

## Members

Jim Desmond, Chair  
Mayor, City of San Marcos  
(Representing **North County Inland**)

Bill Sandke, Vice Chair  
Councilmember, City of Coronado  
(Representing **South County**)

Georgette Gomez  
Councilmember, **City of San Diego**

Ron Roberts  
Supervisor, **County of San Diego**

Bill Baber  
Councilmember, City of La Mesa  
(Representing **East County**)

Catherine Blakespear  
Mayor, City of Encinitas  
(Representing **North County Coastal**)

David Arambula  
**Metropolitan Transit System**

John Aguilera  
Vice Chair, **North County Transit District**

April Boling  
Director, **San Diego County Regional  
Airport Authority**

Garry Bonelli  
Vice Chair, **San Diego Unified Port District**

## Alternates

Judy Ritter  
Mayor, City of Vista  
(Representing **North County Inland**)

Mary Salas  
Mayor, City of Chula Vista  
(Representing **South County**)

Mark Kersey  
Councilmember, **City of San Diego**

Bill Horn  
Supervisor, **County of San Diego**

Greg Cox  
Supervisor, **County of San Diego**

Jennifer Mendoza  
Councilmember, City of Lemon Grove  
(Representing **East County**)

Jewel Edson  
Councilmember, City of Solana Beach  
(Representing **North County Coastal**)

Lorie Bragg  
**Metropolitan Transit System**

Bill Horn / Mark Packard  
**North County Transit District**

Vacant  
**San Diego County Regional  
Airport Authority**

Michael Zucchet  
Commissioner, **San Diego Unified Port  
District**

## Advisory Members

Tim Gubbins / Ann Fox  
**Caltrans District 11**

Erica Pinto, *Jamul*  
Allen Lawson, *San Pasqual*  
**Southern California Tribal  
Chairmen's Association**

Kim Kawada  
Chief Deputy Executive Director, **SANDAG**



# TRANSPORTATION COMMITTEE AGENDA

Friday, July 6, 2018  
9 a.m. to 12 noon  
SANDAG Board Room  
401 B Street, 7th Floor  
San Diego

## AGENDA HIGHLIGHTS

- **FEDERAL BUILD GRANT PROGRAM: PROPOSED SANDAG PROJECT SUBMITTALS**
- **PROPOSED FY 2019 TRANSIT AGENCY BUDGETS**
- **FUNDING RECOMMENDATIONS FOR CYCLE 4 *TransNet* SMART GROWTH INCENTIVE PROGRAM AND ACTIVE TRANSPORTATION GRANT PROGRAM**
- **FUNDING RECOMMENDATIONS FOR CYCLE 9 *TransNet* ENVIRONMENTAL MITIGATION PROGRAM LAND MANAGEMENT GRANT PROGRAM**

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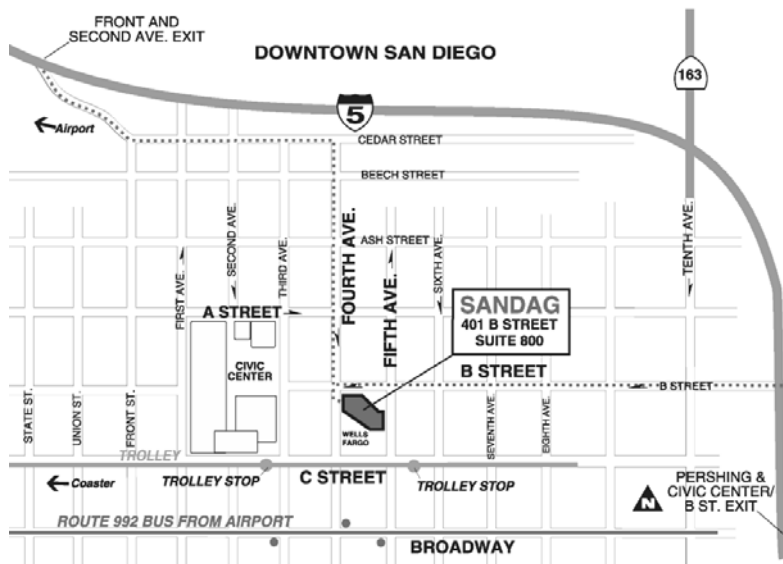
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# TRANSPORTATION COMMITTEE

Friday, July 6, 2018

## ITEM NO.

## RECOMMENDATION

**+1. APPROVAL OF MEETING MINUTES**

**APPROVE**

The Transportation Committee is asked to review and approve the minutes from its June 15, 2018, meeting.

**2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS**

Members of the public shall have the opportunity to address the Transportation Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Anyone desiring to speak shall reserve time by completing a "Request to Speak" form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Committee members. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item.

### CONSENT

**+3. BAYSHORE BIKEWAY BARRIO LOGAN SEGMENT: CALIFORNIA ENVIRONMENTAL QUALITY ACT EXEMPTION (Stephan Vance and Lauren Esposito)**

**APPROVE**

The Transportation Committee is asked to approve a second California Environmental Quality Act exemption for the Bayshore Bikeway Barrio Logan Segment, based on recent changes to the project scope.

### REPORTS

**+4. FEDERAL BUILD GRANT PROGRAM: PROPOSED SANDAG PROJECT SUBMITTALS (Victoria Stackwick)**

**APPROVE**

The Transportation Committee is asked to approve the proposed project submittals for the Federal Fiscal Year 2018 "Better Utilizing Investments to Leverage Development" Discretionary Grant Program.

**+5. PROPOSED FY 2019 TRANSIT AGENCY BUDGETS (Sandi Craig; Paul Jablonski, Metropolitan Transit System; and Matt Tucker, North County Transit District)**

**APPROVE**

The Transportation Committee is asked to approve the Metropolitan Transit System and North County Transit District FY 2019 operating budgets for funding.

**+6. PROPOSED FY 2019 PROGRAM BUDGET AMENDMENT: CENTRALIZED TRAIN CONTROL SYSTEM (Dale Neuzil)**

**APPROVE**

The Transportation Committee is asked to approve an amendment to the FY 2019 Program Budget, accepting \$165,000 from the Metropolitan Transit System to fund the Centralized Train Control Green Line Communications System Upgrades Integration project (Capital Improvement Program Project No. 1142500).

- +7. PROPOSED FY 2019 PROGRAM BUDGET AMENDMENTS: I-5/VOIGT DRIVE IMPROVEMENTS AND I-5/GILMAN DRIVE BRIDGE PROJECTS (Greg Gastelum; Allan Kosup, Caltrans) RECOMMEND**

The Transportation Committee is asked to recommend that the Board of Directors approve amendments to the FY 2019 Program Budget to: (1) add \$400,000 in UC San Diego funds to the I-5/Voigt Drive Improvements project (Capital Improvement Program [CIP] Project No. 1200507) for design of UC San Diego betterments; and (2) add \$4 million in UC San Diego funds to the I-5/Gilman Drive Bridge project (CIP Project No. 1200508) for construction of UC San Diego betterments.

- +8. FUNDING RECOMMENDATIONS FOR CYCLE 4 *TransNet* SMART GROWTH INCENTIVE PROGRAM AND ACTIVE TRANSPORTATION GRANT PROGRAM (Carolina Ilic) RECOMMEND**

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve the proposed funding awards for the Cycle 4 *TransNet* Smart Growth Incentive Program Planning grants, Active Transportation Grant Program Capital grants, and Active Transportation Grant Program Non-Capital grants; (2) adopt Resolution No. 2019-01, approving the use of Transportation Development Act Article 3 Claims funds; and (3) in the event that a selected project is unable to use its awarded funds, authorize staff to offer funding and execute a grant agreement with the next highest ranked project(s).

- +9. FUNDING RECOMMENDATIONS FOR CYCLE 9 *TransNet* ENVIRONMENTAL MITIGATION PROGRAM LAND MANAGEMENT GRANT PROGRAM (Sarah Pierce) RECOMMEND**

The Transportation Committee is asked to recommend that the Board of Directors approve the proposed funding awards for the Cycle 9 *TransNet* Environmental Mitigation Program Land Management Grant Program, and in the event that a selected project is unable to use its awarded funds, authorize staff to offer funding and execute a grant agreement with the next highest ranked project(s).

- +10. MID-COAST CORRIDOR TRANSIT PROJECT: STATUS UPDATE (John Haggerty) INFORMATION**

Staff will provide an update on the Mid-Coast Corridor Transit Project and other projects being built concurrently in the corridor.

- +11. NORTH COAST CORRIDOR PROGRAM: STATUS UPDATE (Allan Kosup, Caltrans) INFORMATION**

Caltrans staff will provide an update on the North Coast Corridor Program, including current and future highway, rail, and active transportation improvements, as well as lagoon restoration work.

**12. CONTINUED PUBLIC COMMENTS**

If the five-speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

**13. UPCOMING MEETINGS**

**INFORMATION**

The next meeting of the Transportation Committee is scheduled for Friday, July 20, 2018, at 9 a.m.

**14. ADJOURNMENT**

+ next to an agenda item indicates an attachment



**TRANSPORTATION COMMITTEE  
JULY 6, 2018**

**ACTION REQUESTED: APPROVE**

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**TRANSPORTATION COMMITTEE DISCUSSION AND ACTIONS**

**JUNE 15, 2018**

The meeting of the Transportation Committee was called to order by Chair Jim Desmond (North County Inland) at 9:01 a.m.

**1. APPROVAL OF MEETING MINUTES (APPROVE)**

Action: Upon a motion by Vice Chair Garry Bonelli (San Diego Unified Port District [SDUPD]), and a second by Vice Chair Bill Sandke (South County), the Transportation Committee approved the meeting minutes of June 1, 2018. Yes: Chair Desmond, Vice Chair Sandke, Councilmember Georgette Gomez (City of San Diego), Councilmember Bill Baber (East County), Councilmember David Arambula (Metropolitan Transit System [MTS]), Vice Chair John Aguilera (North County Transit District [NCTD]), and SDUPD Vice Chair Bonelli. No: None. Abstain: None. Absent: County of San Diego, North County Coastal, and San Diego County Regional Airport Authority (SDCRAA).

**2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS**

John Wotzka, a member of the public, submitted written comments and spoke about various transportation matters.

SDUPD Vice Chair Bonelli thanked staff for providing a Regional Transportation Plan update to the SDUPD Board of Directors at their meeting on Tuesday, June 12, 2018.

Chair Erica Pinto, Jamul (Southern California Tribal Chairmen's Association [SCTCA]), announced the Interagency Technical Working Group meeting will be held at Viejas Casino & Resort on Wednesday, June 20, 2018.

SCTCA Chair Pinto also announced the Caltrans Native American Advisory Committee meeting will be held in Sacramento on Wednesday, June 27, 2018.

Vice Chair Sandke spoke about the new Mobility HUB app that will be developed by MTS.

## **CONSENT**

### 3. UNIVERSITY BIKEWAY PROJECT: CALIFORNIA ENVIRONMENTAL QUALITY ACT EXEMPTION (APPROVE)

The Transportation Committee was asked to approve the California Environmental Quality Act exemption for the University Bikeway project.

Randy Van Vleck, City Heights Community Development Corporation, spoke in support of the item.

### 4. FEDERAL TRANSIT ADMINISTRATION SECTION 5311 FEDERAL FISCAL YEAR 2019 APPORTIONMENT (RECOMMEND)

The Transportation Committee was asked to recommend that the Board of Directors approve the Federal Fiscal Year 2019 apportionment of Federal Transit Administration Section 5311 Non-Urbanized Area Formula Program funds for the San Diego region.

Action: Upon a motion by Councilmember Gomez, and a second by Councilmember Baber, the Transportation Committee approved Consent Item Nos. 3 and 4. Yes: Chair Desmond, Vice Chair Sandke, Councilmember Gomez, Supervisor Ron Roberts (County of San Diego), Councilmember Baber, Mayor Catherine Blakespear (North County Coastal), Councilmember Arambula, NCTD Vice Chair Aguilera, and SDUPD Vice Chair Bonelli. No: None. Abstain: None. Absent: SDCRAA.

