



DATE: June 1, 2011
TO: Honorable Mayor and City Councilmembers
FROM: Development Services Department
SUBJECT: **RESOLUTION AMENDING THE TRANSNET LOCAL STREET IMPROVEMENT PROGRAM FOR FISCAL YEARS 2011 TO 2015**

SYNOPSIS

Staff recommends that the City Council adopt a resolution amending the TransNet Local Street Improvement Program of Projects for the City of Oceanside for six projects with TransNet Local Street Improvement funds.

BACKGROUND

Since 1988, TransNet, the half-cent sales tax for local transportation projects, has funded the expansion and maintenance of the San Diego region's transportation system. On November 4, 2004, the voters of San Diego County approved an extension of the TransNet sales tax program.

Last year, SANDAG asked cities to develop their transportation spending plan for the next five years, and to formally approve it by resolution consistent with the requirements of the TransNet Ordinance. On June 23, 2010, the City Council adopted a resolution approving Oceanside's TransNet Program of Projects for FY 2011 through FY 2015. Oceanside's projects were subsequently incorporated by SANDAG into the Regional Transportation Plan. The attached resolution amends the five-year plan.

Cities can amend their list of TransNet-funded projects and their respective spending plans as needs change. The attached Resolution does not add or remove any projects, but changes the amount of TransNet Local Street Improvement funds programmed on six existing projects over the next four fiscal years.

The amount of TransNet Local Street Improvement funds programmed by SANDAG is the amount of cash that the City is allowed to *receive* each year for each project. The amount of TransNet Local Street Improvement funds appropriated by the City as a part of its Capital Improvement Program (CIP) budget is the amount of funds that the City intends to *spend*.

ANALYSIS

There are three reasons for the Amendment:

- SANDAG has increased its TransNet revenue forecast, and the City can program the additional funds for needed projects.
- The City can more closely time its receipt of TransNet funds with spending on the individual projects.
- The City temporarily returned \$3 million in TransNet funds to SANDAG in June 2010 because the City was holding an excess balance. The Amendment allows the City to draw upon the \$3 million for projects on FY 2012.

The current annual share of Oceanside's TransNet Local Street Improvement funds is \$3.56 million, and is estimated by SANDAG to increase to \$4.51 million by FY 2015. This is an upward revision from the Oceanside's FY 2010 share amount of \$3.2 million. The increase in forecasted revenue is available for Oceanside to program on priority projects, such as increased street maintenance. To remain eligible to draw TransNet funds in the future, the City must comply with the requirements of the TransNet Ordinance. This includes Maintenance of Effort. SANDAG is allowing the City until June 30, 2013, to catch up on its spending of local discretionary funds for roads.

The total amount of TransNet funds available in a given year is the sum of the City's annual allocation, prior-year allocations not yet drawn from SANDAG, and any funds such as the \$3 million temporarily returned to SANDAG. For FY 2012, this sum is \$8.7 million.

The TransNet Ordinance does not allow the City to hold an unspent cash balance of TransNet funds that exceeds 30 percent of its annual allocation. This means that Oceanside cannot draw additional TransNet funds if it holds an end-of-year balance exceeding \$1.07 million (30 percent of \$3.56 million). Therefore, it is desirable for Oceanside to annually reprogram funds *away* from projects that are unable to expend the funds expeditiously and *towards* projects that are ready to go. TransNet expires in 2048, which allows decades for planned projects to become reality.

Listing of Amended TransNet Projects

SANDAG Project ID No. 17 (increase of \$2.8 million) is the construction of the two detention basins on Loma Alta Creek to protect El Camino Real, Rancho del Oro Drive, and the Sprinter Rail Track from flooding.

SANDAG Project ID No. 18 (increase of \$2.2 million) is the City's TransNet street maintenance program, which includes slurry sealing of residential streets, sidewalk repairs, storm drain repairs, access ramps, parkway maintenance and streetlights.

SANDAG Project ID No. 22 (decrease of \$100,000) is the widening of College Boulevard from north of Vista Way to Old Grove Road to up to six lanes.

SANDAG Project ID No. 23 (decrease of \$75,000) is the College Boulevard Bridge widening over the San Luis Rey River from four to six lanes.

SANDAG Project ID No. 24 (increase of \$5.5 million) is the asphalt overlay program for arterial streets.

SANDAG Project ID No. 26 (decrease of \$2.55 million) is the widening of the SR-76 Expressway for one additional lane over a distance of 1500 feet east and west of Rancho del Oro Drive.

The proposed TransNet funding for the above projects is shown below:

Project Description	FY 2012	FY2013	FY2014	FY2015
Loma Alta Creek Basins	\$2,300,000	\$2,000,000	\$1,000,000	
Street & Sidewalk Repairs	\$3,300,000	\$2,300,000	\$2,000,000	\$2,000,000
College Blvd Widening	\$0*			
College Blvd SLR Bridge	\$0*			
Street Overlay Program	\$2,500,000	\$2,000,000	\$3,500,000	\$3,500,000
SR-76 Widening at RDO		\$150,000		\$150,000
Other TransNet projects	\$600,000	\$550,000	\$400,000	\$150,000
Programmed by Year	\$8,700,000	\$7,000,000	\$6,900,000	\$5,800,000

*TransNet funding replaced with Thoroughfare Fees.

FISCAL IMPACT

The City Council's adoption of the TransNet amendments allows the City of Oceanside to draw up to \$8,700,000 in funds from SANDAG in FY 2011-2012.

COMMISSION OR COMMITTEE REPORT

On May 9, 2011, the Planning Commission approved a General Plan consistency finding for the new projects in the CIP budget.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

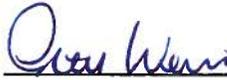
Staff recommends that the City Council adopt a resolution amending the TransNet Local Street Improvement Program of Projects for the City of Oceanside for six projects with TransNet Local Street Improvement funds.

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George Buell, Development Services Director



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Teri Ferro, Financial Services Director



Attachment:

Resolution Adopting Oceanside's TransNet Local Street Improvement Program

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RESOLUTION NO.
RESOLUTION OF THE CITY OF OCEANSIDE AMENDING THE
TRANSNET LOCAL STREET IMPROVEMENT PROGRAM OF
PROJECTS FOR FISCAL YEARS 2011 THROUGH 2015

WHEREAS, on November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (*TransNet* Extension); and

WHEREAS, the *TransNet* Extension Ordinance provides that SANDAG, acting as the Regional Transportation Commission, shall approve a multi-year program of projects submitted by local jurisdictions identifying those transportation projects eligible to use transportation sales tax (*TransNet*) funds; and

WHEREAS, the City of Oceanside was provided with an estimate of annual *TransNet* local street improvement revenues for fiscal years 2011 through 2015; and

WHEREAS, the City of Oceanside has held a clearly noticed public hearing regarding its proposed list of projects prior to approval by its authorized legislative body in accordance with Section 5(A) of the *TransNet* Extension Ordinance and Rule 7 of SANDAG Board Policy 31.

NOW, THEREFORE, the City Council of the City of Oceanside DOES RESOLVE as follows:

1. That pursuant to Section 2(C)(1) of the *TransNet* Extension Ordinance, the City of Oceanside certifies that no more than 30 percent of its annual revenues shall be spent on maintenance-related projects.

2. That pursuant to Section 4(E)(3) of the *TransNet* Extension Ordinance, the City of Oceanside certifies that all new projects, or major reconstruction projects, funded by *TransNet* revenues shall accommodate travel by pedestrians and bicyclists, and that any exception to this requirement permitted under the Ordinance and proposed shall be clearly noticed as part of the City of Oceanside’s public hearing process.

3. That pursuant to Section 8 of the *TransNet* Extension Ordinance, the City of Oceanside certifies that the required minimum annual level of local discretionary funds to be expended for street and road purposes will be met consistent with the most recent Maintenance of Effort Requirements adopted by SANDAG.

1 4. That pursuant to Section 9A of the *TransNet* Extension Ordinance, the City of
2 Oceanside certifies that it will exact \$2,122 in FY 2012 from the private sector for each
3 newly constructed residential housing unit in its jurisdiction to comply with the provisions
4 of the Regional Transportation Congestion Improvement Program (RTCIP), and that the
5 amount of the exaction shall be subject to annual adjustment pursuant to the Ordinance.

6 5. That pursuant to Section 13 of the *TransNet* Extension Ordinance, the City of
7 Oceanside certifies that it has established a separate Transportation Improvement Account
8 for *TransNet* revenues with interest earned expended only for those purposes for which the
9 funds were allocated.

10 6. That pursuant to Section 18 of the *TransNet* Extension Ordinance, the City of
11 Oceanside certifies that each project of \$250,000 or more will be clearly designated during
12 construction with *TransNet* project funding identification signs.

13 7. That the City of Oceanside does hereby certify that all other applicable
14 provisions of the Ordinances and SANDAG Board Policy 31 have been met.

15 8. That the City of Oceanside agrees to indemnify, hold harmless, and defend
16 SANDAG, the San Diego County Regional Transportation Commission, and all officers and
17 employees thereof against all causes of action or claims related to local *TransNet* funded
18 projects.

19 9. That the City of Oceanside authorizes \$2,300,000 in FY 2012, \$2,000,000 in FY
20 2013, and \$1,000,000 in FY 2014 to project O17 (Loma Alta Creek/Sprinter Detention
21 Basins).

22 10. That the City of Oceanside authorizes \$3,300,000 in FY 2012, \$2,300,000 in FY
23 2013, and \$2,000,000 in FY 2014 and FY 2015 to project O18 (Neighborhood Sidewalk,
24 ADA, and Traffic Improvements).

25 11. That the City of Oceanside authorizes replacement of *TransNet* LSI funding
26 with local funding in FY 2012 to project O22 (College Boulevard Widening from Vista
27 Way to Old Grove Road).

28 12. That the City of Oceanside authorizes replacement of *TransNet* LSI funding
with local funding in FY 2012 to project O23 (College Boulevard Bridge Widening at the
San Luis Rey River).

1 13. That the City of Oceanside authorizes \$2,500,000 in FY 2012, \$2,000,000 in FY
2 2013, and \$3,500,000 in FY 2014 and FY 2015 to project O24 (Street Overlay Program).

3 14. That the City of Oceanside authorizes \$150,000 in FY 2013 and FY 2015 to
4 project O26 (SR76 Widening at Rancho del Oro Boulevard).

5 15. That all of the above funding requests are made in accordance with the
6 requirements outlined in the *TransNet* Policy.

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9 PASSED AND ADOPTED by the City Council of the City of Oceanside, California this
10 _____ day of June _____, 2011, by the following vote:

- 11
12 AYES:
13 NAYS:
14 ABSENT:
15 ABSTAIN:
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17 MAYOR OF THE CITY OF OCEANSIDE

18 ATTEST:

APPROVED AS TO FORM:

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21 _____
CITY CLERK

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CITY ATTORNEY



TransNet Extension & Ordinance

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BALLOT LANGUAGE

A	SAN DIEGO COUNTY TRANSPORTATION IMPROVEMENT PROGRAM.
To relieve traffic congestion, improve safety, and match state/federal funds by:	
<ul style="list-style-type: none">• Expanding I-5, I-8, I-15, SR 52, SR 54, SR 56, SR 67, SR 76, SR 78, SR 94, SR 125, I-805;• Maintaining/improving local roads;• Increasing transit for seniors and disabled persons;• Expanding commuter express bus, trolley, Coaster services;	
Shall San Diego County voters continue the existing half-cent transportation sales tax (SDCRTC Ordinance 04-01) for forty years, including creating an Independent Taxpayer Oversight Committee to conduct yearly audits ensuring voter mandates are met?	
YES 000 → <input type="radio"/>	
NO 000 → <input type="radio"/>	

TransNet Extension
ORDINANCE AND EXPENDITURE PLAN
Commission Ordinance 04-01

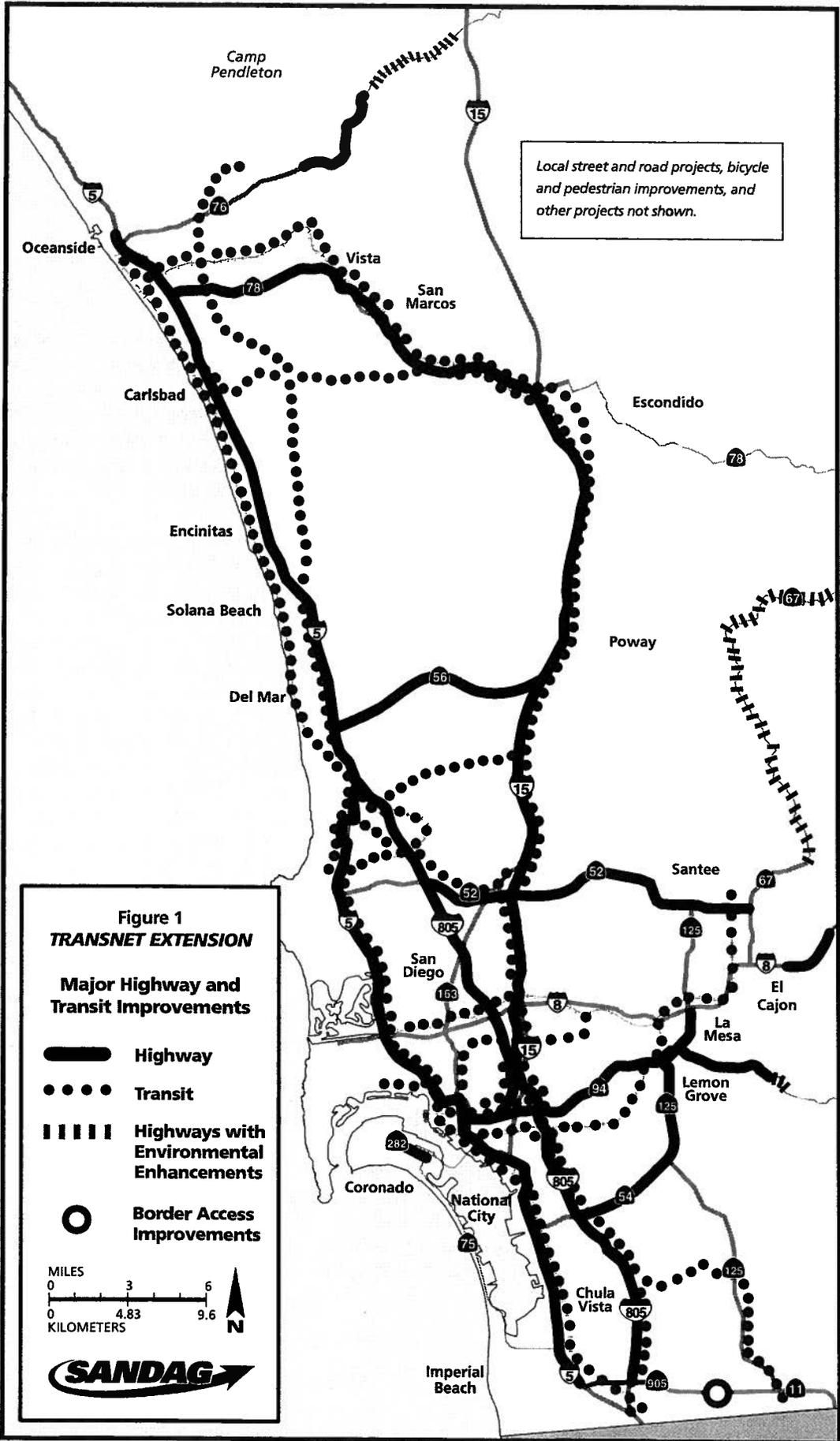
The San Diego County Regional Transportation Commission ordains as follows:

SECTION 1. TITLE: This ordinance shall be known and may be cited as the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (Commission Ordinance 04-01), hereinafter referred to as the Ordinance. This Ordinance provides for an extension of the retail transactions and use tax implemented by the initial San Diego Transportation Improvement Program Ordinance (Commission Ordinance 87-1 – Proposition A, 1987) for a forty year period commencing on April 1, 2008. The Expenditure Plan for this extension is set forth in Sections 2 and 4 herein and is an expansion of the Expenditure Plan contained in Commission Ordinance 87-1.

