTP. The details of the measure will come back to the Board for further consideration.
Supervisor Jacob suggested that the portion for livable communities be taken off the top then the remainder split with the one-third for highway, one-third for local streets and roads, and one-third for transit capital projects.

Chair Morrison noted that agenda item 6 is a moot point with this action and will be moved to the April 9, 2004, Board meeting. He provided the opportunity for those wishing to make public comments to wait until April 9 or to provide the comments at this meeting.

Public Comments:

Councilmember Bob Emery (Poway) said he would wait until the April 9 meeting.

Dutch Van Dierendonck, a member of the public who lives in Ramona, stated that there is a need to educate the public about this measure. He doesn’t want this measure to lead to increased sprawl in the unincorporated areas of the County of San Diego. He said that our region needs good TransNet measure and a focus of this money in our most needed areas.

Patrick Uriel, representing the Ramona Planning Group, said that 99 percent of all trips are made on local roads. Buses pay no gas tax, and they use the roads paid for by taxpayers. He believed that it is past time for a viable transit system and he thought that the public would vote for a transportation tax. He supported at least the amount in the original TransNet.

Rick Alexander, representing the East County Economic Development Council, applauded the SANDAG Board on the wisdom of taking Proposition 42 out of the mix and to have a one-third share for local roads. He expressed concern about spending $1 million for the education campaign as he didn’t think that was the wisest use of these funds.

Duncan McFetridge, Chairman of Save Our Forests and Ranchlands (SOFAR), was concerned about the changes on the agenda and if they were allowable. He objected to the idea of taking money from transit and putting it in local roads. He said that there was a tremendous mandate for less roads, more transit, and more smart growth. He stated that you can’t build more roads and reduce traffic. He thought the current Environmental Impact Report (EIR) would not cover the current proposal for a 40-year term.

Councilmember Feller asked about the comment related to violating procedures for the agenda. General Counsel replied that as he understands this the voter opinion research survey results discussed under Item 3 has led to the Board wishing to defer Agenda Item 6 and have it redrafted to be consistent with the 40-year timing and consistency with the RCP and RTP. He, therefore, thought that the Board’s action directing staff to update the draft Expenditure Plan for discussion at the next Board meeting and taking testimony from those who came to speak concerning Item 6 at this time was
appropriate. The General Counsel also stated that in an abundance of caution, the Board could add to the agenda the Executive Director’s Report and Recommendations as Item 3a by a vote. As far as the question about the Environmental Impact Report, we are working on the environmental findings necessary to support the Ordinance and the Expenditure Plan.

Lynne Baker, representing the Endangered Habitats League, said that the Extension creates a need for the plan to be sound, and she hoped the plan will implement the network strategy. The Plan must positively impact land use. She supported the principles of accountability.

Diane Conklin, representing the Massey Grade Road Alliance, didn’t think the Board could vote on this item today. She said that people in San Diego need to be able to get from place to place. She wondered about including a developer’s impact fee in this ordinance. She suggested that Board members think before spending money to help development.

Carol Angus, Chair for the Ramona 2020 Update, commented that roads will not impact the back country if the densities are misplaced. She did not want Ramona to be opened up to sprawl. She noted that there is a lot more lacking in Ramona than roads. She said that community input is being overrun by developers. She requested that SANDAG put pressure on the county departments of planning and land use to get the correct densities.

Chair Morrison noted that specific highways are mentioned within the Expenditure Plan but the local roads are not specified.

Gene Helsel, a resident of Julian, commented that much of the difficulty is due to the disconnection between transportation and land use planning. He suggested that 80- and 160-acre parcels be added to the 2020 plan. He thought that taking TransNet funds from public transit and putting it into back country roads will increase sprawl. He said that TransNet funds should be put where they are most needed and will benefit the most people.

Kim Kilkenny, representing San Diegans for Congestion Relief, passed on providing comments at this meeting.

Paul Blackburn, representing the Sierra Club, said he had worked on the original TransNet measure. He stated that the Sierra Club will be looking into the details of the Extension measure. He acknowledged that no one will get everything they want, but they want to know what they will be getting. He said that extending the measure to 40 years will increase bond costs and impact a future generation.

Joe Mannino, Chair of the North Bay Peninsula Traffic Task Force, asked for the Board to consider including the Interstate 5 (I-5)/I-8 interchange project in the TransNet Extension project list. He read a letter into the record from the North Bay Peninsula Traffic Task Force requesting funding for this
project at a lower amount to complete a project study report, engineering and design work, and environmental studies.

Craig Benedetto, representing the Alliance for Habitat Conservation, applauded the Board for taking this action today. He said he was interested in the environmental segment.

Angelika Villagrana, representing the San Diego Regional Chamber of Commerce, expressed the Chamber’s support for the TransNet Extension, and thought it was important to send a unified message to the voters that this measure needs to pass.

Lisa Briggs, Executive Director, San Diego Taxpayers Association, agreed with the proposed time extension to 40 years. She said that the allocations for regional arterials are a priority for the Taxpayers Association as local roads make up the lion’s share of miles traveled.

Tony Agurs, representing the East San Diego County Association of Realtors, strongly supported Supervisor Jacob and her plan. He noted that mass transit does not serve the East County, and the sole focus does not need to be on the City of San Diego. East County should not share its money for mass transit. He said that there are more people who live outside of the San Diego city limits than those who live within them.

Chair Morrison suggested that the Board take an action to add Agenda Item 3a, Report and Recommendations from the Executive Director, as an action item, and to defer Agenda Item 6.

**Action Taken:** Upon a motion by Mayor Kellejian (Solana Beach) and a second by Mayor Cafagna (Poway), the SANDAG Board of Directors moved to add item 3a, Report and Recommendations from the Executive Director, as a discussion item; and to defer Agenda Item 6. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent - City of San Diego - B.

SANDAG General Counsel said that since the discussion under Items 3 and 3a was in lieu of a discussion under Agenda Item 6, this would also be the time to allow for comments on Agenda Item 6.

A break was called at 10:45 a.m., and the meeting was reconvened at 10:53 a.m.

Mayor Lori Holt Pfeiler (Escondido) clarified that the Expenditure Plan will come back to the Board on April 9. She asked if the first reading of the Ordinance would be held at this time. Chair Morrison stated that the first reading of the Ordinance would be held on April 9.

**Action Taken:** Upon a motion by Mayor Cafagna and a second by Mayor Murphy, the SANDAG Board of Directors directed staff to modify the draft TransNet Extension Ordinance and Expenditure Plan to encompass a 40-year period, ensure the extension is consistent with the policies contained in the approved RTP as well as the planning principles embodied in the RCP, and report back to the Board no later than the April 9, 2004, Board meeting with
the results. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – City of San Diego - B.

Chair Morrison called for Board Member comments on other matters related to the Expenditure Plan.

Mayor Holt Pfeiler agreed that the Expenditure Plan should incorporate the smart growth, livable communities, and regional arterial principles that are contained in the RCP.

Councilmember Patricia McCoy (Imperial Beach) indicated that the Transportation Committee Chair and SANDAG staff recently made a presentation to the Imperial Beach City Council. She expressed the support of Imperial Beach for the TransNet Extension, and also for the developer impact fee. She said that Highway 75 should be included in the proposed Ordinance as a major arterial.

Mayor Pro Tem Phil Monroe ( Coronado) strongly supported the smart growth comments. He said that we need to do better Showcase projects. The Showcase Project from San Diego State University (SDSU) to the City of San Diego is a great design. He also suggested that staff preserve the ability to include a bike network in the Expenditure Plan.

Councilmember Ernest Ewen (La Mesa) asked if council members rather than only mayors could be on the selection committee for the independent taxpayers oversight committee, and whether each jurisdiction will have a voice on who will be on the selection committee.

