TRANSPORTATION COMMITTEE
AGENDA

Friday, September 3, 2004
9 a.m. – 12 Noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego, CA 92101-4231

AGENDA HIGHLIGHTS

• SMART CORNER JOINT DEVELOPMENT
• UNIVERSITY AVENUE MOBILITY PLAN
• TRANSPORTATION FUNDING UPDATE

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TRANSPORTATION COMMITTEE
Friday, September 3, 2004

ITEM #

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<th>APPROVAL OF JULY 16, 2004, MEETING MINUTES</th>
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<td>PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS</td>
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Members of the public will have the opportunity to address the Transportation Committee on any issue within the jurisdiction of the Committee. Speakers are limited to three minutes each. Committee members also may provide information and announcements under this agenda item.

CONSENT ITEMS (3 through 4)

<table>
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<th>#</th>
<th>SEPTEMBER SERVICE CHANGES (Conan Cheung)</th>
<th>INFORMATION</th>
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Changes to bus, trolley, and Coaster service are implemented three times a year: in the fall, winter, and summer. The next scheduled dates for implementing transit service changes are: Sunday, September 5; Tuesday, September 7; and Saturday, September 11 for Metropolitan Transit System (MTS) jurisdictional services. No fall service changes are scheduled for the North County Transit District (NCTD) jurisdictional area.

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<th>REGIONAL TRANSIT SERVICE PLANNING POLICY (Toni Bates)</th>
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Under Senate Bill 1703, SANDAG is responsible for regional transit service planning. The proposed revisions to existing SANDAG Policy No. 18, would establish the process for transit service planning and clarify the roles and responsibilities of the transit agencies and SANDAG related to transit service planning in the region. The Joint Committee on Regional Transit has endorsed the proposed policy revisions. The Transportation Committee is asked to recommend that the SANDAG Board of Directors adopt the proposed revised SANDAG Policy No. 18, Regional Transit Service Planning.

REPORTS

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<th>SMART CORNER JOINT DEVELOPMENT IMPLEMENTING AGREEMENTS (Jack Limber)</th>
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A joint development project has been proposed for the block of downtown San Diego between C Street and Broadway, Park Boulevard, and Eleventh Avenue. The project would include a new City College Trolley Station running diagonally through the block similar to the joint development at the America Plaza Station. The various implementing agreements have been prepared and are ready for approval by Metropolitan Transit Development Board (MTDB), the Redevelopment Agency of the City of San Diego ("Agency"), and SANDAG. The Transportation Committee is asked to recommend approval of the Cooperation Agreement and Transit Development Agreement for the Smart Corner Joint Development Project.
+6. TRANSPORTATION PROGRAM FUNDING UPDATE (Jose Nuncio)  

This report includes an update on the adoption of the 2004 State Transportation Improvement Program (STIP) and the impacts from the approved state budget on this and other transportation programs.

+7. UNIVERSITY AVENUE MOBILITY PLAN (Conan Cheung)  

In 2002, the City of San Diego and the community of North Park developed a Preferred Concept Plan aimed at enhancing the pedestrian and transit-orientated nature of University Avenue. The City of San Diego asked SANDAG to evaluate the operational feasibility of the Preferred Concept Plan for transit and to propose enhancements to transit service along University Avenue to support the plan. The transit enhancement study identified cost neutral service proposals for the University Avenue corridor based on an evaluation of existing and future transit demands, consideration of the transit priority enhancements proposed for University Avenue, and potential improvements to operational efficiency. The City of San Diego will distribute the full plan, including the transit component, for public review.

+8. CALIFORNIA FUEL CELL PARTNERSHIP (CAFCP) 3RD ANNUAL FUEL CELL VEHICLE ROAD RALLY (Resolution 2004-4) (Sharon Cooney, Supervisor Ron Roberts' office)  

The California Fuel Cell Partnership (CaFCP) is a collaborative effort to educate the public regarding the benefits of zero-emission vehicles. Fuel cell vehicles represent a new approach to zero-emission mobility through vehicle and fuel technology advancements. This technology has the potential to deliver energy efficiency, fuel flexibility, and clean-air benefits throughout California. The CaFCP will bring the 3rd Annual Fuel Cell Vehicle Road Rally to San Diego on September 19. Fuel Cell Road Rallies are one of the tools that the Partnership uses to teach the public about the promise of zero-emission vehicles. The Transportation Committee is asked to adopt a resolution supporting the California Fuel Cell Partnership (CaFCP) third annual fuel cell vehicle road rally.

9. UPCOMING MEETINGS  

The next regularly scheduled meeting of the Transportation Committee on September 17, 2004, is cancelled due to conflict with the California League of Cities meeting in Long Beach. The next two Transportation Committee meetings are scheduled for Friday, October 1, 2004, and Friday, October 15, 2004.

10. ADJOURNMENT

+ next to an agenda item indicates an attachment
The meeting of the Transportation Committee was called to order by Chair Joe Kellejian (North County Coastal) at 9:12 a.m. See the attached attendance sheet for Transportation Committee member attendance.

Chair Kellejian announced that yesterday, the North County Transit District (NCTD) Board approved the contract for the Sprinter. He congratulated the NCTD Board members and the people of San Diego County.

1. APPROVAL OF MEETING MINUTES

   Action: Upon a motion by Mayor Cafagna (North County Inland) and a second by Councilmember Jerry Rindone (South County), the Transportation Committee approved the minutes from the June 18, 2004, meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

   There were no public comments or communications.

CONSENT ITEMS (3 through 5)

Chair Kellejian announced that Item No. 6 would be pulled from the consent calendar for a brief staff update.

3. INTERREGIONAL TRAVEL BETWEEN THE SAN DIEGO REGION AND IMPERIAL COUNTY (INFORMATION)

   On June 4, 2004, the Transportation Committee received the draft final report on the Interstate 15 Interregional Partnership (I-15 IRP) with western Riverside County and requested similar information about interregional travel between San Diego and Imperial Counties. This report summarizes travel data available from Caltrans and the 2000 Census and details SANDAG’s efforts to obtain grant funding to establish new interregional partnerships with adjacent regions.
4. REGIONAL ARTIERAL SYSTEM - SCHEDULE EXTENSION (APPROVE)

The Regional Arterial System (RAS) Program Use-It-Or-Lose-It Policy states that RAS projects must be reviewed by the Cities/County Transportation Advisory Committee (CTAC) when certain project development milestones fall behind schedule between 6 and 12 months. Further, the policy states that projects with delays of 12 months or greater result in a mandatory recommendation to the Transportation Committee to either reallocate funds, reallocate funds and determine that the project is ineligible to compete in the following funding cycle, or to grant a schedule extension. CTAC has reviewed a number of projects over the past quarter and, at its June 3, 2004, meeting recommended a schedule extension for the City of San Diego’s State Route (SR) 163/Clairemont Mesa Boulevard interchange project. Staff recommends that the Construction Contract Award milestone completion date be extended from the current baseline date of October 2004 to July 2005 for this project.

5. FEDERAL TRANSPORTATION ENHANCEMENT ACTIVITIES (TEA) PROGRAM: QUARTERLY PROGRESS REPORT (INFORMATION)

This quarterly progress report covers the period April to June 2004 for the nine federal TEA program funded projects. Three projects are complete and the remaining six projects are progressing according to their approved schedules.

Action: Upon a motion by Councilmember Bob Emery (MTS [Metropolitan Transit System]) and a second by Councilmember Judy Ritter (NCTD), the Transportation Committee approved Consent Items 3 through 5.

6. TRANSPORTATION PROGRAM FUNDING UPDATE (INFORMATION/POSSIBLE ACTION)

SANDAG staff, Susan Brown, reported that revised information has been provided to Committee members indicating the new State Transportation Improvement Program (STIP) recommendations from the California Transportation Commission (CTC) staff. The first sheet is what SANDAG submitted for its recommended STIP, and represents Option A, the “Pay As You Go” approach, that was required by the CTC. The second sheet is the CTC staff recommendations for the STIP that are scheduled to be reviewed and approved on August 5. The most significant change is that we have virtually no new programming funds, except planning, programming, and monitoring (PPM) funds in FY 05. This is mainly because Assembly Bill (AB) 3090 allowed us to use other financing for the fare technology project for the transit districts. We had assumed that we would be able to consider the fare technology project in the program in 2007 when we would get the actual payment. The CTC is requiring that we program against our county amounts in the years that this project was originally programmed. This wipes out our regional share for FY 05. Other significant changes include State Route (SR) 52. In FY 06 and 07 we had programmed enough money for SR 52 right-of-way over two years. The CTC staff is recommending that we put it all in one year and delay this project funding to 2007. CTC staff is recommending acceleration of our recommendations for SR 905. We had previously put it in FY 08 and CTC staff recommends moving it up to FY 06 to be consistent with the state’s share coming out of the Interregional Transportation Improvement Program (ITIP). The Mid-Coast right-of-way was supposed to be over three years (2005-2007) and it was consolidated into one year, 2006.
The CTC staff has also identified about $1 billion of projects to be reviewed for GARVEE (Grant Anticipation Revenue Vehicle) bonding; among those are SR 52 and SR 905 as we requested. However, they only plan to recommend half of that $1 billion amount in the first phase and indicated that no final decision will be made until January 2005.

Gary Gallegos, Executive Director, said that SANDAG continues to receive positive feedback from the Commissioners and the CTC Executive Director on SANDAG’s plan for GARVEE bonding. He didn’t believe that we will see a decision on GARVEE bonding until after the first of the new calendar year. A lot of funds are tied up with the Indian gaming compacts, and those are tied to a couple of propositions in November. Another dilemma is the lack of a new federal transportation bill, and it is not likely that we will see a new federal bill until after the November elections.

Action: Upon a motion by Councilmember Rindone and a second by Councilmember Jim Madaffer (City of San Diego), the Transportation Committee received this report for information.

REPORTS

Chair Kellejian noted that staff requested agenda Item No. 10 to be discussed at this time.

10. SPRINTER PROJECT UPDATE (INFORMATION/POSSIBLE ACTION)

Karen King, NCTD Executive Director, provided a status report on the Sprinter project. She said that the NCTD Board approved an environmental addendum that addresses some minor changes in project design. The NCTD Board also awarded a contract for construction of the mainline and stations, and approved an owner-controlled insurance program (OCIP). As a result of these actions, the NCTD Board updated the project budget and schedule, and approved the necessary financing, which includes the issuance of Certificates of Participation (COPs), for the project to move forward.

Ms. King stated that the mainline construction effort was broken down into five major bid packages: vehicles, main line, stations, the San Marcos loop, and a maintenance facility. The reason for doing so was to allow for greater competition with smaller bid packages and different disciplines needed. The station and main line packages were combined into one. She noted that within the scope of work there are some reimbursable elements including a retention basin in Oceanside that will have a common wall with this project. The City of Oceanside will reimburse NCTD for this work. In addition, the Inland Rail Trail project was included in the Sprinter construction documents. NCTD will also be reimbursed for work associated with the Inland Rail Trail.

Ms. King noted that NCTD was very pleased with the four bids received for the mainline segment. The bids were within a 5 percent range of each other, with the low bid from West Coast Rail Constructors at $187.5 million. This bid has been deemed to be responsive and responsible. Approximately $20 million of that is work not directly attributed to the Sprinter and will be reimbursed. When you deduct that $20 million and the cost for the OCIP, the actual project bid was $163 million. The Engineer’s Estimate was $160 million.
Ms. King stated that over 80 percent of the project work is now under contract, and they feel confident that their estimates will be good on the remaining work.

Ms. King pointed out that several things have happened over the last couple of years that have impacted the schedule and budget. NCTD has been in negotiations with the Burlington Northern Santa Fe (BNSF) railroad to remove its freight service during the Sprinter construction period and to deliver those loads via transloading and trucking to its customers. This would allow the whole line to be turned over to the contractor without freight operation. However, they were not successful in achieving that goal. Freight service will continue on Friday and Sunday evenings. This will add a year to the construction duration. The diesel multiple unit (DMU) vehicle procurement created some time and budget impacts. The vehicles cost more than projected, and another impact is that the vehicle is longer than we had originally anticipated, which required station design modifications. This is the first time that DMUs will be used in the state and the California Public Utilities Commission (CPUC) did not have any regulations to govern their safety and oversight, and we had to work extensively with them to gain approval to be able to operate those vehicles. This added delay and costs to the project.

Ms. King stated that the Inland Rail Trail was included in the Sprinter project because it made sense; however, it did cause some cost and delay to revise the bid documents. The new adopted project budget is $375.5 million, which is $24 million over the previous budget amount. This additional amount is primarily attributed to $11 million more for vehicles and increasing the size of the contingency. With two years of delay, we have an adopted revenue operation date of December 2007. We are still working with the Federal Transit Administration (FTA) to review all of that information through the Full Funding Grant Agreement (FFGA). She explained the funding breakdown as follows: $95.2 million from local sources, $104.2 million from the state, $152.1 million in federal funds, and COPs for the $24 million beyond the $80 million in gap financing as a result of the delay in receiving Traffic Congestion Relief Program (TCRP) funds.

Councilmember Madaffer asked about the newspaper reports referring to additional information some NCTD Board members had requested. Ms. King replied that there are two contracts still to be let: the California State San Marcos loop estimated at $19 million, and the maintenance facility at a cost of about $12 million. The loop segment is out to bid now and is due at the end of August. The maintenance facility segment will be advertised later this fall.

Chair Kellejian noted that the maintenance facility will be located in the City of Escondido.

Mr. Gallegos said that the TCRP program funding is tied to Indian gaming. The Sprinter project is on the list in Sacramento. He was optimistic that the $80 million of TCRP money will materialize, with some perhaps in this next cycle of funding.

Ms. King stated that she believes they have structured a very flexible financing plan to be able to respond to current conditions (variable rate bonds remarketed every seven days). She said that they will be able to retire the debt with no penalty at any time. The Rail Trail portion of this bid was about $5 million greater than the cost estimate. They will need to address that funding gap.
7. 2004 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP) (PUBLIC HEARING – RECOMMEND)

SANDAG Staff, Sookyung Kim, reported that the Transportation Committee released the draft 2004 RTIP for comment following last month’s meeting. Notification was transmitted to interested parties, published in several local newspapers, and posted on the SANDAG Web site. We have not received any significant comments.

SANDAG staff, Stephan Vance, stated that the Inland Rail Trail will be a Class I bikeway from Escondido to Oceanside within the Sprinter right-of-way. This project has been developed over a number of years through a memorandum of understanding by the cities along the corridor (Escondido, San Marcos, Vista, and Oceanside), NCTD, and the County of San Diego, with SANDAG providing project oversight. The concept of the Trail is to provide a nonmotorized means of access between the stations along the Sprinter line. It became apparent that these two projects should be constructed in conjunction with one another. The construction cost estimate for the Inland Rail Trail has increased from $13.1 million to $17.8 million. In order to fund the cost increase, staff determined that there are unprogrammed Congestion Mitigation and Air Quality (CMAQ) funds available and this project is eligible to use those funds. The local match would come from future TransNet bicycle funds. Mr. Vance reminded the Committee that the use of CMAQ reserves for this project will reduce the amount of funding that will be available for other projects such as the Mission Valley East, I-15 Managed Lanes, or the Transportation Demand Management projects. Action by the Committee will adjust the funding in the RTIP as shown in revised Table 1 of agenda Item No. 7.

Mayor Cafagna asked who the lead agency is for this project. Mr. Vance replied that it is the City of San Marcos.

Chair Kellejian asked if we had received concurrence of all of the cities along that line for this recommendation. Mr. Vance stated that this is a regional project and there is no fiscal impact to the cities.

Chair Kellejian opened the public hearing. He announced that no Request to Speak slips had been submitted for the public hearing.

Action: Upon a motion by Councilmember Rindone and a second by Councilmember Emery, the Transportation Committee closed the public hearing.

Action: Upon a motion by Councilmember Rindone and a second by Councilmember Emery, the Transportation Committee voted to: (1) approve the 2004 RTIP including its Air Quality Conformity Analysis and the Air Quality re-determination of the 2030 Revenue Constrained Revenue Transportation Plan (RTP); (2) direct staff to finalize the 2004 RTIP; and (3) recommend that the SANDAG Board of Directors adopt the 2004 RTIP including its
Air Quality Conformity Analysis and the Air Quality re-determination of the 2030 Revenue Constrained RTP and the adjusted funding for the Inland Rail Trail.

8. **FREEWAY SERVICE PATROL: STATUS REPORT ON CURRENT PROJECTS (INFORMATION/Possible ACTION)**

SANDAG staff, Derek Toups, reported that three priority actions were established for the Freeway Service Patrol (FSP) in the 2030 MOBILITY plan, including performance monitoring, implementation of an automatic vehicle location (AVL) fleet monitoring tool, and to seek funding for the expansion of the FSP. A pilot program is currently underway to expand FSP service. This is made possible by a three-year, $1.5 million grant from the San Diego Service Authority for Freeway Emergencies (SD SAFE). Mr. Toups said that this pilot project will enable SANDAG to add more service to FSP at a lower cost to the region.

Mr. Toups said that FSP is a free public service. The program is cooperatively administered by SANDAG, Caltrans, and the California Highway Patrol (CHP). Funding for FSP is allocated by Caltrans using a formula basis determined by population, measured congestion, and centerline miles of freeway in a region. Private vendors under contract to SANDAG currently operate a fleet of 26 FSP tow trucks that help stranded motorists in need, assist with traffic accidents, and provide rapid removal of disabled vehicles and debris from congested roadways. SANDAG contracts with the vendors to operate the tow trucks during weekday peak morning and evening hours.

