



BOARD OF DIRECTORS
JUNE 25, 2004

AGENDA ITEM NO. 04-06-1
ACTION REQUESTED - APPROVE

BOARD OF DIRECTORS DISCUSSION AND ACTIONS

Meeting of May 28, 2004

Chairman Ron Morrison (National City) called the meeting of the SANDAG Board of Directors to order at 9:17 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MEETING MINUTES

Chairman Morrison read a change to the meeting minutes of May 14, 2004, received from a San Diego resident, Jim Schmidt.

Action Taken: Upon a motion by Mayor Pro Tem McCoy (Imperial Beach) and a second by Vice Chairman Cafagna (Poway), the SANDAG Board of Directors voted to approve the meeting minutes of April 23, 2004 and May 14, 2004, as amended. Yes – 16 (weighted vote, 99%). No – 0 (weighted vote, 0%). Abstain – 1. Solana Beach (weighted vote, 1%). Absent – Del Mar, Oceanside.

2. ADDITIONS AND DELETIONS

None.

3. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Chuck Lungerhausen, a San Diego resident, commented that in Seattle, a company increased its parking fees and that action caused the employees to begin to carpool and utilize public transit. He noted that this is an example of how public policy can influence the behavior of the general public. This type of policy can also improve air quality in the region.

Mayor Pro Tem McCoy requested that each Board member be given LCD screens, similar to those that are available for the Chairman, in order to see the presentations better. She added that it would be beneficial for all Board members to receive agenda material by e-mail rather than paper copy, prior to attending the meetings.

Chairman Morrison replied that the LCD screens are at the Chair's seat because of the voting systems. The two additional screens are a sample project. Eventually, all Board members will have screens.

Staff added that a survey on how to best disseminate information to the Board members is currently being developed. Once comments have been received, staff will bring the results of that survey back to the Board for discussion.

Mayor Smith (San Marcos) thanked the SANDAG Executive Director for the great job he did in making a TransNet presentation to the San Marcos City Council.

Chairman Morrison pointed out that the SANDAG staff has also been commended on their high level of expertise. It has been noted and commented on by people from all parts of the country.

CONSENT ITEMS (4 THROUGH 7)

Chairman Morrison noted that Item #4 – Actions from Policy Advisory Committees – has been pulled by a member of the public for comment.

5. QUARTERLY PROGRESS REPORT ON TRANSPORTION PROJECTS JANUARY – MARCH 2004 (INFORMATION/POSSIBLE ACTION)
6. QUARTERLY INVESTMENT REPORT – PERIOD ENDED MARCH 31, 2004 (INFORMATION/POSSIBLE ACTION)
7. WORKERS COMPENSTION COVERAGE FOR VOLUNTEERS (Resolution No. 2004-20) (APPROVE)

Action Taken: Upon a motion by Vice Chairman Cafagna and a second by Councilmember Crawford (Del Mar), the SANDAG Board of Directors voted to approve Consent Items 5 through 7. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%).

Councilmember Madaffer (City of San Diego) noted that the *TransNet* sales tax revenue in the region is up this year over 7%; however, the construction costs are up 8.2%; that makes the economy a wash.

4. ACTIONS FROM POLICY ADIVSORY COMMITTEES

Robert Hoffman, a San Diego resident, commented that at the Transportation Committee meeting on May 21, 2004, the Committee voted to support a study to investigate implementing the MAGLEV system in the San Diego region. He noted that this is a terrible use of taxpayer dollars. *Staff replied that the concept is not to replace the current system with MAGLEV but to complement the High Speed Rail project and connect the loose pieces in the corridor.*

Mayor Pro Tem Monroe (Coronado) commented that the action taken was just a letter requesting federal funds to do a study. SANDAG felt there was the expertise to do so and there are dedicated funds in an upcoming federal transportation bill to do these types of studies. The Transportation Committee thought it would be helpful to the region to be part of that action.

Mayor Smith asked if Congressman Filner is supporting this project. *Staff responded that is correct.*

Action Taken: Upon a motion by Mayor Pro Tem (Coronado) and a second by Councilmember Madaffer, the SANDAG Board of Directors voted to approve the actions from the Policy Advisory Committees. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%).