## **REPORTS**

### 5. DRAFT 2018 COORDINATED PLAN (ACCEPT)

Lisa Madsen, Associate Regional Planner, presented the item.

Action: Upon a motion by NCTD Vice Chair Aguilera, and a second by Vice Chair Sandke, the Transportation Committee accepted the Draft 2018 Coordinated Public Transit and Human Services Transportation Plan for release to the public for review and comment. Yes: Chair Desmond, Vice Chair Sandke, Councilmember Gomez, Supervisor Roberts, Councilmember Baber, Mayor Blakespear, Councilmember Arambula, NCTD Vice Chair Aguilera, and SDUPD Vice Chair Bonelli. No: None. Abstain: None. Absent: SDCRAA.

### 6. PROPOSED FY 2019 PROGRAM BUDGET AMENDMENTS: STATE GRANT AWARDS (RECOMMEND)

Dawn Vettese, Financial Programming Manager, and Sandi Craig, Senior Budget Program Analyst, presented the item.

Action: Upon a motion by Mayor Blakespear, and a second by Councilmember Gomez, the Transportation Committee recommended that the Board of Directors: (1) approve the proposed FY 2019 Program Budget amendments, accepting \$493.903 million in state funds for various Capital and Overall Work Program projects; and (2) adopt Regional Transportation Commission (RTC) Resolution No. RTC-2018-07, approving Amendment No. 13 to the 2016 Regional Transportation Improvement Program. Yes: Chair Desmond, Vice Chair Sandke, Councilmember Gomez, Supervisor Roberts, Councilmember Baber, Mayor Blakespear, Councilmember Arambula, NCTD Vice Chair Aguilera, and SDUPD Vice Chair Bonelli. No: None. Abstain: None. Absent: SDCRAA.

7. TRANSPORTATION DEVELOPMENT ACT AND STATE TRANSIT ASSISTANCE CLAIMS (RECOMMEND)

Ariana zur Nieden, Senior *TransNet* Program Manager, presented the item.

Action: Upon a motion by NCTD Vice Chair Aguilera, and a second by Councilmember Arambula, the Transportation Committee recommended that the Board of Directors: (1) adopt Resolution Nos. 2018-23 through 2018-29, approving the FY 2019 Transportation Development Act and State Transit Assistance Act (STA) claims, and FY 2018 STA State of Good Repair claim; and (2) adopt the STA findings as certified by North County Transit District. Yes: Chair Desmond, Vice Chair Sandke, Councilmember Gomez, Supervisor Roberts, Councilmember Baber, Mayor Blakespear, Councilmember Arambula, NCTD Vice Chair Aguilera, and SDUPD Vice Chair Bonelli. No: None. Abstain: None. Absent: SDCRAA.

8. PROPOSED FY 2019 PROGRAM BUDGET AMENDMENT: LOS PEÑASQUITOS LAGOON BRIDGE REPLACEMENT PROJECT (RECOMMEND)

Angela Anderson, Senior Engineer, presented the item.

Action: Upon a motion by Councilmember Baber, and a second by Vice Chair Sandke, the Transportation Committee recommended that the Board of Directors approve an amendment to the FY 2019 Program Budget, adding \$979,267 in federal funds to the Los Peñasquitos Lagoon Bridge Replacement Project (Capital Improvement Program Project No. 1145000) for construction capital and support. Yes: Chair Desmond, Vice Chair Sandke, Councilmember Gomez, Supervisor Roberts, Councilmember Baber, Mayor Blakespear, Councilmember Arambula, NCTD Vice Chair Aguilera, and SDUPD Vice Chair Bonelli. No: None. Abstain: None. Absent: SDCRAA.

9. CONTINUED PUBLIC COMMENTS

Lucas Kurlan, a member of the public, submitted written comments about the Interstate 5 North Coast Corridor Project.

10. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for Friday, July 6, 2018.

11. ADJOURNMENT

Chair Desmond adjourned the meeting at 9:31 a.m.

**CONFIRMED ATTENDANCE  
 SANDAG TRANSPORTATION COMMITTEE MEETING  
 JUNE 15, 2018**

JURISDICTION	NAME	MEMBER / ALTERNATE	ATTENDING
North County Coastal	Catherine Blakespear	Member	Yes
	Jewel Edson	Alternate	Yes
North County Inland	Jim Desmond (Chair)	Member	Yes
	Judy Ritter	Alternate	Yes
East County	Bill Baber	Member	Yes
	Jennifer Mendoza	Alternate	Yes
South County	Bill Sandke (Vice chair)	Member	Yes
	Mary Salas	Alternate	No
City of San Diego	Georgette Gomez	Member	Yes
	Mark Kersey	Alternate	No
County of San Diego	Ron Roberts	Member	Yes
	Bill Horn	Alternate	No
	Greg Cox	Alternate	No
Metropolitan Transit System	David Arambula	Member	Yes
	Lorie Bragg	Alternate	Yes
North County Transit District	John Aguilera	Member	Yes
	Bill Horn	Alternate	No
	Mark Packard	Alternate	No
San Diego County Regional Airport Authority	April Boling	Member	No
	VACANT	Alternate	--
San Diego Unified Port District	Garry Bonelli	Member	Yes
	Michael Zucchet	Alternate	No
<b>ADVISORY MEMBERS</b>			
Caltrans	Tim Gubbins	Member	No
	Cory Binns	Alternate	Yes
SCTCA	Erica Pinto	Member	Yes
	Allen Lawson	Member	No
Other Attendees	Matt Tucker	NCTD	Yes
	Sharon Cooney	MTS	Yes
Ex Officio	Steve Vaus	SANDAG Board Vice Chair	No

Date: July 6, 2018  
File Number: 1223055  
Memo to: Transportation Committee  
From: Charles "Muggs" Stoll, Director of Land Use and Transportation Planning  
Action Requested: Approve  
Subject: **Bayshore Bikeway Barrio Logan Segment: California Environmental Quality Act Exemption**

**Overview**

At its April 21, 2017, meeting, the Transportation Committee approved a California Environmental Quality Act (CEQA) exemption for the Barrio Logan segment of the Bayshore Bikeway from 32nd Street to Park Boulevard along Harbor Drive in the City of San Diego (Project). Since the CEQA exemption was approved, the project scope has changed to include the removal of two pedestrian bridges at the intersection of Harbor Drive and 32nd Street. The original CEQA exemption approved by the Transportation Committee did not include the removal of the pedestrian bridges. The existing pedestrian bridges would be removed to eliminate sight distance restrictions and replaced with at-grade continental pedestrian crosswalks. With the removal of the pedestrian bridges, the Project is still covered by CEQA provisions for classes of projects that are exempt from requirements to prepare environmental documents. A detailed description is provided in Attachment 1 and a map of the Project Area is provided in Attachment 2.

Several options for improving safety at the intersection were developed and discussed with City of San Diego staff, who recommended removal of the bridges as the preferred approach. The Bayshore Bikeway Working Group discussed this at its April 20, 2018, meeting, and expressed support for removal of the bridges, with the understanding that all concerned parties would pursue a future project to construct new bridges that meet modern standards. The Military Working Group discussed this at its June 25, 2018, meeting, although did not take a formal position.

Budgetary Impact: None. Action is limited to approval of exemption from CEQA.

**Next Steps**

Pending approval of the CEQA exemption, staff would move forward with final design and construction of the Project, which is expected to be ready to advertise for construction in February 2019, with construction expected to begin in July 2019, and opening of the bikeway to the public in August 2020.

**Recommendation**

The Transportation Committee is asked to approve a second California Environmental Quality Act exemption for the Bayshore Bikeway Barrio Logan Segment, based on recent changes to the project scope.

Key Staff Contacts: Stephan Vance, (619) 699-1924, stephan.vance@sandag.org  
Lauren Esposito, (619) 595-5374, lauren.esposito@sandag.org

Attachments: 1. Notice of Exemption for the Barrio Logan Segment of the Bayshore Bikeway  
2. Project Overview Map for the Barrio Logan Segment of the Bayshore Bikeway

**To:**

Office of Planning and Research  
 P.O. Box 3044, Room 113  
 Sacramento, CA 95812-3044

County Clerk  
 County of San Diego  
 1600 Pacific Highway, Suite 260  
 San Diego, CA 92101

**From:**

San Diego Association of Governments (SANDAG)  
 401 B Street, Suite 800  
 San Diego, CA 92101

**Project Title:** Bayshore Bikeway: Barrio Logan Segment (“proposed project”)

**Project Location:** City of San Diego, San Diego County

**Description of Specific Location, Nature, Purpose, and Beneficiaries of Project:**

The proposed project is located south of Downtown San Diego, west of Interstate 5 and east of San Diego Bay. The proposed alignment for the bike path would extend along the western side of Harbor Drive from Park Boulevard to Cesar Chavez Parkway and then cross to the eastern side of Harbor Drive and continue to 32nd Street within the existing road right-of-way. The proposed project would provide approximately 2.5 miles of a shared-use, Class I bicycle and pedestrian path and related roadway modifications necessary to accommodate the bikeway, including signage, relocation of existing utilities and storm drains, repaving, street lighting, and other similar improvements. At the Harbor Drive/32nd Street intersection, the existing pedestrian bridges would be removed to eliminate sight distance restrictions and replaced with at-grade pedestrian continental crosswalks.

Roadway Improvements

The Class I path would be approximately 14 feet wide and separated from the roadway by a raised median or similar vertical barrier. Class II bike lanes are approximately 5 feet in width and would be maintained along both sides of Harbor Drive. In order to accommodate the Class I path, and maintain the existing roadway configuration and capacity, the proposed project would shift the paved area of Harbor Drive westward within the existing road right-of-way approximately 5 to 20 feet. Shifting the roadway would require the restriping of travel lanes and painted medians and other roadway markings. The project also would require the reconstruction and narrowing of existing raised medians and other roadway markings. South of the Schley Street/Harbor Drive intersection, the proposed project would replace an existing paved slope along the east side of Harbor Drive with a retaining wall.

The project does not propose any modifications to the number of lanes along Harbor Drive. All intersection geometrics (aside from an extra turn lane into the Naval Base at Harbor and 32nd Street) would remain the same.

Intersections and Traffic Signals

The project proposes to modify six existing signalized intersections along Harbor Drive by adding Lead Pedestrian Interval (LPI) to provide a safer crossing for people walking and riding bikes. Five of the LPIs are proposed along the northbound and southbound approaches and the sixth LPI would be added to the east-west approach at Cesar Chavez Parkway. The project would construct ADA compliant pedestrian ramps and continental crosswalks at the approaches of each signalized intersection.

**Notice of Exemption**

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Parking

Implementation of the proposed project would remove approximately 81 parking spaces (75 on-street spaces and 6 off-street spaces) in the project area. The proposed project has been designed to minimize the loss of parking and incorporates new parking spaces into the proposed design where feasible. A Parking Analysis prepared for the project concluded that, even with a net loss of 87 parking spaces, there is an adequate parking supply in the project study area to accommodate parking demand.

**Name of Public Agency Approving and Carrying out Project:** San Diego Association of Governments

**Exempt Status:**

Categorical Exemption. State type and section number: Class 1, 15301(c); Class 2, 15302; Class 4, 15304(h)

**Reasons why project is exempt:**

The attached table explains the reasons why the proposed project is exempt from the California Environmental Quality Act (CEQA).

**Lead Agency Contact Person:** Keith Greer

**Area Code/Telephone:** (619)699-7390

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Title:** Principal Regional Planner

Signed by Lead Agency

**Notice of Exemption**

**Bayshore Bikeway: Barrio Logan Segment**

**Reasons Why Exempt from CEQA:** The table below explains the reasons why the proposed project qualifies for a Categorical Exemptions pursuant to CEQA Guidelines Section 15302.