In FY 04, FSP assisted over 52,000 motorists in the region. Accidents, vehicle breakdowns, spill loads, and other unforeseen events cause more than 50 percent of traffic congestion. By quickly clearing up minor incidents and breakdowns, the FSP helps to keep traffic moving, resulting in improved traffic safety, reduced freeway congestion, improved air quality, and reduced fuel consumption throughout the region.

Overall, the effort has been very successful in San Diego. Acquisition costs, insurance, fuel, and maintenance expenses for tow trucks have increased 1 to 2 percent per year, while state funding for the program has been capped. As a result, several other FSP programs throughout the state have been using less expensive light-duty trucks without tow capability to complement the existing tow trucks and saving on overall program costs. At this time, the San Diego FSP is exclusively served by tow trucks. However, more than three out of four assists in the previous three fiscal years did not require a tow. The cost to provide a tow truck is estimated at $92,000 while the cost to provide a properly outfitted roving service truck is estimated at $80,000 per year; a savings of $12,000 per truck. SANDAG developed a project proposal to implement seven light-duty roving service trucks. They will be in addition to the existing 26 tow trucks. One pickup truck will be added to each of the existing seven beat (or patrol) routes. This will increase the frequency of service throughout the region. The demonstration period for this project is 36 months. During this time, FSP will complete its next regular procurement for towing services. SANDAG, Caltrans, and FSP will continue to monitor the pilot project and, based on the results, may make periodic recommendations to substitute the tow trucks with more of the roving service trucks. The total pilot project budget is $2.12 million. SANDAG will receive $500,000 per year from SD SAFE using Department of Motor Vehicle registration funds. The remaining costs are for in-kind and soft matches from SANDAG, Caltrans, and CHP in terms of
administrative and supervision of the program. SANDAG is not increasing its administrative costs to oversee this project. An additional CHP dispatch position is expected to be filled using existing FSP funds based on the Caltrans annual allocation.

FSP is in the midst of a communications upgrade which will include the introduction of AVL technology. The AVL technology incorporates mobile data terminals which transmit data to program managers and will allow managers and road supervisors to track the location of in-service vehicles, more efficiently manage resources, improve communications, enhance FSP operator safety, document incident situations and appropriate responses, and simplify FSP reporting by automating many of the data analysis functions.

Deployment of FSP trucks is based on an analysis of freeway conditions. Primarily this includes the review of traffic congestion data, traffic incident and accident data, and survey of freeway shoulder conditions. The current FSP beats were determined collaboratively by SANDAG, CHP, and Caltrans. Staff will be reviewing the current beat alignments in 2004 prior to a 2005 procurement of FSP services. Program milestones were reviewed.

Councilmember Emery commented that there appear to be two distinct legs that are not covered by FSP service: the eastern part of SR 52 and SR 67 from Santee to Lakeside. Mr. Toups replied that the last procurement of services was in fiscal year 2002, at which time the SR 52 SR 52 eastern segment was not as heavily traveled as is the case today. SANDAG has a general goal of providing complete FSP coverage of the metropolitan region and staff will consider all major freeway segments in the region during its analysis of beats in September.

Supervisor Ron Roberts (County of San Diego) commented that the SAFE Board competitively bid its call center services for the Region’s Freeway Call Box Program and the cost was driven down significantly from when the CHP dispatched the program. Supervisor Roberts also suggested that the FSP logo should include SD SAFE since it is providing funding for the demonstration project. Mr. Toups noted that recognition of SD SAFE is included in the terms of the memorandum of understanding (MOU)/Funding Agreement; staff will take his suggestion under advisement for specific development of the logo/artwork that is to be placed on the trucks.

Chair Kellejian noted that a report will be coming back to the Transportation Committee in March 2005.

Action: Upon a motion by Councilmember Rindone and a second by Supervisor Roberts, the Transportation Committee received this report for information.

9. INTERSTATE 15 (I-15) MANAGED LANES AND MOBILE BARRIER TECHNOLOGY (INFORMATION/POSSIBLE ACTION)

SANDAG staff, Dean Hiatt, stated that on February 6, 2004, the Transportation Committee heard the quarterly report on the I-15 Managed Lanes. At that time the Committee requested a presentation on the movable barrier technology and the movable transfer machine that will operate within the Managed Lanes. Chris Thomas from Caltrans will make that presentation.
Mr. Thomas stated that this technology is not new; it has been used in San Diego since 1993 on the Coronado Bridge, and in various other cities throughout the country and world. The system is broken into two components, the barrier and the machine that moves the barrier. The barrier itself is made up of concrete blocks that are connected by steel hinges. It is a reactive tension system that minimizes the deflection during impact. This will be superior to the Coronado Bridge system. There is no need for follow-up maintenance in 99 percent of the traffic collisions involving the barrier. During maintenance following an impact, the machine will reset the barrier in its proper location. The machine can be operated under traffic. This is one of the benefits of the movable barrier system. It moves at a speed of up to 10 miles per hour (mph). The barrier itself protects the machine from traffic in both directions. The machine picks up the concrete segments and moves them in an "S" shaped pattern and places them behind the machine. The machine also has a guidance system. There will be buried wires in the concrete pavement that will allow the machine operator to have automatic control for both location of the barrier move and for the speed. The barrier can be moved from 4 to 18 feet in one pass. Additional features of the Managed Lane project include changeable message signs, closed-circuit TV, in-pavement lighting for transition areas, popup delineators, and possibly gates to prevent wrong-way moves. Mr. Thomas showed graphics of the 2+2 and 3+1 configurations for the four managed lanes being built along I-15. He explained how the barriers can be managed to accommodate traffic accidents.

Mayor Corky Smith (North County Inland) asked about the timing of this project. Mr. Thomas replied that the middle segment is from SR 56 to Via Rancho Parkway and is broken down into five units. One segment is under construction, two segments have just opened bids, and the other three segments will be going out to bid. It is anticipated that the project will be completed in 2007.

Chair Kellejian asked if this project is dependent upon the passage of the TransNet Extension to complete the whole line. Mr. Thomas replied affirmatively.

Supervisor Roberts asked if these lanes will be open 24 hours a day, 7 days a week. Mr. Thomas responded affirmatively. Bill Figge from Caltrans added that they are waiting for some repair work on the existing reversible lanes to be completed on the north end as a result of an accident destroying one of the gates. As soon as the repairs are completed, the lanes will be open 24/7.

**Action:** Upon a motion by Councilmember Rindone and a second by Mayor Cafagna, the Transportation Committee received this report for information.

### 11. UPCOMING MEETINGS

Chair Kellejian noted that we are canceling the Transportation Committee meetings scheduled for Friday, August 6, 2004, and Friday, August 20, 2004. If there is a need, we may call for a meeting to be held. The next meeting of the Transportation Committee is scheduled for September 3, 2004.
12. CLOSED SESSION: PURSUANT TO GOVERNMENT CODE SECTION 54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Chair Kellejian called the meeting into a closed session at 10:12 a.m. in 7th floor conference room and only voting members can attend the closed session. Chair Kellejian reconvened the meeting into open session at 10:24 a.m.

Jack Limber, General Counsel, reported out of closed session that the Transportation Committee gave instructions to negotiators on Item No. 12.

13. ADJOURNMENT

Chair Kellejian adjourned the meeting at 10:25 a.m.

Attachment: Attendance Sheet
## CONFIRMED ATTENDANCE
### SANDAG TRANSPORTATION COMMITTEE MEETING
**JULY 16, 2004**

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<th>COMMENTS</th>
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<td>North County Coastal</td>
<td>City of Solana Beach</td>
<td>Joe Kellejian (Chair)</td>
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<td>Phil Monroe</td>
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<td>City of San Diego</td>
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<td>Dick Murphy (Vice Chair)</td>
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SEPTEMBER SERVICE CHANGES

Introduction

Changes to bus, trolley, and Coaster service are implemented three times a year: in the fall, winter, and summer. These regularly scheduled service changes provide SANDAG and the transit agencies with opportunities to improve the service, operation, and schedules of the transit system consistent with service evaluation and customer comments, and to implement recommendations and actions from the Short-Range Transit Plan (SRTP) and annual budget process. The next scheduled dates for implementing transit service changes are: Sunday, September 5; Tuesday, September 7; and Saturday, September 11 for Metropolitan Transit System (MTS) jurisdictional services. No fall service changes are scheduled for the North County Transit District (NCTD) jurisdictional area.

The transit agencies and operators are responsible for implementing these service changes. This report is provided to the Transportation Committee so that Committee members are aware of upcoming changes to the regional transit system and services.

Discussion

Attached is a detailed description of the MTS Board-approved service changes that will be implemented in September 2004. Highlights of these changes include the following:

- **Minor Service Efficiencies and Schedule Adjustments** - As part of the FY 2005 budget development process, the MTS Board approved minor service efficiencies totaling $200,000 in FY 2005 subsidy savings ($260,000 in annualized savings). Due to their minor nature, most of these service efficiencies will be implemented as part of the September 2004 service changes. In addition, minor schedule adjustments will be made on several routes to improve on-time performance.

- **Implementation of New Route 830** - In 2000, SANDAG’s Welfare to Work Transportation Plan identified the lack of transit service from central San Diego to expanding suburban business parks as being a transportation barrier for people transitioning from welfare to work. As a result, staff identified an opportunity to convert existing nonrevenue mileage from the Interstate 15 (I-15) express routes into a new reverse commute route from downtown San Diego and Mid-City to the Poway Business Park. To support the implementation of this route, staff was successful in securing Federal Transit Administration (FTA) Jobs Access and Reverse Commute (JARC) and Air Pollution Control District (APCD) grants to fully fund this route for a demonstration period of up to two years. The funding for this route was included in the FY 2005 MTS Budget.
The new Route 830 will provide express commuter service from downtown San Diego to the Poway Business Park via the I-15 transit plazas at University Avenue and El Cajon Boulevard. Three northbound trips will be provided during the morning peak hours with arrival times at the business park between 6:30 a.m. and 8:00 a.m., and three afternoon southbound trips will operate during the evening peak hours. In addition, Route 830 will provide a connection to Route 844/845 for service to other Poway destinations. The fare for this demonstration project will be consistent with other Express and Premium Express services at $2.50 per trip and $64.00 for a monthly pass.

- **Route 709 Rerouting** – Chula Vista Transit Route 709 provides service from the H Street Trolley Station to eastern Chula Vista via Southwestern College. The unproductive eastern portion of the route along Otay Lakes Road will be rerouted to provide service to new retail, residential, and senior housing being developed along East Palomar Street, Olympic Parkway, and Eastlake Parkway.

- **Labor Day Service** – On Labor Day (Monday, September 6), all MTS and North County Transit District (NCTD) services will adhere to a Sunday schedule. Services that do not operate on Sundays will not operate on Labor Day.

- **Chula Vista Transportation Demand Management Services** – The City of Chula Vista adopted a Transportation Demand Management (TDM) plan to address the rapid development of the eastern portion of the city. As part of this plan, the City will be implementing two express services with funding from developers and APCD, and free of charge to passengers. Route CVX will provide two peak-direction express trips in the morning and two in the afternoon from eastern Chula Vista to downtown San Diego via Interstate 805 and State Route 94. In addition, two peak-direction direct shuttle bus trips will be provided in the morning from eastern Chula Vista to the H Street Trolley Station, with two return trips during the afternoon peak hours.

BOB LEITER  
Director of Land Use and Transportation Planning

Attachment: MTS Take One

Key Staff Contact: Conan Cheung (619) 699-1922; cch@sandag.org
TOME UNO

- Cambios en el servicio de septiembre de 2004
- Horario del Día del Trabajo
- Nueva Ruta Express 830 hacia Poway durante la hora de mayor tráfico
- Mapa de rutas modificado de la ruta 709

SI SE SOLICITA, ESTA INFORMACIÓN ESTÁ DISPONIBLE EN DIFERENTES FORMATOS. Para solicitar esta información en un formato diferente, por favor llame al (619) 231-1466. Los operadores del Metropolitan Transit System siguen una politica que prohíbe la discriminación con respecto a los servicios e instalaciones.

¿No puede encontrar el camino hacia donde desea ir? Podemos ayudarle. Le ayudaremos a organizar sus planes de viaje personalizados si nos visita en www.sdcommute.com o nos llama al (800) 266-6883.

Cambios en el servicio de septiembre de 2004

Los siguientes cambios en el servicio incluyen ajustes de temporada a los horarios y otros cambios en los horarios para mejorar la puntualidad del servicio. Los cambios de horario en domingos o días festivos entrarán en vigencia a partir del domingo, 5 de septiembre de 2004; los cambios de horario de lunes a viernes entrarán en vigencia a partir del martes, 7 de septiembre de 2004 y los cambios de horario de los sábados entrarán en vigencia a partir del sábado, 11 de septiembre de 2004. Por favor asegúrese de recoger un horario nuevo para las rutas que tienen cambios en el servicio, según se indican a continuación:

RUTA DESCRIPCIÓN
1. Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.
2. De lunes a viernes: Se suspende el viaje en dirección norte que parte de Harbor Dr./Calle Grape a la 1:08 a.m.
3. Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.
4. Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.
5. Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.
6. Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.
7. Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.
8. Todos los días: Se suspenden los viajes extra de temporada de verano.
9. Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.
10. De lunes a viernes: Se suspende el viaje en dirección norte que parte de la estación Euclid a las 6:33 p.m.
11. Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.

TAKE ONE

- September 2004 Service Changes
- Labor Day Schedule
- New Rush-hour, Express Route 830 to Poway
- Route 709 Revised Routing Map

THIS INFORMATION WILL BE MADE AVAILABLE IN ALTERNATIVE FORMATS UPON REQUEST. To request this notice in an alternative format, please call (619) 231-1466. The Metropolitan Transit System operators adhere to a nondiscrimination policy with regard to both services and facilities.

Can’t find your way to where you want to go? We can help. We will help you design your personalized transit travel plans at www.sdcommute.com or by calling (800) 266-6883.

September 2004 Service Changes

The following service changes include seasonal schedule adjustments and other scheduling changes to improve service productivity and on-time performance. Sunday/Holiday schedule changes take effect on Sunday, September 5, 2004; Weekday schedule changes take effect on Tuesday, September 7, 2004; and, Saturday schedule changes take effect on Saturday, September 11, 2004. Please be sure to pick up a new timetable for the routes with changes, as listed below:

Route Description
1. Weekday schedule adjustments; please see new timetable.
2. Weekdays: Discontinue northbound trip that departs Harbor Dr./Grape St. at 1:08 a.m.
3. Weekday schedule adjustments; please see new timetable.
4. Weekday schedule adjustments; please see new timetable.
5. Weekday schedule adjustments; please see new timetable.
6. Weekday schedule adjustments; please see new timetable.
7. Weekday schedule adjustments; please see new timetable.
8. Weekday schedule adjustments; please see new timetable.
9. Weekday schedule adjustments; please see new timetable.
10. All days: Discontinue seasonal extra summer trips.
11. Weekday schedule adjustments; please see new timetable.
New Commuter Express Demonstration Route 830 to Poway

Route 830 begins a weekday-only, rush-hour, express commuter service to Poway, including the Poway Business Park, from downtown San Diego via Mid-City on Tuesday, September 7, 2004. Three northbound trips will operate during the morning rush-hour (arrival time starting at 6:30 a.m.), and three afternoon southbound trips will operate during the afternoon rush-hour. This demonstration service is funded by a federal Jobs Access-Reverse Commute (JARC) grant, and a grant from the Air Pollution Control District. Visit www.sddcommute.com or call Regional Transit Information at (800) COMMUTE for a timetable and fare information.

Route 709 Changes

Effective Sunday, September 5, 2004, Route 709 will discontinue service in both directions along a portion of Otay Lakes Road. It will be re-routing south to Otay Ranch Village 5 (Santa Cora Ave.) and Eastlake High School, via East Palomar Street, Olympic Parkway, and Eastlake Parkway. Greensview Drive and Kuhn Drive loops are discontinued. Please see map below for the route changes and pick up a timetable for revised schedule information.

Nueva ruta 830 de Demostración Commuter Express hacia Poway

La ruta 830 comienza un servicio exprés de lunes a viernes a la hora de mayor tráfico, para pasajeros hacia Poway, que incluye elPoway Business Park, desde el centro de San Diego pasando por Mid-City el martes 7 de septiembre de 2004. Habrá tres viajes en dirección norte que operarán por la mañana en la hora de mayor tráfico (la hora de llegada empieza a las 6:30 a.m.), y tres viajes en dirección sur por la tarde que operarán en la hora de mayor tráfico de dicha tarde. Este servicio de demostración está financiado por una subvención federal de Jobs Access-Reverse Commute (JARC), y otra de Air Pollution Control District. Visítenos en www.sddcommute.com o llame al Regional Transit Information al teléfono (800) COMMUTE para enterarse de los horarios y obtener más información.

Cambios en la ruta 709

A partir del domingo, el 5 de septiembre de 2004, el servicio en la ruta 709 se suspenderá en las dos direcciones a lo largo de un tramo de Otay Lakes Road. Se desvviará la ruta en dirección sur, hacia el número 5 de Otay Ranch Village (Ave. Santa Cora) y Eastlake High School, pasando por la calle East Palomar, Olympic Parkway y Eastlake Parkway. Los circuitos de Greensview Drive y Kuhn Drive quedan suspendidos. Por favor consulte el siguiente mapa para ver los cambios de ruta y tome un horario para obtener información sobre las modificaciones de los horarios.
860 • Discontinue all Route 860 Commuter Express service between North County Fair and Rancho Bernardo, due to construction and traffic congestion. Route 20 will continue to provide service to North County Fair with connections to Route 860. All Route 860 southbound trips now originate, -and all northbound trips now terminate-, on W. Bernardo Dr. at Casa de las Campañas in Rancho Bernardo.