CHAIR'S REPORT

8. APPOINTMENT OF NOMINATING COMMITTEE FOR BOARD OFFICERS (APPOINT)

Chairman Morrison noted that per the SANDAG Bylaws, a five-member nominating committee for Board officers, made up of Board Members from each of the four subregions and a member from either the City of San Diego or the County of San Diego, needs to be appointed. The Chairman appointed the following SANDAG Board members to serve on the nominating committee: Mayor Padilla (Chula Vista), Mayor Vance (Vista), Mayor Lewis (El Cajon), Councilmember Crawford (Del Mar), and Mayor Murphy (City of San Diego), with Mayor Padilla serving as the Chair.

Chairman Morrison commented that the nominating committee should submit its list of nominees, in writing, for mailing to Board Members as part of the June 25, 2004, Board agenda package. He added that additional nominations for any office can be made by Board Members at the June meeting.

Chairman Morrison thanked the nominating committee, in advance, for their efforts.

REPORTS

9. 2004 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) – REVISED SUBMITTAL (APPROVE)

Staff noted that on March 26, 2004, the Board approved submittal of Option C for the 2004 State Transportation Improvement Program (STIP) which maximizes the use of Grant Anticipation Revenue Vehicle (GARVEE) and other bonds. The proposal included approximately \$253 million in GARVEE bonds and \$80 million in North County Transit District (NCTD) bond financing for the Sprinter. Although the "May Revise" of the draft FY 2004/05 Budget Act proposes to remove the cap on the amount of GARVEE bonds the state issues for transportation projects, early feedback from the California Transportation Commission (CTC) indicates that it will not make a decision on which projects will be financed with GARVEE bonds until after the statewide STIP is adopted on August 5, 2004. CTC staff is requesting submittal of a "pay as you go" STIP proposal that does not include GARVEE or other bond financing.

The Transportation Committee recommended, at its May 7, 2004 meeting, Option A, a "pay as you go" STIP programming alternative that does not include any additional bond financing beyond that already approved for the I-15 Managed Lanes. It also recommended that in order to minimize potential project delays and cost increases, that staff continue to

pursue bond financing as outlined under Option C previously approved by the Board as the preferred 2004 STIP alternative. Staff added that there are two pieces of good news: (1) the Governor's May Revise deleted the \$800 million cap in additional GARVEE bonds; and (2) the May Revise also includes a proposal to continue funding the TCRP projects through FY 2004/05 for those projects that already have an allocation. Discussions in the Assembly to add new funds in FY 2004/05 for new TCRP allocations, which could include the Sprinter, are also continuing.

Action Taken: Upon a motion by Councilmember Madaffer and a second by Vice Chairman Cafagna, the SANDAG Board of Directors voted to approve the Transportation Committee's recommendation. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%).

10. COMMISSION ORDINANCE 04-01 – THE SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN PROVIDING FOR AN EXTENSION OF THE RETAIL TRANSACTIONS AND USE TAX IMPLEMENTED BY THE INITIAL SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE (COMMISSION ORDINANCE 87-1 – PROPOSITION A, 1987) FOR A FORTY –YEAR PERIOD COMMENCING ON APRIL 1, 2008 (SECOND READING) AND RESOLUTION NO. 2004-21 RELATED THERETO (Resolution 2004-21)

Staff noted that at its last meeting, the Board approved the required environmental findings and conducted the first reading of the *TransNet Extension* Ordinance and Expenditure Plan. At that meeting, two changes were made to the Ordinance, which the Board also approved. At the Board's places are all of the letters, faxes and e-mails that have been received since the last meeting.

General Counsel read the title of the Ordinance.

Public Comments:

Kathy Keehan, Executive Director of the San Diego County Bicycle Coalition, expressed the Coalition's continued support of the TransNet measure. Requested that the Board continue its support of smart growth projects.

Chuck Lunderhausen, a San Diego resident, was pleased that the SANDAG Board held its ground on the funding split for TransNet in the face of possibility of no support from the Board of Supervisors. Transit has always suffered at the hands of some elected officials that have little understanding of the vital service that it provides to people on the lower end of the income scale and the disabled community. He added that transit is an alternative to the automobile for some people, but if it continues to be shortchanged by the elected officials the region's congestion problems will only increase.

Matt Adams, representing the Building Association of San Diego County, urged the Board to support the second reading of the TransNet Ordinance. He added that the building industry has worked hard to be partners on this issue by contributing over \$800 million towards this effort over the life of the measure.

Grace Roos, representing the League of Women Voters, noted that the League sent a letter to SANDAG expressing concerns with the draft ordinance. She applauded the Board for making changes in the environmental mitigation area but still feels there is room for improvement.