<b>CEQA Exemption</b>	<b>Reasons Why Proposed Project Qualifies for Exemption</b>
<b><i>Categorical Exemption, Section 15302</i></b>	
<p>15301. Existing Facilities</p> <p>Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. The types of “existing facilities” itemized below are not intended to be all inclusive of the types of projects which might fall within Class I. The key consideration is whether the project involves negligible or no expansion of an existing use.</p> <p>(c) Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities.</p>	<p>The proposed project qualifies for this exemption because it consists of minor alterations to existing streets, including vehicle lanes, bike lanes, sidewalks, gutters, curbs, and similar facilities. The proposed project would make improvements to and repurpose space within existing streets, and there would be negligible or no expansion of existing streets. The types of minor alterations to existing streets proposed by the project that fall under this exemption include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• A shared-use, Class I bikeway separated from vehicle traffic with a vertical element, such as on-street parking, raised curbs or medians, bollards, landscaping, or planters.</li> <li>• Bike lanes that are separated from vehicle traffic with a painted buffer.</li> <li>• Other minor alterations of existing streets that involve negligible or no expansion of an existing uses, such as new crosswalks and other painted markings, painted marking for new and relocated on-street parking spaces, new painted or raised medians, curb extensions, curb ramps, signage, relocation of existing utilities and storm drains, repaving, street lighting, and repaving the roadway surface (e.g., slurry seal).</li> </ul>
<b><i>Categorical Exemption, Section 15302</i></b>	
<p>15302. Replacement or Reconstruction</p> <p>Class 2 consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.</p>	<p>The proposed project qualifies for this exemption because it consists of demolition of the existing pedestrian bridges at Harbor Drive and 32nd Street. The pedestrian bridges would be replaced with at-grade pedestrian continental crosswalks. The intersection traffic signal system would be modified by adding a LPI, giving pedestrians, a head start to enter the intersection prior to a corresponding green signal for vehicles in the same direction of travel, to provide a safer crossing for pedestrians.</p>

**Notice of Exemption**



<b>CEQA Exemption</b>	<b>Reasons Why Proposed Project Qualifies for Exemption</b>
<b><i>Categorical Exemption, Section 15302</i></b>	
<p>15304. Minor Alterations to Land</p> <p>Class 4 consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes. Examples include, but are not limited to:</p> <p>(h) The creation of bicycle lanes on existing rights-of-way.</p>	<p>The proposed project qualifies for this exemption because it involves the creation of bicycle lanes on existing rights-of-way, including a Class I bikeway. The proposed project would not involve the removal of any trees that are healthy, mature, and scenic.</p>
<b><i>Exceptions to Use of Categorical Exemptions, Section 15300.2</i></b>	
<p>(a) Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located -- a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.</p> <p>(b) Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.</p> <p>(c) Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.</p>	<p>The proposed project does not meet any of these criteria that would preclude use of the above-listed categorical exemptions from CEQA (i.e., Sec. 15301(c), Sec. 15302, and 15304(h)). The proposed project and its environmental effects would be typical of other projects within Class 1, Class 2, and Class 4. The types of construction equipment and duration of construction activity required to construct the proposed project, the operation of the proposed project, and the resulting environmental effects (e.g., temporary increases in noise levels, air emissions) would be typical of other projects in Class 1 involving minor alterations to existing streets, sidewalks, gutters, bicycle and pedestrian trails, and other facilities, and other projects in Class 4 involving the creation of bicycle lanes on existing rights-of-way. Similar to the proposed project, other projects in Class 1 and Class 4 involve removal of existing travel lanes. The proposed project would:</p> <ul style="list-style-type: none"> <li>• Not result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources within a scenic highway.</li> <li>• Not be located on a site included on any list compiled pursuant to Government Code Section 65962.5 or otherwise have an impact on an environmental resource of hazardous or critical concern.</li> <li>• Not cause a substantial adverse change in the significance of a historical resource.</li> </ul>

**Notice of Exemption**

<b>CEQA Exemption</b>	<b>Reasons Why Proposed Project Qualifies for Exemption</b>
<p>(d) Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.</p> <p>(e) Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Sec. 65962.5 of the Government Code.</p> <p>(f) Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.</p>	<ul style="list-style-type: none"> <li>• Not have a reasonable possibility of causing a significant effect on the environment due to unusual circumstances, or contribute to cumulative impacts from successive projects of the same type in the same place over time, including effects related to:               <ul style="list-style-type: none"> <li>○ scenic vistas, visual character, and light or glare;</li> <li>○ natural resources including agricultural, archaeological, biological, forestry, mineral, paleontological, and water supply resources;</li> <li>○ air and water quality, greenhouse gas emissions, energy, noise, and vibration;</li> <li>○ earthquakes, soil erosion, or other geologic conditions;</li> <li>○ transport, use, emission, or disposal of hazardous materials;</li> <li>○ hazards related to airports, wildfires, or flooding;</li> <li>○ adopted land use plan, policy, or regulatory conflicts</li> <li>○ growth inducement, housing displacement, or physically dividing a community;</li> <li>○ public services, facilities, or utilities including parks, stormwater, water supply, wastewater, landfills, schools, libraries, police and fire protection</li> <li>○ performance or safety of the transportation system, including for vehicles, public transit, people walking and on bikes, and emergency access.</li> </ul> </li> </ul>

# BAYSHORE BIKEWAY



-  CONNECTION TO EXISTING BIKE PATH
-  PLANNED BARRIO LOGAN SEGMENT



04/17



**TRANSPORTATION COMMITTEE  
JULY 6, 2018**

**ACTION REQUESTED: APPROVE**

**FEDERAL BUILD GRANT PROGRAM: PROPOSED SANDAG  
PROJECT SUBMITTALS**

File 7300400

**Introduction**

The U.S. Department of Transportation (U.S. DOT) has announced the availability of funding for the Federal Fiscal Year (FFY) 2018 Better Utilizing Investments to Leverage Development (BUILD) Discretionary Grant. The U.S. DOT currently is soliciting proposals for this grant program and this report provides information on the proposed regional project submittals.

**Recommendation**

The Transportation Committee is asked to approve the proposed project submittals for the Federal Fiscal Year 2018 "Better Utilizing Investments to Leverage Development" Discretionary Grant Program.

**Discussion**

***FFY 2018 BUILD Grant Program***

On March 23, 2018, President Trump signed the 2018 Consolidated Appropriations Act (Public Law No. 115-141). The measure appropriated \$1.5 billion for the BUILD Discretionary Grant Program, replacing the former Transportation Investment Generating Economic Recovery (TIGER) Grant Program (Attachment 1). BUILD Grant funds are to be awarded on a competitive basis for projects that will have a significant local or regional impact.

***U.S. DOT Application Merit Criteria***

The grant announcement outlines criteria that the U.S. DOT will use to evaluate and award applications for BUILD Grants. Eligible projects include surface transportation capital improvements, including road or bridge projects; public transportation; passenger and freight rail transportation; port infrastructure investments; and intermodal projects. Eligible applicants for the BUILD Grants are state, local, and tribal governments including transit agencies, port authorities, metropolitan planning organizations, and other political subdivisions of state or local government. Applicants may apply for up to three grants. The FFY 18 BUILD Grant Merit Criteria is listed below.

## Merit Criteria

- A. **Safety:** The Department will assess the project's ability to foster a safe transportation system for the movement of goods and people.
- B. **State of Good Repair:** The Department will assess whether and to what extent the project is consistent with relevant plans to maintain transportation facilities or systems in a state of good repair and address current and projected vulnerabilities.
- C. **Economic Competitiveness:** The Department will assess whether the project will decrease transportation costs and improve access, especially for rural communities, through reliable and timely access to employment centers and job opportunities.
- D. **Environmental Protection:** The Department will consider the extent to which the project improves energy efficiency, reduces dependence on oil, reduces congestion-related emissions, and improves water quality.
- E. **Quality of Life:** The Department will consider the extent to which the project increases transportation choices for individuals to provide more freedom on transportation decisions.
- F. **Innovation:** The Department will assess the extent to which the applicant uses innovative strategies, including: (1) innovative technologies; (2) innovative project delivery; or (3) innovative financing.
- G. **Partnership:** The Department will consider the extent to which projects demonstrate strong collaboration among a broad range of stakeholders.
- H. **Non-Federal Revenue for Transportation Infrastructure Investment:** The Administration believes that attracting significant new, non-federal revenue streams dedicated to transportation infrastructure investment is desirable to maximize investment in infrastructure.

Requested funding for capital projects in urban areas must be at least \$5 million. The maximum award is \$25 million, and no more than \$150 million can be awarded to a single state. Up to \$15 million is available nationwide for the planning, preparation, or design of projects eligible for BUILD transportation funding. The law also directs that not less than 30 percent, or \$450 million of the funds, shall be used for projects located in rural areas. If selected for an award, funds must be obligated by September 30, 2020, and expended by September 30, 2025. The BUILD Notice of Funding Availability may be found on the U.S. DOT website: <https://www.transportation.gov/BUILDgrants>.

### *Proposed Project Submittals*

Based on the established merit criteria and guidelines, staff recommends submitting the following proposals for consideration by the U.S. DOT. These projects exceed the required non-federal match, will have a significant local or regional impact, meet the objectives of the Merit Criteria as prescribed by the U.S. DOT, have obtained the necessary environmental clearances, and are poised to meet the required obligation timelines. In addition, they are included in San Diego Forward: The Regional Plan, and the current SANDAG Capital Improvement Program. Attachment 2 of this report outlines potential projects considered for submission.

- **Interstate 5/State Route 56 Improvements** – This project would construct critical operational improvements on State Route 56 to relieve congestion around the Interstate 5 (I-5) connection. These improvements would help to reduce potential flooding of I-5 by replacing a downstream bridge, provide improved ingress/egress to I-5 by constructing two auxiliary lanes, and remove I-5 as a barrier to bike and pedestrian traffic by constructing a new facility under I-5. Caltrans has prioritized this project as one of the top three slated for submission by the state. Last year, the project was selected by the Transportation Committee for consideration under the TIGER Grant Program but was not awarded funding. The estimated grant request is proposed to be \$20-25 million. Matching funds, approximately \$18 million, would be provided through funds collected from the private sector by the City of San Diego.
- **San Diego Multimodal and Regional Transportation (SMART) Center** – This project would construct the SMART Center, which is a secure facility, to host the Regional Border Management System (RBMS) located at the South Bay Expressway Facility in Otay Mesa. The RBMS would provide a corridor-wide, multimodal approach to traffic and incident management, traffic performance analysis, status alerting, and system reporting throughout the border region. The estimated grant request is proposed to be \$18-25 million. Matching funds would be provided through state and local funds.

#### *Local and Other Project Submittals*

For local jurisdictions and other public agencies seeking support from SANDAG for their own BUILD grant proposals, staff recommends providing support letters for project submittals that are consistent with SANDAG policies and programs. At a minimum (and consistent with the direction provided in the BUILD guidelines), staff recommends that local project submittals: (1) be included in San Diego Forward: The Regional Plan; and (2) demonstrate that the funds can be programmed to meet the required statutory deadlines.

#### **Next Steps**

Pending action by the Transportation Committee, the grant proposals will be submitted to the U.S. DOT by the stated deadlines. If the region is awarded funding from these programs, staff will prepare the appropriate budget and Regional Transportation Improvement Program amendments for consideration by the Board of Directors.

VICTORIA STACKWICK  
Principal Legislative Analyst

Attachments: 1. BUILD vs. TIGER Fact Sheet  
2. Comprehensive Grant Proposal Project List

Key Staff Contact: Victoria Stackwick, (619) 699-6926, victoria.stackwick@sandag.org



U.S. Department of Transportation

**BUILD vs TIGER Fact Sheet**

The Better Utilizing Investments to Leverage Development (BUILD) Transportation Grants solicitation will make \$1.5 billion available to surface transportation projects that align with the merit criteria described in the Notice of Funding Opportunity (NOFO). BUILD replaces the pre-existing TIGER grants program. Like TIGER, FY 2018 BUILD Transportation Grants are for investments in surface transportation infrastructure and are to be awarded on a competitive basis for projects that will have a significant local or regional impact. For this round of BUILD, no more than \$150 million can be awarded to a single State.