874 • Weekdays: Discontinue trips departing Mollison and Chase Avenues at 5:45 a.m., 8:25 p.m., and 9:05 p.m.
875 • Weekdays: Discontinue trips departing Lemon Grove Station at 9:33 a.m. and 6:03 p.m.
877 • Weekdays: Discontinue trip departing Weld Trolley Station at 5:47 p.m.
904 • Wednesday through Sunday: Discontinue seasonal extra summer trips and restore 60-minute frequency.

933 • All days: Adjust timepoint on Imperial Beach Bl. from 9th St. to 4th St. There will be minor schedule adjustments accordingly.

Labor Day (September 6, 2004) Service Schedule
On Labor Day (Monday, September 6, 2004), most MTS and NCTD services will operate on a Sunday schedule. Services that do not operate on Sundays will not operate on Labor Day. See the chart below for details. In honor of Labor Day, San Diego Transit, MTS 800- and 900-Series routes, and San Diego Trolley will offer the Friends Ride Free program: two ride for the price of one, when one rider pays full fare with cash, a pass, or a token!

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Día del Trabajo (6 de septiembre de 2004) Horario de Servicio
El Día del Trabajo (lunes, 6 de septiembre de 2004), la mayoría de los servicios de MTS y NCTD operarán con un horario de domingo. Los servicios que no operan los domingos tampoco lo harán el Día del Trabajo. Consulte la siguiente tabla para obtener más información. En honor al Día del Trabajo, San Diego Transit, MTS series 800 y 900, y San Diego Trolley le ofrecerán el programa “Los amigos viajan gratis”: dos viajes por el precio de uno, cuando el viajero paga una tarifa completa en efectivo, un pase o una ficha!
13. **Weekdays:** Discontinue northbound trip that departs Euclid Station at 6:33 p.m.
   - Weekday schedule adjustments; please see new timetable.

15. **Weekdays:** Discontinue southbound trip that departs Grossmont Trolley Station at 11:53 p.m. and northbound trip that departs downtown SD at 1:05 a.m.
   - Other weekday schedule adjustments; please see new timetable.

16. **Weekday schedule adjustments; please see new timetable.**

20. **Weekday schedule adjustments; please see new timetable.**

28. **Weekends and Holidays:** Discontinue 3 northbound and 3 southbound trips in the evening for a 60 minute service frequency.

34. **All days:** Discontinue all early a.m. and p.m. trips between Downtown SD and Old Town Transit Center.

41. **Weekdays:** Discontinue seasonal extra summer trips.

44. **Weekdays:** Discontinue southbound trip that departs Charger St./Balboa Ave. at 12:29 p.m. and northbound trip that departs Old Town at 1:02 p.m.

50. **Weekday schedule adjustments; please see new timetable.**

80. **Weekday schedule adjustments; please see new timetable.**

115. **Weekday schedule adjustments; please see new timetable.**

150. **Discontinue southbound trip that departs UTC at 5:50 a.m.**

210. **Weekday schedule adjustments; please see new timetable.**

701. **All days:** Reduction of evening service to improve productivity; please see new timetable.

709. **All days:** Major route changes in eastern Chula Vista - see map inside this Take One.

830. **NEW ROUTE STARTS 9/7/04!** Provides weekday morning express service to Poway from downtown San Diego and Mid-City, with return service in the afternoon. See more information inside.

831. **Weekdays:** Discontinue trips departing Santee Transit Center at 4:06 p.m., 4:38 p.m., and 5:38 p.m.

832C. **Weekends and Holidays:** Discontinue several trips to achieve one hour frequency most of the day.

832M. **Weekends and Holidays:** Discontinue several trips to achieve one hour frequency most of the day.

833. **Weekdays:** Discontinue southbound trips departing Santee Transit Center at 7:38 p.m. and 8:38 p.m., and northbound trips departing Westfield Shoppingtown Parkway at 8:05 p.m. and 9:10 p.m.

834. **Weekdays:** Discontinue trips departing Santee Transit Center at 5:21 a.m. and 7:10 p.m.

835. **De lunes a viernes:** Se suspenden el viaje en dirección sur que parte de la estación de trolley Grossmont a las 11:53 p.m. y el viaje en dirección norte que parte del centro de San Diego a la 1:05 a.m.
   - Para ver otros ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.

16. **Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.**

20. **Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.**

28. **Fines de semana y días festivos:** Se suspenden 3 viajes nocturnos en dirección norte y sur durante una frecuencia de servicio de 60 minutos.

34. **Todos los días:** Se suspenden todos los viajes de las primeras horas a.m. y p.m. entre el centro de San Diego y Old Town Transit Center.

50. **Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.**

80. **Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.**

115. **Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.**

150. **Se suspende el viaje en dirección sur que parte de UTC a las 5:50 a.m.**

210. **Ajustes importantes en los horarios de lunes a viernes; por favor consulte los nuevos horarios.**

701. **Todos los días:** Reducción de los servicios nocturnos para mejorar la productividad; por favor consulte el nuevo horario.

709. **Todos los días:** Cambios importantes en las rutas hacia el este de Chula Vista -véase el mapa en el interior de Tome Uno.

830. **LA NUEVA RUTA COMIENZA EL 7/9/04!** Servicio diario exprés por la mañana desde el centro de San Diego y Mid-City hasta Poway con servicio de regreso por la tarde. Para más información consulte las páginas interiores.

830C. **De lunes a viernes:** Se suspenden los viajes que parten de Santee Transit Center a las 4:06 p.m., 4:38 p.m., y 5:38 p.m.

832C. **Fines de semana y días festivos:** Se suspenden varios viajes para lograr una frecuencia de servicio cada hora durante la mayor parte del día.

832M. **Fines de semana y días festivos:** Se suspenden varios viajes para lograr una frecuencia de servicio de una hora durante la mayor parte del día.

833. **De lunes a viernes:** Se suspenden los viajes en dirección sur que parten de Santee Transit Center a las 7:38 p.m. y a las 8:38 p.m. y los viajes en dirección norte que parten de Westfield Shoppingtown Parkway a las 8:05 p.m. y a las 9:10 p.m.

834. **De lunes a viernes:** Se suspenden los viajes que parten de Santee Transit Center a las 5:21 a.m. y a las 7:10 p.m.

860. **Se suspende el servicio Commuter Express de toda la ruta 860 entre North County Fair y Rancho Bernardo, debido a obras y embalsamientos. La ruta 20 continuará prestando servicio a North County Fair con conexión a la ruta 860. Ahora comienzan todos los viajes en dirección sur de la ruta 860, - y terminan todos los viajes en dirección norte-, en W. Bernardo Dr. en Casa de las Campanas en Rancho Bernardo.
Regional Transit Service Planning Policy

Introduction

Agency consolidation under Senate Bill (SB) 1703 transferred the responsibility for regional transit service planning to SANDAG. Staff worked in collaboration with the transit agencies to establish an improved process for transit service planning and to clarify the roles and responsibilities of the Metropolitan Transit System (MTS), the North San Diego County Transit District (NCTD), and SANDAG related to transit service planning. This collaboration resulted in several revisions to the existing Regional Transit Service Planning Policy that was adopted during the Initial Transition. The Joint Committee on Regional Transit (JCRT) endorsed the proposed policy revisions at its August 12, 2004, meeting.

Recommendation

It is recommended that the Transportation Committee recommend that the SANDAG Board of Directors approve the proposed revised SANDAG Policy No. 18, “Regional Transit Service Planning” (Attachment 1), establishing an improved annual process and agency responsibilities for transit service planning.

Discussion

Background

In response to SB 1703, SANDAG Board Policy No. 18, “Transit Service Planning,” was adopted in June 2003 to establish general guidelines for transit service planning in the region. This policy was taken, verbatim, from the “Initial Transition Plan” required by SB 1703. Using Policy No. 18 as a

“The three relevant sections of SB 1703 which deal with service planning are these:
1. PUC Section 132353.1 (excerpt) “In addition, upon adoption of the 2030 Regional Transportation Plan by the consolidated agency, and not later than July 1, 2003, all public transit and other transportation planning and programming responsibilities, including, but not limited to, short- and near-term operational and financial planning and program development of the San Diego Metropolitan Transit Development Board (MTDB) and the North San Diego County Transit Development Board (NCTD), except as set forth in subdivision (c) of Section 132353.2 shall be consolidated into the consolidated agency.”
2. PUC Section 132353.2 (b) (excerpt) “The transition plans should acknowledge a strong linkage between service planning and operations scheduling.”
3. PUC Section 132353.2 (c) “Local route planning and scheduling and local financial planning therefore, would continue to be the responsibility of the transit boards in accordance with guidelines provided by the consolidated agency. The initial transition plan would include the development of guidelines and would define local route planning.”
basis, SANDAG and transit agency staff worked with a JCRT Task Force to translate the policy guidance into a framework (Attachment 2) for conducting service planning activities in the region. The framework was then expanded to a draft regional transit service planning policy that was presented to the JCRT in February 2004. In August 2004, the JCRT endorsed a proposed revised Policy No. 18, “Regional Transit Service Planning” (Attachment 1).

While the intent of this policy is to clarify the roles and responsibilities of the respective agencies as they pertain to Regional Transit Service Planning, not every circumstance can be anticipated. Flexibility and cooperation among the agencies to appropriately address regional service planning issues as they arise will be essential to meeting the mobility needs of the region.

At the JCRT’s request, the policy includes a provision that requires a review of the policy after one year. A review in Fall 2005 will allow for review after one complete fiscal year budget cycle, providing adequate time to assess how well the policies and process for transit service planning have worked. In addition, SANDAG has agreed to fund three planning staff positions at MTS to carry out the roles and responsibilities identified in this policy. NCTD retained several planners during consolidation.

Proposed Policy Approach

The JCRT endorsement was the culmination of many months of SANDAG and transit agency management team meetings covering the subject of roles and responsibilities related to transit service planning. These coordinated efforts are the basis for the proposed policy approach summarized as follows:

• Use existing Policy No. 18 as the basis for incorporating any change.

• Root the service planning policy in the annual Regional Short-Range Transit Plan (SRTP) and budget process.

• Promote collaborative service planning among SANDAG and the transit agencies.

Proposed Policy Components

Consistency with Regional Policies, Goals, and Objectives

The proposed policy would allow the transit system to quickly and efficiently respond to changes in travel demand and operating/fiscal environment, while ensuring that the system is adjusted and developed consistent with longer-range regional transportation and land use goals as incorporated into the Regional Comprehensive Plan (RCP), the Regional Transportation Plan (RTP), and the Regional Short-Range Transit Plan. As a result, transit service revisions that relate directly to implementation of regional goals (regionally significant service changes) are generally those that:
• Support regional travel demand corridors that cross transit agency jurisdictional boundaries;

• Significantly affect inter-jurisdictional trip making (i.e., inconsistent with the guidelines contained in the SRTP; for example, would be found to potentially have a detrimental impact on geographic connections, timed transfers, and the frequency/service span consistency of such services); and

• Require additional regional operating funds above the overall transit agency adopted budget and projected budget capacity.

In addition, the matrix in Figure 1.2 of Attachment 1 specifically identifies the roles and responsibilities of SANDAG and the two transit agencies in the service planning and implementation process. This matrix, developed in collaboration among management staff from SANDAG, NCTD, and MTS, proved helpful in identifying the many facets of transit service planning and how they connect overarching regional policies with transit service implementation.

Process for Developing Service Changes

The proposed annual service planning process, which is rooted in the annual Regional SRTP and budget process, is shown in Figure 1.1 of Attachment 1. The service planning and revision process would generally work as follows:

• A Regional SRTP will be drafted annually by SANDAG, in collaboration with the two transit agencies. The SRTP will provide guidance for service planning during the coming year by identifying transit service needs, deficiencies, goals, and objectives that should be addressed through service planning and revisions.

• Throughout the year, the transit agency and SANDAG staff will develop transit service proposals, consistent with the SRTP, to adjust existing services and develop new ones. These service changes help to optimize existing services, reflect changes to the operating and fiscal environment, respond to customer comments and requests, and begin to implement and support services envisioned in the RTP and RCP.

• SANDAG and transit agency staff will develop service change and funding priority recommendations for regionally significant service changes (see above) to be presented to SANDAG during the annual budget process. All other service changes would be implemented directly by the transit agencies at any time during the year as long as they are consistent with the SRTP and adopted budgets.

• Public hearings for regionally significant service changes would be held by SANDAG in the impacted service area. Transit agencies may hold public meetings and/or hearings at their discretion.
Implementation of Service Changes

Service changes approved by SANDAG and the transit agencies (as defined in the policy) would then be implemented as follows:

- Service implementation is the responsibility of the transit agencies.

- As a general practice, service changes would be implemented during a regularly scheduled service change date. Implementation should be preceded by community outreach, a marketing campaign, and public notices, as appropriate.

BOB LEITER
Director of Land Use and Transportation Planning

Key Staff Contact: Toni Bates, (619) 699-6950, tba@sandag.org

Attachments: 1. Proposed Revised SANDAG Board Policy No. 018
              2. Regional Transit Service Planning Framework
REGIONAL TRANSIT SERVICE PLANNING

This policy specifies the transit service planning responsibilities of the consolidated agency and the transit agencies, and outlines a framework for transit service planning. Figure 1.1 includes flow charts, based on the framework, that document the processes for transit planning and the delivery of services for new services and adjustments to existing services.

This policy will allow the transit system to quickly and efficiently respond to changes in travel demand and operating/fiscal environment, while ensuring that the system is adjusted and developed consistent with longer range regional transportation and land use goals as incorporated into the Regional Comprehensive Plan, the Regional Transportation Plan and the Regional Short-Range Transit Plan (SRTP). As a result, transit service revisions that relate directly to implementation of regional goals (regionally significant service changes) are generally those that:

- Support regional travel demand corridors that cross transit agency jurisdictional boundaries;
- Significantly effect interjurisdictional trip making (i.e. as judged by being inconsistent with the guidelines contained in the SRTP and, for example, would be found to potentially have a detrimental impact on geographic connections, timed transfers, frequency/service span consistency of such services); and
- Require additional regional operating funds above the overall transit agency adopted budget and projected budget capacity.

1. **Agency Responsibilities** - Consolidated agency and transit agency responsibilities are described below and further specified in Figure 1.2. There is an inherent overlap of responsibilities between the consolidated agency and transit agencies in conducting transit service planning, as exhibited in Figure 1.2. Therefore, all transit service planning responsibilities should be conducted, whenever possible, in coordination and consultation between the consolidated agency and transit agencies.

1.1 **Consolidated Agency Responsibilities** - carried out in collaboration with the transit agencies:

1.1.1 Preparation of long-range transit plans as part of the Regional Transportation Plan (RTP).
1.1.2 Annual preparation of a five-year SRTP that: (1) defines the existing transit system; (2) evaluates existing services and programs; (3) identifies service gaps and deficiencies; (4) establishes parameters for short-range (0-5 years) new service development, as well as regionally significant and all other service adjustments; (5) defines a methodology for evaluating proposals for new service; (6) identifies and prioritizes regional and subarea transit planning studies; and (7) evaluates and prioritizes new services for implementation, including the adoption of an annual Regional Service Implementation Plan. The consolidated agency will initially maintain the existing service concepts upon which the service is based in order to preserve and improve mobility. FY 2003 budgeted revenue hours/miles will be considered as minimum levels of service for each Transit Board and will assume net service levels to be added upon completion of the Oceanside to Escondido and Mission Valley East rail projects. If future funding shortfalls occur, necessitating cutbacks in service, then there will be a regionwide process of examination of service levels, protecting a “lifeline” system of services.

1.1.3 Conduct regional and subarea planning studies as prioritized in the SRTP, RTP (Regional Transportation Plan), and RCP (Regional Comprehensive Plan).

1.1.4 Develop proposals for regionally significant service adjustments in response to changes in regional travel demand, to address regional service gaps and deficiencies, and to implement plans and programs identified in long-range Regional Transportation and Regional Comprehensive Plans.

1.1.5 Develop proposals for new services to be included in the Regional Service Implementation plan.

1.1.6 Ensure that all new services and service adjustments are consistent with the SRTP.

1.1.7 Coordinate with transit agencies to provide community outreach and conduct market research.

1.1.8 Conduct regional performance monitoring to provide input into the SRTP and other short-range transit studies. The regional performance monitoring will be based on the type of service and type of service area. Any net service reduction in a specific transit agency area resulting from the service evaluation process which takes that Board below its FY 03 service level (pursuant to Section 1.1.2) will be reprogrammed to that transit agency service area for other improvements up to the FY 03 base level of service."

1.1.9 Provide technical assistance to transit operators for local route planning.
1.1.10 Develop a public input process and hold required public hearings for service changes. The consolidated agency should ensure that the public input process for public hearings on service changes would be conducted in a manner to facilitate public input from the affected area.

1.1.11 Develop a Regional Fare Policy which incorporates a uniform fare structure, a transfer policy, and agreement for revenue sharing of regional tickets, tokens, and passes, while also allowing the consolidated agency to adopt specialized fare procedures for travel within each operator’s service area. Additionally, adopt the Comprehensive Fare Ordinance setting forth all fares for all operators, including their special fares.

1.2 **Transit Agencies Responsibilities** – carried out in collaboration with the consolidated agency:

1.2.1 Develop service and schedule adjustments to ensure system optimization and to respond to immediate operational issues (e.g., detours, overcrowding, on-time performance, and minor out-of-direction routing changes).

1.2.2 Conduct local transit studies and analyses within the transit agency’s service area in response to changes in local travel demand, to address service gaps and deficiencies, to develop service reductions/efficiencies to address operating budget deficits and to implement plans developed in the SRTP.