SECTION 2. EXPENDITURE PLAN SUMMARY: This Ordinance provides for the implementation of the San Diego Transportation Improvement Program, which will result in countywide transportation facility and service improvements for highways, rail transit services, new bus rapid transit services, local bus services, senior and disabled transportation services, local streets and roads, bicycle and pedestrian facilities, transportation-related community infrastructure to support smart growth development, and related environmental mitigation and enhancement projects. These needed improvements shall be funded by the continuation of the one-half of one percent transactions and use tax for a period of forty years. The revenues shall be deposited in a special fund and used solely for the identified improvements. The specific projects and programs to be funded shall be further described in the document titled "*TransNet Extension Expenditure Plan Analysis*", which is hereby incorporated by reference as if fully set forth herein. Any ancillary proceeds resulting from the implementation of the San Diego Transportation Improvement Program shall be used for transportation improvement projects in the San Diego region. A summary of the major projects and programs, including the major highway and transit improvements depicted on Figure 1, is provided in the following sections. All dollar references in this Ordinance are in 2002 dollars.

A. Congestion Relief Program - Major Transportation Corridor Improvements:

1. Highway and transit capital projects: Of the total funds available, an estimated \$5,150 million will be used to match an estimated \$4,795 million in federal, state, local and other revenues to complete the projects listed below (see Figure 1). The total costs include an estimated \$500 million in financing costs related to bonds to be issued to accelerate the implementation of the major Congestion Relief projects identified in this section. The costs shown include the total estimated implementation costs of each project net of habitat-related environmental mitigation costs for those transportation projects, which are funded under Section 2(D). Three of the highway projects listed below (SR 67, SR 76, and a portion of SR 94) are described as including environmental enhancements, as further described in the document titled "Environmental Enhancement Criteria Mitigating Highway 67, 76 and 94 Expansion Impacts", which is hereby incorporated by reference as if fully set forth herein.



- a. Highway Capital Improvements (including managed lane/high-occupancy vehicle (HOV) lane additions and general purpose lane additions) - \$6,760 million:
1. Interstate 5 South: Add two HOV lanes from I-8 to SR 905 - \$722 million.
 2. Interstate 5 Mid-Coast: Add two HOV lanes from I-8 to I-805, including funding for environmental work and preliminary engineering for improvements at the I-5/I-8 interchange - \$192 million.
 3. Interstate 5 North: Add four managed lanes from I-805 to Vandegrift Boulevard in Oceanside, including HOV to HOV connectors at the I-5/I-805 interchange and freeway connectors at the I-5/SR 56 and I-5/SR 78 interchanges - \$1,234 million.
 4. Interstate 8: Add two general purpose lanes from Second Street to Los Coches Road - \$29 million.
 5. Interstate 15: Add four managed lanes from SR 78 to Centre City Parkway in Escondido and from SR 56 to SR 163 and add two HOV lanes from SR 163 to SR 94, including HOV to HOV connectors at the I-15/SR 78 and I-15/SR 94 interchanges - \$882 million.
 6. Interstate 805: Add four managed lanes from I-5 to SR 54 and two reversible HOV lanes from SR 54 to SR 905, including HOV to HOV connectors at the I-805/SR 52 interchange and improvements at the I-805/SR 54 interchange - \$1,371 million.
 7. SR 54/SR 125: Add two lanes to provide a continuous facility with three general purpose lanes and one HOV lane in each direction - \$139 million
 8. SR 56: Add one general purpose lane in each direction from I-5 to I-15 - \$99 million.
 9. SR 52: Construct four-lane freeway from SR 125 to SR 67, add two general purpose lanes and two reversible managed lanes from I-15 to SR 125, and add two HOV lanes from I-805 to I-15 - \$476 million.
 10. SR 67: Expand to a continuous four-lane facility, including environmental enhancements, from Maplevue Street to Dye Road - \$218 million.
 11. SR 75/SR 282: Provide matching funds for construction purposes only for a tunnel from Glorietta Boulevard to Alameda Boulevard - \$25 million.
 12. SR 76: Add two general purposes lanes from Melrose Drive to I-15, including environmental enhancements from Mission Road to I-15 - \$164 million.
 13. SR 78: Add two HOV lanes from I-5 to I-15 - \$495 million.
 14. SR 94/SR 125: Add two HOV lanes from I-5 to I-8, including freeway connectors at the SR94/SR 125 interchange - \$601 million.

15. SR 94: Widen to six lanes from SR 125 to Avocado Boulevard and expand to a continuous four-lane facility from Avocado Boulevard to Steele Canyon Road, including environmental enhancements from Jamacha Road to Steele Canyon Road - \$88 million.
16. Border Access Improvements: Provide matching construction funds for access improvements in the international border area - \$25 million.

b. Bus Rapid Transit (BRT) and Rail Transit Capital Improvements - \$2,685 million:

1. BRT service from Escondido to Downtown San Diego using the I-15/SR 94 managed/HOV facilities, including new and improved stations and direct access ramps - \$369 million.
2. BRT service from Escondido to Sorrento Mesa using the managed lane facility on I-15 - \$60 million.
3. BRT service from Otay Mesa to Downtown San Diego using I-805/SR 94 managed/HOV lane facilities, including new stations and direct access ramps - \$497 million.
4. BRT service from San Ysidro to Sorrento Mesa using the managed/HOV lane facilities on I-805/I-15/SR 52 including station improvements - \$70 million.
5. Blue Line Light Rail Transit improvements including station enhancements, signal upgrades, conversion to low-floor vehicles and grade separations in Chula Vista - \$268 million.
6. Mid-Coast Transit Guideway Improvement Project using light rail technology to provide high-level transit service along the I-5 corridor from the Old Town area to the U.C. San Diego/University Towne Center area, would rely in part on federal funding. Absent federal funding, then bus technology may be considered for the high level service planned for this corridor - \$660 million.
7. Super Loop providing high quality connections to locations in the greater U. C. San Diego/University Towne Center area, including arterial improvements with bus priority treatments, stations and vehicles - \$30 million.
8. North I-5 Corridor Coaster/BRT service providing high quality north-south transit service improvements by upgrading the Coaster commuter rail tracks and stations, providing BRT service in the El Camino Real corridor, or a combination of the two - \$376 million.
9. Orange Line Light Rail Transit Improvements including station enhancements, signal upgrades and conversion to low-floor vehicles - \$69 million.

10. SR 78 Corridor Sprinter/BRT service providing high-quality east-west transit service improvements by upgrading and extending the Sprinter rail line, providing BRT service along the Palomar Airport Road corridor, or a combination of the two - \$197 million.
 11. BRT service from San Diego State University to Downtown San Diego along the El Cajon Boulevard/Park Boulevard corridor with arterial improvements with bus priority treatments, stations and vehicles - \$89 million.
2. Operating Support for the BRT and Rail Transit Capital Improvements: Of the total funds available, an estimated \$1,100 million will be used to operate and maintain the services described under Section 2(A)(1)(b).
 3. Environmental Mitigation: An estimated \$600 million, including \$450 million for direct mitigation costs and \$150 million for economic benefit, will be used to fund the habitat-related mitigation costs of the major highway and transit projects identified in the Regional Transportation Plan as part of the Environmental Mitigation Program described in Section 2(D).

B. Congestion Relief Program - Transit System Service Improvements and Related Programs:

An estimated \$2,240 million will be used to provide ongoing support for the reduced-price monthly transit programs for seniors, persons with disabilities, and students and for the continuation and expansion of rail, express bus, local bus, community shuttles, and dial-a-ride services, including specialized services for seniors and persons with disabilities, and related capital improvements.

C. Congestion Relief Program - Local System Improvements and Related Programs:

An estimated total of \$4,480 million will be allocated to local programs in the following three categories:

1. Local Street and Road Program: An estimated \$3,950 million will be allocated on a fair and equitable basis, using the formula specified in Section 4(D)(1), to each city and the County of San Diego (hereinafter referred to as local agencies) to supplement other revenues available for local street and road improvements. In developing the biennial list of projects to be funded with these revenues as required under Section 5(A), local agencies shall give high priority in the use of these funds to improvements to regional arterials, grade separation projects, and related facilities contributing to congestion relief. At least 70% of the revenues provided for local street and road purposes should be used to fund direct expenditures for construction of new or expanded facilities, major rehabilitation and reconstruction of roadways, traffic signal coordination and related traffic operations improvements, transportation-related community infrastructure improvements to support smart growth development, capital improvements needed to facilitate transit services and facilities, and operating support for local shuttle and circulator routes and other services. No more than 30% of these funds should be used for local street and road maintenance purposes. A local agency desiring to spend more than 30% of its annual revenues on local street and road maintenance-related projects shall provide justification to the Commission as part of its biennial project list submittal. The Commission shall review each local agency's biennial project list submittal and make a finding of consistency with the provisions of this

Ordinance and with the Regional Transportation Plan prior to approving the local agency's project list for funding. The Independent Taxpayer Oversight Committee shall also review the proposed project lists and make recommendations to the Commission.

2. Environmental Mitigation: An estimated \$250 million, including \$200 million for direct mitigation costs and \$50 million for economic benefit, will be used to fund the habitat-related mitigation costs of local transportation projects consistent with the Regional Transportation Plan as part of the Environmental Mitigation Program described in Section 2(D).
3. Smart Growth Incentive Program: An estimated \$280 million will be allocated to the Smart Growth Incentive Program to provide funding for a broad array of transportation-related infrastructure improvements that will assist local agencies in better integrating transportation and land use, such as enhancements to streets and public places, funding of infrastructure needed to support development in smart growth opportunity areas consistent with the Regional Comprehensive Plan, and community planning efforts related to smart growth and improved land use/transportation coordination. These funds shall be allocated on a regional competitive grant basis. It is intended that these funds be used to match federal, state, local, and private funding to maximize the number of improvements to be implemented. The Commission shall establish specific project eligibility criteria for this program.

D. Transportation Project Environmental Mitigation:

An estimated \$850 million will be used to fund habitat-related environmental mitigation activities required in the implementation of the major highway, transit and regional arterial and local street and road improvements identified in the Regional Transportation Plan. Of this total, an estimated \$250 million is related to mitigation requirements for local transportation projects and an estimated \$600 million is related to mitigation requirements for the major highway and transit projects identified in the Regional Transportation Plan. The intent is to establish a program to provide for large-scale acquisition and management of critical habitat areas and to create a reliable approach for funding required mitigation for future transportation improvements thereby reducing future costs and accelerating project delivery. This approach would be implemented by obtaining coverage for transportation projects through existing and proposed multiple species conservation plans. If this approach cannot be fully implemented, then these funds shall be used for environmental mitigation purposes on a project by project basis. Additional detail regarding this program is described in the documents titled "*TransNet Extension Environmental Mitigation Program Principles*" and "*Environmental Enhancement Criteria Mitigating Highway 67, 76, and 94 Expansion Impacts*", which are hereby incorporated by reference as if fully set forth herein.

E. Bicycle, Pedestrian and Neighborhood Safety Program:

A total of two percent of the total annual revenues available (an estimated \$280 million) will be allocated to the Bicycle, Pedestrian and Neighborhood Safety Program to provide funding for bikeway facilities and connectivity improvements, pedestrian and walkable community projects, bicycle and pedestrian safety projects and programs, and traffic calming projects. These funds shall be allocated on a regional competitive grant basis. It is intended that these funds be used to match federal, state, local, and private funding to maximize the number of

improvements to be implemented. The Commission shall establish specific project eligibility criteria for this program.

F. Administration and Independent Taxpayer Oversight Committee:

Up to one percent of the total annual revenues available will be used for administrative expenses and up to \$250,000 per year will be used for the operation of an Independent Taxpayer Oversight Committee.

SECTION 3. IMPOSITION OF TRANSACTIONS AND USE TAX: In addition to any other taxes authorized by law, there is hereby imposed in the incorporated and unincorporated territory of the County of San Diego, in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 12.7 of the Public Utilities Code commencing with Code Section 132000, an extension of the existing transactions and use tax at the rate of one-half of one percent (1/2%) commencing April 1, 2008, for a period of forty years, in addition to any existing or future authorized state or local transactions and use tax. If, during this time period, additional state or federal funds become available which would fund the projects and services contained in the Regional Transportation Plan, then the tax may be reduced by action of the Commission.