To reflect the Administration’s Infrastructure Initiative, DOT plans to award a greater share of BUILD Transportation funding to projects located in rural areas that align well with the merit criteria than to those in urban areas. Rural applicants can highlight their needs in response to several of the evaluation criteria, including to deploy rural broadband as part of an eligible transportation project. BUILD encourages local governments to proactively raise new sources of revenue with a new criterion to evaluate local activities to generate additional non-Federal revenue for transportation infrastructure.

BUILD applications will be evaluated based on the following merit criteria: safety, economic competitiveness, quality of life, environmental protection, state of good repair, innovation, partnership, and additional non-Federal revenue for infrastructure investments. Below is a side-by-side comparison of the merit criteria used in TIGER and BUILD:

<b>TIGER</b>	<b>BUILD</b>
<p><b>Merit criteria</b></p> <p><i>Primary criteria</i></p> <ul style="list-style-type: none"> <li>• Safety</li> <li>• State of Good Repair</li> <li>• Economic Competitiveness</li> <li>• Environmental Sustainability</li> <li>• Quality of Life</li> </ul> <p><i>Secondary criteria</i></p> <ul style="list-style-type: none"> <li>• Innovation</li> <li>• Partnership</li> </ul> <p><i>Other criteria</i></p> <ul style="list-style-type: none"> <li>• Demonstrated Project Readiness</li> <li>• Project Costs and Benefits</li> <li>• Cost Sharing or Matching</li> </ul> <p><i>Additional considerations</i></p> <ul style="list-style-type: none"> <li>• Geographic diversity among recipients</li> </ul>	<p><b>Merit criteria</b></p> <ul style="list-style-type: none"> <li>• Safety</li> <li>• State of Good Repair</li> <li>• Economic Competitiveness</li> <li>• Environmental Protection</li> <li>• Quality of Life</li> <li>• Innovation</li> <li>• Partnership</li> <li>• Non-Federal Revenue for Transportation Infrastructure Investment</li> </ul> <p><i>Other criteria</i></p> <ul style="list-style-type: none"> <li>• Demonstrated Project Readiness</li> <li>• Project Costs and Benefits</li> </ul> <p><i>Additional considerations</i></p> <ul style="list-style-type: none"> <li>• Geographic diversity among recipients</li> </ul>

*For additional explanation of the criteria, please see the BUILD NOFO*

**What stayed the same from TIGER competitions?**

The eligible costs and project types have not changed. The minimum and maximum project award sizes are the same as in FY 2017.

**COMPREHENSIVE GRANT PROPOSAL PROJECT LIST**  
(NOT IN ORDER OF PRIORITY)

No.	Project Title	Environmental Clearance	Phase for Grant Request	Estimated Grant Request (\$millions)	Funding Source
<b>INTERSTATE 5 (INTERNATIONAL BORDER TO I-805) CORRIDOR</b>					
1	I-5/Voigt Drive Improvements*	NEPA/CEQA	DES/CON	20-30	UCSD
2	Build NCC: I-5 Managed Lanes (La Jolla Village Drive to I-5/805 Merge)*	NEPA/CEQA	DES/CON	405-415	
3	Rose Canyon Bridge Replacements (NCTD)	NEPA	DES/CON	10-20	
<b>INTERSTATE 5 (I-805 TO VANDEGRIFT)/ LOSSAN CORRIDOR</b>					
4	Build NCC: Phase 1*	NEPA/CEQA	CON/DES	240-250	STIP/TCEP/SCC/LPP
5	Batiquitos Lagoon Double Track*	NEPA	CON	55-65	
6	San Onofre to Pulgas Phase 1, Stage 2	NEPA	CON	30-40	ITIP
7	San Onofre Bridge Replacement (NCTD)	NEPA	DES/CON	30-40	
8	San Dieguito Lagoon Double Track and Platform*	NEPA	CON	165-175	
			DES	3.5	LPP
9	Eastbrook to Shell Double Track*	NEPA	ROW/CON	55-65	
			DES	2	LPP
10	Sorrento to Miramar Double Track/Realign*	NEPA	CON	90-100	
			DES/ROW	12.2	LPP/TCEP
11	Build NCC: I-5 Managed Lanes - SR 78 to Vandegrift Blvd*	NEPA/CEQA	DES/CON	110-120	
12	Carlsbad Village Double Track*	NONE	DES/CON	55-65	
13	Del Mar Bluffs Stabilization	NEPA	DES/CON	1-10	
<b>INTERSTATE 8 CORRIDOR</b>					
14	New Rapid Route 10 (La Mesa to Ocean Beach)	N/A	N/A	N/A	
<b>INTERSTATE 15 CORRIDOR</b>					
15	I-15 Integrated Corridor Management Project (ICM)	N/A	CON	25-35	
16	Central Avenue Bikeway*	NONE	DES	1-10	
17	I-15 HOV/Managed Lanes - I-8 to SR 163*	NONE	ENV/DES	1-10	
18	Plaza Blvd. Transit Station*	NONE	ENV	1-10	
<b>STATE ROUTE 52 CORRIDOR</b>					
19	San Diego River Trail - Carlton Oaks Segment*	CEQA	CON	1-10	
20	SR 52 Operational Improvements (SR 125 to I-15)	NONE	ENV/DES	1-10	
<b>STATE ROUTE 56 CORRIDOR</b>					
21	I-5/SR 56 Interchange*	NEPA	DES/CON	25-35	BUILD
<b>STATE ROUTE 67 CORRIDOR</b>					
22	SR 67 Highway Project*	NONE	ENV	1-10	

**COMPREHENSIVE GRANT PROPOSAL PROJECT LIST**  
(NOT IN ORDER OF PRIORITY)

No.	Project Title	Environmental Clearance	Phase for Grant Request	Estimated Grant Request (\$millions)	Funding Source
<b>STATE ROUTE 78 CORRIDOR</b>					
23	Inland Rail Trail - Vista*	CEQA/NEPA	CON	5-15	ATP
			CON	5.6	ATP
24	I-5/SR 78 Interchange, Aux Lanes, and Connectors*	NONE	ENV	5-15	
25	SR 78 HOV and Corridor Improvements*	NONE	ENV	35-45	
26	I-15/SR 78 Connector (East to South and North to West)*	NONE	DES	10-20	
			ENV	7	STIP
<b>STATE ROUTE 54/ STATE ROUTE 125 CORRIDOR</b>					
27	New Rapid Route 709 (H St Trolley Station to Millennia)	N/A	N/A	N/A	
<b>STATE ROUTE 94/ STATE ROUTE 125 CORRIDOR</b>					
28	SR 94/SR 125 Southbound to Eastbound Connector*	NEPA/CEQA	ROW	5-15	
			DES	7.95	STIP APDE
29	State Route 94 Corridor Improvements*	NONE	ENV	15-25	
30	SR 94/SR 125 Westbound to Northbound Connector	NONE	ENV	TBD	
<b>INTERSTATE 805 CORRIDOR</b>					
31	I-805 Sweetwater Bridge Improvements*	NEPA/CEQA	CON	20-30	SHOPP
32	I-805 Soundwalls*	NEPA/CEQA	DES/CON	35-45	
33	I-805 Auxiliary Lanes (South)*	NEPA/CEQA	DES/CON	65-75	
34	I-805 HOVs and I-15 HOV Connectors*	NEPA/CEQA	ROW/CON	245-255	
			DES	15-25	
35	I-805 Managed Lanes (SR 94 to SR 15)*	NEPA/CEQA	DES/ROW	15-25	
36	I-805 HOV/Managed Lanes - North*	NEPA/CEQA	CON	XX	
			DES	1-10	STIP APDE
37	I-805 HOV/Managed Lanes - Middle (SR 163 to SR 52)*	NONE	ENV	1-10	
38	I-805/H Street Transit Station*	NONE	ENV	1-10	
39	I-805 Imperial BRT Station*	NONE	ENV	1-10	
40	Build NCC: I-5/I-805 HOV Connectors (North to North and South to South)*	NEPA/CEQA	N/A	N/A	
41	New Rapid Route 120 (Kearny Mesa to Downtown)	N/A	N/A	N/A	
42	New Rapid Route 550 (SDSU to Palomar Station)	N/A	N/A	N/A	

**COMPREHENSIVE GRANT PROPOSAL PROJECT LIST**  
(NOT IN ORDER OF PRIORITY)

No.	Project Title	Environmental Clearance	Phase for Grant Request	Estimated Grant Request (\$millions)	Funding Source
<b>MID-CITY SAN DIEGO TO DOWNTOWN SAN DIEGO CORRIDOR</b>					
43	Clairemont Mesa Blvd BRT Stations*	CEQA	CON	10-20	
44	Uptown Bikeways: Washington Street and Mission Valley Bikeways*	CEQA	CON	5-15	
45	Uptown Bikeways: Eastern Hillcrest Bikeways*	CEQA	CON	5-15	<b>ATP</b>
46	Uptown Bikeways: Mission Hills and Old Town Bikeways*	CEQA	DES/CON	5-15	
47	University Avenue Transit Improvements*	CEQA	DES/CON	1-10	<b>TIRCP</b>
48	North Park/Mid-City Bikeways: Howard Bikeway*	CEQA	DES	5-15	
49	North Park/Mid-City Bikeways: University Bikeway*	CEQA	DES	5-15	<b>ATP</b>
50	Uptown Bikeways: Park Boulevard Bikeway*	NONE	DES	1-10	
51	North Park/Mid-City Bikeways: Monroe Bikeway*	NONE	DES	1-10	
52	North Park/Mid-City Bikeways: Orange Bikeway*	NONE	ENV	5-15	
53	Downtown Bus Stopover and Multiuse Facility*	N/A	N/A	N/A	
54	Mira Mesa Blvd. BRT Priority Treatments*	N/A	N/A	N/A	
55	New Rapid Route 2 (North Park to Downtown San Diego)	N/A	N/A	N/A	
56	New Rapid Route 163 (Kearny Mesa to Downtown)	N/A	N/A	N/A	
57	554 Streetcar (Hillcrest/Balboa Park/Downtown San Diego Loop)	N/A	N/A	N/A	
58	San Diego International Airport ITC and I-5 Direct Connector Ramps	N/A	N/A	N/A	
<b>BORDER ACCESS IMPROVEMENTS CORRIDOR</b>					
59	Southbound SR-125 Connector to Westbound SR-905	NEPA/CEQA	CON	15-25	<b>TCEP</b>
60	State Route 11/ Otay Mesa East Port of Entry	NEPA/CEQA	CON	140-150	<b>TCEP</b>
61	SMART Center - Regional Border Management System	N/A	CON	25-35	<b>ATCMTD/BUILD</b>
62	New Rapid Route 905 (Iris Trolley Station to Otay Mesa POE)	N/A	N/A	N/A	
<p>* TransNet Project  <span style="background-color: #cccccc; border: 1px solid black; display: inline-block; width: 15px; height: 10px; vertical-align: middle;"></span> Has received Funding</p> <p><b>Environmental Clearance</b>  CEQA: Cleared under California Environmental Quality Act  N/A: Environmental clearance not started or not needed.  NEPA: Cleared under National Environmental Policy Act  NONE: Environmental phase underway but not completed.</p> <p><b>Phase for Grant Request</b>  CON: Construction  DES: Design  ENV: Environmental Clearance  PSR: Project Study Report  ROW: Right-of-Way Acquisition</p> <p><b>Grant Program</b>  ATCMTD: Advanced Transportation and Congestion Management Technologies Deployment Program  APDE: Advance Project Development Element  ATP: Active Transportation Grant Program  BUILD: BUILD Transportation Discretionary Grants  ITIP: Interregional Transportation Improvement Program  LPP: Local Partnership Program  SCC: Solutions for Congested Corridors Program  SHOPP: State Highway Operation and Protection Program  STIP: State Transportation Improvement Program  TCEP: Trade Corridor Enhancement Program  TIRCP: Transit and Intercity Rail Capital Program  UCSD: UC San Diego</p>					

Date: July 6, 2018  
File Number: 1500400  
Memo to: Transportation Committee  
From: André Douzdjian, Director of Finance  
Action Requested: Approve  
Subject: **Proposed FY 2019 Transit Agency Budgets**

**Overview**

Consistent with its role as the Consolidated Transportation Agency, SANDAG is responsible for approving the transit agency budgets for funding, with a focus on the use of funding estimates provided and potential efficiency enhancements. The Board of Directors approved the FY 2019 transit revenue apportionments that were used by the transit agencies in preparing their FY 2019 budgets at its meeting on February 23, 2018.