1.2.3 Develop proposals for new services to be included in the Regional Service Implementation plan (RSIP).

1.2.4 Develop proposals to reallocate unproductive resources to implement unfunded services identified as high priority in the RSIP or consistent with SRTP guidelines.

1.2.5 Coordinate with consolidated agency to provide community outreach and conduct market research.

1.2.6 Develop operating plans for special event transit service and service contingencies.

1.2.7 Monitor existing operations and services to provide input into service analysis and short-range transit studies.

1.2.8 Conduct bus stop location planning.

1.2.9 Service implementation, including scheduling, run-cutting, operations, contract services, service management, and labor contract administration.

1.2.10 Provide input on long- and short-range transit plans, and regional performance monitoring.
2. **Transit Service Planning Framework** - This framework allows the transit system to quickly and efficiently respond to changes in travel demand and operating/fiscal environment, while ensuring that the system is adjusted and developed consistent with longer range regional transportation and land use goals.

**Step 1: Guidance**

An SRTP, consistent with SANDAG’s Regional Transportation Plan (RTP) and Regional Comprehensive Plan (RCP), will be drafted annually by SANDAG, in consultation with the transit agencies. The SRTP will provide guidance for service planning during the upcoming year and will balance the immediate needs of optimizing the transit system in response to operational and financial constraints, with the mid-/long-range system development goals established in the long-range plans.

**Step 2: Develop Service Adjustments**

Throughout the year, transit agency and SANDAG staff develop proposals, in accordance with the SRTP, to adjust existing services and develop new ones. These service adjustments help to optimize existing services, reflect changes to the operating and fiscal environment, respond to customer comments and requests, and begin to implement and support services envisioned in the long-range plans. Service adjustments can be a result of such things as schedule analysis, trip and route level evaluation, and subregional and regional transit studies. Regionally significant service adjustments should be developed as collaborative efforts between SANDAG and transit agency staff.

**Step 3: Evaluation and Approval**

Prior to approval for implementation, all service adjustments should be:

- Consistent with the SRTP;
- Presented for public hearing in the impacted service area if required by SANDAG, appropriate transit agency, or by Federal Transit Administration (FTA) policies and regulations;
- Fully funded either through a reallocation of resources, or as part of the budget process.

Regionally significant service adjustments should be endorsed by the appropriate transit agency and approved by SANDAG’s Transportation Committee prior to implementation, while all other service adjustments may be approved for implementation at the sole discretion of the transit agencies.

**Step 4: Implementation**

As a general practice, service changes should be implemented during a regularly scheduled service change date (scheduled for winter, fall, and summer). Implementation should be
preceded by community outreach, a marketing campaign, and public notices, as appropriate. Service implementation is the responsibility of the transit agencies.

Step 5: Monitoring

Performance monitoring will be conducted on an ongoing basis to evaluate services as well as newly implemented service adjustments. SANDAG will monitor the transit system performance on a systemwide and operator level on an annual and quarterly basis, and at the route level on an annual basis. Transit agencies will monitor their operations performance on an annual, quarterly, and monthly basis, as appropriate. Performance measures will evaluate productivity, cost-effectiveness, and quality of service. Performance results will be used as a basis for developing the SRTP, and other planning studies and analysis.

3. **Policy Review** - This policy shall be reviewed by SANDAG, in collaboration with the transit agencies after one year, in the fall 2005.

TB/dda

Attachments:  
Figure 1.1 - Proposed Service Planning Process  
Figure 1.2 - Roles and Responsibilities for Service Planning Activities
FIGURE 1.1
PROPOSED SERVICE PLANNING PROCESS (NEW SERVICES)

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Lead Agency</th>
<th>Transit Agency, SANDAG</th>
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- **Develop Part I of annual SRTP - Service Planning Guidance**, including:
  - Existing Conditions;
  - Evaluate existing services and programs;
  - Identify service gaps and deficiencies;
  - Establish parameters for short range (0-5 years) service development and adjustment;
  - Regional consistency checklist.

- Develop new service proposals for consideration.

- Develop Part II of annual SRTP - Regional Service Implementation Plan, including:
  - New service evaluation methodology;
  - Prioritized list of service proposals.

- **Budget/funding process**
  - Identify available funding or funding deficits;
  - Public hearing on service changes;
  - Adopt Regional Service Implementation Plan.

- **Operating Budgets**
  - Prepare to reflect funded services.

- **Implementation of new service.**

- **Performance Monitoring**
  - Annual route monitoring;
  - Quarterly operations evaluation;
  - TDA Performance Improvement Program;
  - Transit agency performance reporting.
PROPOSED SERVICE PLANNING PROCESS (ADJUSTMENTS TO EXISTING SERVICES)

**Schedule**

- **March - July**
  - Develop Part I of annual SRTP - Service Planning Guidance, including:
    - Existing Conditions;
    - Evaluate existing services and programs;
    - Identify service gaps and deficiencies;
    - Establish parameters for short-range (0-5 years) service development and adjustment;
    - Regional consistency checklist.

- **Ongoing**
  - Ensure consistency with SRTP.
  - Transit Agency public hearing/approval.
  - Implementation of service change.

- **Aug/Sept, Jan, May/June**
  - Performance Monitoring
    - Annual route monitoring;
    - Quarterly operations evaluation;
    - TDA Performance Improvement Program;
    - Transit agency performance reporting.

**Lead Agency**

- SANDAG
- Transit Agency
- SANDAG, Transit Agency
- Transit Agency, SANDAG
- Transit Agency
- SANDAG, Transit Agency
FIGURE 1.2
ROLES AND RESPONSIBILITIES FOR SERVICE PLANNING ACTIVITIES

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<td>Transit Centers</td>
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<td>Transit First Now! (traffic engineering, traffic operations)</td>
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<td>Developer Plan Review - land use, regional plan conformity</td>
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<td>Developer Plan Review - community liaison</td>
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<td>Market Research</td>
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<td>Transit Liaison to Communities</td>
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<td>Respond to Community Service Requests***</td>
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<td>Respond to Operational Issues</td>
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<td>Operational Data Collection</td>
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<td>Assistance to Transit Operators (ATO) Data Collection</td>
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<td>Monthly Operations Reporting</td>
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<td>National Transit Database (NTD) Reporting</td>
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<td>Ensure Implementation of Service Plans</td>
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<tr>
<td>Service Provision</td>
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* Includes Mid-Coast, Super Loop, Showcase, I-15, North County (Mission Ave or Escondido Blvd/Bear Valley Pkwy), and Otay Mesa to Downtown
**Includes Nobel Coaster Station, Mission Valley East, Sprinter, and supporting networks for BRT/Rail projects listed above
***Activities coordinated via the staff-level Planning, Operations, and Marketing Coordination Committee
With consolidation, SANDAG is responsible for developing and adopting a regionwide policy for transit service planning. This policy applies both transit agencies and all transit operators in the region, including Chula Vista Transit, Metropolitan Contract Services, National City Transit, North County Transit District, San Diego Transit Corporation, and San Diego Trolley, Inc. A regional transit service planning and performance evaluation policy will be rooted in regional policies and goals, and establish a process and agency responsibilities for transit service planning. In addition, it will provide a methodology for evaluating and prioritizing new service proposals for funding. The following sections propose a framework for both components of the policy.

Transit Service Planning

Under the Initial Transition Plan for the consolidated agency, SANDAG is responsible for preparing the annual Regional Short-Range Transit Plan (SRTP), monitoring the transit system, defining local vs. regional service, and setting parameters for localized service changes. Transit operators are responsible for developing service proposals, implementing service changes, and monitoring their specific services. In accordance with the transition plan, the following is a proposed framework for guiding, developing, approving, implementing, and monitoring service changes:

Guidance

- **SRTP:** SANDAG develops the regional SRTP every year based on the strategic vision identified in the Regional Comprehensive Plan and the Regional Transportation Plan. The SRTP documents transit system monitoring that is conducted through formal monitoring process (quarterly operations report, annual route monitoring report) and public comment. The SRTP also identifies regional service gaps and deficiencies within the system, and establishes a transit work program to provide guidance for short-range system development, including the annual Service Implementation Plan (SIP).

Service Development and Approval

- **Regional Policy Consistency:** To ensure consistency of proposed new and revised transit services with adopted regional policies and goals, the policy would provide a transit service checklist that would serve two purposes: (1) set parameters for service changes based on the SRTP; and (2) define local vs. regional service changes. Proposed service changes would be reviewed using the checklist to ensure regional consistency and to identify regional issues that should be addressed prior to funding and implementation.
• Local Service Changes: Local service changes that are consistent with regional policies and goals would be developed and implemented at the sole discretion of the transit operator. Local service changes should be within 25 percent of a route's miles and hours, and the adopted budget of the operator.

• Regionally Significant Service Changes: Regionally significant service changes are generally developed in collaboration between SANDAG and the transit agency. Due to the significance and interoperator nature of these service changes, they should be endorsed by the transit agency boards prior to being considered for public hearing and adoption by the SANDAG Transportation Committee. Regionally significant service changes include subregional service restructuring due to a new capital investment (e.g., new transit center and facility, new rail/bus rapid transit line), or changes in regional travel demand.

Implementation

• No Budget Impact: Regionally consistent and/or approved service changes that can be implemented within the transit agency or operator adopted budget would be implemented at any time during regularly scheduled service change dates.

• Budget Impact: Consistent service changes that require a budget adjustment would be approved for implementation by the SANDAG Transportation Committee during the annual budget process. These changes include new services above and beyond the base level of service provided by an operator, and service reductions in response to budget deficits. New service proposals would be included in the SIP as part of the annual SRTP, and evaluated using both quantitative and qualitative criteria spelled out in the SRTP. Service reductions would be developed during the budget development process.

• Public Hearing: A public hearing (outside the budget process) would be conducted on any service change that results in a significant ridership impact or addition/reduction in service. Public hearings should be advertised and conducted in accordance with SANDAG policy. In general, public hearings should be advertised on board transit vehicles and in locally and regionally circulated newspapers, and should be conducted in the impacted service area.

Monitoring

• SANDAG: At minimum, SANDAG should monitor service and system changes through formal performance monitoring procedures, including the Quarterly Operations Report, Annual Route Monitoring Report, and the Performance Improvement Program. This information would be shared with the SANDAG Transportation Committee and transit agencies and operators.

• Transit Agencies: Transit agencies should monitor service changes according to their standard operating procedures. This information should be shared with SANDAG and other transit operators at the staff level.
SMART CORNER JOINT DEVELOPMENT IMPLEMENTING AGREEMENTS

Introduction

A joint development project has been proposed for the block of downtown San Diego between C Street and Broadway, Park Boulevard, and Eleventh Avenue. The project would include a new City College Trolley Station running diagonally through the block similar to the joint development at the America Plaza Station. The various implementing agreements have been prepared and are ready for approval by Metropolitan Transit Development Board (MTDB), the Redevelopment Agency of the City of San Diego (“Agency”), and SANDAG.

Recommendation

It is recommended that the Transportation Committee recommend Board approval of the Cooperation Agreement and Transit Development Agreement for the Smart Corner Joint Development Project.

Discussion

This agenda item reports on the status of the Smart Corner joint development project at the City College Trolley Station (a project map is included with Attachment 1). The Redevelopment Agency of the City of San Diego (“Agency”) entered into an Exclusive Negotiating Agreement with Lankford and Associates (“Developer”) to construct a mixed-use development on the block bounded by Eleventh Avenue, Park Boulevard, C Street, and Broadway. This 60,000 square-foot parcel is the anchor to the Agency’s Park-to-Bay Link project designed to eliminate blight, improve transportation, build housing, and create a link to Balboa Park. The development consists of a 12-story, 175-unit residential tower, and a mid-rise, 5-story office building. The project also includes a proposed ground-floor retail shop and rooftop garden plaza. The San Diego Housing Commission is expected to be the major tenant of the office building. A parking garage with 643 spaces would be built below grade.

MTDB’s existing tracks run down Park Boulevard, past the newly constructed Park and Market Station and onto C Street directly across from San Diego City College. The track alignment makes a sharp turn at the Park and C Street intersection; a raised median island in the intersection serves as the passenger loading platform for westbound trains. The eastbound platform is located along the inside of the curve and co-exists with the sidewalk. The new station will improve safety and operations by eliminating the sharp 90 degree curve. There will also be a substantial improvement in the appearance compared to the existing station.
This joint development project proposes to realign the track to run diagonally through the development from the southeast corner of Broadway and Park to the northwest corner of Eleventh Avenue and C Street, similar to the America Plaza Station. A new station will be constructed between the office building and residential tower, directly over the parking garage. Construction of the station will require temporary station relocation and limited street closures to enable continued operation on the existing tracks while the new facilities are being built.

The total budget for this project includes $6,189,000 of Capital Project Funds including Federal Section 5307, Federal Section 5309, State Traffic Congestion Relief Program (TCRP), State Transportation Improvement Program (STIP), Transportation Enhancement Activities Program (TEA), San Diego Trolley (SDTI) Capital Replacement, and Surface Transportation Program (STP). These funds will pay for the traction power substation relocations, the new platform improvements and the track realignment.

<table>
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<td>STP</td>
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<td></td>
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<td>$6,189,000</td>
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The largest allocation in this project is $3,930,000 of TCRP funds. Currently, these funds have been allocated for FY 2005 and must be expended by December 31, 2006, or any unused amount will be forfeited back to the state. Significant concerns exist at both MTDB and SANDAG that the developer may not be able to construct the pathway for the new trolley station between the buildings in time to allow MTDB and SANDAG’s contractor to complete the track realignment and catenary construction by December 31, 2006.

The Cooperation Agreement (Attachment 2) spells out the terms and conditions under which MTDB, SANDAG, and the Agency will exchange property for the project. Currently, MTDB holds title to a small (5,000 square feet) rectangular piece of land on the northeast corner of the Smart Corner Parcel. Two large traction power substations serving San Diego Trolley sit atop the parcel, which extends out to Park Boulevard, C Street, and to the right-of-way SDTI. The existing tracks occupy a city street and a portion of the parcel that the substations are currently located on. The Cooperation Agreement provides that MTDB will give the Agency the small parcel in exchange for an exclusive 17,730-square-foot easement (the “Trolley Easement”) diagonally across the Smart Corner parcel to construct, operate, and maintain a new station and tracks (the “Property Exchange”). As part of the Property Exchange, an appraisal was conducted which valued MTDB’s existing parcel at $500,000 and valued the new Trolley Easement at $1,329,750. No transit funds were budgeted for this land purchase; therefore the Agency agreed to accept future transit improvements in lieu of cash. SANDAG will compensate the Agency by constructing $829,750 (plus 4 percent interest per year) worth of transit improvements within the Centre City area over the next 15 years. The future transit improvements will most likely come from capital improvement projects.
already scheduled to be completed by SANDAG within the 15-year time frame. This is similar to a past property transaction with the Agency to develop the Martin Luther King park on MTDB/SD&AE (San Diego and Arizona Eastern Railway) property in return for the Agency funding future transit improvements.

The Transit Development Agreement (Attachment 3) governs the terms and conditions of the construction of the new trolley station and tracks on the Smart Corner project. Under the Agreement, the Developer will construct the trackway trough for the tracks, anchorages, a communications room, utilities to service the new station, 15-foot platforms, a transit-only lane on Eleventh Avenue, and the Transit First Showcase Project station on Park Boulevard. MTDB and SANDAG will relocate the existing traction power substations, lay the tracks, and install the catenary system and ancillary station amenities. The Agreement also contains provisions to protect against the loss of the $3.9 million of TCRP funds in the event the Developer delays MTDB and SANDAG’s contractor by allowing diversion of the funds to another project. SANDAG and MTDB will make a determination on diversion by no later than July 1, 2005, to allow sufficient time to spend the funds on another qualified project, the track connection between the Orange and Blue Lines of the Trolley south of the 12th and Imperial Transfer Station.

A Trolley Easement Agreement between MTDB and the Developer will govern the terms and conditions of MTDB’s use of the areas that surround the Trolley Easement for maintenance and operation of the trolley. Due to the nature of the residential and office towers, MTDB will need access to areas of the parking structure, the airspace directly over the Trolley Easement, and other portions of the Developer’s property once the project is complete.

JACK LIMBER
General Counsel

Key Staff Contact: Jack Limber, (619) 699-1947, jli@sandag.org

Attachments: 1. Illustrations and Project Map
               2. Cooperation Agreement
               3. Transit Development Agreement
Smart Corner Development

NW view from intersection of Park Blvd. & Broadway
Smart Corner Development

NW view of station through development from Park Blvd. and Broadway
COOPERATION AGREEMENT
["SMART CORNER" MIXED USE DEVELOPMENT]

THIS AGREEMENT is entered into as of __________, _____ by and among the METROPOLITAN TRANSIT DEVELOPMENT BOARD, a California public agency operating the Metropolitan Transit System ("MTS"), the SAN DIEGO ASSOCIATION OF GOVERNMENTS ("SANDAG") and the REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body, corporate and politic (the "Agency").

RECITALS

A. MTS is the owner of that certain real property (the "MTS Parcel") located within the Centre City Redevelopment Project in the City of San Diego as shown on the map attached hereto as Attachment No. 1 and more particularly described in Attachment No. 2 which are incorporated herein by this reference.