Councilmember Christy Guerin (Encinitas) thanked the Chair, Vice Chair, the Transportation Committee Chair, the Executive Director, and staff for working on this proposed change. She said that the TransNet Extension measure needs to be of regional benefit and evenhanded. She noted the importance of remembering that needs have to be divided up. If we don’t get TransNet passed we will all lose. She suggested that from this point on information about the TransNet Extension should come directly from the Board and not from the Ad Hoc Working Group on TransNet. She said that including the regional arterials and grade separation program is extremely critical to the coastal communities. She agreed with the 40-year proposal, and reminded the Board that we need to think regionally.

Mayor Kellejian stated that it had been determined that the TransNet Extension work would come directly from the SANDAG Board rather than the Ad Hoc Working Group from this point forward.

Supervisor Dianne Jacob outlined some of her concerns including the following: the equal distribution of funds for the three components (highways, transit, and local streets and roads), no conditions on local road funding, no Proposition 42 backfill, expenditure off the top (1/10 of 1 percent) for the taxpayers oversight committee, and 2 percent for a bicycle safety program. What was proposed today will give us the ability to do that. We are not talking about increasing growth, but in relieving congestion. Her suggestions will result in 32.3 percent for each of the three components. She did not like the specificity in the measure and suggested using established goals and guidelines. If a developer impact fee is included in this measure there should be some consideration to use the fee to mitigate “arterials” per individual jurisdiction road classification. She suggested that the language related to a set aside for smart growth in Section 4d, page 15, be eliminated. She also was
concerned about the wording in Section 16, page 21, that by a two-thirds vote of the SANDAG Board any congestion relief project can be changed. She said that this would jeopardize the measure. She recommended some language that would clarify that in order to drop a congestion relief project concurrence of the jurisdiction(s) where the project is located would be required. She noted that Section 22 is an exemption. She clarified that the revenue allocation isn’t until June 30, 2008 and therefore the effective date of this Ordinance and allocation should be July 1, 2008.

Mayor Steve Padilla asked if Supervisor Jacob is speaking on behalf of the full Board of Supervisors. Supervisor Jacob replied that she is representing the County as Chair of the Board of Supervisors in consultation with County staff. Once she has a draft Ordinance, she will present that to the Board of Supervisors for action.

Councilmember Feller wanted to ensure that projects from the original measure that have not been completed will remain at the top of the priority list. He also asked if, following approval of the measure, we can begin to bond to fund the projects. Chair Morrison assured the Councilmember that projects that were included in the original measure would continue in the Extension.

Mayor Kellejian pointed out that Section H-1 on page 17, spells out the projects, the sufficiency of funding, the bonding capacity, and projects priorities.

Mayor Murphy expressed his preference for awarding smart growth funds on a competitive basis; however, he said that he would agree to 50 percent being awarded on a competitive basis and 50 percent on a formula basis.

Councilmember Ewen asked when Board members would receive information in order to share with their Council members prior to April 9. Chair Morrison said that it is a tight timeframe but they are striving to transmit information at least a week in advance of the April 9 meeting.

Councilmember Ewen asked if the Board will accept additional proposals following the first reading. Chair Morrison replied that the SANDAG Board meeting on May 14 will either be another first reading if there are significant changes or a second reading and approval.

Councilmember Crawford said that she received specific direction from her council on outstanding issues. Specifically, her council favors the Expenditure Plan that was presented in the initial draft Ordinance. There was unanimous support for the original Expenditure Plan, including the environmental mitigation plan. Her council supports the competitive grant process for those portions of the original Expenditure Plan that called for it. They believe there should be a competitive grant for livable communities, bikes and pedestrians, and smart growth. She said that if we want to change things, we need to be competitive. The position of her Council is that the fewer areas not amended by a two-thirds vote the better. They agreed that some things should be protected from change. They agreed that if you have too many things you can’t change, then there would be no need for an independent review and taxpayer oversight committee. The council also supported the longest possible extension.
Councilmember Crawford expressed a concern that not all jurisdictions have regional arterials. She agreed that there should be ways for jurisdictions to qualify for regional funds when their arterials are no longer eligible for these funds. She noted that Del Mar uses a design and build method of construction. The Ordinance will establish a baseline of an average of three fiscal years. However, there are a number of things that might cause delays that would affect the amount of money spent that could result in not meeting the baseline. She asked staff to consider looking at meeting the intent of Section A on baseline expenditures for each city, but allow for circumstances beyond their control, to cover any anomalies. Section 17 related to the comprehensive review program should be changed to reflect a 40-year term, so that the review will now occur in years 11, 21, and 31.

Mayor Kellejian suggested that the existing SANDAG “use it or lose it” policy be considered for the maintenance of effort. This will provide an opportunity for jurisdictions to present reasons why their project has been forestalled.

Chair Morrison commented that it will be extremely important that the public knows what it is approving. We need to be honest with the voters. The local roads component should be criteria based.

Councilmember Judy Ritter, Chair of NCTD, indicated that the NCTD Board supported the 40-year extension. Comments from the NCTD Board included the desire for as much money as possible into congestion relief projects because these dollars leverage state and federal money. In addition, money for bus rapid transit (BRT), arterials, smart growth, land use, and transportation connections are critical for the future and provide incentives for the RCP. The environmental work was supported as well as increased funding for local roads. The developer impact fee was supported. She asked what percent of funds would go for BRT projects. Staff replied that BRT projects will be dealt with as multimodal corridors.

Chair Morrison noted that we received a number of correspondences on this subject and will include these as comments to staff.

4. REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM PROPOSAL (POSSIBLE ACTION)

Staff provided background information, and indicated that the results of the voter survey showed that the electorate is concerned that TransNet not bail out the development community. This item is worth one or two percentage points and we are too close to the two-thirds approval rating to not respond to this concern. The Ad Hoc Working Group on TransNet directed staff to eliminate this potential threat to the passage of the measure. The Working Group wanted to know how San Diego’s development impact fees compare with Riverside. It was found that San Diego’s overall development impact fees were three to four times higher than in Riverside. However, Riverside’s transportation component is about 70 percent of the total fee. In San Diego, the transportation component is about 12-18 percent. There are some areas in San Diego that have high development impact fees. Staff distributed information that showed which jurisdictions charge a development impact fee.

Staff stated that the purposes of including the impact fee in the TransNet Extension measure are to help pass the ballot measure, and to fund regionally significant arterials.
The impact fee would apply to new residential units only, with a start date of July 1, 2008, and according to the fee contribution adjustment. The $2,000 fee could be adjusted annually by the Engineering Construction Cost Index.

Staff explained the expenditure guidelines. There would be exemptions for very low income households (50 percent of the median household income) and low income households (80 percent of the median household income). Credits against this impact fee would include contributions to the regionally significant arterial transportation system and/or SANDAG’s Congestion Management Program.

The measure requires each jurisdiction to establish a collection procedure, an expenditure schedule, participation incentive, and oversight. The penalty for nonparticipation is that the jurisdiction would not be eligible for its TransNet local streets and roads money. In addition, the money has to be used within a certain period of time for the purpose it was committed.

A map was distributed that defines the regionally significant arterials by name and type of project currently anticipated. This is consistent with the most up-to-date and adopted long-range Regional Transportation Plan and the short-range Regional Transportation Improvement Program (RTIP).

Mayor Murphy clarified that if this money is not spent by a jurisdiction on a regionally significant arterial network then it could go into a regional pot. Staff replied that is an option under consideration, unless the jurisdiction still has the need that the monies were collected for.

Mayor Mark Lewis (El Cajon) stated that El Cajon does not have a program to collect transportation fees. This will impact the cost of housing in the El Cajon area by $2,000, and new residents will wind up paying this fee rather than the developers. He said that this would raise the cost of housing at a time when we are concerned about the high cost of housing. El Cajon has a program for converting apartments to condominiums. He asked if this will be considered new housing. If so, there are over 1,000 units already approved. Staff agreed that the $2,000 in today’s housing market will be pushed to the consumer. The impact fee is related to developments that would add more trips. Thus, the condominium conversion would not add new transportation trips and therefore would not be charged this fee. Mayor Lewis asked that specific language related to conversions be included.