Attachments 1 and 2 contain FY 2019 operating budget summaries provided by the Metropolitan Transit System (MTS) and the North County Transit District (NCTD). The MTS Board of Directors approved its [FY 2019 Budget](#) on May 10, 2018, and the NCTD Board of Directors approved its [FY 2019 Budget](#) on June 21, 2018.

Paul Jablonski, MTS Chief Executive Officer, and Matt Tucker, NCTD Executive Director, will present a summary of their FY 2019 budgets and a five-year forecast of operations for their respective agencies.

Budgetary Impact: No budgetary impact to SANDAG

Considerations: The Transportation Committee is vested with the authority to approve the transit operators' budgets for funding through SANDAG Board Policy No. 001: Allocation of Responsibilities.

**Recommendation**

The Transportation Committee is asked to approve the Metropolitan Transit System and North County Transit District FY 2019 operating budgets for funding.

Key Staff Contact: Sandi Craig, (619) 699-6998, sandi.craig@sandag.org

Attachments: 1. MTS FY 2019 Operating Budget Summary  
2. NCTD FY 2019 Operating Budget Summary



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## Agenda Item

### SANDAG BOARD OF DIRECTORS TRANSPORTATION COMMITTEE MEETING

June 15, 2018

**Subject:**

MTS: OPERATIONS BUDGET

**RECOMMENDATION:**

That the SANDAG Board of Directors receive the San Diego Metropolitan Transit System (MTS) fiscal year (FY) 2019 Operating Budget Report.

Budget Impact

None at this time.

**DISCUSSION:**

MTS BUDGET STATUS REVIEW

Staff held a public hearing and received final budget approval from the MTS Board of Directors on May 10, 2018.

Fiscal Year 2018 Highlights

- Transit Optimization Plan (TOP)

In September 2017, the MTS Board unanimously approved sweeping changes to the bus network through the Transit Optimization Plan (TOP). This initiative evaluated the region’s travel needs and how MTS’s network of services could be modified to optimize our rider’s requirements. MTS is currently in the third year of ridership declines, with overall passenger levels down by over 12% compared to the FY15 peaks. The changes are intended to attract new riders to our system by optimizing and reallocating services to areas of the greatest need. The changes will include an additional \$2 million of funding to provide more efficient and effective service, and will be implemented throughout calendar year 2018.



- Trolley Safety Award

In June, the MTS Trolley system will receive the Rail Safety and Security Gold Award for Light Rail/ Streetcar Transit Systems from the American Public Transportation System at its annual Rail Conference. The award was based on reducing preventable accidents in the busy downtown corridors of Park Boulevard and C Streets. Leading an effort with the City of San Diego, MTS placed delineators between the track and vehicular travel lanes and improved signage to help prevent vehicles from making illegal left turns into the path of Trolleys. An in-depth education campaign with Trolley operators was also conducted. As a result of the program, called ART (Anticipate, Recognize, Take action!), the number of accidents due to illegal turns over the 17-month period since its inception was reduced to zero.

- Transit and Intercity Rail Capital Program Funding Award

In April 2018, MTS was awarded \$40.9 million from the Transit and Intercity Rail Capital Program (TIRCP). TIRCP funding is provided through Senate Bill 1 (SB 1) and the proceeds of the Cap and Trade program will help modernize the MTS system, reduce greenhouse gas emissions, and improve safety. The grant funding will be used for a mix of bus and light rail improvements, including funding to purchase 11 new zero-emission buses (ZEBs) and operating Rapid 925 – a new high-frequency, limited-stop bus service between Imperial Beach and the Otay Mesa Transit Center.

- Zero Emission Bus Pilot

The MTS Board approved a ZEB pilot in the Fall of 2017 and directed staff to complete a plan for implementation. MTS Bus already has one of the cleanest bus fleets in the country through its use of compressed natural gas (CNG), biogas and propane fuel, and will now incorporate battery electric buses and fuel cell/hydrogen buses. Both battery electric and hydrogen buses are the two most common types of ZEBs and can add to regional goals to improve air quality. MTS staff will return to the Board with a recommended implementation plan with the likelihood of these pilot buses on the streets in mid-summer 2019.

- Assembly Bill 805 (AB 805)

AB 805 gives MTS the authority to propose a sales tax measure applicable within MTS's jurisdiction (as opposed to countywide). Previously, only the San Diego Association of Governments (SANDAG) could propose a sales tax measure to voters. AB 805 will allow MTS to go to the ballot and ask voters to fund a series of infrastructure projects as well as capital and service upgrades.

AB 805 also changed the structure of the MTS Board of Directors. In January, the Board elected San Diego City Councilmember, Georgette Gómez to her first term as chairperson. Ms. Gómez is the first woman and first Latina to hold the post and takes over for Harry Mathis, who held the post for the last 12 years.

- Community Impact and Performance Report

In June 2018, MTS will again publish the latest copy of its biennial MTS Community Impact and Performance Report. The first Community Impact Report

was released in 2016 to about 3,000 stakeholders in the San Diego County region and was well received. This report will highlight many of MTS's accomplishments over the past two years and give a snapshot of who is riding our system, what they do, and where they go. The intention of the rider profiles is to give the community a sense of who we are working for everyday, who we serve, and what drives us to be one of the top transit agencies in the country. The report will be available to the public, community leaders, elected officials and stakeholders. MTS, through the help of this report, seeks to continue informing the region about the agency's accomplishments.

- Financial Management and Compliance

MTS received the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) for the 12th year in a row. The GFOA established the CAFR Program to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. Reports submitted to the CAFR program are reviewed by selected members of the GFOA professional staff and the GFOA Special Review Committee.

MTS audit results are further testament to the transparency efforts of the agency. The year-end financial audit included no audit findings and an unmodified opinion from the external auditors for the 11th year in a row, stating the CAFR fairly represents the financial position of MTS in all material respects. The 2018 *TransNet* Triennial Performance audit also including no negative findings and further states that the San Diego transit systems demonstrated strong performance as compared to peers.

MTS is preparing for the Federal Transit Administration's (FTA) Triennial Review. The purpose of the FTA's Triennial Review is to ensure compliance with regulations and also provide a forward-looking assessment of each agency's risk in the management and implementation of FTA grant programs. Every three years, the FTA examines various aspects of MTS including documented policies and procedures, effective implementation of grant funds, sufficient resources to implement programs, understanding of FTA requirements and ability to conduct effective oversight. Staff has been gathering the necessary supporting documentation in preparation for the audit at the end of June.

- Non-Fare Revenues

MTS reached an agreement with Sycuan Casino that will generate up to \$25.5 million in non-fare revenue for MTS operations over a 30-year term. The 24-mile Green Line serves as an attractive area for Sycuan to promote their brand along the high visibility assets of Interstate 8. The MTS Marketing Department will incorporate the Sycuan Green Line name to all MTS materials. This is in addition to the UC San Diego Blue Line naming rights partnership that will generate about \$36 million over its 30-year term. MTS is in the third year of that partnership. MTS continues to seek naming rights for its other assets, including the Orange Line, *Rapid* services and Trolley Stations.

MTS entered a new agreement with Clear Channel Outdoor to install, at no cost to MTS, digital advertising panels at up to 30 locations in the City of San Diego

that will enable electronic advertising to be pushed out remotely. The new contract calls for an increase in the minimum annual guarantee paid to MTS from \$9.5 million to \$11.75 million over the 10-year extension.

Clear Channel Outdoor was selected as the vendor for management of vehicle advertising on MTS's fleet of buses and trolleys. Clear Channel Outdoor will generate a minimum of \$9,775,000 of non-fare revenue for MTS over the next 10 years, which could grow to as much as \$15 million based on projected sales volumes.

- Fare Collection

Compass Cards have been a mainstay in our fare collection vocabulary since 2006, but aging infrastructure and technological advancement has left our current fare collection system in need of replacement. MTS is heavily investing time and money into a new payment system that will be available for our customers in 2021, in time for the Mid-Coast Trolley extension. In January 2018, MTS received responses from eight firms about their abilities to build our new fare system. MTS staff, along with our consultant CH2M, then deemed seven of these firms qualified to build the system we envision. Staff issued a Request for Proposals in March, and upon review of these proposals this summer and negotiations of scope and price shortly after, staff anticipates a contract to be awarded in November to build our next fare system.

Beginning in May 2018, discounted fares for Senior, Disabled, and Medicare recipients (collectively called S/D/M) and Youth (ages 6-18) were made available on the Compass Cloud mobile ticketing app. Introduced in March 2017, Compass Cloud is the region's anytime, anywhere, mobile ticketing solution for San Diego transit riders. There are now more than 100,000 account holders.

MTS also conducted a successful pilot with UC San Diego (UCSD) to put the student U-Pass on the Compass Cloud mobile ticketing app. This "portal" functionality allows MTS to make available this mobile functionality to all UCSD students. Additionally, in April of 2018, UCSD students overwhelmingly approved a referendum to extend the U-Pass agreement with MTS for an additional six years through 2025. The referendum achieved a 72% approval. The fee was increased to an average of \$45.69 per quarter (from \$37.50) to cover anticipated ridership increases induced by the completion of the Mid-Coast Trolley extension and enrollment increases.

- Courthouse Station

MTS opened its first new Trolley station opening since 2005 – the Courthouse Station in downtown San Diego. The Courthouse Station will be the new downtown terminus for the Orange Line, which runs from El Cajon to downtown San Diego and serves approximately nine million passengers annually. The Courthouse Station is located on the south side of C Street, between State and Union streets. It will provide convenient Trolley access for downtown's growing community, and is adjacent to the new 22-story \$555 million State Superior Court Building that will have 1.2 million people passing through its doors each year. To help pay for construction, MTS was awarded a TIRCP competitive grant. MTS's application was one of only 14 projects in the state funded by the State of California's 2015 and 2016 cap-and-trade budget and will also help fund the

purchase of eight new light rail vehicles to increase capacity on the Trolley system.

- Centerline Stations

MTS's first-ever freeway-level transit stations, the Mid-City Centerline Rapid Transit Stations, were built by SANDAG and Caltrans to serve Rapid 235 along State Route 15 at University Avenue and El Cajon Boulevard. In addition to the stations, a new 2.5-mile segment of transit-only lanes (MTS bus only dedicated lanes) were built within the existing SR-15 median from just north of Interstate 805 to just south of Interstate 8.

- Mid-Coast Trolley extension

The 11-mile extension of the UC San Diego Blue Line, named the Mid-Coast Corridor Transit Project (Mid-Coast) is currently under construction from the Old Town Transit Center to the University City community. It will feature nine new stations, serving major activity centers such as the Veterans Administration Medical Center, the University of California San Diego, and Westfield UTC. The project is funded by SANDAG and the Federal Transit Administration New Starts Program. Mid-Coast is anticipated to begin service in September 2021.

In November 2016, MTS submitted an order to Siemens to build 45 new S70 light rail vehicles, of which the first 10 are currently being built. These new vehicles will have a redesigned middle section to improve passenger flow, greater wheelchair accessibility and bicycle storage. All signs point to the first new LRV arriving on time in November 2018, and MTS will utilize 36 of the 45 new LRVs on the Mid-Coast Trolley expansion. The additional nine vehicles will be used to increase frequency on the UC San Diego Blue and Orange lines.

- 20 Year Capital Improvement Program Forecast

MTS conducted an agency-wide review of its capital needs for the next 20-years. Each department reviewed the assets for their areas and submitted projects to address the anticipated investment required to keep all MTS infrastructure in a state of good repair. The total project needs over the twenty-year term are projected to be just under \$2 billion, with recurring funding expected to total \$1.4 billion, resulting in a \$632 million funding deficit. Efforts to minimize the funding deficit will be a top priority of staff in the coming years.