B. The Agency desires to further effectuate the Redevelopment Plan for the Centre City Redevelopment Project by acquiring the MTS Parcel. The acquisition of the MTS Parcel pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interest of the City of San Diego and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

C. The Agency has entered into a Disposition and Development Agreement dated as of July 31, 2003 with Lankford and Associates, Inc., a Colorado corporation ("Developer"), as amended by a First Implementation Agreement dated on or about the date of this Cooperation Agreement(collectively referred to as the "DDA"), providing for the acquisition, disposition and development by Developer of the MTS Parcel and that certain property adjacent to the MTS Parcel (the "Site") located within the Centre City Redevelopment Project area in the City of San Diego as shown on the map attached hereto as Attachment No. 1 and more particularly described in Attachment No. 3 which are incorporated herein by this reference.
D. Pursuant to and in accordance with the powers and authorization provided to public bodies in California Health and Safety Code § 33220 to aid and cooperate in the planning, undertaking, construction and operation of redevelopment projects, MTS and the Agency desire to enter into this Agreement in order to carry out the Redevelopment Plan and to assist the Agency in performing its obligations under the DDA.

E. The Agency, MTS and SANDAG mutually desire to enter into this Agreement for the following purposes:

(1) To provide the terms and conditions pursuant to which MTS will convey the MTS Parcel to the Agency, as authorized pursuant to applicable legal authority, including but not limited to California Health and Safety Code Section 33220(a); and

(2) To provide the terms and conditions pursuant to which the Agency will grant an exclusive easement across the Site to MTS, as authorized pursuant to applicable legal authority, including but not limited to California Health and Safety Code Sections 33421 and 33430.

NOW THEREFORE, MTS, SANDAG and the Agency agree as follows:

1. Disposition of the MTS Parcel

1.1 Conveyance

a. In accordance with and subject to the terms, covenants and conditions of this Agreement, MTS agrees to convey to the Agency and Agency agrees to accept conveyance of the MTS Parcel. The MTS Parcel shall be conveyed subject to a public use easement that permits MTS to use the station platform and seating area, consistent with the tentative map being processed by the City for the Site, which is referred to in Section 104 of the DDA (the “Public Use Easement”), as shown on the Site Map attached hereto as Attachment No. 1. The Public Use Easement shall be released when a new trolley station and track is constructed and put into operation in the Trolley Easement, described below.
b. The parties acknowledge that the development of the Site will require the relocation from the MTS Parcel of two 12-KV traction power substations (the “Substations”) which are owned and used for transit purposes by MTS. To facilitate the relocation of the Substations, the Agency has agreed to be a party to a lease agreement (the “City College Lease”) between MTS and the San Diego Community College District (“SDCCD”), by which SDCCD has agreed to lease property to MTS at its San Diego City College (“City College”) campus for the placement and operation of the Substations. As required by the City College Lease, the Agency agrees to enter into an agreement with SDCCD (the “Memorandum of Understanding”), pursuant to which the Agency shall agree to make a one-time payment to SDCCD in the amount of $75,000 for the design and installation by SDCCD of a monument sign on the City College campus (the “SDCCD Payment”). In consideration of Agency’s agreement to enter into and perform its obligations pursuant to the Memorandum of Understanding, MTS agrees to relocate the Substations to the City College site upon the commencement of development on the Site by Developer, subject to the execution of the City College Lease. Except as specifically provided in this Agreement, the DDA, the City College Lease and the Memorandum of Understanding, Agency shall have no liability to MTS, SANDAG, Developer, SDCCD or any other party with respect to the existence, operation, maintenance, security, relocation or demolition of the Substations.

c. In accordance with and subject to the terms, covenants and conditions of this Agreement, the Agency agrees to grant to MTS and MTS agrees to accept an exclusive Trolley Station right-of-way and easement in favor of MTS (the “Trolley Easement”) as shown on the map attached hereto as Attachment No. 1, which is incorporated herein by this reference. Upon completion of necessary surveys, a legal description of the Trolley Easement shall be prepared and, subject to the consent of the Executive Director of the Agency and the Chief Executive Officer of MTS, shall thereupon be attached to this Agreement as Attachment No. 4.

d. The purpose of the Trolley Easement is to permit MTS to construct, maintain and operate a portion of its transportation system consisting of a trolley station and track in accordance with the Transit Development Agreement, as defined below. Such use shall include, but not be limited to, installation of transit shelters, advertising, newsracks,
payphones, and leasing fiber optic lines, and any other use consistent with other trolley stations owned and operated by MTS.

1.2 Purchase Price

The Agency and MTS hereby acknowledge and mutually agree that the value of the Trolley Easement to be conveyed to MTS by the Agency is approximately $1,329,750, and the value of the MTS Parcel is approximately $500,000. SANDAG shall be obligated to compensate the Agency for the difference in value between the Trolley Easement and the MTS Parcel (i.e., $829,750, referred to herein as the “Value Differential”), with compounding interest at the rate of 4% per annum from the time of the Close of Escrow until the installation of the transit improvements set forth below. In consideration for the Trolley Easement, (i) MTS agrees to perform all of its obligations hereunder, including conveyance of the MTS Parcel to the Agency, and (ii) SANDAG agrees to compensate the Agency for the Value Differential by installing transit improvements, as described in the Comprehensive Downtown Transit Plan or any subsequent Downtown Transit Improvement Plans approved by SANDAG or MTS, within the Centre City Redevelopment Project area of Downtown San Diego, over a term of fifteen (15) years from the Close of Escrow, at a cost to SANDAG of not less than the Value Differential. Any portion of the Value Differential, with interest as provided above, that has not been provided to the Agency through the installation of such transit improvements, shall be due and payable in full on the fifteenth (15th) anniversary of the Close of Escrow.

In the event the Developer fails to complete the installation of the transit improvements described in paragraph 3, or the DDA is terminated, or the Developer ceases to work on the project as outlined in the DDA, neither SANDAG nor MTS will be obligated to pay compounding interest on the difference in value between the Trolley Easement and the MTS Parcel for the period in which the Developer ceases to work until such time as the Developer resumes work, or a new developer is retained by the Agency to complete the project as outlined in the DDA.
1.3 Escrow.

a. Not later than fifteen (15) days prior to the time provided in the DDA for the Close of Escrow, the Agency shall provide MTS with written notice of Developer’s satisfaction of the conditions precedent to the close of the transaction contained in the Method of Financing (Attachment No. 7 to the DDA). Upon such written notice by the Agency, the Agency and MTS shall execute escrow instructions reasonably satisfactory to the Agency’s and MTS’s respective legal counsel to effectuate the execution and recordation (1) of the Grant Deed by MTS, conveying to the Agency fee title to the MTS Parcel, and (2) of the Grant of Easement by the Agency, granting the Trolley Easement to MTS. Agency, MTS and SANDAG shall share all escrow and title charges and fees in connection with such conveyance, with Agency paying 50% and MTS and SANDAG paying 50%. MTS, SANDAG and Agency shall cooperate and execute such instruments and documents as may be necessary to close escrow.

b. In the event that the Developer shall fail to satisfy any of the conditions precedent to the close of the transaction within the time set forth in the Schedule of Performance, the Agency, MTS or SANDAG, at the option of such entity, and upon written notice to other parties, may terminate this Agreement in accordance with Section 1.6 below.

1.4 Form of Grant Deed. MTS shall convey to the Agency fee title to the MTS Parcel by title company grant deed, with such changes as may be mutually agreed upon by the Agency and MTS consistent with this Agreement, subject to the Public Use Easement described in Section 1.1, above (the “Grant Deed”).

1.5 Form of Easement. The Agency shall convey to MTS the Trolley Easement by grant of easement in a form to be mutually agreed upon by the Agency and MTS consistent with this Agreement (the “Grant of Easement”) and substantially in the form attached hereto and incorporated herein by this reference as Attachment No. 5.

1.6 Termination. MTS and Agency acknowledge that the Agency has entered into this Agreement in reliance of the Developer’s satisfaction of the terms and conditions for conveyance of the MTS Parcel as set forth in the DDA. In the event of the termination of the DDA, for any reason, the Agency,
MTS or SANDAG may, at the option of such entity, terminate this Agreement by written notice to the other parties. Any party’s election to terminate this Agreement shall relieve all parties from any performance, obligation or liability under this Agreement.

2. Reciprocal Easement Agreement. Prior to the Agency’s conveyance of title to the MTS Parcel to the Developer, Developer shall prepare a Trolley Easement Agreement between the Developer and MTS which shall provide for, among other things, structural support, utilities, access, parking and similar matters as may be necessary to provide for separate ownerships and operation of the Trolley Easement and the balance of the Site (the "TEA"). The Agency shall not be a party to the TEA, but the Agency shall have the right to approve the TEA for consistency with the requirements, terms and conditions of this Agreement, the DDA and its attachments. The TEA or a separate document first approved in writing by the Agency for consistency with this Agreement and the DDA, shall be executed by the Developer and MTS concurrently with the execution and recordation of the Grant Deed and the Grant of Easement.

3. Transit Improvements. Prior to the Agency’s conveyance of Grant of Easement to MTS, MTS and SANDAG shall prepare an agreement between the Developer, MTS and SANDAG, which shall provide for the construction, operation and maintenance of the subsurface and surface Base light rail trolley improvements ("Base LRT Improvements") and bus stop improvements ("Bus Improvements") (the “Transit Development Agreement”). The Transit Development Agreement shall be consistent with this Agreement and shall contain the terms and conditions set forth in the Transit Improvements Development Term Sheet attached hereto as Attachment No. 6 and incorporated herein by this reference. The Agency shall not be a party to the Transit Development Agreement, but the Agency shall have the right to approve the Transit Development Agreement for consistency with the requirements, terms and conditions of this Agreement and the DDA and its attachments.


4.1 Notices. Any notice to be given or other document to be delivered by either party to the other may be delivered in
person or may be deposited in the United States mail, with first
class postage prepaid, and addressed as follows:

If to Agency:
Assistant Executive Director
Redevelopment Agency of the City of San Diego
c/o CCDC
225 Broadway, Suite 1100
San Diego, California 92101

If to MTS:
Chief Executive Officer
Metropolitan Transit Development Board
1255 Imperial Avenue, Suite 1000
San Diego, California 92101-7490

If to SANDAG:
Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, California 92101-4231

4.2 Further Documents. The parties hereto hereby agree to
execute such other documents and to take such other actions as
may be reasonably necessary to further the purposes of this
Agreement.

4.3 Liability and Indemnification. In contemplation of
the provisions of Section 895.2 of the California Government
Code imposing certain tort liability jointly upon public
entities solely by reason of such entities being parties to an
agreement as defined by Section 895 of said Code, the parties
hereto, as between themselves, pursuant to the authorization
contained in Section 895.4 and 895.6 of said Code, will each
assume the full liability imposed upon it, or any of its
officers, agents or employees by law for injury caused by
negligent or wrongful act or omission occurring in the
performance of this Agreement to the same extent that such
liability would be imposed in the absence of Section 895.2 of
said Code. To achieve the above stated purpose each party
indemnifies and holds harmless the other party for any loss,
costs or expense that may be imposed upon such other party
solely by virtue of said Section 895.2. The provisions of
Section 2778 of the California Civil Code are made a part hereof.
as if fully set forth herein.

4.4 **Time is of the Essence.** Time is of the essence in this Agreement.

4.5 **Successors and Assigns.** This Agreement is made for the sole benefit and protection of the parties hereto, and their successors and assigns, and no other person or persons shall have any right of action or right to rely hereon. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of all the respective parties hereto.

4.6 **Governing Law.** This Agreement shall be governed by the laws of the State of California.

4.7 **Invalidity.** If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any party hereunder, shall be held by a court of competent jurisdiction to be valid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there be added as part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible.

4.8 **Entire Agreement.** This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or part of the subject matter hereof.

4.9 **Interpretation.** No provision in this Agreement is to be interpreted for or against either party because that party or its legal representatives drafted such provision.

4.10 **Voluntary Agreement.** The parties hereto further represent that they carefully read this Agreement and know the contents thereof, and that they sign the same freely and voluntarily.
4.11 Amendments and Waivers. This Agreement may be amended any number of times upon the mutual approval of the Agency, MTS and SANDAG. All waivers of any of the provisions of this Agreement must be mutually agreed upon in writing.

[SIGNATURES APPEAR ON NEXT PAGE]
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

METROPOLITAN TRANSIT DEVELOPMENT BOARD, a California Public Agency

By: _____________________________
    Paul C. Jablonski
    Chief Executive Officer

APPROVED AS TO FORM:

By: _____________________________
    Office of General Counsel,
    Metropolitan Transit Development Board

SAN DIEGO ASSOCIATION OF GOVERNMENTS

By: _____________________________
    Gary L. Gallegos
    Executive Director

APPROVED AS TO FORM:

By: _____________________________
    Office of General Counsel,
    San Diego Association of Governments

[SIGNATURES CONTINUE ON NEXT PAGE]
REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

Dated: ________________  By: __________________________
Hank Cunningham
Assistant Executive Director

APPROVED AS TO FORM AND LEGALITY
ON THIS ___ day of ____________.

CASEY GWINN
Agency General Counsel

By: __________________________

APPROVED:

KANE, BALLMER & BERKMAN
Agency Special Counsel

By: __________________________
Glenn F. Wasserman
ATTACHMENT NO. 1

SITE MAP

[BEHIND THIS PAGE]
ATTACHMENT NO. 2

LEGAL DESCRIPTION OF MTS PARCEL

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

LOT L IN BLOCK 29 OF HORTON’S ADDITION, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP BY L.L. LOCKLING ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY.
ATTACHMENT NO. 3

LEGAL DESCRIPTION OF THE SITE

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

LOTS A THROUGH L IN BLOCK 29 OF HORTON’S ADDITION, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP BY L.L. LOCKLING ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY.
ATTACHMENT NO. 4

LEGAL DESCRIPTION OF TROLLEY EASEMENT

[TO BE ADDED UPON COMPLETION OF SURVEYS AND PREPARATION OF LEGAL DESCRIPTION]
TRANSIT DEVELOPMENT AGREEMENT

This Transit Development Agreement ("Agreement") is made and entered into this _____ day of _____________, 2004, by and among the METROPOLITAN TRANSIT DEVELOPMENT BOARD, a California public agency operating the Metropolitan Transit System ("MTS"), the SAN DIEGO ASSOCIATION OF GOVERNMENTS ("SANDAG"), and CJUF Smart Corner LLC, a Delaware limited liability company ("Developer"). MTS, SANDAG and Developer are sometimes collectively referred to herein as the "Parties".

RECITALS

A. Developer’s predecessor in interest Lankford and Associates, Inc., and the Redevelopment Agency of the City of San Diego ("Agency") entered into that certain Disposition and Development Agreement dated July 31, 2003 ("DDA"), as amended by that certain First Implementation Agreement dated ______, 2004 ("First Implementation Agreement"), pursuant to which Developer has obtained the right to acquire and develop a mixed-use project to be known as Smart Corner located within the Centre City Redevelopment Project Area, as depicted on Exhibit “A” attached hereto ("Smart Corner" or the "Project").

B. Smart Corner will consist of the Housing Commission Parcel, the Residential Parcel and the Parking Garage Parcel. Upon Developer’s acquisition of Smart Corner, MTS will be granted an easement over a portion of the Residential Parcel for the construction and operation of a light rail trolley station in the location more particularly described in Exhibit “B” attached hereto and incorporated herein ("Trolley Easement", as further defined in Section 1.26 below).

C. The Parties will construct a Trolley Station on the Trolley Easement as defined below. In connection with development of the Trolley Station, Developer will construct certain trolley improvements defined below as Developer Improvements and SANDAG will construct certain trolley improvements defined below as MTS Improvements. SANDAG will also realign certain trolley tracks to run diagonally through the Project, as depicted on the plat attached hereto as Exhibit “C”. After the Trolley Station is complete, a rubber tire bus station will be constructed on Park Boulevard between Broadway and “C” Street ("Transit First Showcase Project Station").

D. The State of California has allocated certain Traffic Congestion Relief Program funds to SANDAG, approximately $3,930,000 of which has been earmarked for the MTS Improvements in SANDAG’s Overall Work Program ("TCRP Funds"). The TCRP Funds must be exhausted on or before December 31, 2006 or the funds will be forfeited and escheat to the State of California. In order for MTS and SANDAG to contribute these funds to the MTS Improvements, the MTS Improvements must be completed no later than October 1, 2006.

E. Developer’s construction activities relating to development of Smart Corner will affect operation of the City College Trolley Station and the _________________ [MTS to provide] bus station. To mitigate the impact of such construction, Developer has agreed to construct an eastbound temporary trolley station, a westbound temporary trolley station and two (2) bus stations between Broadway and “C” Street and Tenth Street and Eleventh Street, in the location depicted on Exhibit “D” attached hereto and incorporated herein.
F. To facilitate development of Smart Corner in accordance with the DDA and that certain Cooperation Agreement dated _______________ between Agency, MTS and SANDAG (“Cooperation Agreement”), the Parties enter into this Agreement to establish duties relative to the design and construction of the Trolley Station.

AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as set forth below:

1. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

   1.1 **Association.** The term “Association” refers to any homeowners association formed by Developer to manage the condominium project to be constructed on the Project.

   1.2 **Base LRT Improvements.** The term “Base LRT Improvements” refers to the subsurface and surface base light rail trolley improvements to be constructed by Developer which shall include those components described in Exhibit “E” attached hereto and incorporated herein.

   1.3 **Bus Improvements.** The term “Bus Improvements” refers to the bus stop improvements that will be constructed by Developer on the Housing Commission Parcel which shall include those components described in Exhibit “E”.

   1.4 **Bus Stations.** The term “Bus Stations” refers to the two bus stations for which Developer is constructing Bus Improvements.

   1.5 **Cooperation Agreement.** The term “Cooperation Agreement” shall have the meaning described in Recital “F” above.

   1.6 **Developer.** The term “Developer” means CJUF Smart Corner LLC, a Delaware limited liability corporation, the assignee to Lankford and Associates, Inc., a Colorado corporation’s interest under the DDA.