Mayor Kellejian noted that similarly, if you are taking a single-family unit and replacing it with a duplex on the property, you would only be charged for one new unit. A straight conversion does not add trips.

Councilmember Feller clarified that jurisdictions will collect this fee and then notify SANDAG that they have done so. He asked if the $2,000 is an additional impact fee. Staff replied that if money currently being collected today by a jurisdiction is being spent on a regionally significant arterial then there is no charge. If it is not, then you would add the $2,000 impact fee.

Mayor Pro Tem Monroe said that Orange Avenue in Coronado has higher average daily trip (ADT) counts on work days than major arterials in other areas. He asked about the criteria
designation. Staff responded that there is a list of eight criteria in the RTP that were used to designate regionally significant arterials.

Pedro Orso-Delgado, Caltrans District 11 Director, stated that Highway 75 is designated as a state route and that’s why it doesn’t qualify as an arterial.

MTS Chair Leon Williams asked if there is a distinction between multi-family, single-family, and low-income housing in relationship with smart growth and if there are incentives for them to be located near transit versus adding to sprawl. Staff replied that this concept does not address incentives for locating development near transit. The purpose of the impact fee is to fund a specific arterial network that requires a specific amount of money.

MTS Chair Williams asked if we can add the incentive program language that encourages developments that locate adjacent to transit. Staff said that the SANDAG Board can direct staff to make such changes.

Councilmember Jack Dale (Santee) said that his community doesn’t have a major arterial. With future development and high density around the trolley station and single-family housing developments, this impact fee will be a tough sell to residents in Santee. Each of the SANDAG Board members will have to sell this to their city. He agreed with Leon Williams that residential developments adjacent to transit should receive an incentive.

Mayor Murphy noted that Mission Gorge Road, which extends to Santee, is a regionally significant arterial. Staff agreed that was true, but noted that there are some jurisdictions without regionally significant arterials today. That’s why it is important to provide for amendments as time goes on. Staff suggested that specific road networks could be included in the measure.

Leon Williams asked that staff be directed to look at a formula for encouraging smart growth.

Councilmember Ewen asked if we are on a firm legal basis in singling out residential units for this fee. The SANDAG General Counsel replied that he is comfortable with exempting retail and commercial units at this point.

Mayor Cafagna said that we have been working with the building industry on this issue. We’ve had some great cooperation from it and are assuming it is not opposed to this as long as it will have protections limiting expansion of the amount.

Councilmember Ewen asked what happens if a jurisdiction does not have eligible projects, but is involved with an adjoining jurisdiction on an eligible project.

Councilmember Crystal Crawford (Del Mar) said that her city council gave her direction that commercial and industrial as other types of projects should be included because they generate trips. She noted that Riverside County will be charging those businesses impact fees in the future. She said that the residential fee does not address all of the impacts.
Mayor Cafagna responded that there is an issue of where these trips are originating and that there is an argument related to duplication. He was opposed to adding this to the motion.

Councilmember McCoy noted that there is no encouragement for people to telecommute. She thought this should be mentioned somewhere. Chair Morrison stated that this is not a transportation plan, it is a funding mechanism.

Mayor Corky Smith (San Marcos) said that some of the roads on this map have already been developed. He asked if the city would get credit for the use of these roads and able to use the money for maintenance. Staff replied that if the road is improved to accommodate additional traffic then it is eligible. To the extent the maintenance is required for new growth the answer is yes; however, you can only pay for the amount of the maintenance that is related to new growth.

Mayor Murphy reiterated that the motion as structured does have jurisdictions collecting the money and spending it in the jurisdiction and, if the jurisdiction does not spend the money, then it goes to a regional pot.

Public Comments:

Jim Whelan, representing Barratt American, had signed up to speak, but was not present at this time.

David Krogh, a member of the public, supported the San Diego North Development Economic Council in its March 5, 2004, letter that two regular citizens be included on the oversight committee. He wondered if extending the time line to 40 years meant that communities with projects in year 30 will have to wait for year 40 for their projects to be completed. He supported the developer impact fee to mitigate freeway congestion. He was also pleased disappointed about changing the effective date from 2005 to 2008. He suggested that a study be conducted related to the regional impact to regional transportation in favor of a higher impact fee amount but no more than $5,000. He wanted a provision to include mitigation for growth. He suggested that Section F2 be modified with a five-year period of time.

Craig Benedetto, representing the Building Industry Association (BIA), said that the BIA is not enthusiastic about this approach. He disagreed with the notion that new development doesn’t pay its fair share. He said that all of the jurisdictions require impact fees or other project contributions, and the home buyer will pay for this fee. He thought that each jurisdiction should make the decision to use the money for impacts surrounding a project. He thought that the last sentence of Section 9 should be deleted. Staff agreed that that sentence is in the wrong place and staff is aware of it and will correct that error.

Tony Agurs, representing the East San Diego County Association of Realtors, said that this is called a new homeowners tax. He stated that this will have a significant impact and is a double tax. He suggested that this amount be offset by reducing other fees.
Jim Schmidt, a member of the public, said that the key is housing supply. He expressed concern about the $2,000 fee and felt it should not be increased.

Kim Kilkenny, representing the Otay Ranch Company, said they are opposed to a regional impact fee for a variety of reasons. If it is imposed it should be fair and reasonable. He distributed information that showed the amount of development fees charged by the City of Chula Vista, which has the highest traffic fees. He was concerned about the map in Chula Vista showing only two regional arterials. This map and the definition of regionally significant arterials will cause serious problems. He suggested that qualitative and quantitative criteria such as 15,000 average daily trips be used instead. Mayor Padilla stated that the City of Chula Vista is working on that.

Board Member Comments:

Councilmember Jerry Jones (Lemon Grove) expressed concern about what the impact fees can be used for. He wondered how a built-out city will make a nexus for spending money on roads when traffic counts will not be increased. Mayor Cafagna stated that if you are not building anything, then you won’t be charging an impact fee.

Councilmember Jones asked about the impact of one or two houses, rather than housing projects. Mayor Cafagna ensured Councilmember Jones that there will be a project in his city that will be eligible to use these funds.

Chair Morrison agreed that there should be sufficient flexibility to be able to use that money for projects in each jurisdiction.

Councilmember Guerin stated that there is a strong feeling that developers do not pay their fair share. She said that residents in her city have been calling for a development impact fee. She reminded the Board that this is being proposed because the polling, the voters, and our constituents told us that we need to do this. This is a good way to pay the freight for the needed infrastructure.

Councilmember Matt Hall (Carlsbad) stated that we are looking at a way to try to address a regional impact. We need to move forward to support this. There is something in it for everyone.

Mayor Cafagna asked if the motion was clear. Staff replied that it includes the following points: the $2,000 amount would be a cap but adjusted by the Engineers Construction Index, condominium conversions would be eliminated from the fee, we would include state routes, and direct staff to look at smart growth opportunity areas as another option for exemption.

Councilmember Dale asked that roads be specified. Chair Morrison replied that we will make sure that the areas are included. Then we will deal with parameters in the RCP.
Mayor Padilla commented that whatever the structure, the cost of assessing the impacts of new infrastructure demand is always borne by the consumer. This recognizes what consumers should bear that cost.

**Action Taken:** Upon a motion by Mayor Cafagna and a second by Mayor Kellejian, the SANDAG Board approved adding to the TransNet Extension Ordinance the $2,000 per unit fee as proposed in the staff report as adjusted by the Engineers Construction Index, with amendments regarding exempting apartment conversions to condominiums, the inclusion of state routes, directing staff to review an amendment to the arterial project list to ensure that all agencies have the ability to spend the funds in their community, and directing staff to look at smart growth opportunity areas as another option for exemption. Yes – 18 (weighted vote, 98%). No – 0 (weighted vote, 0%). Abstain – San Marcos (2%). Absent – City of San Diego - B.

5. **LOCAL STREET AND ROAD FINANCING OVERVIEW (INFORMATION)**

This report was presented for information only.