### Review of MTS Financial Status

The long-term ongoing goal of the MTS operating budget is to fund operations solely utilizing recurring revenues.

Staff began the FY19 budgetary process in December 2017. Staff held numerous meetings with both the Budget Development Committee (BDC) and MTS Board of Directors (Board). In these meetings, staff presented revenues and expense assumptions for FY19, including Federal appropriations, Transportation Development Act (TDA), *TransNet* and State Transit Assistance (STA) revenues.

In February and March, staff had its first meetings with the BDC and MTS Board. Within these two meetings, staff discussed and received approval of the Fiscal Year 2018

(FY18) midyear operating budget amendment and the FY19 Capital Improvement Program (CIP).

In March and April, staff again met with the BDC and the MTS Board. Staff presented the major revenues and expense assumptions for FY19, including assumptions relating to: passenger levels, operating income, subsidy income, personnel assumptions, energy rates and other expense assumptions. Staff presented a \$2.9 million budget deficit that still needed to be bridged at these meetings.

In late April and early May, staff again met with the BDC and the Board to review all the assumption changes made in order to balance the operating budget, and presented the proposed draft budget for FY19 that does include \$7.5 million of one-time funding utilized to balance the budget. This includes \$5.0 million of TDA borrowed from the CIP, \$2.0 million of Senate Bill 1 (SB1) revenue that will be received in FY18, plus \$500,000 of expected carryover from FY18.

### FY19 Overview

As indicated within Attachment B, the FY19 total budgeted revenues are projected at \$287.2 million, and total projected expenses are budgeted at \$287.2 million, resulting in a balanced budget for FY19.

- FY19 Revenue

Please refer to Attachment A for a summary of FY19 budgeted revenues.

- FY19 Operating Revenues

Combined operating revenue for FY19 is projected to increase \$1.2 million (1.1%) compared to midyear-adjusted FY18 levels. This is primarily due to anticipated increases in passenger revenue from the service added with the Transit Optimization Plan (TOP), as well as the addition of the South Bay Bus Rapid Transit (BRT) routes in January 2019.

- FY19 Subsidy Revenues

As indicated within Attachment A, subsidy revenues are currently budgeted to increase by \$5.4 million or 3.2 percent. TDA and *TransNet* formula revenues, which are generated by sales tax receipts, are expected to grow by 2.0% and 3.0% respectively in the next fiscal year, which is partially responsible for the \$2.2 million increase in those subsidy revenue sources. \$5.0 million of TDA is also being shifted from the CIP as a budget balancing plan for FY19. Federal revenues utilized in the operating budget will increase by \$2.3 million, primarily due to increased preventive maintenance expenses.

- FY19 Other Revenues

Reserve revenue totals \$1.6 million, an increase from the FY18 amended budget by \$1.2 million. Taxicab Administration and San Diego & Arizona Eastern are self-funded activities. In total, they are projected to utilize \$266,000 of reserve revenue to balance their budgets, a decrease of \$114,000 from the FY18 amended budget. The FY19 proposed budget includes \$800,000 of MTS contingency reserve funding and \$500,000 of carryover revenue from FY18 to fund a sales tax ballot initiative and an increase in security expenses.

- FY19 Expenses

Please refer to Attachment B for functional related FY19 budgeted expenses.

- FY 2019 Combined Expenses

FY19 combined expenses total \$287.2 million, which is an increase from midyear-amended FY18 of \$7.8 million (2.8%). Service levels are expected to increase by 72,000 revenue service hours (2.8%) due to the service added with the TOP and the South Bay BRT as mentioned previously.

Personnel costs are projected to increase by \$2.8 million (2.1%). The increase is due to general wage inflation as well as increased benefit costs.

Outside service expenses are projected to increase from the FY18 amended budget by \$425,000 (1.7%). This is primarily due to increased contracted security costs, partially offset by a reduction in planned costs for repair and maintenance services.

Purchased transportation is projected to increase from the FY18 amended budget by \$5.7 million (8.1%). This is primarily due to a \$4.6M increase in service levels for these contracted services.

Materials and supplies costs are projected to increase by \$325,000 (2.7%), primarily due to maintenance projects within directly operated bus operations.

Staff projects rates for CNG, gasoline, diesel, propane and electricity at \$0.86 per therm, \$2.51 per gallon, \$2.47 per gallon, \$1.53 per gallon and \$0.219 per kWh, respectively. These rate levels and the added service levels result in a projected increase in energy cost of \$670,000 (2.4%) from the FY18 amended budget.

Risk management costs are decreasing by \$1.9 million (-29.5%), due to a projected increase in settlement costs in FY18 that are not expected to reoccur in FY19.

Debt service costs are projected to decrease from the FY18 amended budget by \$114,000 (-7.2%).

### Five-Year Forecast

Attachment C provides a look at MTS operations through FY23. This five year period will include a full year of the South Bay BRT in FY20, plus the addition of the Mid-Coast Trolley extension beginning in FY22. As such, operating revenues, *TransNet* revenues and operating expenses will increase accordingly to account for the added service levels.

Operating revenues are projected to increase by approximately 3.7 percent over the next four years with additional passenger levels along with the added service mentioned above. Sales tax projections used by staff average an increase of 3.6 percent over the next four fiscal years, which impacts MTS's TDA and *TransNet* subsidy revenue. In total, revenues are projected to increase by an average of 3.3 percent over the next four fiscal years. Expenses are projected to increase by approximately 4.5 percent over the

following four fiscal years primarily due general inflation as well as the added service mentioned above.

With projected expense growth exceeding projected revenue growth, plus a \$7.5 million structural deficit in the FY19 base year, the current five year operating forecast shows projected deficits each subsequent fiscal year, beginning with a deficit of \$9.0 million in FY20 and growing to \$13.0 million deficit in FY23. These projections do not include any additional STA revenues from SB1, pending the repeal ballot measures in November 2018.

- Attachments:
- A. MTS Operating Budget – Revenue Summary
  - B. MTS Operating Budget – Consolidated Income Statement
  - C. MTS Operating Budget – Five-Year Financial Projection

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
OPERATING BUDGET - CONSOLIDATED  
REVENUE SUMMARY  
FISCAL YEAR 2019**


	<u>ACTUAL FY17</u>	<u>AMENDED FY18</u>	<u>BUDGET FY19</u>	<u>DOLLAR CHANGE BUDGET/ PROJECTED</u>	<u>% CHANGE BUDGET/ PROJECTED</u>
<b>OPERATING REVENUE</b>					
PASSENGER REVENUE	\$ 93,279,455	\$ 90,631,033	\$ 92,087,214	\$ 1,456,181	1.6%
ADVERTISING REVENUE	-	-	-	0	-
CONTRACT SERVICE REVENUE	-	-	-	0	-
OTHER INCOME	15,296,095	17,033,028	16,810,928	(222,100)	-1.3%
<b>TOTAL OPERATING REVENUE</b>	<b><u>\$ 108,575,550</u></b>	<b><u>\$ 107,664,061</u></b>	<b><u>\$ 108,898,142</u></b>	<b><u>\$ 1,234,081</u></b>	<b><u>1.1%</u></b>
<b>SUBSIDY REVENUE</b>					
FEDERAL REVENUE	\$ 56,968,839	\$ 58,992,100	\$ 61,259,697	\$ 2,267,597	3.8%
TRANSPORTATION DEVELOPMENT ACT (TDA)	60,103,282	64,096,043	63,040,809	(1,055,234)	-1.6%
STATE TRANSIT ASSISTANCE (STA)	3,600,956	4,600,000	5,600,000	1,000,000	21.7%
STATE REVENUE - OTHER	3,676,560	3,400,000	3,400,000	0	-
TRANSNET	37,270,235	39,185,582	42,384,211	3,198,629	8.2%
OTHER LOCAL SUBSIDIES	1,063,423	1,055,817	1,055,817	0	-
<b>TOTAL SUBSIDY REVENUE</b>	<b><u>\$ 162,683,295</u></b>	<b><u>\$ 171,329,542</u></b>	<b><u>\$ 176,740,534</u></b>	<b><u>\$ 5,410,993</u></b>	<b><u>3.2%</u></b>
<b>OTHER REVENUE</b>					
OTHER FUNDS	\$ -	\$ -	\$ -	\$ -	-
RESERVES REVENUE	2,596,123	379,747	1,566,020	1,186,273	312.4%
<b>TOTAL OTHER REVENUES</b>	<b><u>\$ 2,596,123</u></b>	<b><u>\$ 379,747</u></b>	<b><u>\$ 1,566,020</u></b>	<b><u>\$ 1,186,273</u></b>	<b><u>312.4%</u></b>
<b>GRAND TOTAL REVENUES</b>	<b><u>\$ 273,854,968</u></b>	<b><u>\$ 279,373,350</u></b>	<b><u>\$ 287,204,696</u></b>	<b><u>\$ 7,831,346</u></b>	<b><u>2.8%</u></b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
OPERATING BUDGET - CONSOLIDATED  
SUMMARY INCOME STATEMENT  
FISCAL YEAR 2019**

	<b>ACTUAL FY17</b>	<b>AMENDED BUDGET FY18</b>	<b>BUDGET FY19</b>	<b>\$ VARIANCE BUDGET TO AMENDED</b>	<b>% VARIANCE BUDGET TO AMENDED</b>
PASSENGER REVENUE	\$ 93,279,455	\$ 90,631,033	\$ 92,087,214	\$ 1,456,181	1.6%
OTHER REVENUE	15,296,095	17,033,028	16,810,928	(222,100)	-1.3%
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 108,575,550</b>	<b>\$ 107,664,061</b>	<b>\$ 108,898,142</b>	<b>\$ 1,234,081</b>	<b>1.1%</b>
TOTAL NON-OPERATING REVENUE	165,279,418	171,709,288	178,306,554	6,597,266	3.8%
<b>TOTAL REVENUES</b>	<b>\$ 273,854,968</b>	<b>\$ 279,373,349</b>	<b>\$ 287,204,696</b>	<b>\$ 7,831,347</b>	<b>2.8%</b>
PERSONNEL EXPENSES	\$ 127,134,341	\$ 131,249,329	\$ 134,015,421	\$ 2,766,092	2.1%
OUTSIDE SERVICES	25,907,818	25,081,889	25,507,324	425,435	1.7%
PURCHASED TRANSPORTATION	68,697,009	69,878,722	75,531,139	5,652,417	8.1%
MATERIALS AND SUPPLIES	10,749,600	11,837,290	12,162,227	324,937	2.7%
ENERGY	26,538,291	27,506,349	28,175,870	669,521	2.4%
RISK MANAGEMENT	3,922,111	6,613,400	4,665,700	(1,947,700)	-29.5%
GENERAL AND ADMINISTRATIVE	4,525,784	4,551,222	4,501,179	(50,043)	-1.1%
VEHICLE / FACILITY LEASE	1,164,749	1,059,900	1,164,900	105,000	9.9%
DEBT SERVICE	1,700,686	1,595,248	1,480,937	(114,311)	-7.2%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 270,340,388</b>	<b>\$ 279,373,349</b>	<b>\$ 287,204,697</b>	<b>\$ 7,831,348</b>	<b>2.8%</b>
<b>TOTAL REVENUES LESS TOTAL EXPENSES</b>	<b>\$ 3,514,580</b>	<b>\$ 0</b>	<b>\$ (1)</b>	<b>\$ (1)</b>	<b>-</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
OPERATING BUDGET - CONSOLIDATED  
FIVE YEAR FINANCIAL PROJECTIONS (\$000s)  
FISCAL YEAR 2019**