   1.7 **Developer Drawings.** The term “Developer Drawings” refers to Developer’s construction drawings of Developer Improvements and shall constitute Developer’s Plans and Specifications as contemplated by the DDA and as provided herein.

   1.8 **Developer Improvements.** The term “Developer Improvements” refers collectively to Base LRT Improvements, Bus Improvements, Temporary Improvements, Transit Amenities, and all other Improvements Developer is required to construct pursuant to this Agreement, more particularly described on Exhibit “E” attached hereto and incorporated herein.

   1.9 **Improvement.** The term “Improvement” refers to any singular component of a Transit Improvement.
1.10 **LRT.** The term “LRT” refers to light rail transit or an alternative public conveyance system.

1.11 **LRT Rail Track.** The term “LRT Rail Track” refers to the approximately three hundred fifty (350) feet of trolley track SANDAG will realign to run diagonally through the Project as provided herein.

1.12 **MTS Improvements.** The term “MTS Improvements” refers to those improvements that SANDAG is required to construct, including, without limitation, the LRT track, catenary, automated fare collection equipment, electronic message board, ticket vending machines, bus sign poles, and bus signs, more particularly described on Exhibit “E” and further defined in the Plans and Specifications.

1.13 **MTS Parcel.** The term “MTS Parcel” refers to that certain real property located within the Centre City Redevelopment Project in the City of San Diego as depicted in the map attached to the Cooperation Agreement.

1.14 **Performance Schedule.** The term “Performance Schedule” refers to Exhibit “F” attached hereto and incorporated herein, setting forth the timeframes within which each Party shall perform the Work required hereunder.

1.15 **Plans and Specifications.** The term “Plans and Specifications” refers to the various plans and specifications SANDAG will prepare for the Transit Improvements, including Base LRT Improvement Plans and Specifications and LRT Rail Track plans and specifications. All Plans and Specifications shall be (a) prepared in accordance with the DDA, the Cooperation Agreement, current LRT Design Criteria, AREMA standards, Caltrans Standard Specifications, the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq., as amended, SANDAG Criteria and all applicable federal, state and local laws and regulations, (b) adequate to accomplish the Transit Improvements in a good, workmanlike manner, and in accordance with accepted construction practices and (c) in accordance with the terms of this Agreement.

1.16 **Public Use Easement.** The term “Public Use Easement” refers to the temporary easement reserved by MTS for use and operation of the existing trolley tracks and trolley station platform in the location depicted on Exhibit G attached hereto and incorporated which shall be quitclaimed upon acceptance of the Trolley Station pursuant to Section 4.1.9(a) of this Agreement.

1.17 **Quitclaim of Temporary Easements.** The term “Quitclaim of Temporary Easement” refers to the quitclaim deed in the form of Exhibit “H” attached hereto and incorporated herein which MTS shall execute to quitclaim its interest in the Substation Easement and the Public Use Easement pursuant to Sections 4.1 and 4.1.9(a) of this Agreement.

1.18 **Smart Corner Improvements.** The term “Smart Corner Improvements” shall refer to those portions of the Project, exclusive of the Developer Improvements, which impact existing MTS facilities or operations, including any and all Developer activities which will take place within 15 feet of the centerline of the existing trolley tracks.
1.19 **Sound Attenuation Improvements.** The term “Sound Attenuation Improvements” refers to an overhead sound attenuating canopy and a concrete rail-bed independently supported on vibration isolators to be constructed by Developer.

1.20 **Substation Easement.** The term “Substation Easement” refers to the easement for use and operation of the Traction Power Substation reserved by MTS upon its conveyance of the MTS Parcel to the Agency which shall be quitclaimed upon relocation of the Traction Power Substation.

1.21 **TCRP Funds.** The term “TCRP Funds” shall have the meaning described in **Recital D** above.

1.22 **Temporary Improvements.** The term “Temporary Improvements” refers to the temporary mitigation measures Developer is required to undertake pursuant to Section 4.1.6 below to mitigate the impact development of Smart Corner will have on the City College Trolley Station and the **MTS to provide** Bus Station. Temporary Improvements shall include the eastbound temporary trolley station, the westbound temporary trolley station and the two (2) temporary bus stops which Developer will construct before excavation for the Trolley Station begins.

1.23 **Traction Power Substation.** The term “Traction Power Substation” refers to the two 12-KV trolley power substations currently located on the Project site to be relocated to a site on San Diego City College.

1.24 **Transit Amenities.** The term “Transit Amenities” refers to transit shelters, benches, trashcans, lighting and other reasonable transit related enhancements for the Trolley Station.

1.25 **Transit Improvements.** The term “Transit Improvements” refers collectively to Developer Improvements, MTS Improvements, Transit Amenities and related improvements required for development of the Trolley Station.

1.26 **Trolley Easement.** The term “Trolley Easement” refers to the easement to be granted to MTS over a portion of the Project, as described in **Exhibit “B”** for purposes of constructing, maintaining and operating the Trolley Station.

1.27 **Trolley Easement Agreement.** The term “Trolley Easement Agreement” refers to that certain Trolley Easement Agreement to be entered into by and between Developer and MTS which agreement will set forth, among other things, the operation and maintenance requirements with regard to the Trolley Station.

1.28 **Trolley Station.** The term “Trolley Station” refers to the completed trolley station located on the Trolley Easement that the Parties are developing pursuant to this Agreement.

1.29 **Work.** The term “Work” refers to each respective Party’s performance of the design and construction obligations contained herein.
2. **Timing for the Construction of Improvements.**

2.1 **Bidding and Completion Dates.** Developer acknowledges that the TCRP Funds will be forfeited if not exhausted prior to December 31, 2006. It is therefore essential that SANDAG complete construction of the MTS Improvements no later than October 1, 2006. Therefore, Developer, SANDAG and MTS agree to the following construction schedule (in addition to that set forth in the Performance Schedule):

2.1.1 **Contracting for MTS Improvements:** SANDAG will issue an invitation for bids and award a contract for the construction of the MTS Improvements in sufficient time for the MTS Improvements to be completed in accordance with the Performance Schedule, but in any event, no later than October 1, 2006.

2.1.2 **Developer’s Completion:** Developer will complete construction of the Trolley Station’s podium no later than February 1, 2006, and shall complete construction of Developer’s canopy and catenary improvements no later than May 31, 2006.

2.1.3 **SANDAG’s Completion:** SANDAG will complete the construction of the MTS Improvements no later than October 1, 2006.

2.2 **Reimbursement for Lost TCRP Funds.** In the event that Developer does not complete the construction of the Developer Improvements within the timeframe set forth in Section 2.1.2 above, such that SANDAG is unable to exhaust the TCRP Funds by December 31, 2006, Developer agrees to pay the difference between the TCRP Funds and the amount paid by SANDAG in connection with construction of the MTS Improvements as of December 31, 2006; provided, however that Developer shall have no such reimbursement obligation for delays caused by or within the control of SANDAG.

2.2.1 **Alternative Funding.** In addition to the foregoing, if TCRP Funds escheat to the State of California for any reason before the Trolley Station is complete, the Parties and the Agency shall use their best, commercially reasonable efforts to secure an alternate funding source to complete the MTS Improvements as soon as reasonably possible.

2.2.2 **Progress Evaluation.** MTS shall review the progress of Developer Improvements and MTS Improvements on July 1, 2005. If, based on the Performance Schedule, MTS determines that progress is such that the MTS Improvements cannot be completed by December 31, 2006, it may reallocate the TCRP Funds to another project. If TCRP Funds are allocated away from Smart Corner, the Parties shall enter into good faith negotiations regarding the finance and construction of the Trolley Station.

2.2.3 **Developer’s Failure to Reimburse.** In the event that Developer fails to compensate SANDAG for the loss of the TCRP Funds as set forth herein, MTS shall not be required to execute the Quitclaim of Temporary Easement for the Public Use Easement and shall retain its interests in the Public Use Easement until such time as the Developer compensates SANDAG for the loss of TCRP Funds.
2.3 Reimbursement for Additional Costs. Regardless of whether TCRP Funds are lost or not, if SANDAG incurs any additional costs because of either Party’s failure to meet the Performance Schedule and/or the schedule set forth in Section 2.1 above, Developer shall reimburse SANDAG for all such reasonable costs, but only to the extent such costs and fees exceed TCRP Funds. The additional costs shall include, but are not limited to, increased overhead, delay claims and additional construction management fees. Notwithstanding the foregoing, Developer shall not be liable for any such costs resulting from delays caused by or within the control of SANDAG or costs which could have been mitigated or avoided by SANDAG or its contractor. To the extent reasonably possible, SANDAG shall give notice of additional expenses it will incur in the event of a delay and give Developer an opportunity to mitigate such loss. Developer’s reimbursement pursuant to this Section shall be made within ninety (90) days of receiving invoices, receipts or other reliable evidence of SANDAG’s reimbursable costs, but not before December 1, 2006.

2.3.1 Full Cost Recovery for SANDAG and MTS Staff time. Developer shall submit plans and specifications for the Smart Corner Improvements for SANDAG and MTS review and approval. Such Plans and specifications shall include detailed construction sequencing information, measures that minimize disruption to trolley operations and, if requested, available technical supporting documentation. MTS and SANDAG shall not unreasonably withhold their approval of plans and specifications for the Smart Corner Improvements.

2.3.2 Developer Deposit. Developer will deposit a sum of Twenty Five Thousand Dollars ($25,000) with MTS as an initial payment for MTS staff expenses, consultant expenses and other direct expenses accrued in reviewing and approving plans and specifications for the Smart Corner Improvements. Payment shall be made within thirty (30) days of executing this Agreement. Developer shall deposit additional funds with MTS as reasonably necessary to maintain sufficient funds to cover MTS’ support costs described herein within thirty (30) days of written request therefor. Any unused funds shall be immediately returned to Developer upon completion of the Smart Corner Improvements.

2.4 Developer Funding. Developer shall be responsible for obtaining funds for Developer’s Improvements, including, without limitation, Developer Drawings and Developer Improvements.

3. Plans and Specifications.

3.1 Plans and Specifications for Transit Improvements. SANDAG shall develop Plans and Specifications for all of the Transit Improvements, including Developer’s Improvements, in substantial conformance with the Performance Schedule (“MTS Plans and Specifications”). The Plans and Specifications shall include all components described in Exhibit “E”, including the Sound Attenuation Improvements and all other components necessary for the safe and adequate operation of the Transit Improvements.

3.2 Developer Review of MTS Plans and Specifications. Developer may review the MTS Plans and Specifications as they relate to the LRT Rail Track and other components that will affect Developer’s Improvements and as they relate to sound attenuation and vibration.
impacts that may affect occupants of Smart Corner. If Developer elects to review MTS Plans and Specifications, it must do so within five (5) days of receipt thereof, during which period Developer may submit comments, suggested revisions and modifications to MTS Plans and Specifications. MTS shall endeavor to incorporate Developer’s recommended modifications.

3.3 Developer Drawings. Developer shall incorporate the MTS Plans and Specifications prepared for Developer Improvements into Developer Drawings, which shall be prepared in substantial conformance with the Performance Schedule.

3.4 MTS Approval of Developer Drawings. The Developer Drawings are subject to MTS and SANDAG review and approval, which approval shall not be unreasonably withheld. MTS and SANDAG shall review and either approve or disapprove of Developer Drawings in a timely manner so as not to delay the Work, but in any event not more than fifteen (15) days after receipt thereof. If MTS or SANDAG disapproves Developer Drawings it shall set forth the reasons for such disapproval and modifications required to secure such Party’s approval. Developer agrees to reimburse MTS for the reasonable and customary costs incurred in connection with the review and approval of Developer Drawings. Failure to disapprove Developer Drawings within fifteen (15) days shall be deemed approval thereof.

3.5 Agency Review of Plans and Specifications and Drawings. The Parties acknowledge that the Agency may review all Plans and Specifications and Developer Drawings for consistency with the DDA and the Cooperation Agreement.


4.1 MTS Improvements. SANDAG agrees that it will construct the MTS Improvements in substantial conformance with the MTS Plans and Specifications. The timing of the construction of the MTS Improvements is set forth in the Performance Schedule and Section 2.1 above.

4.1.1 Traction Power Substations. SANDAG shall relocate the Traction Power Substation to an offsite location at San Diego City College on or before November 11, 2004 or 90 days after execution of a lease agreement between MTS, Agency and the San Diego City College, whichever is sooner. Upon such relocation, MTS shall execute and cause to be recorded a Quitclaim of Temporary Easement for the Substation Easement.

4.1.2 Developer Inspection. The integrity of Developer’s Improvements and the quiet use and enjoyment of Smart Corner will depend upon the integrity of the LRT Rail Track and other MTS Improvements. As such, Developer shall have the right to inspect the MTS Improvements to determine to Developer’s reasonable satisfaction, whether MTS Improvements are constructed in accordance with the Plans and Specifications in a manner that preserves the integrity of the Sound Attenuation Improvements. If Developer determines that MTS’ Improvements have compromised the functional integrity of the Sound Attenuation Improvements, Developer may provide written notice thereof to SANDAG. If SANDAG does not cure such defect within thirty (30) days, Developer may, but shall not be obligated to cure the defect, the reasonable cost of which shall be promptly reimbursed by MTS.
4.1.3 **Developer’s Improvements.** Developer shall construct Developer Improvements in substantial conformance with the Performance Schedule, the Plans and Specifications and Developer Drawings, provided that with regard to the offsite Bus Improvements, the Developer, with the reasonable assistance of Agency, MTS and/or SANDAG, has first secured all easements and other entitlements and approvals Developer requires to perform such work. Prior to commencing any construction activities for the Smart Corner Improvements, Developer shall procure all necessary and appropriate permits and approvals from the City of San Diego and other applicable governing agencies (“Permits”), and shall perform all work in conformity with the Permits. Developer will use good faith and commercially reasonable efforts to commence construction of the Developer Improvements concurrently with development of the Project. Once commenced, Developer shall diligently prosecute completion of the Developer Improvements in accordance with Section 2.1 above and the Performance Schedule, subject to extension as provided in Section 12 below. Developer’s Improvements shall be paid, constructed, installed and completed such that MTS shall be able to commence operation of the Trolley Station upon acceptance pursuant to Section 4.1.9 below.

4.1.4 **Inspection of Developer Improvements.** MTS and SANDAG may inspect construction of Developer Improvements during regular working hours for purposes of inspecting the Work. If, during such inspection, MTS or SANDAG observes any defect, imperfection, or other basis for rejecting any Developer Improvement, MTS or SANDAG shall promptly notify Developer, in writing, setting forth specifically the nature of such defect, imperfection or condition (“Defect”). If requested, MTS and SANDAG shall reinspect the Defect and if corrected, shall provide written notice of said correction. If the Developer Improvements are not constructed in accordance with this Agreement, then they may be rejected, but only if Developer has been given reasonable opportunity to cure the Improvement. MTS and SANDAG must exercise their reasonable discretion in rejecting any Developer Improvements.

4.1.5 **Smart Corner Improvements.** Prior to commencing any construction activities for the Smart Corner Improvements, Developer shall obtain a right-of-entry permit from MTS and all other necessary and appropriate Permits, and shall perform all work in conformity with the Permits.

4.1.6 **Temporary Improvements.** Developer shall be responsible for the cost of mitigating temporary construction impacts to bus and trolley infrastructure and operations. Developer shall only be required to undertake commercially reasonable efforts to mitigate temporary construction impacts, which shall include construction of the Temporary Improvements in substantial conformance with the Performance Schedule and the Plans and Specifications.

4.1.7 **Construction of Transit Amenities.** Developer shall construct the Transit Amenities on the Trolley Easement in substantial conformance with the Performance Schedule and the Plans and Specifications.

4.1.8 **Construction of Bus Transit Connection.** Developer shall construct the Bus Improvements, including concrete pads for the reconstructed bus stops, in a location to be approved by MTS and SANDAG in substantial conformance with the Performance Schedule and
the Plans and Specifications. MTS shall be responsible for bus poles, benches, shelters and other ancillary bus improvements.

4.1.9 Acceptance of Developer Improvements.

(a) Trolley Station: Upon final completion of an Improvement(s) for the Trolley Station, Developer shall deliver written notice thereof to SANDAG and MTS and SANDAG and MTS shall promptly inspect said Improvement(s). If the Improvement(s) is constructed in reasonable accordance with this Agreement, SANDAG and MTS shall promptly notify Developer in writing of acceptance of the Trolley Station Improvement(s) and Developer shall have no further obligation therefor. Upon completion of the Trolley Station, MTS shall execute and cause to be recorded a Quitclaim of Temporary Easement for the Public Use Easement and assist Developer in obtaining a final Release of Construction Covenants (as defined in the DDA) with respect to the Trolley Easement from the Agency.

(b) Bus Improvements. The Bus Improvements shall be deemed completed and accepted when MTS accepts “as built” plans for the Bus Improvements. MTS shall not use the Bus Improvements prior to such completion and acceptance of the Bus Improvements.

5. Cooperation. Developer, MTS and SANDAG agree to use their best efforts to cooperate in the implementation and execution of this Agreement and the successful construction of the Trolley Station while minimizing the impacts the Work may have on occupants of Smart Corner and the surrounding community. The Parties shall reasonably cooperate with one another and all consultants, contractors and subcontractors, and their respective agents, employees and representatives who provide services, work or materials in connection with performance of the Work. Such cooperation shall include, without limitation, MTS’ and/or SANDAG’s obligation to execute such applications, submittals or other documents as may be required by any governmental agencies for completion of the Work. The Parties shall execute such applications, submittals and other documents within five (5) business days after receipt of request therefor.

6. Operation of Transit Improvements. MTS shall operate and maintain the Trolley Station and related Improvements in accordance with the standards described in the Trolley Easement Agreement.