Craig Benedetto, representing the Alliance for Habitat Conservation, noted that the extension of the TransNet Ordinance is critical for the San Diego region. There are other players that need to be at the table. He suggested that the Board continue to work together to bring them on board and have complete consensus on this issue.

Erik Bruvold, Director of Governmental Relations for the San Diego Regional Economic Development Corporation, noted that today is a historical day when the Board votes on the TransNet Ordinance. He thanked the Board, in advance for their vote.

Julie Meier Wright, President and CEO of the San Diego Regional Economic Development Corporation (EDC), noted that the EDC Board voted two years ago that passing the TransNet Ordinance is critical to employers in the region. She noted that when potential employers look at a region, they look at the housing supply, economy and traffic situation. She encouraged the Board to pass the Ordinance today and requested that the Board remain open-minded for possible amendments that would enhance the ordinance and gain full support of the entire Board.

Angelika Villagrana, representing the San Diego Regional Chamber of Commerce, urged the Board to pass the ordinance but continue working together to reach general consensus.

Board Member Comments:

Councilmember Dale (Santee) stated that he's spent a lot of time over the years working with the SANDAG Board. He noted that there have been numerous changes over the years but where would the region be without the current TransNet measure. He asked the Board to consider all of the monies have been received in the local jurisdictions as a result of the current measure. He noted that surely TransNet has not resolved all of the region's problems, but where would the region be without it. He added that forty years from now, where would the region be if there is no TransNet extension. The proposed ordinance does not solve all the problems and the Board has been talking about all of the things that the ordinance isn't but it's time to begin to think about what the ordinance is. He added that the region needs this and the Board needs to come together. He made the motion to approve the Second Reading and adoption of the ordinance and Resolution.

Councilmember Guerin (Encinitas) seconded the motion.

Board Comments on the Motion:

Vice Chairman Cafagna thanked Councilmember Dale for his action and indicated that there is nothing that he can say that can add to his comments. He noted that it is imperative for all members of the Board to support this action. He commented that he met during the

week with Supervisor Jacob and discussed this issue in depth. He thanked her for her insight and efforts to move the Ordinance from 30 to 40 years. He added that he supports the measure.

Supervisor Jacob (County of San Diego) stated that everyone in the region agrees that TransNet is important. However, there are differences in opinions. She commented that she is personally committed to work to try to resolve the differences between the County Board of Supervisors and the SANDAG Board. She noted that some speakers indicated that they too would like to see continued dialogue. There have been proposals and efforts to resolve these issues. There are some fundamental and philosophical differences, specifically regarding transit versus highways. She thanked Vice Chairman Cafagna for his time and would like to continue discussions with him.

Mayor Smith asked if each of the cities that support this item will be allowed to sign the information that goes into the ballot measure. If not, he would like the measure to state that the members that are allowed to sign represent all of the 18 cities. *Chairman Morrison noted that only five people are allowed to sign the argument in favor for ballot measure but it could be noted that they represent all of the local cities.*

General Counsel noted that one word was omitted from the last sentence of the Ordinance; the word "to" was left out.

Mayor Murphy (City of San Diego) commented that reducing traffic congestion is extraordinarily critical for this region's economic prosperity and quality of life and this TransNet extension is the best option for that goal.

Chairman Morrison stated that he could not have summarized the issue better. He mentioned that the SANDAG Board members have been working hard on this issue at least 25 hours a day. He thanked those members that have been exhausting themselves on this effort. He noted that Mayor Holt Pfeiler (Escondido), Councilmember Guerin (Encinitas), Mayor Murphy (City of San Diego), Mayor Padilla (Chula Vista), Councilmember Crawford (Del Mar), Vice Chairman Cafagna (Poway), and Mayor Kellejian (Solana Beach) have worked twice as hard and pointed out that their efforts have not gone unnoticed. He added that Mayor Kellejian could not be here today due to a death in the family. He concluded that the Board will continue its efforts until the issue is on the ballot.

Councilmember Feller (Oceanside) asked if the County's negotiations with Vice Chairman Cafagna are leading toward the County supporting the proposed TransNet Ordinance.

Supervisor Jacob indicated that she will take a proposal to the County Board of Supervisors when she gets something to take back to them. She would hope that the Board of Supervisors could come up with a unified position.

Councilmember Feller thanked the Supervisor for her comment.

Mayor Holt Pfeiler mentioned that the comment was made that the SANDAG Board has until August 6, 2004, to come to consensus. She noted that any amendments to the TransNet Ordinance need to be done as soon as possible because the Board needs to get this information out to the public.