	ACTUAL FY17	AMENDED BUDGET FY18	PROPOSED BUDGET FY19	PROJECTED FY20	PROJECTED FY21	PROJECTED FY22	PROJECTED FY23
TOTAL OPERATING REVENUES	\$ 108,576	\$ 108,895	\$ 108,895	\$ 111,428	\$ 113,380	\$ 121,750	\$ 125,113
RECURRING SUBSIDY FUNDING	164,836	171,741	170,241	177,212	181,988	192,697	199,472
<b>TOTAL RECURRING REVENUES</b>	<b>\$ 273,411</b>	<b>\$ 280,636</b>	<b>\$ 279,136</b>	<b>\$ 288,640</b>	<b>\$ 295,369</b>	<b>\$ 314,447</b>	<b>\$ 324,585</b>
PERSONNEL EXPENSES	\$ 127,134	\$ 134,015	\$ 134,015	\$ 137,487	\$ 141,063	\$ 151,755	\$ 157,293
OUTSIDE SERVICES	94,605	100,738	101,183	106,109	108,430	112,572	115,796
MATERIALS AND SUPPLIES	10,750	12,162	12,224	12,611	13,013	14,582	15,262
ENERGY	26,538	28,176	28,176	30,184	32,136	35,437	36,886
RISK MANAGEMENT	3,922	4,666	4,666	4,782	4,902	5,383	5,598
OTHER	7,391	7,147	6,641	6,741	6,843	7,082	7,223
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 270,340</b>	<b>\$ 286,905</b>	<b>\$ 286,905</b>	<b>\$ 297,913</b>	<b>\$ 306,388</b>	<b>\$ 326,811</b>	<b>\$ 338,057</b>
<b>RECURRING OPERATING INCOME (DEFICIT)</b>	<b>\$ 3,071</b>	<b>\$ (6,269)</b>	<b>\$ (7,769)</b>	<b>\$ (9,273)</b>	<b>\$ (11,019)</b>	<b>\$ (12,364)</b>	<b>\$ (13,472)</b>
NON RECURRING REVENUES	444	6,269	7,769	310	352	395	440
<b>TOTAL OPERATING INCOME (DEFICIT)</b>	<b>\$ 3,515</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (8,963)</b>	<b>\$ (10,666)</b>	<b>\$ (11,969)</b>	<b>\$ (13,033)</b>

**MEMO****Date:** June 26, 2018**To:** San Diego Association of Governments Transportation Committee**From:** Eun Park-Lynch, Interim Chief Financial Officer 810 Mission Avenue  
Oceanside, CA 92054**CC:** North County Transit District Board of Directors  
Matthew O. Tucker, Executive Director

www.GoNCTD.com

**Re:** North County Transit District FY2019 Operating Budget

The North County Transit District (District) Board of Directors at its June 21, 2018 meeting held a public hearing and subsequently adopted NCTD's Final Proposed FY 2019 Operating Budget and Capital Improvement Program.

**FY2019 Principal Issues**

The primary focus for NCTD from a financial perspective heading into FY2019 include: increasing ridership and customer revenue on BREEZE, COASTER, and SPRINTER services, increasing public funds derived from competitive grants, maintenance of increased state funding that began in Fiscal Year 2018, and maintenance/replacement of capital assets to support a state of good repair.

**BREEZE, COASTER, and SPRINTER Ridership and Customer Revenue**

The FY2018 budgeted ridership compared to FY2017 actuals assumed that BREEZE ridership would decrease by 0.9%, that COASTER ridership would increase by 0.3%, and that SPRINTER ridership would decrease by 1.9%. For FY2019, NCTD is projecting that BREEZE, COASTER and SPRINTER ridership will decrease by 1.54% compared to the FY2018 Budget. Customer revenue for FY2019 is estimated to be \$16,158,076, which is a decrease of 2.6% from the FY2018 Adopted Budget.

NCTD must increase ridership and revenues while simultaneously reducing expenses to support achievement of farebox recovery requirements specified in state and local funding programs. Moreover, increased revenue is needed to support increased investment in NCTD's capital improvement program. NCTD, San Diego Metropolitan Transit System (MTS), and SANDAG are developing proposals to simplify and increase fare revenues. For NCTD, the proposed increases would impact all services.

**Funding**

There are discussions at the federal level to support increased infrastructure investment. While no long-term plan has been agreed upon, the FY 2018 federal budget provided transit funding above projected levels and NCTD is hopeful that funding for the FY 2019 federal budget will continue to provide increased funding above authorization levels.

The passage of California Senate Bill 1 (SB1), the *Road Repair and Accountability Act of 2017* signed into law on April 28, 2017, increased diesel fuel taxes by 3.5% and created new funding programs for State of Good Repair and State Rail Assistance. The funding provided by this law increases state funding for NCTD by \$9.225 million on an annual basis. There are efforts underway to repeal increased transportation

funding provided by Senate Bill 1. The repeal of this funding source would result in the need for NCTD to pursue debt financing, unless a replacement source of funding is identified, to sufficiently fund capital improvement program needs.

NCTD's Capital Improvement Program is highly contingent on receiving discretionary grant awards. NCTD has developed a Discretionary Grants Program Strategy to support its goal of increased discretionary grant awards. The award of discretionary grants is critical in achieving a state of good repair as current dedicated funding sources are insufficient to meet NCTD's annual needs for capital investment.

In terms of state discretionary programs, NCTD and SANDAG submitted a Transit and Intercity Rail Program (TIRCP) application in collaboration with LOSSAN. Recently, NCTD received notification of a TIRCP award of \$65 million to support improved on-time performance on the LOSSAN rail corridor via enhanced capital maintenance, signal optimization, and fencing to mitigate trespassing events. Unfortunately, NCTD did not receive TIRCP funding for its locomotive replacement and service frequency improvement grant application. In terms of federal discretionary grant programs, NCTD was recently awarded grant funds to support the purchase of battery-powered buses.

#### State of Good Repair

NCTD has identified several high priority projects to support achievement of a state of good repair. Key examples include:

- NCTD has 98 revenue vehicles that support BREEZE, LIFT and FLEX service that have reached the end of their useful lives. The estimated cost to replace these 98 buses is \$51 million for replacement with compressed natural gas buses. The need to fund the replacement of locomotives significantly reduces NCTD's ability to replace BREEZE, LIFT, and FLEX vehicles in accordance with Fleet Management Plan assumptions.
- NCTD is also advancing plans to incorporate battery powered buses in to the BREEZE fleet. The cost per unit of a battery-powered bus is significantly more expensive than compressed natural gas buses. Additionally, facility improvements are required to support battery-powered bus operations.
- NCTD has five (5) locomotives that have reached the end of their useful life. The cost to replace these Tier 0 and Tier 2 emissions locomotives with Tier 4 vehicles is approximately \$7 million per unit. Funding has been included to support the replacement of the locomotives within the FY2019-FY2023 Capital Improvement Program. The repeal of SB 1 would require NCTD to debt finance approximately \$15.5 million of the \$37 million locomotive procurement.

NCTD needs to replace the following bridges:

- Year 2018 – Bridge 257.2 = \$ 1,500,000 (this bridge will be replaced by SANDAG and is included in the EMDT Project, NCTD Board Approval October 2017)
- Year 2019 – San Onofre Bridges 207.6 and 207.8, and Green Beach Bridge 208.6 = \$ 17,900,000
- Year 2020 – San Onofre Bridge 209.9, Bridge 234.8, Bridge 240.4 = \$ 37,500,000
- Year 2022 – Bridge 243.0, and Rose Canyon Bridge 254.7 = \$ 49,000,000
- Year 2023 – Bridge 225.4 = \$ 53,100,000

- Year 2024 – Rose Canyon Bridges 255.1 and 255.3 = \$ 3,700,000
- Year 2027 – Bridge 259.1 = \$ 8,500,000 (this bridge was replaced circa 2000 after the original timber bridge was damaged due to fire)

The estimated cost to replace these bridges is \$ 171,200,000.

- The bluffs in Del Mar are eroding at an accelerated rate. NCTD, working collaboratively with SANDAG, has identified a phased set of projects to stabilize the bluffs for a 50-year period. The estimated cost for this project is \$82,581,600. Funding has not yet been identified for this work.

### **FY 2019 Budget Highlights**

Following are key details related to the FY2019 Proposed Budget:

Operating Budget. The FY2019 Proposed Budget-Operating is balanced at \$110,016,738, an increase of \$4,509,188 from the Adopted FY2018 Operating budget of \$105,507,550.

Capital Budget. The FY2019 Proposed Budget-Capital Improvement Program is budgeted at \$25,029,750, \$10,029,750 in excess of the District Board of Directors policy of \$15 million in capital investments per annum.

Service Levels. In October 2017, NCTD implemented service changes to restructure BREEZE and FLEX service. BREEZE, COASTER, SPRINTER, and LIFT service levels are projected to remain flat against FY2018 Forecast service levels, while FLEX service is projected to increase 8.5% beyond the FY2018 Forecast due to the increased ridership on the new routes. Additional information on service levels is provided in the Proposed FY2019-FY2028 Service Implementation Plan.

Ridership. The FY2019 Proposed Budget forecasts ridership at 10.7 million boardings, which is flat compared to the FY2018 Forecast. The forecast assumes no changes to ridership across all District modes, except FLEX, which is projected to have a 8.5% increase from FY2018 Forecast. Because overall FLEX ridership is low, 0.3% of total ridership, the increase does not substantially affect overall District ridership.

Fare Policy. The FY2019 Proposed Budget includes current fare rates. The District has not raised fares since July 1, 2009. NCTD, San Diego Metropolitan Transit System (MTS) and SANDAG are working collaboratively on developing fare proposals that will support regional goals of increasing customer revenue and fare simplification.

Passenger Revenues. As a share of overall revenues, passenger revenues are estimated to remain flat from the FY2018 Forecast, with estimated receipts at \$16.2 million. Ridership, as previously stated, is estimated to be flat when compared with FY 18.

Non -Transportation and Auxiliary Revenues. Non-Transportation Revenues, which is comprised of property lease and permitting revenues, and Auxiliary Revenues, which is comprised of advertising, transit facility concession revenues and shared-use agreements, are expected to increase in FY2019 compared to the FY2018 Forecast.

Medi-Cal Transportation Revenue. Medi-Cal reimbursement revenues annually have been in excess of \$1 million of eligible LIFT ADA paratransit trips. Assembly Bill No. 2394 amends the process for submitting and receiving reimbursement revenues effective July 1, 2018. Future reimbursements are to be submitted directly to eight (8) medical providers for transportation services provided. It is estimated that only 1% of

current revenues will continue to be received from the Medi-Cal program, and other reimbursements would be made from the eight (8) medical providers. NCTD significantly reduced revenue estimates as a result of AB 2394. NCTD is working to educate customers on the new legislation that provides fare free trips by alternative transportation providers. This legislation may result in reduced ADA paratransit trips.

Grant Revenues. Overall grant revenues have increased year-over-year.

Salaries, Wages & Fringe Benefits. The FY2019 Budget assumes Full-Time Equivalent (FTEs) remain flat from the FY2018 Forecast, at 134.25 FTEs. Salaries, wages and benefits remain relatively flat as well.

Professional Services. The FY2019 Budget includes an increase in this category. The increase is attributable to the reserve of local funds in order to streamline the micro-purchase procurement process, identification and utilization of on-call marketing services, expansion of Bombardier facilities maintenance contract, along with new contracts for consulting or provision of services.

Purchased Transportation. Purchased Transportation Services is the single most significant cost driver for the District operating budget, with \$62.7 million representing 56.6% of the FY2019 budget to support the combined BREEZE, LIFT, and FLEX contract with MV Transportation and the combined COASTER and SPRINTER contract with Bombardier. The MV Transportation and Bombardier contracts are capped at increases associated with the San Diego Area Consumer Price Index not-to-exceed 3% on an annual contract year basis.

Insurance. This expenditure category represents costs incurred to purchase various business, property and right-of-way insurances to mitigate risk beyond the District's \$2 million self-insured coverage. Costs for these negotiated contracts are forecast to increase approximately 10-15% overall, a reflection of global and state catastrophic events that have affected the insurance markets.

Safety and Security. In FY 2018, the Security model for the District was updated with the addition of the Train Attendant position onboard SPRINTER, as well as Memorandums of Understanding with the Oceanside Police Department (OPD) and Escondido Police Department (EPD) for overtime coverage at Oceanside Transit Center and Escondido Transit Center, respectfully. The current agreement with the San Diego Sheriff's Office remains in effect with nine assigned staff. For FY2019, \$500,000 will be budgeted for OPD and EPD overtime coverage apiece.