7. Insurance.

7.1 Developer’s Insurance. Developer shall maintain insurance as required pursuant to Section 308 of the DDA. Developer shall also maintain a railroad protective liability policy with commercially reasonable limits. All such policies of insurance shall name the following entities as additional insureds: Metropolitan Transit Development Board, San Diego Trolley, Inc. (SDTI), San Diego Transit Corporation (SDTC), their directors, officers, agents and employees. The insurance shall also specify “This Insurance is Primary and that any insurance of MTS, SDTI and SDTC shall be excess and noncontributory”.
7.2 **MTS’ Insurance.**

7.2.1 **Personal Liability and Property Damage Insurance.** MTS shall maintain (a) self-insurance or (b) cause to be maintained a standard commercial general insurance policy or policies (such self insurance or policies are referred to herein as the “MTS Liability Coverage”) to protect Developer, the Association and the other owners of Smart Corner and their respective officers, agents and employees (collectively, the “Liability Additional Insureds”) in a liability amount that is commercially reasonable given the activities of the MTS on the Trolley Easement. The MTS Liability Coverage shall provide for coverage of the Liability Additional Insureds against direct or contingent loss or liability for damages for bodily or personal injury, death or property damage occasioned by reason of the operation of the Trolley Station or the actions of MTS. The proceeds of the MTS Liability Coverage shall be applied to extinguishment or satisfaction of the liability with respect to which the proceeds of such insurance shall have been paid.

7.2.2 **Fire and Extended Coverage Insurance; Railroad Protective Liability Insurance.** MTS shall maintain (a) self-insurance or (b) cause to be procured and maintained insurance against loss or damage to any structures constituting any part of the Trolley Easement by fire and lightning with extended coverage and vandalism and malicious mischief insurance, terrorism and earthquake insurance (but as to earthquake insurance only if available from reputable insurers at a commercially reasonable cost) (“Fire Coverage”). Such extended insurance coverage shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and other such hazards as are normally covered by such insurance. The Fire Coverage shall be in an amount equal to one hundred percent (100%) of the replacement costs of the Improvements on or within the Trolley Easement, Developer shall be named as an additional insured for all such Fire Coverage. The proceeds of such Fire Coverage shall be applied toward extinguishment or satisfaction of the liability or damage with respect to which the proceeds of such insurance shall have been paid. MTS shall also self-insure or procure a railroad protective liability policy with commercially reasonable limits, naming the Developer as an additional insured.

7.2.3 **Form of Policies.** All insurance obligations described hereunder, including self-insurance, shall provide that Developer shall be given thirty (30) days prior written notice of any expiration, intended cancellation or reduction of the coverage provided thereby. If MTS elects to provide self insurance, and self insurance becomes unavailable, MTS shall promptly procure and maintain commercially available equivalent policies in accordance with the terms of this Section 7. If MTS maintains insurance through an outside provider, it shall pay or cause to be paid when due the premiums for all insurance policies required hereunder and shall promptly upon request of Developer furnish or cause to be furnished evidence of such payments and insurance.

8. **Indemnification.**

8.1 **Developer Indemnification.** Developer agrees to indemnify, defend and hold harmless MTS and SANDAG and their respective officers, agents, contractors, volunteers and employees from any and all loss or damage, including, but not limited to, bodily injury, sickness, disease or death of any person or damage to real or personal property (“Claim”), tangible or
intangible arising from, or alleged to arise from, activities under this Agreement by Developer or Developer’s contractors, subcontractors, agents or employees under this Agreement, except for any Claim related directly or indirectly to or arising from the active negligence or willful misconduct of MTS or SANDAG and their officers, agents, volunteers and employees. Notwithstanding the foregoing, Developer shall have absolutely no responsibility for personal injuries arising from or relating to trolley and/or bus accidents, except to the extent caused by Developer’s activities hereunder. This indemnification includes reasonable attorneys' fees, shall apply regardless of whether any insurance policies have been determined to be applicable for such claim and shall survive termination of this Agreement.

8.2 MTS Indemnification. MTS agrees to indemnify, defend and hold harmless Developer and SANDAG and their respective officers, agents, contractors, volunteers and employees from any and all loss or damage, including, but not limited to, bodily injury, sickness, disease or death of any person or damage to real or personal property (“Claim”), tangible or intangible arising from, or alleged to arise from, activities under this Agreement by MTS or MTS’s contractors, subcontractors, agents or employees under this Agreement, except for any Claim related directly or indirectly to or arising from the active negligence or willful misconduct of the Developer or SANDAG and their officers, agents, volunteers and employees. This indemnification includes reasonable attorneys' fees, shall apply regardless of whether any insurance policies have been determined to be applicable for such claim and shall survive termination of this Agreement.

8.3 SANDAG Indemnification. SANDAG agrees to indemnify, defend and hold harmless Developer and MTS and their respective officers, agents, volunteers and employees from any and all loss or damage, including, but not limited to, bodily injury, sickness, disease or death of any person or damage to real or personal property (“Claim”), tangible or intangible arising from, or alleged to arise from, activities under this Agreement by SANDAG or SANDAG’s contractors, subcontractors, agents or employees under this Agreement, except for any Claim related directly or indirectly to or arising from the active negligence or willful misconduct of the Developer or MTS and their officers, agents, volunteers and employees. This indemnification includes reasonable attorneys' fees, shall apply regardless of whether any insurance policies have been determined to be applicable for such claim and shall survive termination of this Agreement.

9. Legal Descriptions and Exhibits. The Parties acknowledge that a parcel map is currently being processed for the Project and that the legal description of the Project, easements and the other exhibits to this Agreement are subject to refinement upon recordation of the parcel map for the Project. Provided the refinements to the legal descriptions and exhibits substantially conform to the attached legal description and exhibits, the Parties agree to amend this Agreement to replace the existing exhibits with exhibits and legal descriptions that correspond to the recorded parcel map.

10. Prevailing Wage Indemnity. Developer shall comply with the Special Indemnity contained in Section 215 of the First Implementation Agreement.

Lankford/Smart Corner
Transit Development Agreement
31921-00001 / 1960811.9

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11. **Term.** This Agreement shall be effective on the date it is executed by the last party to sign the Agreement and shall be effective until development of the Trolley Station pursuant to this Agreement is completed to the satisfaction of MTS.

12. **Unavoidable Delay.** If delays occur in the construction of an Improvement, through events or circumstances not within the reasonable control of the party responsible for construction of said Improvement (“Delayed Party”), the Delayed Party will not be considered to be in default of its obligations to construct the affected Improvement. The Delayed Party shall be excused for, among other things, any delays or defaults in the performance of this Agreement unavoidably caused by Developer, SANDAG, the Agency, MTS or any other governmental authority, acts of God, the elements, war, litigation, strikes, walkouts or any other causes beyond the Delayed Party’s control. The Delayed Party shall notify the other Party of an event and anticipated duration of such delay as soon as reasonably possible. Notwithstanding anything to the contrary contained herein, this Section shall not excuse Developer of the reimbursement obligations contained in Section 2.2 and 2.3 of this Agreement.

13. **Declaration of Default.** Only material defaults of a Party shall be considered a default under this Agreement. In the event of a default by a Party (“Defaulting Party”), the non-Defaulting Party shall give written notice of the default including a detailed description of the alleged default and the actions necessary to cure the default. Except for the payment of money, for which the Defaulting Party shall have five (5) days to cure, the Defaulting Party shall have thirty (30) days following the receipt of written notice, or a longer period if the Parties mutually agree to an extension, to fully and completely remedy, to the non-Defaulting Party(s) satisfaction, the conditions constituting the default. If the Defaulting Party fails to remedy the conditions constituting default within the time allowed, the non-Defaulting Party may exercise those rights and remedies provided for in this Agreement or by law.

14. **Notices.** All notices, requests, and other communications provided for in this Agreement shall be in writing and shall be delivered personally, by air courier, by facsimile (with receipt confirmed) or by first-class mail, postage prepaid. All notices shall be conclusively deemed to have been received by the party to whom addressed on the earlier of: (i) actual receipt by the addressee; (ii) confirmation of receipt by facsimile; or (iii) three (3) business days after deposit in the United States mail or with a courier. All notices shall be delivered to the following addresses:

   Developer:          CJUF Smart Corner LLC
                      Attn: Jerry Trammer
                      c/o Lankford & Associates
                      4250 Executive Square, Suite 540
                      La Jolla, CA 92108
                      Tel: (858) 587-0130
                      Fax: (858) 587-1695
15. **Headings.** All article headings are for convenience only and shall not affect the interpretation of this Agreement.

16. **Covenants and Conditions.** All provisions of this Agreement expressed as either covenants or conditions on the part of the MTS, SANDAG or Developer, shall be deemed to be both covenants and conditions.

17. **Compliance with Controlling Law.** Developer shall comply with all laws, ordinances, regulations, and policies of the federal, state, and local governments applicable to this Agreement. In addition, Developer shall comply as soon as reasonably possible with all reasonable directives issued by MTS or its authorized representatives in accordance with any laws, statutes, ordinances, rules, or regulations. The laws of the State of California shall govern and control the terms and conditions of this Agreement.

18. **Jurisdiction, Venue, and Attorney’s Fees.** The venue for any suit or proceeding concerning this Agreement, the interpretation or application of any of its terms, or any related disputes shall be in the County of San Diego, State of California. The prevailing parties in any such suit or proceeding shall be entitled to a reasonable award of attorney’s fees in addition to any other award made in such suit or proceeding.

19. **Integration.** This Agreement and the exhibits and references incorporated into this Agreement fully express all understandings of the Parties concerning the matters covered in this Agreement. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the Parties, their officers, agents, or employees shall be valid unless made in the form of a written change agreed to in writing by both Parties or an
amendment to this Agreement agreed to by both Parties. All prior negotiations and agreements are merged into this Agreement.

20. **No Waiver.** No failure of either the MTS, SANDAG or Developer to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy resulting from a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.

21. **Severability.** The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid, or illegal.

22. **Release of Agreement.** If requested, MTS and SANDAG shall provide Developer with a written release of this Agreement upon fulfillment of Developer’s obligations as set forth herein to the satisfaction of the Agency.

23. **Successors in Interest.** This Agreement and all rights and obligations contained herein shall be in force and effect whether or not any or all Parties to this Agreement have been succeeded by another entity, and all rights and obligations of the Parties shall be vested and binding on their successors in interest.

24. **Further Assurances.** MTS and Developer each agree to execute and deliver such additional documents and issue such governmental permits as may be required to effectuate the purposes of this Agreement.

25. **Counterparts.** This Agreement may be executed in counterparts, and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument.

26. **Drafting Ambiguities.** The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each of the Parties. This Agreement shall not be construed in favor of or against either of the Parties by reason of the extent to which each of the Parties participated in the drafting of the Agreement.

27. **Signing Authority.** The representative for each of the Parties signing on behalf of a corporation, partnership, joint venture or governmental entity hereby declares that authority has been obtained to sign on behalf of the corporation, partnership, joint venture or governmental entity and agrees to hold the other Party or Parties hereto harmless if it is later determined that such authority does not exist.
28. **Recitals.** The recitals set forth above are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above written.

Developer:

CJUF SMART CORNER LLC, a Delaware limited liability company

By: _____________________________
Name: ___________________________
Title:_____________________________

MTS:

METROPOLITAN TRANSIT DEVELOPMENT BOARD, a California public agency

By: ______________________________
Name: Paul C. Jablonski
Title: Chief Executive Officer

APPROVED AS TO FORM:

By: ___________________________
Office of General Counsel,
Metropolitan Transit Development Board

SANDAG:

SAN DIEGO ASSOCIATION OF GOVERNMENTS, a California public agency

By: ___________________________
Name: Gary L. Gallegos
Title: Executive Director

APPROVED AS TO FORM:

By: ___________________________
Office of General Counsel,
San Diego Association of Governments
CONSENT

The Redevelopment Agency of the City of San Diego hereby acknowledges that the undersigned has read and understands the terms and conditions of this Agreement, (ii) specifically consents to the terms and conditions of Section 2.2.1 of the Agreement regarding alternate funding sources for the Trolley Station in that event the TCRP Funds escheat to the State of California, and (iii) has the authority to execute this consent on behalf of the Redevelopment Agency of the City of San Diego.

REDEVELOPMENT AGENCY OF THE
CITY OF SAN DIEGO

Dated:______________  By:________________________________

Hank Cunningham
Assistant Executive Director

APPROVED AS TO FORM AND LEGALITY
Casey Gwinn
Agency General Counsel

By:________________________________

KANE, BALLMER & BERKMAN
Agency Special Counsel

By:________________________________

Glenn F. Wasserman
On _____________________, 2004, before me, __________________, Notary Public, personally appeared ___________________________, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

________________________________
Signature of Notary Public     Place Notary Seal Above
EXHIBIT “A”

SMART CORNER
[TO BE ATTACHED]
EXHIBIT “B”

MTS EASEMENT
[TO BE ATTACHED]
EXHIBIT “C”

TROLLEY DEPICTION
EXHIBIT “D”

TEMPORARY STATIONS
[TO BE ATTACHED]
EXHIBIT “E”

IMPROVEMENTS

I. DEVELOPER IMPROVEMENTS

A. Base LRT Improvements:

1. 100 square foot communications room with man door access, electrical service and air conditioning.

2. Conduit, pull boxes and handholes for: TWC loops, fiber optic, signals, changeable message signs, closed circuit television, public address system, traffic signal interconnect, vehicle location system, traction power system including feeders, automated fare collection equipment, lighting, emergency lighting, telephone, ticket vending machines, electrical outlets, transit television system, and spare conduits.


4. Trackway trough for LRT tracks and deck each side for LRT station with ADA compliant platform.

5. Anchorages for direct fixation track in accordance with AREMA standards and SANDAG approved track alignment.

6. Anchorages and foundations for overhead contact system, except as provided under II(B)(1).

7. Anchorages and foundations for changeable message signs and electronic message board.

8. Drainage facilities for trackway and platform.

9. Floor hydrants and quick disconnect couplers for hose bibs.

10. Fifteen Foot platforms on each side of trackway.

B. Bus Improvements:

1. ADA compliant access from LRT station to bus stops.

2. Permanent concrete transit-only lane on Eleventh Avenue between Broadway and C Street.

3. Transit First Showcase Project station on Park Boulevard between Broadway and C Street.

EXHIBIT “E”
II. MTS IMPROVEMENTS TO BE CONSTRUCTED BY SANDAG:

A. Traction Power Substation Relocation

B. LRT Track
   1. Catenary and catenary support poles where not supported by/under a canopy
   2. Automated Fare Collection Equipment
   3. Trackwork and construction
   4. Traction Power
   5. Signaling
   6. Electronic Message Boards
   7. Ticket Vending Machines
   8. Trolley Station Shelters
   9. Trolley Station Benches and Trashcans

C. Bus Improvements
   1. Bus Sign Poles
   2. Bus Signs
   3. Bus Stop Benches and Shelters
## PERFORMANCE SCHEDULE

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<thead>
<tr>
<th>Action</th>
<th>Responsible Party</th>
<th>Timing</th>
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<tbody>
<tr>
<td>1. Relocate Traction Power Substations</td>
<td>SANDAG</td>
<td>Earlier of 11/11/04 or 90 days after execution of City College substation lease</td>
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<tr>
<td>2. LRT Rail Track Plans and Specifications</td>
<td>SANDAG</td>
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<td>3. Base LRT Improvements Plans and Specifications</td>
<td>SANDAG</td>
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<td>4. Bus Improvements Plans and Specifications</td>
<td>SANDAG</td>
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<td>5. Transit Amenities Plans and Specifications</td>
<td>SANDAG</td>
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<td>6. Offsite Improvements Plans and Specifications</td>
<td>SANDAG</td>
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<td>7. Base LRT Improvements Developer Drawings</td>
<td>Developer</td>
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<td>8. Transit Amenities Developer Drawings</td>
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<td>9. Bus Improvements Developer Drawings</td>
<td>Developer</td>
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<tr>
<td>10. Construct Temporary Improvements</td>
<td>Developer</td>
<td>Before excavation of the City College Trolley Station</td>
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<td>11. Construct LRT Rail Track</td>
<td>SANDAG</td>
<td>10/1/06 to 12/31/06</td>
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<td>12. Construct Podium</td>
<td>Developer</td>
<td>2/1/06</td>
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<td>13. Construct Track Work</td>
<td>Developer</td>
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<td>14. Construct Canopy</td>
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<td>15. Construct Catenary</td>
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<td>Construct Transit Amenities</td>
<td>Developer</td>
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<td>16.</td>
<td>Construct Offsite Improvements</td>
<td>Developer</td>
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<td>17.</td>
<td>Construct Transit First Showcase Project</td>
<td>Developer</td>
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<td>18.</td>
<td>Accept Trolley Station</td>
<td>MTS and SANDAG</td>
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<td>19.</td>
<td>Release of Construction Covenants</td>
<td>Agency</td>
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</table>

EXHIBIT “F”
EXHIBIT “G”

PUBLIC USE EASEMENT
QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, METROPOLITAN TRANSIT DEVELOPMENT BOARD, a California public agency operating the Metropolitan Transit System ("Grantor"), does hereby REMISE, RELEASE AND QUITCLAIM to CJUF SMART CORNER LLC, a Delaware limited liability company ("Grantee"), any right, title and interest that Grantor may have in the real property in the City of San Diego, County of San Diego, State of California, described as

SEE EXHIBIT “A” ATTACHED HERETO AND INCORPORATED HEREIN

The purpose of this Quitclaim Deed is to relinquish all of Grantor's right, title and interest in that certain reservation of easement recorded on ____________, 2004, as Instrument No. ____________ in the Official Records of San Diego County, California.