SECTION 4. EXPENDITURE PLAN PURPOSES: The revenues received by the Commission from the existing measure as extended by this measure, after deduction of required Board of Equalization costs for performing the functions specified in Section 132304(b) of the Public Utilities Code, shall be used to improve transportation facilities and services countywide as set forth in the Expenditure Plan and in a manner consistent with the long-range Regional Transportation Plan and the short-range, multi-year Regional Transportation Improvement Program, and for the administration of the San Diego County Regional Transportation Commission Act (hereinafter referred to as the "Act") commencing with Public Utilities Code Section 132000. Commencing July 1, 2008, after the deduction of administrative expenses, Independent Taxpayer Oversight Committee expenses, and funding for the Bicycle, Pedestrian and Neighborhood Safety Program as described in Sections 2(E), 2(F), 11 and 12, the remaining annual revenues shall be allocated as follows:

- A. Forty-two and four-tenths percent for the major highway and transit Congestion Relief projects specified in Section 2(A)(1), including four and four-tenths percent for the habitat-related mitigation costs of the major highway and transit projects as described in Section 2(A)(3) to be used to fund a portion of the Environmental Mitigation Program described in Section 2(D).
- B. Eight and one-tenth percent for operation of the specific transit Congestion Relief projects as described in Section 2(A)(2). This funding is for the operation of new or expanded services only and is not available for the operation of services in existence prior to the effective date of this Ordinance.
- C. Sixteen and one-half percent for the transit programs described in Section 2(B). The revenues made available annually for transit purposes shall be allocated and expended pursuant to the following distribution formula and priorities:
 1. Two and one-half percent of the funds made available under Section 4(C) shall be used to support improved transportation services for seniors and disabled persons. These funds shall be used to support specialized paratransit services required by the federal Americans with Disabilities Act (ADA).

2. Three and one-fourth percent of the funds made available under Section 4(C) shall be used to support a competitive grant program for nonprofit organizations and local agencies. The funds shall be used to provide specialized transportation services for seniors focusing on innovative and cost-effective approaches to providing improved senior transportation, including, but not limited to, shared group services, special shuttle services using volunteer forces, and brokerage of multi-jurisdictional transportation services.
 3. From the remaining revenues, there shall be expended such sums as necessary to guarantee in the North San Diego County Transit Development Board and Metropolitan Transit Development Board areas of jurisdiction for the duration of the measure (1) a monthly regional transit pass for senior (60 years or older) and disabled riders priced at not more than 25 percent of the cost of the regular regional monthly transit pass, and (2) a monthly regional youth transit pass for students (18 years or under) priced at not more than 50 percent of the cost of the regular regional monthly transit pass.
 4. Remaining revenues shall be allocated for transit service improvements, including operations and supporting capital improvements. The revenues shall be allocated through the annual transit operator budget process and the improvements to be funded shall be consistent with the Short Range Transit Plan.
 5. To maintain eligibility for the receipt of funds under Section 4(C), a transit operator must limit the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period. If the requirement is not achieved, the operator may not receive any additional funding under Section 4(C) in the following year above the amount received in the previous fiscal year adjusted for any increase in the Consumer Price Index for San Diego County. If there were unusual circumstances in a given fiscal year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three fiscal years. The operator may also request the approval of the Commission to exclude from the calculation certain cost increases that were due to external events entirely beyond the operator's control, including, but not limited to, increases in the costs for fuel, insurance premiums, or new state or federal mandates.
- D. Thirty-three percent for the Local Programs described in Section 2(C) in the following three categories:
1. Twenty-nine and one-tenth percent for the local street and road program described in Section 2(C)(1). The revenues available for the local street and road program shall be allocated and expended pursuant to the following distribution formula:
 - a. Each local agency shall receive an annual base sum of \$50,000.
 - b. The remaining revenues after the base sum distribution shall be distributed to the each local agency on the following basis:
 1. Two-thirds based on total population using the most recent Department of Finance population estimates.

2. One-third based on maintained street and road mileage.
- c. For the purposes of Section 4D(1)(a) and (b), any new incorporations or annexations which take place after July 1 of any fiscal year shall be incorporated into the formula beginning with the subsequent fiscal year. The San Diego Association of Governments population estimates of such new incorporations or annexations shall be used until such time as Department of Finance population estimates are available.
2. One and eight-tenths percent for the habitat-related mitigation costs of local transportation projects described in Section 2(C)(2) to be used to fund a portion of the Environmental Mitigation Program described in Section 2(D).
3. Two and one-tenth percent for the Smart Growth Incentive Program described in Section 2(C)(3).

E. General Provisions:

1. In implementing the projects funded under Section 4(A), priority shall be given to projects included in the Expenditure Plan for Proposition A as passed by the voters in 1987 that remain uncompleted, such as the eastern ends of the SR 52 and SR 76 highway improvement projects and the Mid-Coast light rail transit project. The Commission shall ensure that sufficient funding or bonding capacity remain available to implement such projects as expeditiously as possible once the environmental clearance for these projects is obtained and needed state and federal matching funds are committed.
2. Once any state highway facility or usable portion thereof is constructed to at least minimum acceptable state standards, the state shall be responsible for the maintenance and operation thereof.
3. All new projects, or major reconstruction projects, funded by revenues provided under this Ordinance shall accommodate travel by pedestrians and bicyclists, except where pedestrians and bicyclists are prohibited by law from using a given facility or where the costs of including bikeways and walkways would be excessively disproportionate to the need or probable use. Such facilities for pedestrian and bicycle use shall be designed to the best currently available standards and guidelines.
4. All state highway improvements to be funded with revenues as provided in this measure, including project development and overall project management, shall be a joint responsibility of Caltrans and the Commission. All major project approval actions including the project concept, the project location, and any subsequent change in project scope shall be jointly agreed upon by Caltrans and the Commission and, where appropriate, by the Federal Highway Administration and/or the California Transportation Commission.

SECTION 5. EXPENDITURE PLAN PROCEDURES:

- A. Each local agency shall biennially develop a five-year list of projects to be funded with revenues made available for local street and road improvements under Section 4(D). A local public hearing on the proposed list of projects shall be held by each local agency prior to submitting its project list to the Commission for approval pursuant to Section 6.
- B. All projects to be funded with revenues made available under Section 4 must be consistent with the Regional Transportation Plan (RTP). Project priorities or phasing shall also be consistent with the RTP. The Expenditure Plan shall be reviewed for consistency with RTP following each major update of the RTP as required by state or federal law. The Expenditure Plan shall be amended as necessary to maintain consistency with the Regional Transportation Plan. If funds become available in excess of the amount allocated in the Expenditure Plan, additional projects shall be added to the Expenditure Plan consistent with the priorities in the Regional Transportation Plan. Any amendments to the Expenditure Plan shall be made in accordance with the procedures for amending this ordinance as provided for in Section 16.
- C. In the allocation of all revenues made available under Section 4, the Commission shall make every effort to maximize state and federal transportation funding to the region. The Commission may amend the Expenditure Plan, in accordance with Section 16, as needed to maximize the transportation funding to the San Diego region.

SECTION 6. PROJECT PROGRAMMING APPROVAL: The Commission shall biennially approve a five-year project list and a biennial program of projects to be funded during the succeeding two fiscal years with the revenues made available under Section 4 herein. The program of projects will be prepared as a part of the Regional Transportation Improvement Program (RTIP) process as required by state and federal law. A public hearing will be held prior to approval of the program of projects. The Commission may amend the program of projects as necessary in accordance with the RTIP amendment procedures. Projects shall not be funded with the revenues made available under Section 4 unless the projects are in the approved program of projects.

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

- A. The Commission, or agencies receiving funds by annual or multi-year agreement, may exchange or loan funds provided that the percentage of funds allocated for each purpose as provided in Section 4 is maintained over the duration of the measure and reviewed as part each 10-year comprehensive program review as described in Section 17. All proposed exchanges, including agreements between agencies to exchange or loan funds, must include detailed fund repayment provisions, including appropriate interest earnings such that the Commission suffers no loss of funds as a result of the exchange or loan. All exchanges must be approved by the Commission and shall be consistent with any and all rules approved by the Commission relating thereto.
- B. The Commission may exchange revenues for federal, state, or other local funds allocated or granted to any public agency within or outside the area of jurisdiction of the Commission to maximize effectiveness in the use of revenues. Such federal, state, or local funds shall be distributed in the same manner as the revenues from the measure.

SECTION 8. MAINTENANCE OF EFFORT: It is the intent of the Legislature, as stated in the Act, and the Commission that revenues provided from this measure be used to augment, not supplant existing local revenues being used for the purposes set forth in Section 4 herein. Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the operative date of this Ordinance (Fiscal Years 2000-01, 2001-02, 2002-03), as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads and as verified by an independent auditor. The maintenance of effort level as determined through this process shall be subject to adjustment every three years based on the Construction Cost Index developed by Caltrans. Any increase in the maintenance of effort level based on this adjustment shall not exceed the growth rate in the local jurisdiction's General Fund revenues over the same time period. The Commission shall not allocate any revenues pursuant to Section 4(D) to any eligible local agency in any fiscal year until that local agency has certified to the Commission that it will include in its budget for that fiscal year an amount of local discretionary funding for streets and roads purposes at least equal to the minimum maintenance of effort requirement. An annual independent audit shall be conducted to verify that the maintenance of effort requirement for each agency was met. Any local agency which does not meet its maintenance of effort requirement in any given year shall have its funding under Section 4(D)(1) reduced in the following year by the amount by which the agency did not meet its required maintenance of effort level. In the event that special circumstances prevent a local agency from meeting its maintenance of effort requirement, the local agency may request up to three additional fiscal years to fulfill its requirement. Such a request must be approved by the Commission. The Independent Taxpayer Oversight Committee shall also review such requests and make recommendations to the Commission. Any local street and road revenues not allocated pursuant to the maintenance of effort requirement shall be redistributed to the remaining eligible agencies according to the formula described in Section 4(D)(1). The maintenance of effort requirement also shall apply to any local agency discretionary funds being used for the other purposes specified under Section 4. In addition, revenues provided from this Ordinance shall not be used to replace other private developer funding that has been or will be committed for any project.

SECTION 9. REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP):

A. New Development Exactions

Starting on July 1, 2008, each local agency in the San Diego region shall contribute \$2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP. These exactions shall ensure future development contributes its proportional share of the funding needed to pay for the Regional Arterial System and related regional transportation facility improvements, as defined in San Diego Association of Governments' (SANDAG's) most recent, adopted Regional Transportation Plan. New residential housing units constructed for extremely low, very-low, low, and moderate income households, as defined in California Health and Safety Code Sections 50105, 50106, 50079.5 and 50093, will be exempted from the \$2,000 per unit contribution requirement. The amount of contribution shall be increased annually, in an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index published by the Engineering News Record or similar cost of construction index. Each local agency shall establish an impact fee or other-revenue Funding Program by which it collects and funds its contribution to the RTCIP. Each local agency shall be responsible for establishing a procedure for providing its monetary contribution to the RTCIP. The RTCIP revenue will be used to construct improvements on the Regional Arterial System such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional

express bus and rail transit. This action is predicated on the desire to establish a uniform mitigation program that will mitigate the regional transportation impacts of new development on the Arterial system. While the RTCIP cannot and should not fund all necessary regional transportation network components and improvements, the RTCIP will establish a new revenue source that ensures future development will contribute its pro rata share towards addressing the impacts of new growth on regional transportation infrastructure.

B. Oversight, Audit and Funding Allocations

The Regional Transportation Congestion Improvement Program (RTCIP) shall be overseen by SANDAG and implemented by each local agency, with the objective of developing a consolidated mitigation program for the San Diego region as a funding source for the Regional Arterial System. The RTCIP and each local agency's Funding Program shall be subject to an annual review and audit to be carried out by the SANDAG and the Independent Taxpayers Oversight Committee, as defined in Section 11 of this Ordinance. Any local agency that does not provide its full monetary contribution required by Section 9(A) in a given fiscal year will not be eligible to receive funding for local streets and roads under section 4(D)(1) of the TransNet Ordinance for the immediately following fiscal year. Any funding not allocated under 4(D)(1) as a result of this requirement shall be reallocated to the remaining local agencies that are in compliance with this Section.

C. Implementation of the Regional Transportation Improvement Program (RTCIP)

Provisions for implementation of the RTCIP are described in the document titled "TransNet Extension Regional Transportation Congestion Improvement Program," which is hereby incorporated by reference as if fully set forth herein.

SECTION 10. BONDING AUTHORITY: Upon voter approval of the ballot proposition to approve the extension of the tax and the issuance of bonds payable from the proceeds of the tax, bonds may be issued by the Commission pursuant to Division 12.7 of the Public Utilities Code, at any time, and from time to time, payable from the proceeds of the existing tax and its extension and secured by a pledge of revenues from the proceeds of the tax, in order to finance and refinance improvements authorized by Ordinance 87-1 and this Ordinance. The Commission, in allocating the annual revenues from the measure, shall meet all debt service requirements prior to allocating funds for other projects.

SECTION 11. INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE: An Independent Taxpayer Oversight Committee (ITOC) shall be established to provide an enhanced level of accountability for expenditure made under the Expenditure Plan. The ITOC will help to ensure that all voter mandates are carried out as required and will develop recommendations for improvements to the financial integrity and performance of the program. The roles and responsibilities of the ITOC, the selection process for ITOC members, and related administrative procedures shall be carried out in substantially the same manner as further described in the document titled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program," which is hereby incorporated by reference as if fully set forth herein. Up to \$250,000 per year, with adjustments for inflation based on the Consumer Price Index for San Diego County, may be expended for activities related to the ITOC.

SECTION 12. ADMINISTRATIVE EXPENSES: Revenues may be expended by the Commission for staff salaries, wages, benefits, and overhead and for those services, including contractual services, necessary to administer the Act; however, in no case shall such expenditures exceed one percent of the annual revenues provided by the measure. Any funds not utilized in a given fiscal year shall

remain available for expenditure in subsequent fiscal years. Costs of performing or contracting for project related work shall be paid from the revenues allocated to the appropriate purpose as set forth in Section 4 herein. An annual independent audit shall be conducted through the Independent Taxpayers Oversight Committee to assure that the revenues expended by the Commission under this section are necessary and reasonable in carrying out its responsibilities under the Act.

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

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

SECTION 15. EFFECTIVE AND OPERATIVE DATES: This Ordinance shall be effective on November 3, 2004, if one of the following events occurs: 1) two-thirds of the electors voting on the ballot proposition approving the ordinance vote to approve the ballot proposition on November 2, 2004; or 2) a law is passed on or before November 2, 2004 that lowers the voter approval threshold applicable to this Ordinance and the number of electors voting in favor of this Ordinance meets that threshold. The extension of the tax authorized by Section 3 of this Ordinance shall be operative on April 1, 2008. Bonds payable from the proceeds of the tax may be issued at any time prior to, on or after April 1, 2008. The provisions of Section 4 of this Ordinance, relating to the allocation of revenues, shall be operative on July 1, 2008.