6. **DRAFT TRANSMET EXTENSION ORDINANCE AND EXPENDITURE PLAN (ACCEPT FOR DISTRIBUTION)**

This item was deferred

7. **UPCOMING MEETINGS**

The next Board of Directors meeting is scheduled for Friday, March 26, 2004.

8. **ADJOURNMENT**

The meeting was adjourned at 12:50 p.m.

GARY L. GALLEGOS
Secretary
# ATTENDANCE
## SAN DAG BOARD OF DIRECTORS’ MEETING
### MARCH 19, 2004

<table>
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<tr>
<th>JURISDICTION/ORGANIZATION</th>
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<th>ATTENDING</th>
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<tr>
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<td>Matt Hall (Alternate)</td>
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<td>City of Chula Vista</td>
<td>Steve Padilla (Member)</td>
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<td>Phil Monroe (Member)</td>
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<td>Crystal Crawford (Member)</td>
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<td>City of El Cajon</td>
<td>Mark Lewis (Member)</td>
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<td>City of Encinitas</td>
<td>Christy Guerin (Member)</td>
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<td>City of Escondido</td>
<td>Lori Holt Pfeiler (Member)</td>
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<td>Patricia McCoy (Member)</td>
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<td>Ernie Ewen (2nd Alternate)</td>
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<td>Jerry Jones (Alternate)</td>
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<td>Ron Morrison, Chair (Member)</td>
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<td>City of Oceanside</td>
<td>Jack Feller (Member)</td>
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<td>City of Poway</td>
<td>Mickey Cafagna, Vice Chair (Member)</td>
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<td>City of San Diego - A</td>
<td>Dick Murphy (Member)</td>
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<td>City of San Diego - B</td>
<td>Jim Madaffer (Member)</td>
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<td>Joe Kellejian (Member)</td>
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<td>City of Vista</td>
<td>Morris Vance (Member)</td>
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<tr>
<td>County of San Diego</td>
<td>Diane Jacob (Member)</td>
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**ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)**

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<td>Caltrans</td>
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<td>Leon Williams (Member)</td>
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<td>Victor Carrillo (Member)</td>
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<td>CAPT Christopher Schanze (Member)</td>
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<td>Jess Van Deventer (Member)</td>
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<td>SD County Water Authority</td>
<td>Bud Lewis (Alternate)</td>
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<tr>
<td>Baja California/Mexico</td>
<td>Lydia Antonio (Alternate)</td>
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Chairman Ron Morrison (National City) called the meeting of the SANDAG Board of Directors to order at 10:20 a.m. The attendance sheet for the meeting is attached.

1. ADDITIONS AND DELETIONS

There were no additions or deletions to the agenda.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Chair Morrison announced the open house and public workshop for the Mid-City Showcase Project on Thursday, May 13, 2004, at San Diego State University (SDSU). He also mentioned the opening ceremony for the new Bayshore Bikeway Sweetwater Bridge on Saturday, April 17, 2004, from 9-10 a.m.

David Krogh, a member of the public, expressed concerns about how the TransNet Extension is proposed to be structured, and noted that the impact fee is the most significant issue. He said that we need to get the properly structured TransNet Extension approved (more resources for highway and freeway capacity expansion). He also solicited donations for a Program called “Dollars for Scholars” that raises money for scholarships for high school kids going to college. There are 13 locations for this program around the county including one in the City of San Diego. He asked for a proclamation from the City of San Diego for this cause.

3. DRAFT TRANSNET EXTENSION ENVIRONMENTAL MITIGATION PROGRAM (ACCEPT)

The Director of Land Use and Transportation Planning reported that this program is designed to allow early acquisition and management of habitat in line with regional habitat plans, to develop mitigation banks for transportation projects, and for those transportation projects to be eligible for environmental mitigation credit. The benefits to transportation include providing the opportunity for projects to be permitted quickly and that this program would be a source of funding for regional conservation plans. The original recommended total expenditure, based on a 30-year extension, was $550 million of which $450 million would be for direct mitigation for transportation projects. An additional $100 million was allocated for other regional habitat acquisition, management, and monitoring activities, based on a calculation of economic benefits associated with inclusion.
of the Regional Transportation Plan (RTP) projects as covered projects in local habitat conservation plans. Based on the 40-year program, staff took another look at this and is now recommending that this program be expanded to $850 million. Changes would add $200 million for direct mitigation habitat of local transportation projects, the amount allocated for the economic benefit program would be increased from $100 million to $150 million, and $50 million would be added to reflect the economic benefit associated with the inclusion of local transportation projects in the conservation plans. A revised set of Draft Principles has been prepared which reflects the key elements of the revised draft Environmental Mitigation Program. These Principles are referenced in the draft Ordinance.

Vice Chair Cafagna (Poway) asked if this will include the complete environmental mitigation for Highways 76 and 67. Staff responded that it would include funding for habitat mitigation for those projects. However, since these projects will still need to go through the final environmental process we don’t know the total amount at this time, but it is likely the needed amount would be covered. The Executive Director noted that about $80 million has been set aside for environmental mitigation alone for SR 76.

Public Comments:

Chuck Raysbrook, representing the Department of Fish and Game, expressed support of the Principles as stated, and said that they are looking forward to working with the various jurisdictions involved. He noted one comment about the principle which commits SANDAG and the Department to work actively to identify the means whereby permitting can be expedited. He said that they have not been able to hire anyone for the past 18 months and didn’t foresee the possibility of doing so in the near future.

Michael Beck, representing the Endangered Habitats League, noted their support of the draft Principles. He also expressed their appreciation to SANDAG staff and Board members participating in discussions to reach this point. He said that there are still some issues that have to be refined and worked through. He appreciated the expressed desire of the Board to work on this funding.

Therese O’Rourke, representing the US Fish and Wildlife Service, said that they worked with the Department of Fish and Game in reviewing the document and providing input. She said that this is a positive step forward for the quality of life and the habitat needs of San Diego.

David Hogan, representing the San Diego Chapter of the Sierra Club, stated that they are generally supportive of the Principles contained in this program; however, many details have to be worked out. They are dedicated to continue working with staff. He said that TransNet funding will provide the opportunity to improve the environmental condition of Highway 76. He expressed appreciation for the staff’s recommendation for a regional funding source for environmental programs. He also offered to work with staff to improve the California Environmental Quality Act (CEQA) process.

Nathan Johnson, representing Local 1309 of the Amalgamated Transit Union (ATU), reminded the Board that the ATU had requested consideration for a position for
organized labor on the Independent Taxpayer Oversight Committee. He thought that if there was labor representation on such a committee, there would be more careful examination of the criteria for contracting out bus routes.

Board Comments:

Mayor Joe Kellejian (Solana Beach), SANDAG Transportation Chair, thanked the Department of Fish and Game, the US Fish and Wildlife Service, and the Endangered Habitats League for their support on this issue. He acknowledged that the Sierra Club still had issues but it seems they understand that there is $850 million for environmental purposes.

Vice Chair Cafagna also thanked those organizations, and noted that this program will make a dynamic impact on our environment.

Pedro Orso-Delgado, Caltrans District 11 Director, said that one of the budget challenges is doing spot environmental mitigation for projects. He thought that having a mitigation bank will benefit the environment tremendously.

Councilmember Patricia McCoy (Imperial Beach) stated that we are spending our natural capital that we cannot recoup. She said that the severity of what we are doing caused her concern because we are not improving the environment, but only preserving the little we have left.

Action: Upon a motion by Mayor Kellejian and a second by Vice Chair Cafagna, the SANDAG Board of Directors accepted the draft TransNet Extension Environmental Mitigation Program for inclusion in the Draft Ordinance and Expenditure Plan for distribution to member agencies and interested parties for review and comment. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – 0.

4. REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (ACCEPT)

The Chief Economist reported that the purpose of this program is to assist with the passage of the TransNet Extension ballot measure and to fund the regional arterial system. There is a public perception that the development community has not been paying its fair share of regional projects. He has had the opportunity to meet with a number of groups and make presentations to councils. Based on those meetings, some adjustments have been made to this program, including an expanded definition of the arterial system to provide more roadways, and identification of a roadway in each of the cities to allow the opportunity to spend the money collected from impact fees in their own area. Another change was an expanded list of exemptions to include moderate income households and condominium conversions. The expenditure program was also expanded to seven years. At the end of seven years, if a city has uncommitted funds, the funds will be transferred to the regional agency and the regional agency will have three years to use these funds in the subregion from which they were collected. A severability clause has also been included in the Ordinance.

The Chief Economist stated that the focus is on the regional arterial system due to the high priority it has in the RTP, and its importance for congestion relief and mobility improvement.
He reviewed the requirements of the nexus study if jurisdictions chose to fund the fee requirements through a development impact fee. He noted that it would be SANDAG’s responsibility to carry out the nexus study. He said there are three major elements of the nexus requirements: fee use and development, facility need and development, and fee amount and facility cost. He explained the framework used to arrive at the $2,000 fee amount being included in the Ordinance. He noted that this calculation does not take the place of the nexus study.

Mayor Mark Lewis (El Cajon) asked under what authority SANDAG could require the jurisdictions to levy the $2,000 impact fee. The Deputy General Counsel replied that it is legal for SANDAG to condition payment of TransNet funds to the jurisdictions on compliance with this provision.

Mayor Lewis clarified that if a jurisdiction does not collect the impact fee then it stands to lose all of its TransNet dollars. He questioned how a jurisdiction will impose an impact fee if there are no new housing projects in that area. He stated that a housing developer will turn around and pass that fee onto the homebuyer, which will make the housing prices even higher than they are now. The Chief Economist stated that there is a perception that developers are not contributing their fair share toward providing infrastructure surrounding new development. This perception puts the TransNet Extension ballot measure in jeopardy. This program is an attempt to relieve that perception. The impact fee gives the opportunity for money to be spent in the area that it is collected and will allow jurisdictions to handle traffic and capacity. He acknowledged that new housing prices will probably rise, but at the same time the fees will help the transportation system surrounding that new house.

Chair Morrison said that while we hear that housing prices are too high, we also hear that housing is being built without the necessary infrastructure. This program will allow us to have money for that infrastructure. He noted that moderate and lower-priced housing are exempted from this fee. This will be an impetus to build more of these lower-priced homes.

The Executive Director clarified that if an area is already collecting a fee that goes for these regional improvements then there will be no additional fee. The jurisdiction will get credit for what it has already done.

Mayor Mary Sessom (Lemon Grove) asked if the amount of the impact fee in the Ordinance would change as a result of the nexus study. The Chief Economist replied that the amount for this fee in the Ordinance would not change. That’s why we are trying to figure out the amount in advance.

Mayor Sessom asked who would provide legal counsel if the nexus study is challenged in court. The Deputy General Counsel answered that since SANDAG would do the study we should be responsible for defending such a lawsuit. Mayor Sessom asked if there would be an additional assessment to SANDAG members in that case. The Deputy General Counsel replied negatively.

Mayor Sessom said that if a jurisdiction demonstrates need and has committed the funds, when does the determination of need occur. The Chief Economist replied that the jurisdiction has to show need on an existing basis.
Councilmember Barry Jantz (La Mesa) clarified that the TransNet Extension is not a new tax, but an extension of an existing one. He said that we have to look at what an impact fee does for the passage of the TransNet Extension. In the case of the public opinion survey, he wondered if the right questions were asked. He has not seen the question put to the public that if it was known that the impact fee would increase the cost of a new home, would it still receive support. His concern was not the 2-4 percent of votes we don’t lose from the environmental community, but it is the 7-10 percentage points we lose when the public realizes that this is an increase in the cost of new housing. The Chief Economist stated that according to the public opinion survey and the focus groups, the public understands that you have to collect this additional money to pay for the transportation system that you want. Councilmember Jantz said that his city council would like documentation of that information.

Mayor Corky Smith (San Marcos) thought that we should stress that the impact fee is for new residential development.

Councilmember Jack Feller (Oceanside) wondered why the fee was set at $2,000 rather than the $1,865 resulting from staff’s methodology. The Chief Economist stated that the nexus study hasn’t been completed and this is an estimate.

Councilmember Jack Dale believed that the nexus and the impact fee will be challengeable in court. He asked how that would affect the entire TransNet Extension Ordinance. The Executive Director stated that there is severability language in the Ordinance so that if certain pieces of the Ordinance were declared unconstitutional, others would stand.

Mayor Bud Lewis (Carlsbad) asked what percentage of the total package would be going for environmental purposes. The Executive Director answered that $850 million out of the $14 billion measure. The projects will still have to satisfy the permitting requirements. For most of the major projects half of the money will come from TransNet and other half will come from other sources.

Supervisor Jacob asked how long it will take to conduct the nexus study. The Chief Economist replied that it will take approximately nine months.

Chair Morrison asked when the collection of impact fees would take effect. The Chief Economist answered that it would be effective on July 1, 2008.

Supervisor Jacob asked if the regional arterial system is likely to change in the next few years. The Chief Economist indicated that the SANDAG Board currently has the opportunity to amend the arterial system contained in the Regional Transportation Program every three years based upon criteria adopted by the Board.

Supervisor Jacob asked how the impact fee amount can be determined without a nexus study. The Chief Economist stated that the objective is that the amount is adequate for the housing being built.

Councilmember Judy Ritter (NCTD) commented that the price of real estate is market driven. She didn’t think the $2,000 would deter someone from buying a house in this market.
Public Comment:

Matthew Adams, representing the government affairs office for the Building Industry Association (BIA), stated that the BIA recognizes the necessity of getting the TransNet Extension passed, and they are working hard with SANDAG to reach consensus on a sensitive issue to the Association. He noted that over the last 17 years the development community has contributed a significant amount of money to the region, and has provided approximately 24,000 acres of land for parks, schools, and fire stations. The BIA feels that it has paid its fair share and has been a good partner.

Jerry Harmon, representing Traffic Relief Is Possible (TRIP), suggested that instead of collecting the impact fees at the local level, they should be collected at the regional level. He commended the Board for what is being proposed, but he thought that these fees should also be collected from industrial or commercial development. He noted that in 1999, SANDAG produced a study that stated the true infrastructure cost for additional development is $10,000 to $20,000 per dwelling unit.

Paul Blackburn, representing the Sierra Club, didn’t feel this matter was ready for a decision today. He wondered how much this impact fee will generate. He thought that countywide, by the time this measure takes effect, a lot of housing will already be built. He didn’t think that the amount in the TransNet Extension will provide a significant contribution to congestion relief.

Nico Calavita, a professor at SDSU, said that he understood the attempt of the TransNet Extension is to provide a revenue source that comes from the community to pay for infrastructure. His concern was that it was only targeting residential and not commercial and industrial development. He did not think that impact fees should be a part of this particular package. He thought there should be another system that is community based. There is no consistency related to impact fees among the different jurisdictions.

Renata Mulry, a member of the public, said that there is no way you can equate the cost of housing to the number of miles traveled. There is an enormous amount of traffic generated from Riverside County, Orange County, and Los Angeles. This also impacts traffic in San Diego County. This Board needs to consider changing the funding formula so that roads and freeways get more funding. The impact fee will not solve the problem and does not adequately affect those who travel the miles. She also did not support the 40-year time period for the Ordinance, and suggested that it be 20 or 25 years instead.

Chair Morrison commented that most of the financial bonds that were approved on the March ballot had no time period for expiration.
Board comments:

Mayor Cafagna agreed that the building industry does pay a large amount of fees. The question is where have those monies been directed to? Regional arterials have been neglected with regard to funding. The issue of supporting the TransNet Extension tax is a matter of listening to the people. The voters believe that developers do not pay their fair share. He felt that the amount being proposed for the impact fee is appropriate.