Dated: _________________

STATE OF CALIFORNIA

COUNTY OF _______________

On _________________ before me, ____________________________, a

personally appeared ____________________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature ____________________________

MAIL TAX STATEMENTS TO:

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EXHIBIT “H”
TRANSPORTATION PROGRAM FUNDING UPDATE

Introduction

This report provides an update on transportation program funding issues, as requested by the Transportation Committee at its May 7, 2004, meeting. This report includes an update on the 2004 State Transportation Improvement Program (STIP) and the impacts from the approved state budget on this and other transportation programs.

Discussion

On August 5, 2004, the California Transportation Commission (CTC) adopted the 2004 STIP but failed to undertake its implementation, temporarily deferring any STIP allocations due to cash-flow constraints. The CTC conceded that the financial situation of various transportation programs, including the STIP and the Traffic Congestion Relief Program (TCRP), is facing the weight of several years of deferring and delaying investments on transportation infrastructure. CTC staff estimates that over $5 billion has been lost to transportation in Fiscal Year (FY) 2004/05 and the prior two fiscal years due to loans, transfers, diversions, and lower-than-expected federal reimbursements. Gasoline sales tax revenues ($3.3 billion) that were dedicated to transportation with the enactment of Proposition 42 have not been made available due to state budget woes. Regular gas tax funds from the State Highway Account ($1.4 billion) have been used to keep the construction of projects going on allocated Traffic Congestion Relief Program (TCRP) projects that were to be funded with gasoline sales tax revenues. The latest cash forecast from Caltrans indicates that federal reimbursements will be running approximately $300 million less in FY 04/05 than previously expected.

According to CTC staff, the outlook for FY 04/05 is turning out to be even more severe than for the prior fiscal year. The slower-than-expected flow of federal transportation funds, exacerbated by the lack of Proposition 42 funds, has imperiled transportation project allocations. According to the latest cash estimate, the State Highway Account will only have enough cash to sustain approximately $500 million in project allocation through December 2004; this is less than one quarter of the planned $2.2 billion in allocations for FY 04/05. The CTC will not resume STIP or TCRP project allocations, will be unable to do any new Grant Anticipation Revenue Vehicle (GARVEE) bonding, and will be forced to stop state highway rehabilitation project allocations after the December 2004 meeting.

According to the CTC, it might be able to resume STIP allocations later in FY 04/05 if one or a combination of the following events transpires:
1. The federal ethanol taxation issue is resolved favorably for California.

2. The reauthorization of the federal transportation bill (TEA-21) is passed at a higher level than proposed by the Bush administration or the U.S. House of Representatives.

3. Propositions 68 and 70 are defeated by the voters at the November 2004 elections and the $1.2 billion in new tribal gaming compact funds negotiated by the Governor flow to transportation as repayment of past loans.

2004 STIP

As previously mentioned, the CTC proceeded to adopt the statewide 2004 STIP at its August 5, 2004, meeting. The CTC followed its staff recommendations and revised the San Diego element of the STIP from that submitted by SANDAG. In summary, the CTC made the following adjustments:

- Delayed all but one of the proposed FY 04/05 projects to FY 05/06. These include:
  - Mid-Coast/Balboa Light Rail Transit Design
  - SANDAG’s Rideshare Program Funds
  - Matching funds for federal Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) programs

- Delayed funding for right-of-way acquisition for State Route (SR) 52 from FY 05/06 to FY 06/07

- Advanced the regional funding for construction of SR 905 from FY 07/08 to FY 05/06 to match the programming of the interregional component of the STIP

Attachment 1 shows the programming adjustments that were made in greater detail.

The CTC’s postponement of all STIP allocations anticipated to occur at the August 5, 2004, meeting included the region’s Planning, Programming, and Monitoring (PPM) funds, which help pay for Metropolitan Planning Organization (MPO) and Regional Transportation Planning Agency (RTPA) operational expenses. This deferral adds to agencies’ financial burdens as the FY 03/04 PPM allocation was postponed and later agreed to be reimbursed in FY 07/08.

Subject to the successful resolution of current cash flow problems, the CTC is still committed to implementing the GARVEE bond financing tool and has recommended setting aside programming capacity for $500 million in bonds. The CTC has identified approximately $1 billion in potential bond candidates. Both SR 52 and SR 905 are included in the CTC’s list of potential GARVEE bond candidates. Discussions on project selection criteria will begin in September though approval is not expected to occur until January 2005 at the earliest.
FY 2004/05 State Budget

The FY 04/05 State Budget approved by Governor Schwarzenegger includes funding for the early repayment of nearly $1.4 billion in transportation loans scheduled for repayment from the General Fund in 2005-06. This $1.4 billion incorporates the funding mechanism of Assembly Bill (AB) 687, the tribal gaming compact ratification bill. This bill dedicates $1.2 billion in bond proceeds from tribal gaming compacts with five of the largest gaming tribes in the state. In addition, $140 million resulting from higher sales tax revenues on gasoline is combined with $43 million in General Fund resources to round out the nearly $1.4 billion dedicated to early repayment of General Fund loans.

If the funds available from AB 687 materialize, the funding package will provide $453 million to the TCRP, $477 million for STIP and the State's Rehabilitation Account, $275 million to the Public Transportation Account for capital construction, and $192 million to cities and counties for local roads. Two trailer bills, Senate Bill (SB) 1098 and SB 1099, could further change how these funds are distributed.

Based on the action of the Governor in the May Revise and as refined by the Budget Conference Committee, the Budget now has capacity for the CTC to use GARVEE Bonds in an amount up to $800 million in new issuances. The CTC also has authority beyond this level, subject to prior notice, but based on the CTC's 2004 STIP staff recommendations, the CTC intends to only exercise approximately $500 million for new allocations through this funding mechanism.

Next Steps

An amendment to the 2004 Regional Transportation Improvement Plan (RTIP) will be necessary to amend the programming on those projects that were adjusted by the CTC. This is necessary to have consistency between both the STIP and RTIP programming documents. The next RTIP amendment is scheduled to occur at the October 15, 2004, Transportation Committee meeting.

Staff will continue to work with CTC staff on the development of selection criteria for GARVEE bond projects, scheduled to begin in September. This effort is expected to pick up the pace later in the fall as more information becomes available regarding the ethanol fix, the reauthorization of TEA-21, and the fate of Propositions 68 and 70. If the outlook for progress on these three issues is not encouraging in the near term, however, the CTC may defer action on additional GARVEE bonds for the remainder of FY 04/05.

RENEE WASMUND
Director of Finance

Attachment: 2004 STIP, San Diego Region

Key Staff Contact: José A. Nuncio, (619) 699-1908; jnu@sandag.org
### 2004 STIP - San Diego Region - As Approved by SANDAG

<table>
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Subtotal: 203,849

| TE Reserve | 19,110 |       |       |       |       |       |       |       |       |       |       | 19,110 |

Grand Total: 222,959

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Subtotal: 203,849

| TE Reserve | 19,110 |       |       |       |       |       |       |       |       |       |       | 19,110 |

Grand Total: 222,959

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* Shaded figures denote submitted program amounts that were revised by the CTC, as shown in table below.
UNIVERSITY AVENUE MOBILITY PLAN

Introduction

In 2002, the City of San Diego and the community of North Park developed and evaluated a number of traffic-calming concepts aimed at enhancing the pedestrian and transit-orientated nature of University Avenue. A study area map is included as Attachment 1. The University Avenue Traffic Calming Study resulted in the development of a Preferred Concept Plan for restructuring University Avenue between Interstate 805 (I-805) and Park Boulevard, which included enhanced pedestrian amenities (bulbouts) and transit priority facilities (transit-only lanes and queue jumpers).

As a follow up to the University Avenue Traffic Calming Study, the City of San Diego and the San Diego Association of Governments (SANDAG) evaluated the operational feasibility of the Preferred Concept Plan, which included the development of cost-neutral transit enhancements to support the plan. The transit enhancement study included service recommendations for the University Avenue corridor based on an evaluation of existing and future transit demands, consideration of the transit priority enhancements proposed for University Avenue from the Preferred Concept Plan, and potential improvements to operational efficiency. For the purposes of this study, the University Avenue corridor is bordered by Fourth Avenue in Uptown, Hillcrest to the west, and Spring Street in La Mesa to the east.

Discussion

Travel Demand

The University Avenue corridor is currently served by two of the Metropolitan Transit System’s (MTS’s) most productive transit services, Routes 7 and 908. Each day, 325 buses travel along University Avenue providing service for 16,000 passengers (roughly 50 passengers per trip). Despite high ridership and an increasing population base along the corridor, both routes have experienced a decline in ridership over the last five years as shown in Table 1.

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Table 1
Routes 7 and 908 Productivity Trends
To ensure that transit service is redesigned to better meet the travel needs of Mid-City communities, an analysis of University Avenue travel demand was conducted. The following is a summary of the findings.

- SANDAG’s 2000 Base Year Transportation Model estimates that 2.75 million trips are made to and from the corridor per day. Over 50 percent of these trips are regional in nature (beginning or ending in areas outside of the corridor).

- The most recent (2000) onboard survey of transit riders also indicates that a significant amount (40 percent) of transit trips along University Avenue are regional trips that are longer in nature and depend on connections to other regional transit services.

- SANDAG’s transportation model and onboard survey suggests that the key regional attractions to and from the corridor are: Centre City, Southeast San Diego, Midway/Airport, College Area, and Mission Valley.

- Existing and forecasted (2030) population densities are the highest along the western portion of University Avenue between Park Boulevard and 54th Street, specifically in the North Park and City Heights communities. Existing and forecasted (2030) employment density is also highest in the western portion of the corridor in Hillcrest.

- Consistent with population and employment densities, existing transit ridership on University Avenue is highest west of 54th Street, with a significant decrease east of College Avenue into La Mesa.

- Based on market research, speed and reliability are the most important factors influencing people’s transportation choice. This sentiment is echoed in comments from existing University Avenue transit riders.

The decline in ridership on Routes 7 and 908 may be partially attributed to a possible change in travel demand along the corridor. As stated above, a significant amount of travel along the corridor is regional in nature. This finding is supported by SANDAG’s MOBILITY 2030 Plan, which states that commute trips are getting longer as people and employment move further away from traditional urban centers.

In addition, surveys of existing transit riders and the general public show that speed and schedule reliability are important factors in maintaining and increasing the corridor’s ridership base. Currently, only local transit service is provided along University Avenue, with the exception of Route 70, which provides direct service from the eastern portion of the corridor (College Area and La Mesa) to downtown San Diego via I-15 and State Route (SR) 94. In addition, on-time performance issues on certain trips result in “bus bunching” along the corridor.

Proposed Transit Enhancements for University Avenue

To meet the regional travel needs along the University Avenue corridor and to improve the speed and reliability of transit service, existing local transit service should be enhanced with a higher speed alternative, specifically along the western portion of the corridor (Hillcrest, City Heights, and North Park) where travel demand and transit ridership is greater. This higher speed (or Rapid Bus) service would operate along the same routing as local service, but would only stop at key locations.
(about every one-half to one mile) and would benefit from the proposed transit lanes and priority measures identified in the City's refined Preferred Concept Plan. The Rapid Bus service would improve operating speeds and reduce travel time for passengers accessing major stops and regional connections.

Two service enhancement options are proposed for consideration:

**Option 1 (Attachment 2):**

1. Continue operating Route 7 as a local service from La Mesa to downtown San Diego with additional short line service from 69th Street to downtown San Diego;
2. Replace Route 70 service with new Rapid Bus service from 54th Street to downtown San Diego; and
3. Continue current operations of Route 908 from Fairmount to the Old Town Transit Center.

**Option 2 (Attachment 3):**

1. Modify Route 7 to operate as a local service from La Mesa to 54th Street, then as a Rapid Bus service from 54th Street to downtown San Diego;
2. Replace Route 70 service with additional Rapid Bus service from 54th Street to downtown San Diego; and
3. Restructure Route 908 resources to extend the route's local coverage east of Fairmont to 54th Street.

In addition to the new Rapid Bus service that would serve the key stops and transfer points between 54th Street and downtown San Diego, both options would include consolidation of stops throughout the corridor on local services and possible upgrades to traffic signal timing throughout the corridor. In addition, the Preferred Concept Plan proposes transit lanes and priorities along University Avenue from Florida Street to I-805, and the Transit First Showcase Project proposes them along Park Boulevard through Balboa Park. These transit lanes and priorities would further enhance the service efficiency of the Rapid Bus service.

Preliminary estimates indicate that these enhancements combined (Rapid Bus service, stop consolidation, possible traffic signal coordination, and transit lanes/priorities) could result in overall travel time improvements along the corridor of 20 to 25 percent during peak hours and also would improve schedule reliability. In addition, the service improvements should result in resource savings that could be reallocated to other regional routes serving Mid-City. However, additional analyses are needed to further evaluate the benefits expected from these service options, as well as any negative impacts.

**Next Steps**

The next steps for this project are as follows:

- The City of San Diego will distribute the University Avenue Mobility Plan draft report for public review.
SANDAG and MTS staff will continue to evaluate service enhancements identified in this report. Implementation of any service enhancement is contingent on approval by the MTS Board and the SANDAG Transportation Committee through a public hearing.

BOB LEITER  
Director of Land Use and Transportation Planning

Attachments: 1. University Avenue Traffic Calming Study Area Map  
2. Service Enhancement Option 1  
3. Service Enhancement Option 2

Key Staff Contact: Conan Cheung (619) 699-1922; cch@sandag.org

Funds are budgeted in Work Element #3002300
Figure 5-1
Proposed Option 1 Routes in University Avenue Study Area
Proposed Option 2 Routes in University Avenue Study Area
SUPPORT FOR THE CALIFORNIA FUEL CELL PARTNERSHIP
(CAFCP) 3RD ANNUAL FUEL CELL ROAD RALLY

Introduction

The California Fuel Cell Partnership (CaFCP) is a collaborative effort to educate the public regarding the benefits of zero-emission vehicles. Fuel cell vehicles represent a new approach to zero-emission mobility through vehicle and fuel technology advancements. This technology has the potential to deliver energy efficiency, fuel flexibility, and clean air benefits throughout California. The CaFCP will bring the 3rd Annual Fuel Cell Vehicle Road Rally to San Diego on September 19. Fuel Cell Road Rallies are one of the tools that the Partnership uses to teach the public about the promise of zero-emission vehicles. The Transportation Committee is asked to express support for CaFCP’s efforts.

Recommendation

It is recommended that the Transportation Committee adopt Resolution No. 2004-04, “Support for the California Fuel Cell Partnership Fuel Cell Road Rally.”

Discussion

As a member of the California Air Resources Board (CARB), I have participated in the California Fuel Cell Partnership (CaFCP), a collaborative effort to educate the public regarding the benefits of zero-emission vehicles. Hydrogen-powered fuel cell vehicles represent a new approach to zero-emission mobility through vehicle and fuel technology advancements. This technology has the potential to deliver energy efficiency, fuel flexibility, and clean air benefits throughout California. The Partnership includes eight major automobile manufacturers, fuel providers, fuel cell technology companies, and state and federal government agencies.

The Fuel Cell Road Rally is one of the tools that the Partnership uses to teach the public about the possibility of zero-emission vehicles. The Road Rally combines public demonstrations of this promising, zero-emission technology and real-world use of new hydrogen fueling stations in the Southland. Raising public awareness and acceptance is one of the most important elements in accelerating fuel cell technology into the commercial marketplace. At 12:00 pm on Sunday, September 19, the Southern California Road Rally will arrive at the finish line at the County Administration Center, 1600 Pacific Highway, San Diego. A number of hydrogen-powered vehicles will be available for public
test drives, and educational displays, food, and entertainment will make this a popular outreach event. A mobile refueling facility will also be on hand.

Please join me in stating our support for this educational event, and for the efforts of the California Fuel Cell Partnership to bring to reality the vision of a Hydrogen Highway. I hope to see you on September 19.

RON ROBERTS
Supervisor, Fourth District

Attachment
RESOLUTION NO. 2004-04

SUPPORT FOR THE CALIFORNIA FUEL CELL PARTNERSHIP (CaFCP) THIRD ANNUAL FUEL CELL ROAD RALLY

WHEREAS, the San Diego Association of Governments, as the regional planning agency for transportation, implements a long-range vision for movement of people and goods in our region; and

WHEREAS, the Transportation Committee promotes that long-range vision; and

WHEREAS, new technologies to reduce vehicle emissions improve the quality of life for the region’s residents by reducing air pollutants associated with commuting; and

WHEREAS, hydrogen-powered fuel cell vehicles have the potential to deliver energy efficiency, fuel flexibility, and clean air benefits throughout California; and

WHEREAS, the California Fuel Cell Partnership (CaFCP) is a collaborative public and private effort to educate the public regarding the benefits of zero-emission vehicles; and

WHEREAS, the California Fuel Cell Partnership uses the Fuel Cell Road Rally to raise public awareness and acceptance of this emerging technology in order to accelerate its introduction into the commercial marketplace; and

WHEREAS, the California Fuel Cell Partnership, in collaboration with the Air Pollution Control District of the County of San Diego, will bring the Third Annual Fuel Cell Road Rally to our region on September 19, 2004; NOW THEREFORE

BE IT RESOLVED that the Transportation Committee of the San Diego Association of Governments supports the public outreach efforts of the California Fuel Cell Partnership and the goals of the Southern California Fuel Cell Road Rally, and encourages any effort that will accelerate the introduction of zero-emission vehicles onto our region’s roadways.

PASSED AND ADOPTED this 3rd day of September, 2004.

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CHAIRPERSON

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ATTEST: ________________________
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.