SECTION 16. AMENDMENTS: With the exception of Sections 2(D), 3, 4(E)(1), 8, 9, and 11 which require a vote of the electors of the County of San Diego to amend, this ordinance may be amended to further its purposes by ordinance, passed by roll call vote entered in the minutes, with two-thirds of the Commission concurring consistent with the Commission's standard voting mechanism. Separate documents incorporated by reference in the Ordinance in Sections 2, 9, and 11 also may be amended with a two-thirds vote of the Commission.

SECTION 17. TEN-YEAR COMPREHENSIVE PROGRAM REVIEW: The Commission shall conduct a comprehensive review of all projects and programs implemented under the Expenditure Plan to evaluate the performance of the overall program over the previous ten years and to make revisions to the Expenditure Plan to improve its performance over the subsequent ten years. Such comprehensive program reviews shall be conducted in Fiscal Years 2019, 2029 and 2039. Revisions to the Ordinance and Expenditure Plan required as a result of the ten-year review shall be subject to the amendment process in Section 16.

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

SECTION 19. SEVERABILITY: If any section, subsection, part, clause or phrase of this Ordinance is for any reason held unenforceable or unconstitutional by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining funds or provisions of this Ordinance, and the Commission declares that it would have passed each part of this Ordinance irrespective of the validity of any other part. Notwithstanding the foregoing, if any part, clause, or

phrase of Section 9(A) of the Ordinance is for any reason held unenforceable or unconstitutional, the remaining portions of Section 9 shall be deemed invalid.

SECTION 20. ANNUAL APPROPRIATIONS LIMIT: Article XIII(B) of the California Constitution requires the establishment of an annual appropriations limit for certain governmental entities. The maximum annual appropriations limit for the Commission shall be established as \$950 million for the 2004-05 fiscal year. The appropriations limit shall be subject to adjustment as provided by law. All expenditures of the transactions and use tax revenues imposed in Section 3 are subject to the appropriations limit of the Commission.

SECTION 21. DEFINITIONS:

- A. *Commission.* Means the San Diego County Regional Transportation Commission created by Chapter 1576 of the Statutes of 1985 (Division 12.7 of the Public Utilities Code, commencing with Section 132000).
- B. *Transit.* Means all purposes necessary and convenient to the construction, operation and maintenance of public transportation services and facilities including the acquisition of vehicles and right-of-way. Public transportation services include, but are not limited to, local and express bus, bus rapid transit (BRT), paratransit (dial-a-ride), fixed guideway, light rail (trolley) and commuter rail services and facilities.
- C. *Local Streets and Roads.* Means all purposes necessary and convenient for the purposes as described in Section 2(C)(1).
- D. *Highways.* Means all purposes necessary and convenient to the design, right-of-way acquisition, and construction of highway facilities, including all state highway routes and any other facilities so designated in the Expenditure Plan.
- E. *Bicycle and Pedestrian Facilities.* Means all purposes necessary and convenient to the design, right-of-way acquisition, and construction of facilities intended for use by bicycles and pedestrians. Bicycle and pedestrian facilities shall also mean facilities and programs that help to encourage walking and the use of bicycles, such as secure bicycle parking facilities and bicycle and pedestrian promotion and safety education programs.
- F. *Bonds.* Means indebtedness and securities of any kind or class, including but not limited to bonds, notes, bond anticipation notes, and commercial paper.
- G. *Expenditure Plan.* Means the expenditure plan required by Section 132302 of the Public Utilities Code to be included in the transactions and use tax ordinance to be approved by the Commission. The expenditure plan includes the allocation of revenues for each authorized purpose.
- H. *Regional Transportation Plan.* Means the long-range transportation plan for the San Diego region required by Section 65080 of the Government Code to be prepared by the San Diego Association of Governments as the designated Regional Transportation Planning Agency.
- I. *Regional Transportation Improvement Program.* Means the five-year programming document required by Section 65080 of the Government Code to be prepared by the San Diego Association of Governments as the designated Regional Transportation Planning Agency.

- J. *Transit Operator.* Means any transit district, included transit district, municipal operator, included municipal operator, or transit development board as defined in Public Utilities Code Section 99210.
- K. *Regional Comprehensive Plan.* Means the document integrating land use, transportation systems, infrastructure needs, and public investment strategies within a regional framework to be prepared by the San Diego Association of Governments as required by Section 132360 of the Public Utilities Code.

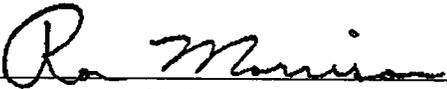
SECTION 22. EFFECT ON COMMISSION ORDINANCE 87-1: This Ordinance is intended to extend and expand the provisions of Commission Ordinance 87-1, and shall not be read to supercede Commission Ordinance 87-1. If this Ordinance is not approved by the voters of San Diego County, the provisions of Commission Ordinance 87-1 and all powers, duties, and actions taken thereunder shall remain in full force and effect.

PASSED AND ADOPTED by the San Diego County Regional Transportation Commission, the 28th day of May, 2004 by the following vote:

AYES: Commissioners Hall, Padilla, Monroe, Crawford, Lewis, Guerin, Holt Pfeiler, McCoy, Jantz, Sessom, Morrison, Feller, Cafagna, Murphy, Smith, Dale, Powell, Vance,

NOES: Commissioner Jacob

ABSENT: None


Chairman

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)

I, Gary L. Gallegos, the Secretary of the San Diego County Regional Transportation Commission, do hereby certify that the foregoing is a true copy of an Ordinance adopted by the San Diego County Regional Transportation Commission on May 28, 2004 at the time and by the vote stated above, which said Ordinance is on file in the office of the San Diego County Regional Transportation Commission.

DATED: May 28, 2004


Secretary

TransNet Extension 40-Year Expenditure Plan

(in millions of 2002 dollars)

#	Expenditure Plan Component	Total TransNet Requirement (40-year Total)	Percent of Net	Percent of Total
1	Congestion Relief Program			
2	Major Transportation Corridor Improvements:	\$6,850	50.5%	48.9%
3	Freeway, Highway, & Transit Capital Projects	\$5,150	38.0%	36.8%
4	Project Specific Transit Operations	\$1,100	8.1%	7.9%
5	Freeway, Highway, & Transit Project Environmental Mitigation	\$600	4.4%	4.3%
6	Local System Improvements	\$4,480	33.0%	32.0%
7	Local Street & Road Projects	\$3,950	29.1%	28.2%
8	Local Street & Road Project Environmental Mitigation	\$250	1.8%	1.8%
9	Smart Growth Incentive Competitive Grant Program	\$280	2.1%	2.0%
10	Transit System Improvements -	\$2,240	16.5%	16.0%
11	Continuing Bus/Rail Support and Improvements, including Senior/			
12	Disabled/Youth Transit Passes and Specialized Senior/Disabled Transportation Services			
13	Sub-Total	\$13,570	100.0%	N/A
14	Bicycle, Pedestrian & Neighborhood Safety Grant Program	\$280 *		2.0%
15	Administration	\$140 *		1.0%
16	Oversight Committee	\$10 *		0.1%
17	TOTAL TransNet Funding Requirement	\$14,000		100.0%
18	TOTAL TransNet Funds Available	\$14,000		100.0%
	* These categories deducted "off the top" prior to other allocations.			

TRANSNET EXTENSION EXPENDITURE PLAN ANALYSIS

Table	TABLE 1: Congestion Relief Program - Major Transportation Corridor Improvements	TransNet Proposal			
		Total Capital Cost	Mitigation Cost**	Net Capital Cost*	Transit Operating Cost
2	I-15	\$1,400	\$10	\$1,390	\$240
3	I-805	\$2,100	\$24	\$2,076	\$170
4	I-5 (INTERNATIONAL BORDER TO I-805)	\$1,893	\$21	\$1,872	\$310
5	I-5 (I-805 TO VANDEGRIFT)	\$1,670	\$60	\$1,610	\$170
6	SR-52	\$410	\$3	\$407	\$0
7	SR-94 / SR-125	\$620	\$10	\$610	\$0
8	SR-54 / SR-125	\$140	\$1	\$139	\$0
9	SR-67	\$240	\$22	\$218	\$0
10	I-8	\$30	\$1	\$29	\$0
11	SR-78	\$700	\$8	\$692	\$130
12	SR-76	\$180	\$16	\$164	\$0
13	SR-56	\$100	\$1	\$99	\$0
14	MID-CITY SAN DIEGO TO DOWNTOWN SAN DIEGO	\$90	\$1	\$89	\$80
15	CORONADO TUNNEL	\$25	\$0	\$25	\$0
16	BORDER ACCESS IMPROVEMENTS	\$25	\$0	\$25	\$0
	TOTAL ALL CORRIDORS	\$9,623	\$178	\$9,445	\$1,100
(See FIGURE 1)	TOTAL TRANSNET FUNDING REQUIREMENT			\$4,650	\$1,100

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION	\$5,750
ESTIMATED FINANCING COST:	\$500
FREEWAY/HIGHWAY/TRANSIT PROJECT ENVIRONMENTAL MITIGATION:	\$600
TOTAL TRANSNET:	\$6,850

CHANGES TO MARCH 19, 2004 DRAFT VERSION SHOWN IN BOLD.

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

* Of the total net capital cost of \$9,445 million, TransNet funding is assumed to leverage approximately 50% from federal, state, and other sources. Additional matching funds are assumed to compensate for the 100% TransNet funds used for the Environmental Mitigation Program, reducing the TransNet requirement to approximately \$4,650 million.

** The figures in this column represent the habitat-related mitigation costs included in the original cost estimates that will be funded out of the Environmental Mitigation Program.

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 2: I-15 CORRIDOR

(SEE FIGURE 2)

Project Number	Route/Facility	From	To	Existing	Improvement	TransNet Extension			
						Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
1	I-15	SR 163	SR56	8F	8F+4ML/MB	\$220	c	\$220	
2	I-15	Centre City Pkwy	SR 78	8F	8F+4ML	\$120	c	\$120	
3	I-15	SR94	SR 163	6F/8F	8F+2HOV	\$200	\$3	\$197	
4	HOV 2 HOV	I-15	SR 78	--	E to S, N to W	\$200	\$3	\$197	
5	HOV 2 HOV	I-15	SR 94	--	S to W, E to N	\$150	\$2	\$148	
6	SR94	I-5	I-15	8F	8F+2HOV	\$80	\$1	\$79	
7	BRT Rt 610 via I15/SR94 CAPITAL	Escondido Trans Ctr	Downtown San Diego	--	No Kearny Mesa Transitway; uses HOV lanes on I-15 between Qualcomm and SR 52. Builds/upgrades 6 BRT stations, upgrades downtown stations, builds DARs in 4 locations.	\$370	\$1	\$369	
7	BRT Rt 610 via I15/SR94 OPERATIONS	Escondido Trans Ctr	Downtown San Diego	--	10 min peak only service by 2010; 10 min peak / 15 min offpeak service by 2030				\$150
8	BRT Rt 470 via I15/Mira Mesa Blvd CAPITAL	Escondido Trans Ctr	Sorrento Mesa	--	Escondido to Sorrento Mesa; Uses Rt 610 stations and DARs.	\$60	<\$1	\$60	
8	BRT Rt 470 via I15/Mira Mesa Blvd OPERATIONS	Escondido Trans Ctr	Sorrento Mesa	--	15 min peak only service from Escondido by 2016				\$90
TOTAL FOR CORRIDOR:						\$1,400	\$10	\$1,390	\$240

BRT capital costs include new and/or improved stations, direct access ramps (DARs), vehicles, right of way, and arterial priority measures. c=cleared, project habitat impacts previously cleared or not included.

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 3: I-805 CORRIDOR

(SEE FIGURE 3)							Trans/Net Extension			
							Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost	
9	I-805	SR 905	SR 54	8F	8F+2HOV, Reversible	\$150	\$2	\$148		
10	I-805	SR 54	I-8	8F	8F+4ML	\$450	\$5	\$445		
11	I-805	Mission Valley Viaduct		8F	8F+4ML	\$250	\$4	\$246		
12	I-805	I-8	I-5	8F	8F+4ML	\$380	\$6	\$374		
13	I-805 and SR 54 interchange improvements (E to S)					\$10	<\$1	\$10		
14	BRT Rt 628 via I805/SR94 CAPITAL	Otay Mesa	Downtown San Diego	--	Builds fewer DARs along I-805 reflecting changes to highway improvement; Builds 13 stations and DARs in 4 locations.	\$500	\$3	\$497		
14	BRT Rt 628 via I805/SR94 OPERATIONS	Otay Mesa	Downtown San Diego	--	15 min peak / 30 min offpeak svc by 2010; 10 min peak / 15 min offpeak service by 2020				\$120	
15	SR94 HWAY	I-805	I-15	8F	8F+2HOV	\$70	\$1	\$69		
16	BRT Rt 680 via I805/I15/SR52 CAPITAL	San Ysidro	Sorrento Mesa	--	Builds 1 new station; uses DARs and stations built by routes 610 and 628.	\$70	<\$1	\$70		
16	BRT Rt 680 via I805/I15/SR52 OPERATIONS	San Ysidro	Sorrento Mesa	--	15 min peak only service by 2015; 10 min peak only service by 2030				\$50	
17	SR 52	I-15	I-805	6F	6F+2HOV	\$70	\$1	\$69		
18	HOV 2 HOV	I-805	SR 52	--	W to N, S to E	\$150	\$2	\$148		
TOTAL FOR CORRIDOR:						\$2,100	\$24	\$2,076	\$170	

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

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

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

(SEE FIGURE 4)

Project Number	Route/Facility	From	To	Existing	Improvement	TransNet Extension			
						Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
19	I-5	SR 905	SR 54	8F	8F+2HOV	\$130	\$2	\$128	
20	I-5	SR 54	I-8	8F	8F+2HOV	\$600	\$6	\$594	
21	I-5	I-8	I-805	8F	8F+2HOV (including environmental and preliminary engineering for I-5/I-8 interchange improvements)	\$193	\$1	\$192	
22	Route 500 Blue Line Trolley	Improvements			Conversion to low-floor vehicles, enhanced stations, signal upgrades, extended platforms, grade separations in Chula Vista	\$270	\$2	\$268	
22	Route 500 Blue Line Trolley	Improvements			7.5 min peak / 7.5 min offpeak by 2020				\$90
23	Route 570 MidCoast CAPITAL	Old Town	UCSD/UTC	--	Extension of light rail transit from Old Town Transit Center to UTC via I-5 and UCSD	\$670	\$10	\$660	
23	Route 570 MidCoast OPERATIONS	Old Town	UCSD/UTC	--	15 min all day service by 2020				\$110
24	Route 634 Super Loop CAPITAL	UTC	UCSD	--	Signal priority, queue jumper lanes, other arterial improvements, vehicles, stations	\$30	<\$1	\$30	
24	Route 634 Super Loop OPERATIONS	UTC	UCSD	--	10 minute all day service by 2010				\$110
TOTAL FOR CORRIDOR:						\$1,893	\$21	\$1,872	\$310