Mayor Steve Padilla (Chula Vista) took issue with the assertion that this is a poll-driven focus. The purpose of the TransNet Extension is how to adequately address the region's mobility needs. The question is whether the land uses driving demand and impact on the whole transportation system are contributing to the regional impact. We have to remember that all of us already pay the costs of the changes on the infrastructure in the region. The impact fee will serve to equalize the region. Should the people that are creating the demand on the system be a major contributor to underwriting these costs? The right public policy answer is yes.

Councilmember Feller said that the reason why people are commuting is the high cost of owning a home here. He hoped the nexus study will show the amount to be less than $2,000.

Vice Chair Cafagna stated that the nexus study related to Riverside's recent passage of its sales tax indicated that the impact fee should be $6,600 per resident.

Councilmember Christy Guerin (Encinitas) noted the fact that we listen to the public is important. In Encinitas, development impact fees have been an ongoing issue. There are a lot of people in the environmental community that have been concerned about this for a long time. The cost of housing is not solely based on development fees. The TransNet Extension is what we have identified for projects. This fee is for the neglected regional arterial system. With regard to commercial development, no jurisdiction has large commercial development without extracting some fees from them. There is flexibility in each of our cities to address this issue.

Supervisor Jacob stated that the County Board of Supervisors discussed a developer impact fee, but it did not take action on this per se. It was her belief that the fee should be no more than $2,000, and that the nexus issue should be resolved as soon as possible.

Supervisor Jacob suggested that this not be acted on today but that it be distributed for public review to provide an opportunity for the jurisdictions around the table to take a position on this.

Motion Made: A motion was made by Supervisor Jacob and a second by Mayor Mark Lewis, to put this matter out for public review.

Mayor Kellejian said that the staff report describes the uses for this impact fee to include construction of transportation improvements such as new or widened arterials, turning lanes, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional express bus and rail transit services that will be needed to accommodate future
travel demand generated by new development throughout the San Diego region. He asked how much the County of San Diego will receive in development impact fees over the life of the 40-year program. The Chief Economist indicated that 30 percent to 35 percent of the new dwelling units are expected to be built within the County during the time the measure is in place.

Mayor Kellejian asked if we have worked with the County of San Diego to identify the projects that this money would be used for. The Chief Economist replied that in the RTP we work with each local jurisdiction to identify the projects that the money would fund. Supervisor Jacob previously brought to our attention some projects that could use that money.

Councilmember McCoy said that the Imperial Beach City Council supports this proposal. We need to have decent public transportation, and we need to make mass transit more attractive for people to want to use it.

Mayor Morris Vance (Vista) said that over a period of time, Vista adopted a rigorous impact fee schedule and we were then able to take advantage of the first TransNet funds to build needed arterials and other needed improvements. He supports this program.

Councilmember Jantz stated that the La Mesa City Council supports this program. From a legal standpoint he would like to know what happens if the voters of the City of San Diego vote for the TransNet Extension but the City of La Mesa does not.

Mayor Padilla could not support the motion for this to go out for a separate public review from the TransNet Ordinance. He added that if this body cannot come together then we have problems. The consensus of the Chula Vista City Council has been to include the impact fee program in the TransNet Extension Ordinance.

Supervisor Jacob withdrew her motion.

Councilmember Dale said that we need an answer to the question of why we are not asking businesses to pay the impact fee.

**Action:** Upon a motion by Councilmember Guerin and a second by Councilmember Jantz, the SANDAG Board of Directors accepted the Regional Transportation Congestion Improvement Program for inclusion in the draft TransNet Extension Ordinance. Yes – 18 (weighted vote, 97%). No – El Cajon (weighted vote, 3%). Abstain – 0 (0%). Absent – 0.

Chair Morrison called a five-minute break at 12:18 p.m. and reconvened the meeting at 12:26 p.m.

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

Staff reviewed the direction provided by the Board at the March 19, 2004, special meeting including the extension of the measure to 40 years to increase the funding level for local streets and roads to the one-third level provided under the current TransNet program, to restore cuts that had been made in previous versions of the Expenditure Plan, to increase
the base level of funding for transit service improvements, and to eliminate the Proposition 42 Revenue Protection Fund concept. Staff also described the major components of the plan including congestion relief projects, expenditure plan funding distribution, the local street and road program, the smart growth incentive program, the transit programs, the transportation environmental mitigation program, “off-the-top” expenditures, the private developer funding/impact fee, the oversight committee, priority for remaining projects from the current TransNet program, and Ordinance amendment procedures.

Chair Morrison announced that due to the length of this meeting, the Public Safety Policy Committee meeting scheduled for 1:30 p.m. has been cancelled.

Chair Morrison clarified that the action for this item is to accept for distribution for public comment.

Councilmember Madaffer moved to approve the staff recommendation to accept the draft TransNet Extension Ordinance and Expenditure Plan for distribution to member agencies and interested parties for review and comment. Vice Chair Cafagna seconded the motion.

Supervisor Jacob said that the County Board of Supervisors has not taken a position on the entire TransNet proposal. She reviewed the following recommendations: (1) to support, in concept, the one-third allocation for local streets and roads and two-thirds allocation to highway and transit projects, eliminating the reliance on Proposition 42 dollars, and support for a 40-year measure; (2) support for the inclusion of a provision in the TransNet Extension that prohibits changes to the list of congestion relief projects, as listed in the Ordinance, unless there is a two-thirds vote of the SANDAG Board and the concurrence of each jurisdiction in which the project is proposed; (3) support excluding the following items from any future change in the proposed extension of the TransNet Ordinance: priority projects, the oversight committee, allocations to local streets and roads, changes to projects only with a two-thirds vote and concurrence of each jurisdiction; (4) the July 1, 2008, effective date of the Ordinance; and (5) open for discussion and possible action the requirement of a developer impact fee in the proposed TransNet Extension Ordinance.

Chair Morrison stated that the TransNet Extension Expenditure Plan would generate $14 billion, but current plan needs are in excess of $70 billion. This measure cannot meet all of the needs. Without this going forward, we can count on gridlock, degradation of our environment, and the lack of affordable housing.

Public Comment:

Robert Hoffman, representing SMART, said that studies show only 2 percent of trips are made by transit. That means 98 percent of trips are made by automobile. He didn't see the rationalization for continuing to allocate one-third of the funds to transit.

Councilmember Bob Emery (Poway), representing MTS, lauded the work of the Ad Hoc Working Group on TransNet, the SANDAG Board, and staff. He said that it is imperative that we retain the one-third split. No matter how this works out, transit needs these funds. The position of the MTS Board is that we support the current
proposal as it is being distributed to the public. He said that because of the two-thirds approval requirement, what happens in each jurisdiction is very important.

Kevin Wirsing, representing the University City Golden Triangle and Friends of Rose Canyon, opposed two surface street projects that pose serious threats to those communities: the Regents Road Bridge and Genesee Avenue widening. These have been proposed by the City of San Diego for the people who work in Sorrento Valley. The solution is to make the regional transportation system operate at maximum efficiency. He was delighted with the proposed widening of Interstate 5, but was disappointed that the “S” curve had not been removed. He urged the Board to do a fair comparison of bus rapid transit (BRT) and the trolley extension.

Elise Casby, representing San Diego Transit Riders United, expressed concern about the lack of planning around environmental issues. She noted that the price of transportation is very high. She was also concerned that we are putting more money into roads rather than mass transit.

Kathy Keehan, representing the San Diego County Bicycle Coalition, supported accepting this for public review. She noted that under item E, page 12, of the Ordinance related to the Bicycle, Pedestrian, and Neighborhood Safety Program, a dollar amount was listed and she thought that it should say 2 percent instead. The Bicycle Coalition also supported the smart growth incentive program.

Cynthia Conger, representing the Peninsula Community Planning Board, suggested that SANDAG consider funding the construction of the Interstate 8/Interstate 5 interchange project in the plan. She stated that changes need to be made so that people are able to reach the beach areas. The Executive Director stated that money has been included for a study of improvements to that interchange.