Councilmember Madaffer appreciated Supervisor Jacob's comments but noted that the Board does not have until August 6, 2004, to get the message out to the residents in the City of San Diego. The Board should set a goal and should not wait any longer than June to get this issue resolved.

Chairman Morrison added that the Board has until June 11th to get its comments on the Ordinance submitted.

Councilmember Ritter (North San Diego County Transit Development Board [NCTD]) stated that NCTD does support TransNet, but questioned that the wording in the Ordinance does not include the Sprinter. She added that in resolving the issues with the County Board of Supervisors, if it included taking funds from mass transit, she could not support.

Action Taken: Upon a motion by Councilmember Dale and a second by Councilmember Guerin, the SANDAG Board of Directors voted to conduct the second reading of the *TransNet Extension* Ordinance and Expenditure Plan (Commission Ordinance 04-01), read the title of the Ordinance, and adopt Ordinance 04-01. The Board also adopted Resolution No. 2004-21, which calls for the election, authorizes the placement of specified ballot language on the County ballot, provides for payment to the County for the costs associated with placing the Ordinance on the ballot, and authorizes staff to prepare the Argument in Favor of the Ordinance and the Rebuttal to the Argument in opposition for inclusion in the voter materials sent to the County. Yes – 18 (weighted vote, 84%). No – 1. County of San Diego (weighted vote, 16%).

A break was called at 10:16 a.m. and the meeting was reconvened at 10:31 a.m.

11. UPDATE ON REGIONAL COMPREHENSIVE PLAN (RCP) (POSSIBLE ACTION)

A. WORKSHOP RESULTS

Mayor Holt Pfeiler, Chair of SANDAG's Regional Planning Committee, provided the Board with an overview on the third round of workshops held on the Regional Comprehensive Plan (RCP). Six workshops were held throughout the region in the cities of Encinitas, Vista, San Diego, Chula Vista, El Cajon and Oceanside. Attendance by local elected officials, members of the Stakeholders Working Group and Technical Working Group, and the public was approximately 100 participants. The third round of workshops was designed in an "open house" format to provide an informal setting where residents could ask questions, discuss issues, and offer comments and feedback on the draft RCP and draft EIR. Four "stations" were set up to help guide the public to particular areas of interest and comment cards were available at each station for citizens to provide written comments. Approximately 70 comments were received at the workshops. Staff has reviewed the comments and modified the revised working draft RCP, as necessary, to reflect the comments.

B. UPDATED SMART GROWTH MATRIX AND PRINCIPLES FOR INCENTIVES

Mayor Holt Pfeiler stated that as part of the RCP process, a matrix of smart growth opportunity areas was developed. Under SANDAG's adopted smart growth principles, smart growth areas are places that accommodate, or have the potential

to accommodate, higher residential and/or employment densities. They are pedestrian-friendly activity centers that are connected to other activity centers by transit or could be in the future. She added that the Regional Planning Committee has accepted the smart growth matrix for inclusion into the final draft RCP. She added that the smart growth matrix will be adopted for the county, with each area being specific to each jurisdiction.

C. SUMMARY OF KEY CHANGES TO THE DRAFT REGIONAL COMPREHENSIVE PLAN (RCP)

Mayor Holt Pfeiler noted that this Monday, June 24, 2004, there was a Joint Regional Planning Committee meeting held with the Technical and Stakeholder Working groups. She added that at that meeting, staff provided the group with an update on the most recent comments received on the draft RCP. Even though no fundamental changes in policy direction were being proposed by SANDAG staff to the draft RCP, the group expressed concerns regarding not being able to review the comments to the draft Environmental Impact Report (EIR). Overall, it was a good meeting, however the conversation needs to continue before consensus can be made. An additional Joint meeting will be held before the draft RCP is presented to the SANDAG Board for approval.

Supervisor Jacob thanked Mayor Holt Pfeiler and the SANDAG staff for addressing the County's concerns regarding the RCP. She added that there is continued work going on but remained optimistic that consensus can be reached.

12. FY 2005 DRAFT PROGRAM BUDGET (INFORMATION)

Staff reported that the Executive Committee and the Board have reviewed previous drafts of the OWP, and all comments have been incorporated into this latest draft. However, there were a few topics that staff was requested to report back on: (1) the Passenger Counting Program; (2) a list of Contracts; and (3) a Committee List.