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

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

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

(SEE FIGURE 5)

Project Number	Route/Facility	From	To	Existing	Improvement	TransNet Extension			
						Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
25	I-5/I-805	Merge		16F	16F+4MIL	\$30	c	\$30	
26	I-5	SR 56	Leucadia Blvd	8F	8F+4MIL	\$400	\$16	\$384	
27	I-5	Leucadia Blvd	Vandegrift Blvd.	8F	8F+4MIL	\$370	\$11	\$359	
28	HOV 2 HOV	I-5	I-805	--	N to N, S to S	\$180	\$3	\$177	
29	FWY 2 FWY	I-5	SR 56	--	W to N, S to E	\$140	\$4	\$136	
30	FWY 2 FWY	I-5	SR 78	--	W to S, S to E	\$150	\$2	\$148	
31	I-5 CORRIDOR: Route 398 COASTER/BRT Route 472 (El Camino Real) CAPITAL	Improvements		--	Corridor transit improvements that would include some combination of projects from the following: Coaster: Vehicles, stations improvements including parking, double tracking and other improvements, Del Mar tunnel; and BRT (El Camino Real/I-5): Vehicles, stations, signal priority and other arterial improvements along El Camino Real, direct access ramps on I-5 south from Encinitas.	\$400	\$24	\$376	
31	I-5 CORRIDOR: Route 398 COASTER/BRT Route 472 (El Camino Real) OPERATIONS	Improvements		--	Coaster: 20 min peak / current offpeak svc by 2016; 20 min peak / 60 min offpeak service by 2025; BRT (El Camino Real/I-5): 15 min peak / 30 min offpeak service by 2020				
TOTAL FOR CORRIDOR:						\$1,670	\$60	\$1,610	\$170

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

c=cleared, project habitat impacts previously cleared or not included.

Major north-south transit service improvements are assumed for this corridor with the primary options being enhanced service on the Coaster and BRT service in the El Camino Real/I-5 Corridor.

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 6: SR-52

(SEE FIGURE 6)						TransNet Extension			
						Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
32	SR 52	I-15	SR 125	4F	6F+2ML (Reversible)	\$170	\$3	\$167	
(I-15 - I-805 segment included in I-805 corridor for transit services; I-805/SR 52 HOV2HOV Connector included in I-805 corridor)									
33	SR 52	SR 125	SR 67	--	4F	\$240	c	\$240	
TOTAL FOR CORRIDOR:						\$410	\$3	\$407	\$0

c=cleared, project habitat impacts previously cleared or not included.

TABLE 7: SR-94 / SR-125

(SEE FIGURE 6)						TransNet Extension			
						Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
34	SR 94 and SR 125 Interchange				W to N, S to E	\$110	\$2	\$108	
(I-805 to I-5 segments included in I-15 and I-805 corridors for transit services)									
35	SR 94	SR 125	Steele Canyon	4F/4C-2C	Widen to 6-lane freeway from SR 125 to Avocado Blvd and provide 4-lane conventional highway from Avocado Blvd to Steele Canyon	\$90	\$2	\$88	
36	SR 94/SR 125	I-805	I-8	8F	8F+2HOV	\$350	\$5	\$345	
37	Route 520 Orange Line Trolley CAPITAL	Improvements		--	Conversion to low-floor vehicles, enhanced stations, signal upgrades, extended platforms. Current headway.	\$70	\$1	\$69	
TOTAL FOR CORRIDOR:						\$620	\$10	\$610	\$0

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 8: SR-54 / SR-125

(SEE FIGURE 6)							TransNet Extension		
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
38	SR 54/SR 125	I-805	SR 94	4F+2/6 F	Widen to provide a continuous 6F+2 HOV Facility	\$140	\$1	\$139	
TOTAL FOR CORRIDOR:						\$140	\$1	\$139	\$0

TABLE 9: SR-67

(SEE FIGURE 6)							TransNet Extension		
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
39	SR 67	Mapleview St	Dye Rd	2C	4C - To be constructed with environmental enhancements	\$240	\$22	\$218	
TOTAL FOR CORRIDOR:						\$240	\$22	\$218	\$0

TABLE 10: I-8 CORRIDOR

(SEE FIGURE 6)							TransNet Extension		
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
40	I-8	Second St	Los Cochies	4F	6F	\$30	\$1	\$29	
TOTAL FOR CORRIDOR:						\$30	\$1	\$29	\$0

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 11: SR-78

						TransNet Extension			
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
41	SR 78	I-5	I-15	6F	6F+2HOV	\$500	\$5	\$495	
	FWY 2 FWY	I-5	SR 78		Included in I-5 North Coast Corridor				
	HOV 2 HOV	I-15	SR 78		Included in I-15 Corridor				
42	SR 78 Corridor Route 399 SPRINTER/ BRT Route 471 (Palomar Airport Rd) CAPITAL	Improvements		--	Corridor transit improvements that would include some combination of projects from the following: SPRINTER: double tracking, North County Fair extension, some grade separations; and BRT (Palomar Airport Rd): vehicles, signal priority and other arterial improvements; builds 18 stations	\$200	\$3	\$197	
42	SR 78 Corridor Route 399 SPRINTER/ BRT Route 471 (Palomar Airport Rd) OPERATIONS	Improvements		--	SPRINTER: 15 min peak / current offpeak svc by 2016, 15 min all day service by 2030; BRT (Palomar Airport Rd): 15 min peak / 30 min off peak service by 2020				
TOTAL FOR CORRIDOR:						\$700	\$8	\$692	\$130

BRT capital costs include new and/or improved stations, direct access ramps (DARs), vehicles, right of way, and arterial priority measures. Major east-west transit service improvements are assumed for this corridor with the primary options being enhanced service on the Sprinter and BRT service in the Palomar Airport Rd / San Marcos Blvd Corridor.

TABLE 12: SR-76

						TransNet Extension			
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
43	SR 76	Melrose Dr	I-15	2C	4C - (Mission Road to I-15 segment to be constructed with environmental enhancements)	\$180	\$16	\$164	
TOTAL FOR CORRIDOR:						\$180	\$16	\$164	\$0

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 13: SR-56

(SEE FIGURE 7)							TransNet Extension		
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
44	SR 56	I-5	I-15	4F	6F	\$100	\$1	\$99	
TOTAL FOR CORRIDOR:						\$100	\$1	\$99	\$0

TABLE 14: MID-CITY SAN DIEGO TO DOWNTOWN SAN DIEGO

(SEE FIGURE 7)							TransNet Extension			
Project Number	Route/Facility	From	To	Existing	Improvement	Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost	
45	BRT Showcase Rt 611 via El Cajon & Park Bivds CAPITAL	SDSU	Downtown San Diego	--	Signal priority, queue jumper lanes, other arterial improvements, vehicles; builds 13 stations and upgrades to downtown stations	\$90	\$1	\$89		
45	BRT Showcase Rt 611 via El Cajon & Park Bivds OPERATIONS	SDSU	Downtown San Diego	--	10 min peak / 15 min offpeak by 2006					
TOTAL FOR CORRIDOR:						\$90	\$1	\$89	\$80	

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

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 15: CORONADO TUNNEL

(SEE FIGURE 7)

Project Number	Route/Facility	From	To	Existing	Improvement	TransNet Extension			
						Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
46	SR75/SR 282	Glorietta Blvd	Alameda Blvd	--	Tunnel Construction Match Only	\$25	c	\$25	
TOTAL FOR CORRIDOR:						\$25	\$0	\$25	\$0

c=cleared, project habitat impacts previously cleared or not included.

TABLE 16: BORDER ACCESS IMPROVEMENTS

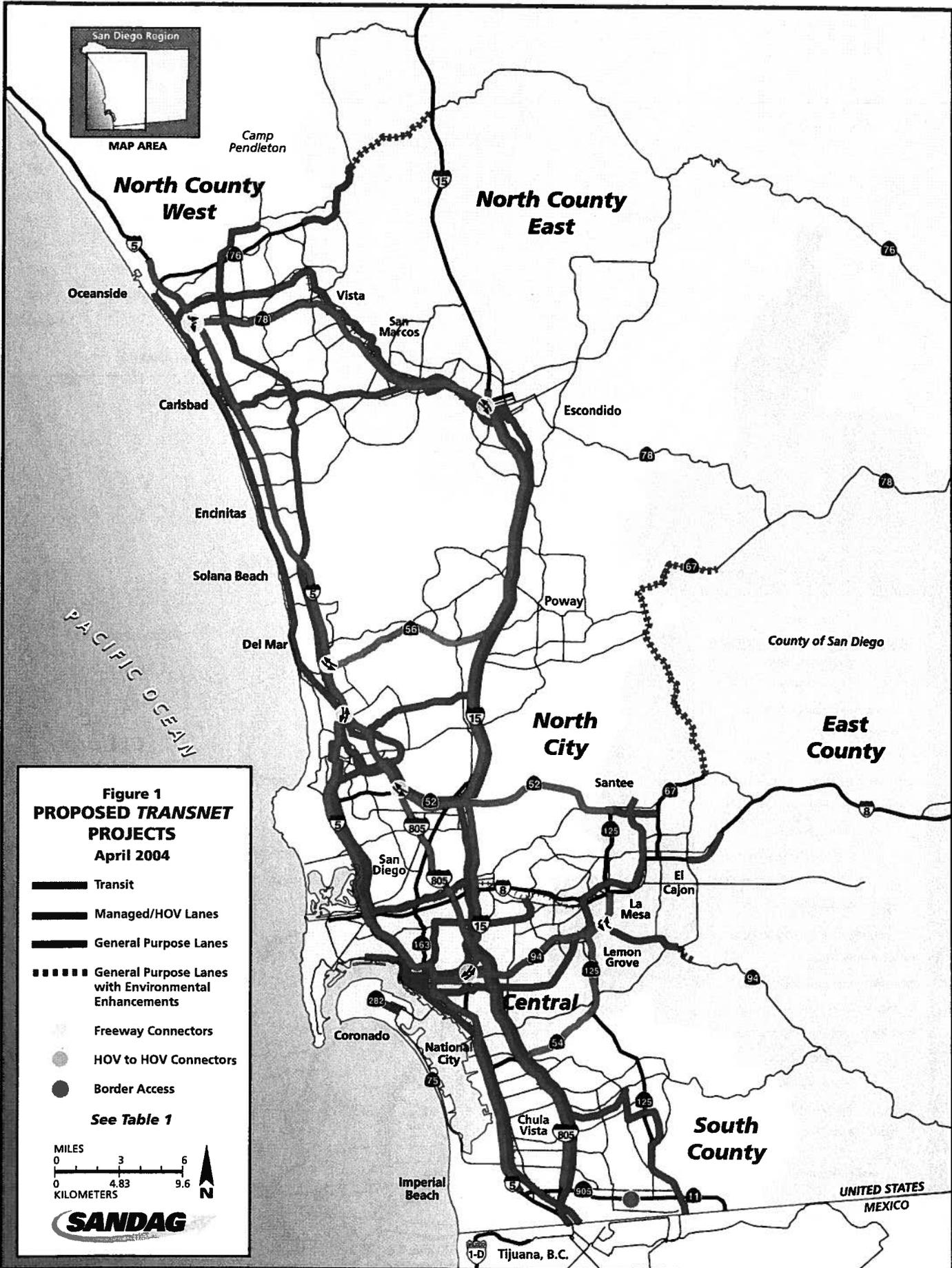
(SEE FIGURE 7)

Project Number	Route/Facility	From	To	Existing	Improvement	TransNet Extension			
						Capital Cost	Mitigation Cost	Net Capital Cost	Operating Cost
47	Border Access Improvements	Miscellaneous improvements to enhance access in the border area.		--	Construction Match	\$25	c	\$25	
TOTAL FOR CORRIDOR:						\$25	\$0	\$25	\$0

c=cleared, project habitat impacts previously cleared or not included.