Chair Morrison said that the list of projects to be funded is based on criteria and not on a political basis. He added that the RTP is reevaluated every three years.

Lynne Baker, representing the Endangered Habitats League, thanked the Board for its ongoing efforts. She stressed the good faith among Board members and communities to help set good priorities and get appropriate funding.

Alejandra Mier y Teran, representing the Otay Mesa Chamber of Commerce, stated that the Chamber strongly supports the TransNet Extension.

Angelika Villagrana, representing the San Diego Regional Chamber of Commerce, urged support for the TransNet Extension. She said that we need to work together to send a unified voice to the voters to get the two-thirds majority needed for passage.

Clive Richard, a member of the public, expressed concern about the way the support was shown by the County Board of Supervisors. He will be strongly supporting the TransNet Extension. He said that it is important to support transportation in the future and to have transportation alternatives.
Brad Barnum, representing the Associated General Contractors, said that they strongly support the TransNet Extension. He said that they applaud the efforts to balance transit and the environment. He stated that the traffic congestion relief projects should be the message before the public. This measure is vital to all of us. He urged the Board to support this measure.

Board Comments:

Mayor Kellejian indicated that the City of Solana Beach took unanimous action to support the TransNet Extension Expenditure Plan. The County has requested that the 2 percent competitive smart growth funding be taken off the top of the local road portion. His council does not support that. He asked how much money is the County of San Diego going to be getting from the 2 percent competitive smart growth program, and are we working to identify smart growth projects in the County. The Executive Director responded that the amount any jurisdiction receives from the smart growth fund is a function of the competition. The Regional Planning Committee is working on the smart growth opportunities and have identified rural town centers as part of this. The County would get about $15 million or $16 million from the local streets and roads segment. If they compete and got their fair share from the smart growth fund, it would be about $1 million per year.

Mayor Pro Tem Monroe (Coronado) referred to a memo from Walt Brewer that asks for some figures to be provided. He would like to see those figures and asked staff to provide this information to the Board.

Mayor Pro Tem Monroe was opposed to the recommendation from the County of San Diego that would require agreement of the jurisdiction involved for changes to be made in the traffic congestion relief projects listed in the Ordinance. He noted that we have worked with the County to increase the percentages for the local streets and road segment. Now, a two-thirds vote of the SANDAG Board and recommendations from the oversight committee is not enough for the County. He recommended that the Board not adopt that recommendation from the County.

Paul Blackburn, representing the Sierra Club, said that they have nine issues on the TransNet Extension related to concerns about neighborhood safety, support for services for seniors and the disabled, support for the living wage provision, support for smart growth, and affordable housing. He did not think that the 16 percent funding for transit operations was going to provide significant improvement. He said that the Sierra Club is not on board with this program.

Mayor Corky Smith expressed his support for the staff recommendation; however, he felt that it would be a mistake not to have at least 40 percent for highways.

Chair Morrison said the split is really one-third for local roads and two-thirds for highways and transit. He stated that you cannot separate transit from highways. It’s really one-third for local roads and two-thirds for congestion management.

Councilmember Feller thought that fixed guideway should be added to the list of definitions under Transit in Section 21.B, on page 21. It mentions other types of transportation but the Sprinter is not covered there. He will support the motion.
Mayor Lori Pfeiler (Escondido), expressed support for the smart growth category. She noted that the Regional Planning Committee has developed some smart growth category descriptions. The plan is to recognize where we are going in the future and try to be responsive to where people want to live. She agreed with Mayor Pro Tem Monroe that we should not include the recommendation to require jurisdiction concurrence for amendments to the Ordinance.

Mayor Padilla supported the recommended action, and reminded the Board that we need to have a regional approach.

Councilmember Guerin pointed out that the Ordinance language was written “to provide a measure of flexibility in recognition of the possibility that circumstances and regional priorities could change between now and 2048.” She questioned the dollar amount related to the bicycle issue. The Executive Director stated that $280 million is 2 percent. Staff will change the language to include the percentage of TransNet revenues for this category.

Chair Morrison clarified that the proposed TransNet Extension Ordinance currently includes the requirement recommended by the County related to the jurisdictional concurrence.

Mayor Pro Tem Monroe suggested an amendment to the motion related to Section 16, page 20, of the Ordinance, to delete the sentence that reads, “To delete one or the projects identified in Section 2(A)(1) from the Expenditure Plan, the concurrence of the jurisdiction or jurisdictions with land use authority for the area in which the facility is located also must be obtained.” Both Councilmember Madaffer and Vice Chair Cafagna agreed to amend their original motion.

Councilmember Crystal Crawford (Del Mar) agreed with adding the percentage on the bicycle section. She stated that her city council felt that to allow flexibility in the future there should be few exceptions to the amendment procedure. She will support the motion on the floor.

Chair Morrison noted that the only exemptions to the amendment procedure are those contained on page 20, including Section 3(E)(1), related to those projects that were included in the original TransNet measure that are uncompleted; Section 8, Maintenance of Effort; Section 9, Regional Transportation Congestion Improvement Program, and Section 11, Independent Taxpayer Oversight Committee.

Mayor Dick Murphy (City of San Diego) questioned if the exemptions on page 20, Section 16, are the same as the bullet points on page 4 of the agenda item. The Executive Director indicated that they are the same.

Mayor Murphy agreed that the smart growth provision should be left in the local funding section. He asked staff to talk with Mr. Blackburn and the Sierra Club to try to address their concerns. The Executive Director stated that staff spent two hours this week meeting with the Sierra Club, and we have scheduled time to continue to work with them.

Chair Morrison asked Board members to add this issue to the agendas of their local jurisdictions. He also reminded the community and interest groups that this starts the 30-day time period for input.
Action: Upon a motion by Councilmember Madaffer and a second by Vice Chair Cafagna, the SANDAG Board accepted the draft TransNet Extension Ordinance and Expenditure Plan, as amended, for distribution to member agencies and interested parties for review and comment; and to schedule the first reading of the Ordinance for the May 14, 2004, Board meeting, with the second reading and adoption scheduled for the May 28, 2004, meeting. Yes – 16 (weighted vote, 80%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Carlsbad, County of San Diego, Lemon Grove.

6. ADJOURNMENT

The meeting was adjourned at 1:49 p.m.

GARY L. GALLEGOS
Secretary
## ATTENDANCE
### SANDAG BOARD OF DIRECTORS’ SPECIAL MEETING
### APRIL 9, 2004

<table>
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<tr>
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<th>NAME</th>
<th>ATTENDING</th>
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<tr>
<td>City of Carlsbad</td>
<td>Bud Lewis (Alternate)</td>
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<tr>
<td>City of Chula Vista</td>
<td>Steve Padilla (Member)</td>
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<td>City of Coronado</td>
<td>Phil Monroe (Member)</td>
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<td>Crystal Crawford (Member)</td>
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<td>Mark Lewis (Member)</td>
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<td>City of Encinitas</td>
<td>Christy Guerin (Member)</td>
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<td>City of Escondido</td>
<td>Lori Holt Pfeiler (Member)</td>
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<td>City of Imperial Beach</td>
<td>Patricia McCoy (Member)</td>
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<td>City of La Mesa</td>
<td>Barry Jantz (Member)</td>
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<td>City of Lemon Grove</td>
<td>Mary Sessom (Member)</td>
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<td>City of National City</td>
<td>Ron Morrison, Chair (Member)</td>
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<td>City of Oceanside</td>
<td>Jack Feller (Member)</td>
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<td>City of Poway</td>
<td>Mickey Cafagna, Vice Chair (Member)</td>
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<td>City of San Diego - A</td>
<td>Dick Murphy (Member)</td>
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<td>City of San Diego - B</td>
<td>Jim Madaffer (Member)</td>
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<td>City of San Marcos</td>
<td>Corky Smith (Member)</td>
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<td>Jack Dale (Alternate)</td>
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<td>City of Solana Beach</td>
<td>Joe Kellejian (Member)</td>
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<td>City of Vista</td>
<td>Morris Vance (Member)</td>
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<tr>
<td>County of San Diego</td>
<td>Diane Jacob (Member)</td>
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### ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)