1. Passenger Counting Program. The original proposal was to rework the transit Passenger Counting Program (PCP) with the goal of achieving savings, while at the same time providing the transit operators with more useful data. NCTD, MTS and Chula Vista Transit all objected to this proposal. Upon further analysis of this issue and through discussions with the transit operators, it was determined that FY 2005 would not be the year in which to reduce the PCP. Staff is recommending not to cut this program for 2005 and to transfer \$130,000 of Section 5307 funds from the Transit First Implementation project in order to fully fund the PCP back to its original amount.
2. Contracts. The Executive Committee requested that a list of contracts be added to the OWP. The list provides current contracts, as well as contracts that are expected to be entered into during FY 2005.
3. Committee List. For each work element in the OWP, staff has indicated any policy committee involvement. This information is prepared in a table, however, there were some instances where committees should have been listed but were

inadvertently omitted. Those corrections, along with the table, will be made to the OWP in the final version.

In addition, staff reviewed the first draft of the Program Budget with the Board. Staff noted that the Program Budget includes the following budget components: Administrative Budget (Section 3); Overall Work Program (Section 4); Capital Program (Section 5); TransNet Program (Section 6); Board Budget (Section 7); Member Agency Assessments (Section 8); and the Organization Structure (Section 9). The Program Budget is scheduled for final Board approval at the June meeting. Staff anticipates making minor adjustments to the OWP between now and June, and will report those adjustments to the Executive Committee and the Board at the June meetings.

Vice Chairman Cafagna commented that this is a good program and staff did an excellent job putting it together. He then made the motion to approve the staff recommendation.

Mayor Smith seconded the motion.

Action Taken: Upon a motion by Vice Chairman Cafagna and a second by Mayor Smith, the SANDAG Board of Directors voted to approve the FY 2005 OWP. This approval would include fully funding the passenger counting program. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%).

Vice Chairman Cafagna questioned if staff will be presenting to the Board a status report on the consolidation; before and after. *Staff replied that as required by SB 1703 (Peace), a year end status report will be presented to both the Executive Committee and the Board in December 2004.*

13. UPCOMING MEETINGS

The next Board of Directors meeting is tentatively scheduled for 10:15 a.m. on Friday, June 11, 2004 and the regular business meeting will be held at 9:00 a.m. on Friday, June 25, 2004. Chairman Morrison again thanked the Board for all its hard work on this effort.

14. ADJOURNMENT

The meeting was adjourned at 10:47 a.m.

GARY L. GALLEGOS
Secretary

**ATTENDANCE
SANDAG BOARD OF DIRECTORS' MEETING
MAY 28, 2004**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING	COMMENTS
City of Carlsbad	Matt Hall (Alternate)	Yes	
City of Chula Vista	Steve Padilla (Member)	Yes	
City of Coronado	Phil Monroe (Member)	Yes	
City of Del Mar	Crystal Crawford (Member)	Yes	
City of El Cajon	Mark Lewis (Member)	Yes	
City of Encinitas	Christy Guerin (Member)	Yes	
City of Escondido	Lori Holt Pfeiler (Member)	Yes	
City of Imperial Beach	Patricia McCoy (Member)	Yes	
City of La Mesa	Barry Jantz (Member)	Yes	
City of Lemon Grove	Mary Sessom (Member)	Yes	
City of National City	Ron Morrison, Chair (Member)	Yes	
City of Oceanside	Jack Feller (Member)	Yes	
City of Poway	Mickey Cafagna, Vice Chair (Member)	Yes	
City of San Diego - A	Dick Murphy (Member)	Yes	
City of San Diego - B	Jim Madaffer (Member)	Yes	
City of San Marcos	Corky Smith (Member)	Yes	
City of Santee	Jack Dale (Alternate)	Yes	
City of Solana Beach	David Powell (Alternate)	Yes	
City of Vista	Morris Vance (Member)	Yes	
County of San Diego	Diane Jacob (Member)	Yes	
ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)			
Caltrans	Bill Figge (Alternate)	Yes	
MTDB	Leon Williams (Member)	Yes	
NCTD	Judy Ritter (Member)	Yes	
Imperial County	Victor Carrillo (Member)	No	
US Dept. of Defense	CAPT Christopher Schanze (Member)	Yes	
SD Unified Port District	Jess Van Deventer (Member)	Yes	
SD County Water Authority	Bud Lewis (Alternate)	Yes	
Baja California/Mexico	Javier de Leon (Alternate)	Yes	