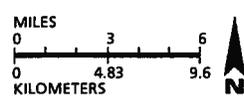
MAP AREA

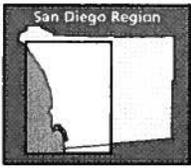


**Figure 1
PROPOSED TRANSNET
PROJECTS
April 2004**

-  Transit
-  Managed/HOV Lanes
-  General Purpose Lanes
-  General Purpose Lanes with Environmental Enhancements
-  Freeway Connectors
-  HOV to HOV Connectors
-  Border Access

See Table 1





MAP AREA

PROJECT DESCRIPTION I-15 CORRIDOR	
PROJECT	COST (\$ Millions)
1 I-15 (SR-163 – SR-56)	\$220
2 I-15 (Centre City Parkway – SR-78)	\$120
3 I-15 (SR-94 – SR-163)	\$197
4 I-15 / SR-78 (HOV – HOV)	\$197
5 I-15 / SR-94 (HOV – HOV)	\$148
6 SR-94 (I-5 – I-15)	\$79
7 BRT (Escondido – Downtown)	\$519
8 BRT (Escondido – Sorrento Mesa)	\$150
TOTAL COST:	\$1,630

See Table 2

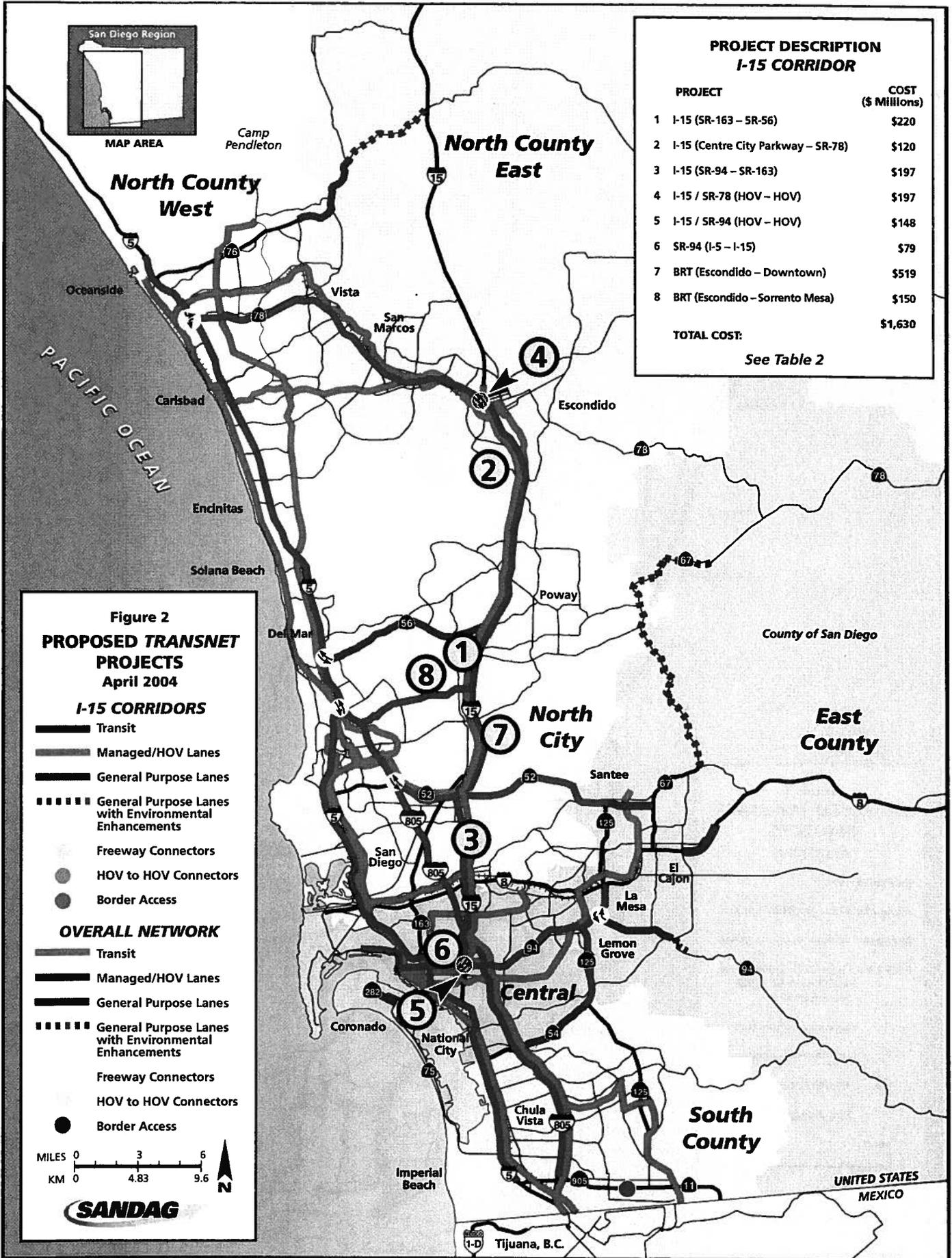
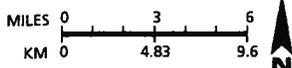
Figure 2
PROPOSED TRANSNET
PROJECTS
April 2004

I-15 CORRIDORS

- Transit
- Managed/HOV Lanes
- General Purpose Lanes
- General Purpose Lanes with Environmental Enhancements
- Freeway Connectors
- HOV to HOV Connectors
- Border Access

OVERALL NETWORK

- Transit
- Managed/HOV Lanes
- General Purpose Lanes
- General Purpose Lanes with Environmental Enhancements
- Freeway Connectors
- HOV to HOV Connectors
- Border Access





**PROJECT DESCRIPTION
I-805 CORRIDOR**

PROJECT	COST (\$ Millions)
9 I-805 (SR-905 – SR-54)	\$148
10 I-805 (SR-54 – I-8)	\$445
11 I-805 (Mission Valley)	\$246
12 I-805 (I-8 – I-5)	\$374
13 I-805 / SR-54 (Interchange)	\$10
14 BRT (Otay Mesa – Downtown)	\$617
15 SR-94 (I-805 – I-15)	\$69
16 BRT (San Ysidro – Sorrento Mesa)	\$120
17 SR-52 (I-15 – I-805)	\$69
18 I-805 / SR-52 (HOV – HOV)	\$148
TOTAL COST:	\$2,246

See Table 3

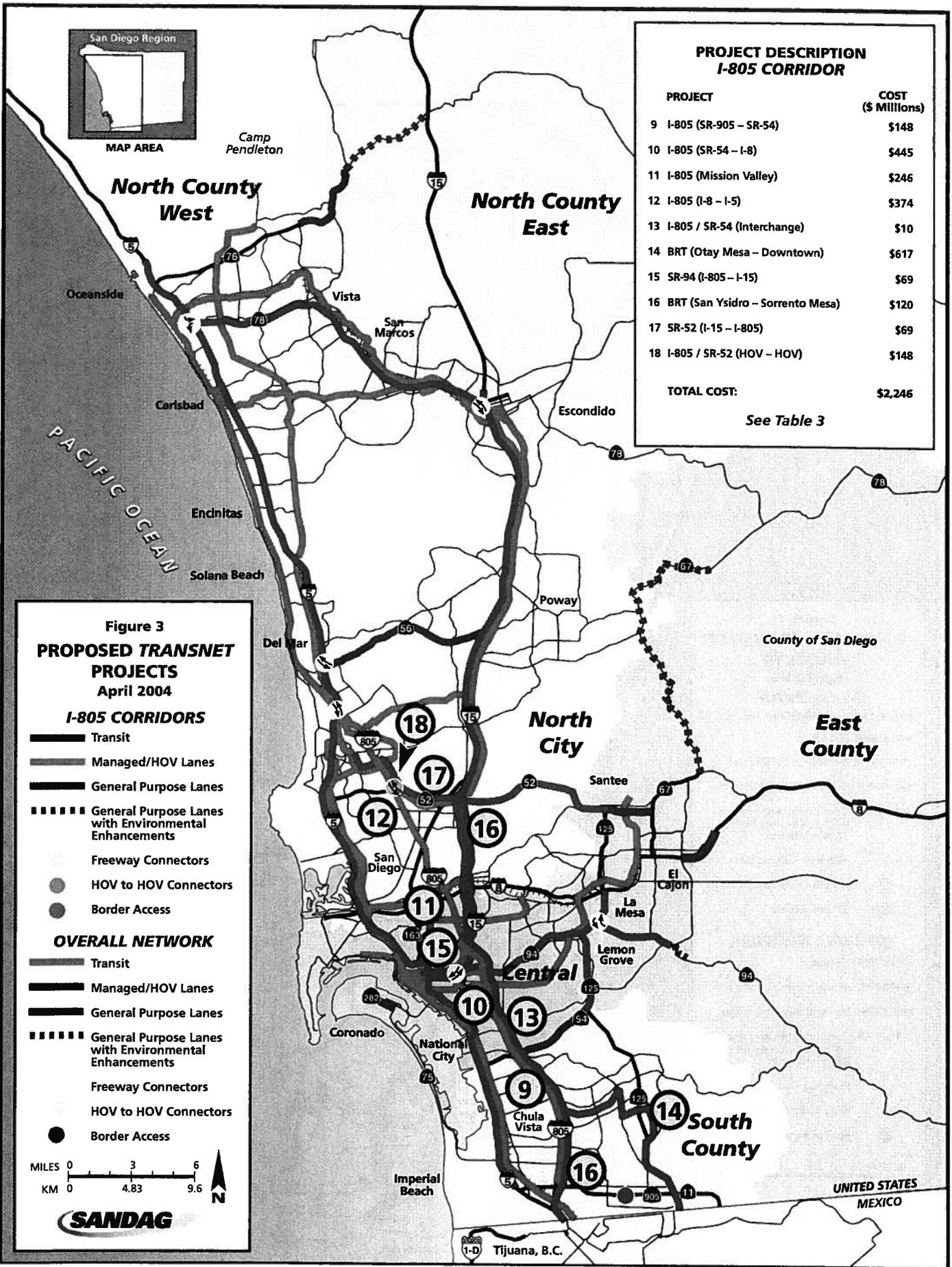
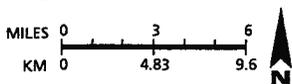
**Figure 3
PROPOSED TRANSNET
PROJECTS
April 2004**

I-805 CORRIDORS

- Transit
- Managed/HOV Lanes
- General Purpose Lanes
- General Purpose Lanes with Environmental Enhancements
- Freeway Connectors
- HOV to HOV Connectors
- Border Access

OVERALL NETWORK

- Transit
- Managed/HOV Lanes
- General Purpose Lanes
- General Purpose Lanes with Environmental Enhancements
- Freeway Connectors
- HOV to HOV Connectors
- Border Access





North County West

North County East

PROJECT DESCRIPTION
I-5 CORRIDOR
(International Border to I-805)

PROJECT	COST (\$ Millions)
19 I-5 (SR-905 – SR-54)	\$128
20 I-5 (SR-54 – I-8)	\$594
21 I-5 (I-8 – I-805)	\$192
22 Blue Line Trolley Improvements	\$358
23 Mid-Coast Transit Guideway Project	\$770
24 Mid-Coast Super Loop	\$140
TOTAL COST:	\$2,182

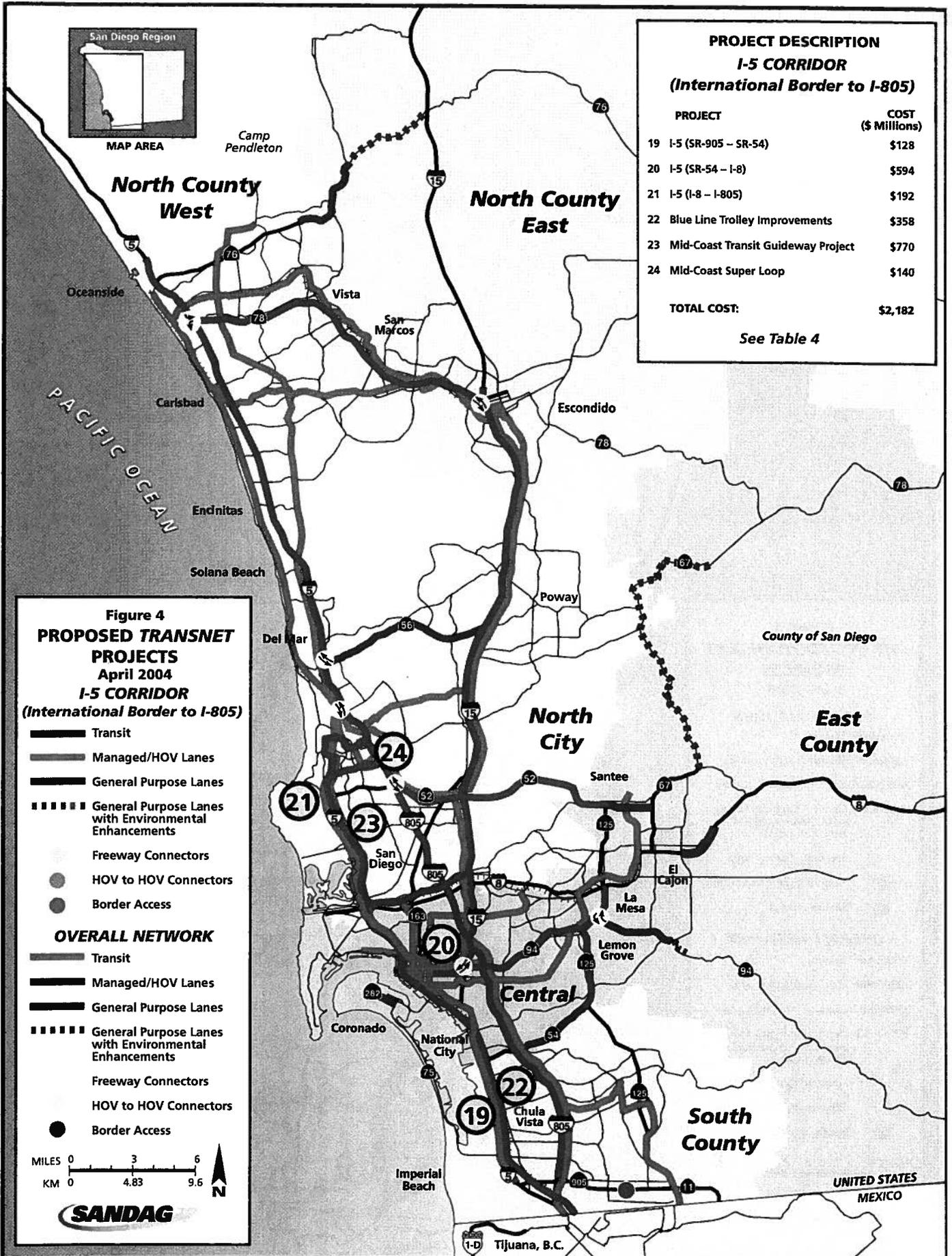
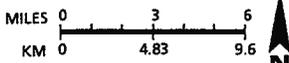
See Table 4

Figure 4
PROPOSED TRANSNET
PROJECTS
 April 2004
I-5 CORRIDOR
 (International Border to I-805)

- Transit
- Managed/HOV Lanes
- General Purpose Lanes
- General Purpose Lanes with Environmental Enhancements
- Freeway Connectors
- HOV to HOV Connectors
- Border Access

OVERALL NETWORK

- Transit
- Managed/HOV Lanes
- General Purpose Lanes
- General Purpose Lanes with Environmental Enhancements
- Freeway Connectors
- HOV to HOV Connectors
- Border Access



Tijuana, B.C.