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<td>Caltrans</td>
<td>Pedro Orso-Delgado (Alternate)</td>
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<td>Leon Williams (Member)</td>
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<td>NCTD</td>
<td>Judy Ritter (Member)</td>
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<td>Imperial County</td>
<td>Victor Carrillo (Member)</td>
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<td>US Dept. of Defense</td>
<td>CAPT Christopher Schanze (Member)</td>
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<td>SD Unified Port District</td>
<td>Jess Van Deventer (Member)</td>
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<td>SD County Water Authority</td>
<td>Bernie Rhinerson (Member)</td>
<td>No</td>
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<tr>
<td>Baja California/Mexico</td>
<td>Luis Cabrera Cuaron (Member)</td>
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MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the “MOU”), dated as of April ___, 2004, between the SAN DIEGO ASSOCIATION OF GOVERNMENTS (“SANDAG”) and the NORTH SAN DIEGO COUNTY TRANSIT DEVELOPMENT BOARD (“NSDCTDB”):

RECITALS:

The following recitals are a substantive part of this MOU:

WHEREAS, NSDCTDB is undertaking the construction of the Sprinter rail project (the “Project”) to link the north San Diego County cities of Oceanside, Vista, San Marcos and Escondido; and

WHEREAS, the financing for the Project is proposed to be provided by a combination of federal, state and local funding; and

WHEREAS, NSDCTDB has entered into a Full Funding Grant Agreement (the “FFGA”) with the United States of America, acting through the Department of Transportation, Federal Transit Administration (“FTA”) pursuant to which FTA has awarded federal assistance to the Project in the amount of $152,100,000; and

WHEREAS, the FFGA requires that NSDCTDB commit and certify that it will provide funds (the “Local Share”), together with the federal contribution, to assure timely and full payment of all Project costs as necessary to complete construction of the Project; and

WHEREAS, approximately $80 million of the Local Share was projected to be funded by the California Transportation Commission through the Traffic Congestion Relief Program (“TCRP”); and

WHEREAS, funding through the TCRP has been reduced or suspended in previous years by the State of California (the “State”) as part of the State budget; and

WHEREAS, funding for the TCRP through the FY 2005 State budget is currently pending; and

WHEREAS, in order to timely proceed with the construction of the Project, NSDCTDB proposes to cause the preparation, sale and delivery of Certificates of Participation (the “Certificates”) in an amount not to exceed $105 million to fund the cash shortfall created by the suspension of the TCRP funding; and

WHEREAS, the principal and interest on the Certificates will be payable from installment or lease payments (hereinafter referred to as the “Installment Payments”) to be made by NSDCTDB pursuant to an installment purchase agreement or lease agreement, as applicable (“the Installment Purchase Agreement”), between NSDCTDB and the California Transit Finance Corporation ((CTFC), the “Corporation”)); and

WHEREAS, NSDCTDB has previously requested and, on March 26, 2004, SANDAG agreed to program, if deemed necessary, CMAQ funds to pay the Installment Payments in Fiscal Years 2008 through 2017; and

WHEREAS, NSDCTDB has committed to pay the Installment Payments using all funds of NSDCTDB (“Pledged Revenues”) legally available to pay such Installment Payments which will include, but not be
limited to, its share of TransNet sales tax revenue ("TransNet") and Transportation Development Act ("TDA") sales tax revenue, State Transportation Improvement Program or Congestion Mitigation and Air Quality ("CMAQ") funds received by NSDCTDB from SANDAG pursuant to this MOU, farebox revenues and any other legally available local revenues except certain locally generated real estate revenues; and

WHEREAS, NSDCTDB shall be responsible for making the Installment Payments using its separate local funds for Fiscal Years 2005 through 2007; and

WHEREAS, in order to memorialize the understanding of NSDCTDB and SANDAG regarding the funding of Installment Payments necessary to pay the interest and principal with respect to the Certificates and to convey this understanding to the prospective purchasers of the Certificates, NSDCTDB and SANDAG desire to enter into the MOU.

NOW, THEREFORE, IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

Section 1. SANDAG Responsibilities. Subject to the provisions hereof, in the event the full amount of State TCRP funds are not available on a timely basis SANDAG shall and except as provided in the following paragraph, commencing in SANDAG's Fiscal Year 2008 (beginning July 1, 2007) and through Fiscal Year 2017 (ending June 30, 2017), SANDAG will annually program CMAQ funds, and take all other actions necessary including amending the Regional Transportation Improvement Program, in the amount necessary to enable NSDCTDB to pay Installment Payments due and payable during such Fiscal Years. The parties project that such annual CMAQ program obligation will be not more than $10.5 million, representing the debt service attributable to the financing of the $80 million.

In the event that TCRP or funds (other than funds already programmed as a part of the Local Share) become available to fund all or a portion of the Local Share of the cost of the construction of the Project so as to reduce the outstanding principal amount of the Certificates or to fund the payment by NSDCTDB of the Installment Payments, SANDAG’s obligation to program CMAQ funds hereunder will be reduced proportionately.

Section 2. NSDCTDB Responsibilities. NSDCTDB shall:

A. Undertake the construction of the Project;

B. Adhere at all times to the provisions of the FFGA to insure continued eligibility for federal funding thereunder;

C. Covenant and pledge to utilize the CMAQ funds received from SANDAG pursuant to Section 1 above to pay Installment Payments as the same shall be due and payable;

D. Pay from other Pledged Revenues all Installment Payments, or any portion thereof, not funded from the CMAQ funds that may be provided by SANDAG pursuant to Section 1 above;

E. Not pledge or use its Pledged Revenues towards repayment of or security for any other indebtedness on a senior or parity basis with the obligation to use such Pledged Revenues to make payments with respect to the Certificates.
F. Comply with all applicable local, state and federal laws and regulations relating to the receipt by NSDCTDB of other funds which may be utilized to finance the construction of the Project or to pay interest and/or principal with respect to the Certificates; and

G. Submit to the Executive Director of SANDAG quarterly and annual reports detailing the status of construction of the Project, including the current construction schedule, percentage of construction completed, cost overruns, budget projections, pending or threatened litigation concerning the Project and anticipated completion date. Such reports shall be made until the earlier of (a) the termination of the obligation of SANDAG to program CMAQ funds pursuant to Section 1 hereof or (b) the date on which NSDCTDB certifies that the construction of the Project is complete and all outstanding costs with respect to the Project have been paid in full. In the event a quarterly or annual report shows an increase to the overall Project budget or a Project schedule delay of more than 30 (thirty) days, the Executive Director of NSDCTDB will concurrently submit a report to the SANDAG Board describing the cause for the increase and/or delay and describing NSDCTDB’s action plan to correct the budget and/or schedule problem.

Section 3. Term of the MOU. The term of this MOU shall be concurrent with the term of the Installment Purchase Agreement.

Section 4. This MOU may be amended by mutual written agreement of both NSDCTDB and SANDAG and the written consent of the bond insurer, if any, for the Certificates.

Section 5. Indemnification. NSDCTDB shall require its contractors to indemnify, defend and save harmless SANDAG and CTFC, their officers, agents, and employees from any losses, claims, or liabilities that may result from any injury to any person, firm, or corporation, including death, or damage to any property that may result from or arise out of this MOU.

Section 6. Certificate Holders as Third Party Beneficiaries. The parties hereto acknowledge that the owners of the Certificates and trustee appointed by NSDCTDB for the Certificates shall be third party beneficiaries of the representations and agreements set forth in this MOU.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their respective officers, as of the date first above written.

NORTH SAN DIEGO COUNTY TRANSIT DEVELOPMENT BOARD

By: ____________________________
Its: ____________________________

SAN DIEGO ASSOCIATION OF GOVERNMENTS

By: ____________________________
Its: ____________________________