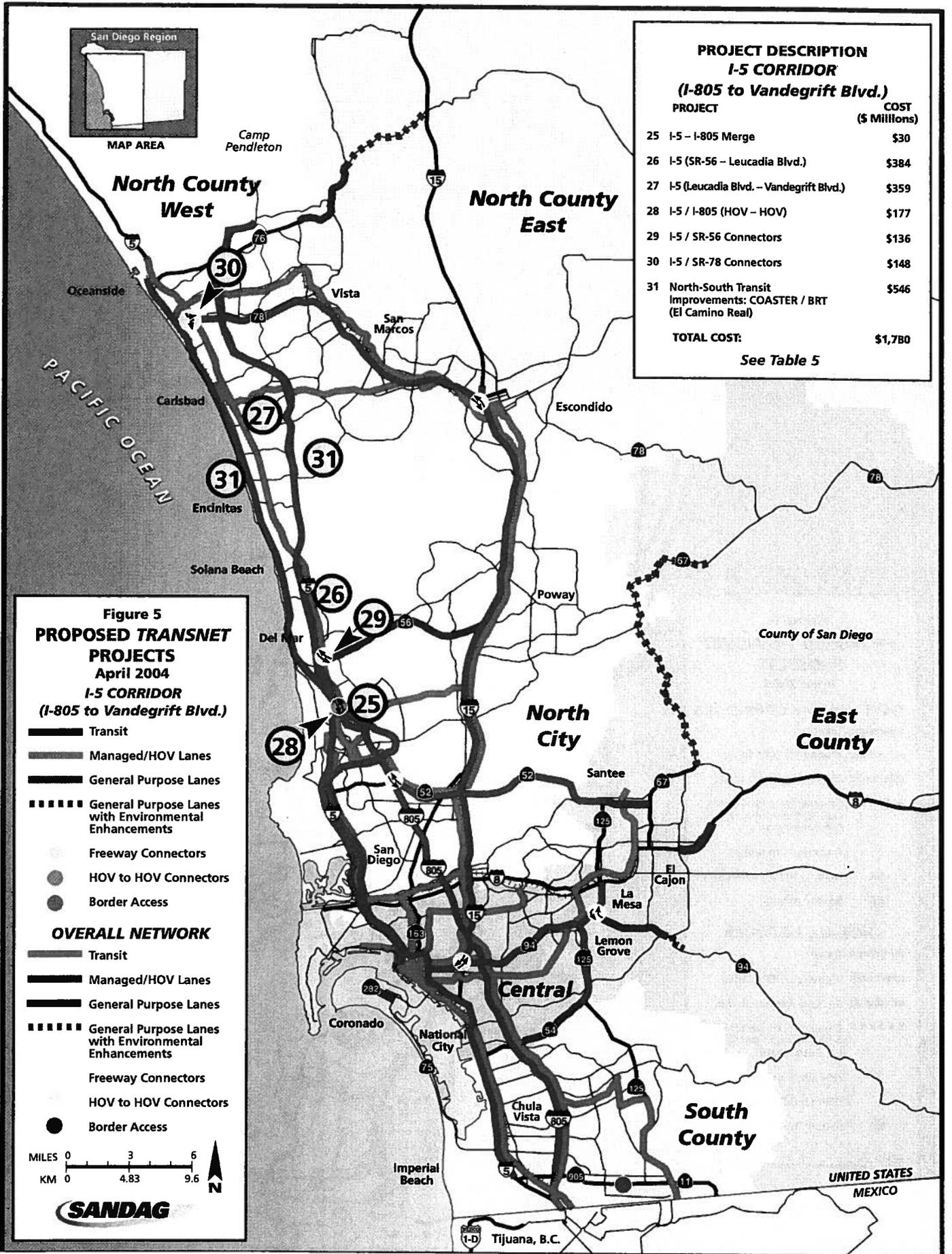
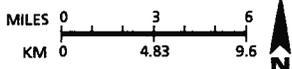
MAP AREA

PROJECT DESCRIPTION	
I-5 CORRIDOR	
(I-805 to Vandegrift Blvd.)	
PROJECT	COST (\$ Millions)
25 I-5 - I-805 Merge	\$30
26 I-5 (SR-56 - Leucadia Blvd.)	\$384
27 I-5 (Leucadia Blvd. - Vandegrift Blvd.)	\$359
28 I-5 / I-805 (HOV - HOV)	\$177
29 I-5 / SR-56 Connectors	\$136
30 I-5 / SR-78 Connectors	\$148
31 North-South Transit Improvements: COASTER / BRT (El Camino Real)	\$546
TOTAL COST:	\$1,780

See Table 5

Figure 5
PROPOSED TRANSNET PROJECTS
 April 2004
I-5 CORRIDOR
(I-805 to Vandegrift Blvd.)

- Transit
 - Managed/HOV Lanes
 - General Purpose Lanes
 - General Purpose Lanes with Environmental Enhancements
 - Freeway Connectors
 - HOV to HOV Connectors
 - Border Access
- OVERALL NETWORK**
- Transit
 - Managed/HOV Lanes
 - General Purpose Lanes
 - General Purpose Lanes with Environmental Enhancements
 - Freeway Connectors
 - HOV to HOV Connectors
 - Border Access





MAP AREA

**PROJECT DESCRIPTION
EAST COUNTY CORRIDORS**

PROJECT	COST (\$ Millions)
32 SR-52 (I-15 – SR-125)	\$167
33 SR-52 (SR-125 – SR-67)	\$240
34 SR-94 / SR-125 Connectors	\$108
35 SR-94 (SR-125 – Steele Canyon)	\$88
36 SR-94 / 125 (I-805 – I-8)	\$345
37 Orange Line Trolley Improvements	\$69
38 SR-54 / SR-125 (I-805 – SR-94)	\$139
39 SR-67 (Mapleview – Dye Rd.)	\$218
40 I-8 (2 nd Street – Los Coches)	\$29
TOTAL COST:	\$1,403

See Tables 6, 7, 8, 9 & 10

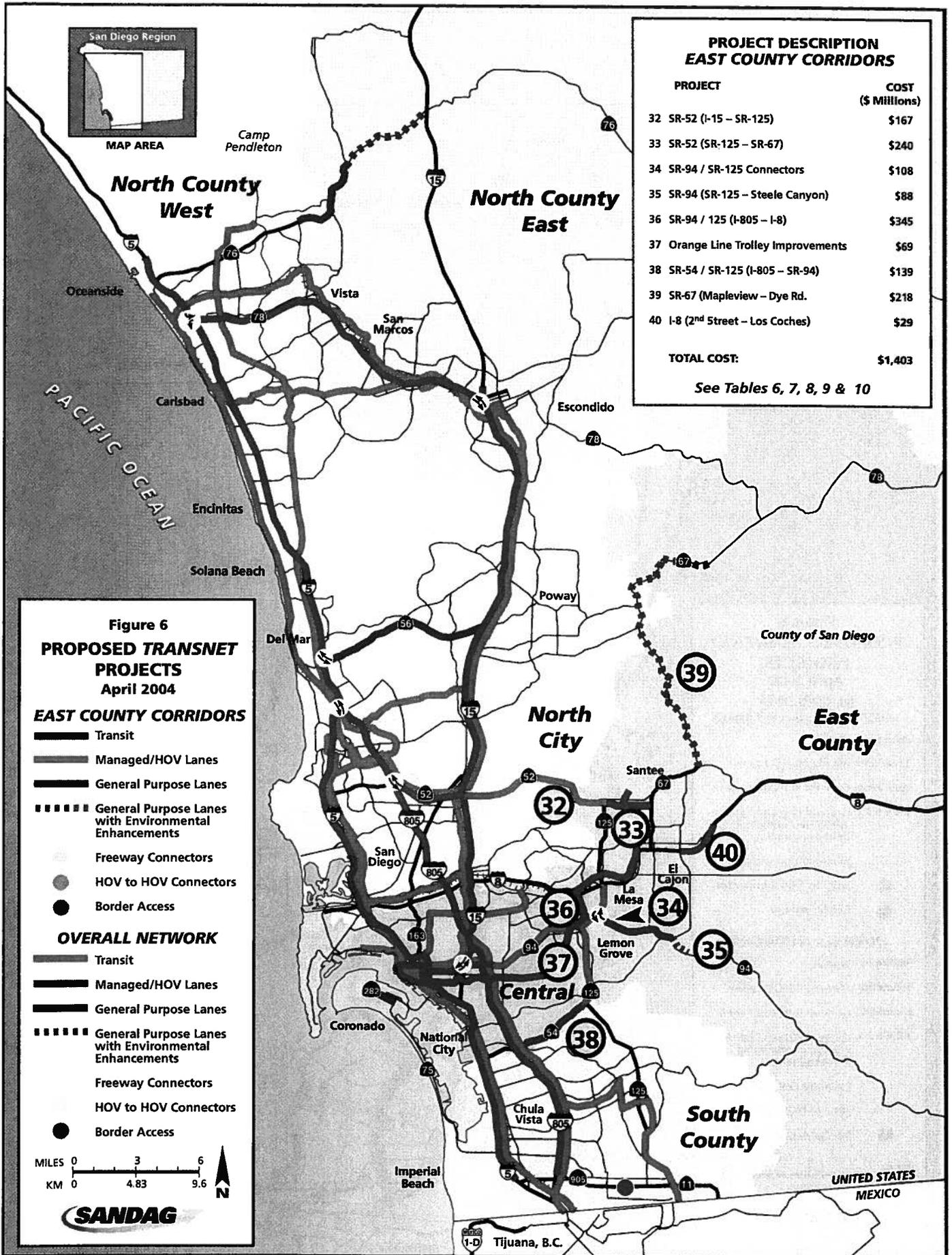
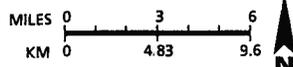
**Figure 6
PROPOSED TRANSNET
PROJECTS
April 2004**

EAST COUNTY CORRIDORS

- Transit
- Managed/HOV Lanes
- General Purpose Lanes
- General Purpose Lanes with Environmental Enhancements
- Freeway Connectors
- HOV to HOV Connectors
- Border Access

OVERALL NETWORK

- Transit
- Managed/HOV Lanes
- General Purpose Lanes
- General Purpose Lanes with Environmental Enhancements
- Freeway Connectors
- HOV to HOV Connectors
- Border Access



UNITED STATES
MEXICO

Tijuana, B.C.

**TRANSNET EXTENSION ENVIRONMENTAL MITIGATION PROGRAM (EMP)
PRINCIPLES**

1. The TransNet Extension Expenditure Plan shall include a funding allocation category entitled "Transportation Project Environmental Mitigation Program."
2. The Environmental Mitigation Program (EMP) shall include an allocation for the estimated direct costs for mitigation of upland and wetland habitat impacts for regional transportation projects included in the proposed TransNet Expenditure Plan, as well as for regional projects that are included in the adopted 2030 Regional Transportation Plan Mobility Network. The "mitigation costs," including land acquisition, restoration, management, and monitoring, for these regional projects are estimated at approximately \$450 million. Funds for direct mitigation, management and monitoring of these projects shall be placed into a "Transportation Project Mitigation Fund," where they can be used as partial funding for regional acquisition, habitat management and monitoring activities related to implementation of the Multiple Species Conservation Program (MSCP), the Multiple Habitat Conservation Program (MHCP), and future amendments thereto.
3. The EMP shall also include an allocation for the estimated direct costs for mitigation of upland and wetland habitat impacts for local transportation projects, in a total amount not to exceed \$200 million. Funds for direct mitigation of these projects shall also be placed in the "Transportation Project Mitigation Fund" outlined in Section 2 above.
4. The EMP shall also include a funding allocation for the estimated economic benefits of incorporating specified regional and local transportation projects into applicable habitat conservation plans, thereby allowing mitigation requirements for covered species to be fixed, and allowing mitigation requirements to be met through purchase of land in advance of need in larger blocks at a lower cost. The benefits of this approach are estimated at approximately \$200 million (\$150 million for regional projects and \$50 million for local projects). This amount will be allocated to a "Regional Habitat Conservation Fund," which will be made available for regional habitat acquisition, management and monitoring activities necessary to implement the MSCP and MHCP described in Section 2 above. Therefore, the total funding allocation for the Environmental Mitigation Program shall be set at \$850 million.
5. SANDAG shall work with the Wildlife Agencies (California Department of Fish and Game and the US Fish and Wildlife Service) and permit holders under the MSCP and MHCP to establish a regional entity that will be responsible for the allocation of funding included in the "Regional Habitat Conservation Fund" in accordance with the goals and policies of said plans. In addition, this entity will provide recommendations regarding the structure and content of future funding measures as described in Section 10 below.
6. Land acquisitions, and management and monitoring activities, that result from the implementation of this program shall receive credit toward the "regional funding obligations," if any, under the applicable habitat conservation plans, with the exception that land acquisitions in the MSCP planning area (as designated and permitted as of April 9, 2004) shall not count toward the regional funding obligation for land acquisition (currently estimated at 10,267 acres) established for that program.

7. In order to provide the economic benefits of the proposed EMP, the participating local jurisdictions shall apply for, and the Wildlife Agencies shall process, requests for any necessary amendments to the previously adopted MSCP and related agreements and permits, to include Regional Transportation Plan (RTP) transportation projects as "covered projects" under this plan pursuant to the standards in effect at that time for the remaining life of those plans. For projects in the planning areas of the MHCP and proposed MSCP North County Suburban for unincorporated North County, the participating local jurisdictions shall include RTP projects in their proposed plans and implementing agreements, and the Wildlife Agencies will process those plans and agreements so as to provide coverage for RTP projects for the life of those plans.
8. The expenditure of funds included in this allocation category shall be phased over time in order to allow goals of regional habitat acquisition, management and monitoring to be met, while also meeting the requirements for individual transportation projects. The timeframe by which the phasing will be done will allow for the early acquisition of land within the first 10 years of the permits and/or amended permits with corresponding funds available for management and monitoring. In addition, mitigation land for projects in the planning area covered in the proposed MSCP for unincorporated North County shall be purchased within the multiple habitat planning area designated for that plan, while mitigation for projects in the adopted MSCP and MHCP planning areas shall be purchased within the multiple habitat planning areas designated for those plans, unless otherwise approved by SANDAG, the Wildlife Agencies, and affected permit holders. As transportation projects are completed, if it is determined that the actual direct costs for mitigation of upland and wetland habitat impacts are less than those that were estimated in Section 2 above, those cost savings shall be transferred to the "Regional Habitat Conservation Fund" described in Section 4 above.
9. In addition to the direct economic benefits associated with inclusion of these projects in the MSCP and MHCP, SANDAG and the Wildlife Agencies both recognize the value of expedited processing of environmental documents for individual transportation projects by all involved Federal, State, and regional agencies. Therefore, SANDAG and the Wildlife Agencies shall actively support efforts to accomplish complete review of environmental documents within reduced timeframes. To the extent that the processing time required for such documents is reduced, the value of expedited processing shall be allocated equally between transportation-related expenditures and the "Regional Habitat Conservation Fund". SANDAG and the Wildlife Agencies will develop guidelines for implementing this principle within one year of the passage of the TransNet extension.
10. SANDAG agrees to act on additional regional funding measures (a ballot measure and/or other secure funding commitments) to meet the long-term requirements for implementing habitat conservation plans in the San Diego region, within the timeframe necessary to allow a ballot measure to be considered by the voters no later than four years after passage of the TransNet Extension. In the event that such future funding measures generate funding to fully meet regional habitat acquisition and management requirements, SANDAG is authorized to reallocate excess funds included in the "Regional Habitat Conservation Fund" to local transportation projects.

11. In the event that SANDAG and its member agencies are not able to obtain coverage for transportation projects the MSCP and MHCP in accordance with the principles set forth above, the funding allocations set forth in this program shall be made available to meet habitat mitigation requirements of transportation projects, either through an alternative program that is acceptable to SANDAG, its member agencies, and the Wildlife Agencies, or through environmental review and permitting of individual projects under existing regulatory procedures.

TransNet Expenditure Plan:

Environmental Enhancement Criteria Mitigating Highway 67, 76, and 94 Expansion Impacts

Segments of Highways SR 67, SR 76 and SR 94 are proposed for expansion from two to four lanes through funding identified in the *TransNet* Expenditure Plan. The proposed expansions will have substantial direct and indirect impacts to plant and animal species and to the regional wildlife movement corridors bisected by the roads. These corridors are essential "infrastructure" for our region's nationally-recognized habitat preservation plans.

Very high levels of road kill are a significant existing condition on all of these highway segments, which could be exacerbated by the increased traffic along the expanded highways should they be widened. Direct and indirect impacts to sensitive plant and animal populations, and to the function of the wildlife corridors, should be mitigated in order to produce an on-site "net-benefit" to species and to the movement of wildlife along these wildlife corridors.

In order to accomplish this objective, it is necessary that the adopted *TransNet* Expenditure Plan include policy language and directives that insures the "net benefit" mitigation standard is met. This will require a comprehensive baseline analysis of existing and future conditions, adoption of measures to mitigate direct and indirect impacts to species, adoption of measures to accommodate species-specific wildlife movement through the corridors, and implementation of capital project designs that can reduce impacts.

Biological analysis and recommendations need to be consistent with Multiple Species Conservation Program (MSCP) and Multiple Habitat Conservation Program (MHCP) goals and objectives, data, and protocols. Analysis will commence at the time of, or prior to, *TransNet* funding availability.

Key road segments:

- SR67, Maplevue to Dye Road
- SR76, Melrose to I-15
- SR94, Jamacha Road to Steele Canyon Road

REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM

Providing new transportation services and facilities is an expensive undertaking. Not providing them, however, will result in a decreased quality of life due to significant increases in traffic congestion, degrading mobility throughout the San Diego region. As SANDAG's Regional Transportation Plan explains, our challenge is especially critical for the Regional Arterial System, which is forecast to carry an increasingly significant amount of traffic volume. The SANDAG Board recognizes the need to establish a new Regional Transportation Congestion Improvement Program (RTCIP) that ensures future development will contribute its share toward funding and mitigating new traffic impacts on the Regional Arterial System.

A. Funding Program

1. Section 9 of the TransNet Ordinance requires that local jurisdictions establish a program or mechanism that provides \$2,000 per new residential unit for the purpose of funding the Regional Arterial System, including SR 75. For purposes of the RTCIP, the Regional Arterial System is defined in SANDAG's most recent and adopted Regional Transportation Plan. Each jurisdiction's program or mechanism shall be known as a "Funding Program." Local jurisdictions may choose to implement a Funding Program through a development impact fee program or other exactions from the private sector.
2. In the event a jurisdiction(s) chooses to establish a development impact fee program to meet its Funding Program requirements, said program shall be consistent with Government Code Section 66000 et seq.
3. SANDAG will be responsible for producing the required nexus study to satisfy the requirements of California Government Code Section 66000 et seq. for Funding Programs utilizing a development impact fee. The first draft of the regional nexus study shall be presented to the SANDAG Board within nine months of the successful reauthorization of *TransNet*.
4. In no case will non-residential development be subject to a development impact fee to meet the requirements of Section 9 of the TransNet Ordinance.
5. Each jurisdiction's Funding Program shall be submitted for review by the Independent Taxpayer Oversight Committee (ITOC) referred to in Section 11 of the TransNet Ordinance prior to April 1, 2008, approved by Regional Transportation Commission by June 1, 2008 and shall become operative on July 1, 2008. Failure to submit a Funding Program for review by the ITOC by April 1 of any year beginning April 1, 2008 shall result in that jurisdiction losing eligibility to receive funding for local streets and roads under Section 4(D)(1) of the Ordinance until July 1 of the following year.

B. Purpose

1. The purpose of each jurisdiction's Funding Program is to provide additional revenue to fund those facility and service improvements on the Regional Arterial System necessitated by development of newly constructed residences.

C. Fee Adjustment

1. The fee amount per residential unit shall be adjusted by SANDAG on July 1 of each year beginning July 1, 2009 based upon the Engineering Construction Cost Index as published by the Engineering News Record or similar cost of construction index.
2. Any increase shall not exceed the percentage increase set forth in the construction index. In no event, however, shall the increase be less than two percent per year. The purpose of this annual adjustment is to retain purchasing power in anticipation of future inflation.

D. Expenditure of Funding Program Revenues

1. Revenues collected under Section 9 of the TransNet Ordinance shall be deposited into each jurisdiction's Funding Program for use on the Regional Arterial System as described in this Subsection D.
2. Revenue collected through the Funding Programs shall be used to construct transportation improvements on the Regional Arterial System such as new arterial roadway lanes, turning lanes, reconfigured freeway-arterial interchanges, railroad grade separations and new regional express bus services, or similar types of improvements, preliminary and final engineering, right of way acquisition, and construction that will be needed to accommodate future travel demand generated by new development throughout the San Diego region. A reasonable portion of the program revenue, up to a maximum of three percent, may be used for fund administration.
3. Expenditure of the Funding Program revenues shall be in a manner consistent with the expenditure priorities in SANDAG's most recent and adopted long-range Regional Transportation Plan and with Section 5 of the TransNet Ordinance. To maximize the effective use of these Funding Program revenues, they may be transferred, loaned, or exchanged in accordance with the requirements of Section 7 of the TransNet Ordinance.

E. Exemptions

The following development types shall be exempt from the Funding Program requirements:

1. New moderate, low, very low, and extremely low income residential units as defined in Health & Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1.

2. Government/public buildings, public schools and public facilities.
3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing dwelling unit.
4. All new, rehabilitated, and/or reconstructed non-residential structures.
5. Development Projects which are the subject of a Public Facilities Development Agreements (pursuant to applicable Government Code Sections) prior to the effective date of this ordinance, wherein the imposition of new fees are expressly prohibited, provided, however that, if the term of such a Development Agreement is extended after July 1, 2008, the requirements of this funding program shall be imposed.
6. Guest Dwellings
7. Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning.
8. Kennels and Catteries established in conjunction with an existing residential unit.
9. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for property tax exemption.
10. Residential units that have been issued a building permit prior to July 1, 2008.
11. Condominium conversions

F. Credits

1. If a developer funds or constructs improvements on the Regional Arterial System and/or as that arise out of SANDAG's Congestion Management Program, the developer shall receive credit for the costs associated with the arterial improvements, offsetting the revenue requirements of the Funding Program. Such credits shall only apply to the Funding Program for the jurisdiction in which the residential unit was developed.
2. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the local jurisdiction in consultation with the developer.
3. The amount of the credit shall not exceed the revenue requirements of the most current Funding Program or actual cost, whichever is less.
4. The local jurisdictions shall compare facilities in their Funding Program, against the Regional Arterial System and eliminate any overlap in its Funding Program except where there is a legally recognized benefit district established.

5. If there is a legally recognized benefit district established, the local agency may credit that portion of the facility identified in both programs against its Funding Program.

G. Procedures for the Levy, Collection and Disposition of Funding Program Revenues

1. Each jurisdiction shall establish and implement a procedure to levy and collect its required contribution to the RTCIP in its Funding Program document.
2. Each jurisdiction shall determine its own schedule for collecting and/or contributing private sector exactions to its Funding Program. This schedule shall be kept up-to-date and provided to SANDAG and the Independent Taxpayers Oversight Committee each year at the time of the annual review and audit. Each jurisdiction must submit its Funding Program documents, including an expenditure plan and financial records pertaining to its Funding Program, to the Independent Taxpayer Oversight Committee for a review and audit by July 1 of each year beginning July 1, 2009. The Taxpayer Independent Oversight Committee shall review each jurisdiction's Funding Program consistent with its auditing role as described in Section 11 of the Ordinance and the Statement of Understanding referenced in that Section.
3. Funding Program revenue requirements shall not be waived.
4. Each jurisdiction shall have up to but no more than seven fiscal years to expend Funding Program revenues on the Regional Arterial Systems projects. The seven year term shall commence on the first day of July following the jurisdiction's receipt of the revenue. At the time of the review and audit by the Independent Taxpayer Oversight Committee, each jurisdiction collecting a development impact fee to meet the requirements of its Funding Program shall provide the Committee with written findings for any expended, unexpended and uncommitted fees in their Program Fund and demonstrates a reasonable relationship between the fee and the purpose for which it was charged, consistent with the requirements of Government Code Section 66000 et seq. Unless a planned need for such fees can be demonstrated and a justification for the delay can be provided that is acceptable to the Taxpayer Independent Oversight Committee, the unexpended or uncommitted portion of the Funding Program revenues shall be transferred to the Regional Transportation Commission (SANDAG) to be expended within three years on qualified projects within the same subregion. Contributions to the Funding Program not committed or expended by the tenth anniversary date of the July 1 following collection shall be refunded to the current record owner of the development project on a prorated basis. In no case will a refund be more than was initially contributed to the Funding Program.
5. The Independent Taxpayers Oversight Committee identified in Section 11 of the Ordinance shall be responsible for issuing an annual audit statement on each jurisdiction's compliance with requirements of Section 9 of the TransNet Ordinance by October 1 of each year beginning October 1, 2009. SANDAG will report to the Board on the RTCIP and the annual audit statement in November of each year beginning in November 2009.

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

Purpose of the ITOC

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

Intent of the ITOC as a Functional Partner to SANDAG

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

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

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

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

- Cost-efficient—it is the intent that the ITOC will not add cost burden to SANDAG’s implementation of the TransNet program and projects. Rather, through a cooperative and productive working relationship between ITOC and the SANDAG implementation team, it is the objective that costs will be saved.
- Flexible—it is the intent that the ITOC will assist SANDAG to be opportunistic to take advantage of changing situations in the future with regard to technologies and transportation developments. Therefore, the provisions contained below are viewed through 2048 based upon a 2004 perspective and are not meant to be unduly restrictive on ITOC’s and SANDAG’s roles and responsibilities.

Membership and Selection Process

1. Membership: There shall be seven ITOC voting members with the characteristics described below. The intent is to have one member representing each of the specified areas of expertise. If, however, after a good faith effort, qualified individuals have not been identified for one or more of the areas of expertise, then no more than two members from one or more of the remaining areas of expertise may be selected. For each of the areas of expertise listed below, an individual representing one of the region’s colleges or universities with a comparable level of academic experience also would be eligible for consideration.
 - A professional in the field of municipal/public finance and/or budgeting with a minimum of ten years in a relevant and senior decision making position in the public or private sector.
 - A licensed architect, civil engineer or traffic engineer with demonstrated experience of ten years or more in the fields of transportation and/or urban design in government or the private sector.
 - A professional with demonstrated experience of ten years or more in real estate, land economics, and/or right-of-way acquisition.
 - A professional with demonstrated experience of ten years or more in the management of large-scale construction projects.
 - A licensed engineer with appropriate credentials in the field of transportation project design or construction and a minimum of ten years experience in a relevant and senior decision making position in the government or private sector.
 - The chief executive officer or person in a similar senior-level decision making position, of a major private sector employer with demonstrated experience in leading a large organization.
 - A professional in biology or environmental science with demonstrated experience of ten years or more with environmental regulations and major project mitigation requirements and/or habitat acquisition and management.
 - Ex-Officio Members: SANDAG Executive Director and the San Diego County Auditor

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

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

2. **Technical Screening Committee:** A technical screening committee will be established to review applications received from interested individuals. This committee will consist of three members selected by the SANDAG Executive Director from high-level professional staff of local, regional, state or federal transportation agencies outside of the San Diego region, or from one of the region's colleges or universities in a transportation-related field, or a combination thereof. The committee will develop a list of candidates determined to be qualified to serve on the ITOC based on the criteria established for the open position(s) on the ITOC. The technical screening committee will recommend two candidates for each open position from the list of qualified candidates for consideration by the Selection Committee. The recommendations shall be made within 30 days of the noticed closing date for applications.
3. **Selection Committee:** A selection committee shall be established to select the ITOC members from the list of qualified candidates recommended by the technical screening committee. The selection committee shall consist of the following:
 - Two members of the County of San Diego Board of Supervisors
 - The Mayor of the City of San Diego
 - A mayor from the Cities of Chula Vista, Coronado, Imperial Beach, or National City selected by the mayors of those cities.
 - A mayor from the Cities of El Cajon, La Mesa, Lemon Grove, or Santee selected by the mayors of those cities.
 - A mayor from the Cities of Carlsbad, Del Mar, Encinitas, Oceanside, or Solana Beach selected by the mayors of those cities.
 - A mayor from the Cities of Escondido, Poway, San Marcos, or Vista selected by the mayors of those cities.

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

Terms and Conditions for ITOC members

- ITOC members shall serve a term of four years, except that initial appointments may be staggered with terms of two to four years.
- ITOC members shall serve without compensation except for direct expenses related to the work of the ITOC.
- In no case shall any member serve more than eight years on the ITOC.

- If and when vacancies in the membership of the ITOC occur, the same selection process as outlined above shall be followed to select a replacement to fill the remainder of the term. At the completion of a term, eligible incumbent members will need to apply for reappointment for another term.
- Term limits for ITOC members should be staggered to prevent significant turnover at any one time. The initial appointment process should be based on this staggered term limit concept.

ITOC Responsibilities

The ITOC shall have the following responsibilities:

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

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

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

In carrying out its responsibilities, the ITOC shall conduct its reviews in such a manner that does not cause unnecessary project delays, while providing sufficient time to ensure that adequate analysis can be completed to allow the ITOC to make objective recommendations and to provide the public with information about the implementation of the *TransNet* program.

ITOC Funding and Administration

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

Conflict of Interest

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