Fuel. The cost of diesel and unleaded fuel for FY2019 (without taxes) is capped at \$2.06 and \$2.03 respectively under a fixed priced contract that was executed in February 2018. The FY2018 cost for diesel and unleaded fuel (without taxes) was \$1.41 and \$1.66 per gallon under a fixed-price contract that expired in January 31, 2018. NCTD receives CNG fuel delivery through a pipeline directly from SDG&E, however, the fuel is now billed through the Carbon Credits provider. CNG is now priced on a "spot price" that NCTD identifies at least seven days prior to the start of the month, with a \$.10 discount per 1 million British Thermal Units (BTUs) consumed.

Debt. The Debt Services Department was created to separately account for debt-related expenditures. The primary source of debt for NCTD is related to the construction of the SPRINTER. This debt is expected to be retired by 2035. One-time funding is included to support retaining a consultant to support debt financing to support NCTD's capital needs.

The two tables on the following page summarize NCTD's FY2019-2023 Operating Budget and Capital Improvement Program. *Table 1 FY2019-2023 Operating Budget Outlook* provides a five (5)-year perspective of the District operating budget and *Table 2 FY2019-2023 Capital Improvement Program* presents a summary of the District five (5)-year capital investments by major asset class.

**Table 1. FY 2019 -2023 Operating Budget Outlook**

Operating Revenues	FY2018		FY2019					FY2023 Forecast
	Budgeted	Forecast	Proposed	Forecast	Forecast	Forecast	Forecast	
Passenger Fares	\$ 16,596,060	\$ 16,159,003	\$ 16,158,076	\$ 16,274,019	\$ 16,653,610	\$ 17,045,252	\$ 17,024,871	
Non-Transportation Revent	2,772,400	2,772,400	2,839,441	2,896,230	2,954,154	3,013,238	3,073,502	
Auxiliary Revenues	10,547,572	10,547,572	10,710,219	10,924,424	11,142,912	11,365,770	11,593,086	
Federal Grants	20,733,081	20,733,081	23,043,425	22,837,742	23,513,192	24,208,905	24,925,490	
State Grants	4,900,147	4,900,147	4,770,311	4,770,311	4,770,311	4,770,311	4,770,311	
Local Grants	49,958,291	49,958,291	52,495,266	51,535,967	53,517,424	54,417,015	55,870,343	
<b>\$</b>	<b>105,507,550</b>	<b>\$ 105,070,493</b>	<b>\$ 110,016,738</b>	<b>\$ 109,238,692</b>	<b>\$ 112,551,603</b>	<b>\$ 114,820,491</b>	<b>\$ 117,257,603</b>	

Operating Expenditures	FY2018		FY2019					FY2023 Forecast
	Budgeted	Forecast	Proposed	Forecast	Forecast	Forecast	Forecast	
Salaries & Wages	\$ 9,733,074	\$ 9,468,074	\$ 9,664,490	\$ 9,906,102	\$ 10,153,755	\$ 10,407,599	\$ 10,667,789	
Employee Benefits	3,814,133	3,814,133	3,349,146	3,432,875	3,518,697	3,606,664	3,696,831	
Professional Services	15,552,264	15,681,659	18,068,214	17,271,578	17,617,010	17,969,350	18,328,737	
Materials & Supplies	6,120,895	5,798,205	5,779,233	5,894,818	6,012,714	6,132,969	6,255,628	
Utilities	2,429,586	2,429,586	2,415,858	2,464,175	2,513,459	2,563,728	2,615,002	
Casualty & Liability	4,030,623	4,052,989	4,479,597	4,569,189	4,660,572	4,753,784	4,848,860	
Taxes	454,093	454,093	499,960	509,959	520,158	530,561	541,172	
Purchased Transportation	60,735,975	60,701,907	62,655,769	64,535,442	66,471,505	68,465,650	70,519,620	
Miscellaneous Expenses	807,728	856,345	855,008	871,598	889,030	906,810	924,947	
Debt-Related Expense	1,009,400	1,009,400	1,134,180	1,172,471	1,113,847	1,058,155	1,005,247	
Leases & Rentals	714,272	714,272	678,639	692,211	706,056	720,177	734,580	
Contingency	105,508	89,831	282,972	1,092,387	1,125,516	1,148,205	1,172,576	
<b>\$</b>	<b>105,507,550</b>	<b>\$ 105,070,493</b>	<b>\$ 109,863,065</b>	<b>\$ 112,412,805</b>	<b>\$ 115,302,319</b>	<b>\$ 118,263,651</b>	<b>\$ 121,310,988</b>	
<b>\$</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 153,673</b>	<b>\$ (3,174,112)</b>	<b>\$ (2,750,715)</b>	<b>\$ (3,443,161)</b>	<b>\$ (4,053,385)</b>	

**Table 2. FY 2019-2023 Capital Improvement Program**

Asset Class	Asset Class Description	FY2019	FY2020	FY2021	FY2022	FY2023	Total
104	Revenue Vehicles	\$ 14,501,841	\$ 17,237,815	\$ 24,581,034	\$ 16,304,185	\$ 14,521,021	\$ 87,145,896
338	Buildings & Structures-Improvements	1,626,504	1,503,480	5,797,202	1,371,794	4,061,222	14,360,202
388	Buildings & Structures-Improvements	100,000	1,420,000	-	-	-	1,520,000
431	Transit Way Equipment	18,380	-	-	-	-	18,380
433	Right of Way-Improvements	5,998,442	3,362,247	3,680,406	3,691,757	3,615,221	20,348,073
434	Operating Yards Equipment	1,049,835	64,098	50,000	1,877,500	497,500	3,538,933
435	Shop/Garage Equipment	10,000	-	185,000	601,393	1,150,000	1,946,393
436	Signal Equipment	107,500	-	-	-	-	107,500
438	Radio Equipment	-	-	48,000	240,000	-	288,000
439	Revenue Collection & Fare Equipment	-	-	500,000	750,000	1,000,000	2,250,000
440	Data Processing Equipment	1,617,249	1,916,927	1,222,691	1,754,890	1,805,858	8,317,615
500	Office Furniture & Equipment	-	49,987	25,013	-	-	75,000
<b>Total Constrained Capital Improvement Program</b>		<b>\$ 25,029,750</b>	<b>\$ 25,554,554</b>	<b>\$ 36,089,345</b>	<b>\$ 26,591,519</b>	<b>\$ 26,650,822</b>	<b>\$ 139,915,990</b>



**TRANSPORTATION COMMITTEE  
JULY 6, 2018**

**ACTION REQUESTED: APPROVE**

**PROPOSED FY 2019 PROGRAM BUDGET AMENDMENT:  
CENTRALIZED TRAIN CONTROL SYSTEM**

File Number 1142500

**Discussion**

The Metropolitan Transit System (MTS) is in the process of upgrading existing network communication equipment on the Green Line from Old Town Transit Center to Santee Town Center Station. The existing Train-to-Wayside (TWC) system is being replaced and the new system will be put on the MTS fiber optic network. The TWC system supports tracking trolley vehicles as they move through the system. TWC uses electromagnetic loops placed in the track to receive data from passing trolley vehicles.

Along with the TWC upgrade, MTS also is adding Supervisory Control and Data Acquisition, temperature monitoring, and intrusion detection systems. This data is already being collected for the Blue Line and Orange Line Trolley stations and has been integrated into the Centralized Train Control (CTC) System by the system integrator, ARINC/Rockwell Collins, as part of the Trolley Renewal Project. SANDAG has the contract with ARINC/Rockwell Collins, and will execute a task order to test and integrate these new devices for the Green Line.

This report recommends that the Transportation Committee approve an amendment to the FY 2019 Program Budget to accept a transfer of \$165,000 from MTS to SANDAG to provide funding for the integration in the existing CTC Project (Capital Improvements Program [CIP] Project No. 1142500) as provided for in Attachment 1. On June 14, 2018, the MTS Board approved a Memorandum of Understanding between SANDAG and MTS (Attachment 2) to reimburse SANDAG up to \$165,000 for the testing and integration of new CTC equipment.

**Recommendation**

The Transportation Committee is asked to approve an amendment to the FY 2019 Program Budget, accepting \$165,000 from the Metropolitan Transit System to fund the Centralized Train Control Green Line Communications System Upgrades Integration (Capital Improvement Program Project No. 1142500), in substantially the same form as Attachment 1.

JIM LINTHICUM

Director of Mobility Management and Project Implementation

- Attachments:
1. Proposed Program Budget Amendment for CIP Project No. 1142500, CTC
  2. MTS Board of Directors Report, Agenda Item No. 17, Green Line Communications System Upgrade Project – Fund Transfer, June 14, 2018

Key Staff Contact: Dale Neuzil, (619) 595-5373, dale.neuzil@sandag.org

**FY 2019 CAPITAL BUDGET AMENDMENT IN '000'S**

Project Number: 1142500  
 RTIP Number: SAN79  
 Project Name: Centralized Train Control (CTC)

Corridor Director: Chip Finch  
 Project Manager: Dale Neuzil  
 PM Phone Number: (619) 595-5373

PROJECT SCOPE	SITE LOCATION	PROGRESS TO DATE																		
<p><del>Install state-of-the-art Operations Control Center and robust centralized train control back office system for Metropolitan Transit System (MTS).</del></p> <p>Install state-of-the-art Operations Control Center and robust centralized train control back office system for Metropolitan Transit System (MTS).</p>		<p><del>The Centralized Train Control system is operational and monitoring all lines of the MTS - Trolley system. SANDAG is continuing the implementation of Phase IV of the Capital Improvements, which will provide interfaces to new and existing traction power substations along all Trolley lines.</del></p> <p>The Centralized Train Control system is operational and monitoring all lines of the MTS - Trolley system. SANDAG is continuing the implementation of Phase IV of the Capital Improvements, which will provide interfaces to new and existing communications devices and traction power substations along all Trolley lines.</p>																		
PROJECT LIMITS		MAJOR MILESTONES																		
<p><del>MTS - Trolley System</del></p> <p>MTS - Trolley System</p>		<table border="1"> <tr> <td>Draft Environmental Document</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Final Environmental Document</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Ready to Advertise</td> <td>Mar-07</td> <td>Mar-07</td> </tr> <tr> <td>Begin Construction</td> <td>Mar-08</td> <td>Jan-08</td> </tr> <tr> <td>Open to Public</td> <td>Feb-12</td> <td>Feb-12</td> </tr> <tr> <td>Construction Complete</td> <td>Dec-19</td> <td>Dec-19</td> </tr> </table>	Draft Environmental Document	N/A	N/A	Final Environmental Document	N/A	N/A	Ready to Advertise	Mar-07	Mar-07	Begin Construction	Mar-08	Jan-08	Open to Public	Feb-12	Feb-12	Construction Complete	Dec-19	Dec-19
Draft Environmental Document	N/A	N/A																		
Final Environmental Document	N/A	N/A																		
Ready to Advertise	Mar-07	Mar-07																		
Begin Construction	Mar-08	Jan-08																		
Open to Public	Feb-12	Feb-12																		
Construction Complete	Dec-19	Dec-19																		

**SANDAG EXPENDITURE PLAN (\$000)**

TASK	PRIOR YEARS	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	Total	
Administration	\$1,732	\$45	\$15	\$5	\$10	\$5	\$0	\$0	\$0	\$0	\$0	\$4,757	\$1,762
Environmental Document	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0
Design	299	20	20	45	45	0	0	0	0	0	0	\$364	\$364
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0
Construction Support	522	0	0	0	0	0	0	0	0	0	0	\$522	\$522
Construction Capital	2,833	110	20	180	0	0	0	0	0	0	0	\$2,963	\$3,123
Vehicles	2,743	0	0	0	0	0	0	0	0	0	0	\$2,743	\$2,743
Legal Services	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0
Communications	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0
Project Contingency	6,117	1	0	0	0	0	0	0	0	0	0	\$6,118	\$6,118
<b>Total SANDAG</b>	<b>\$14,246</b>	<b>\$146</b>	<b>\$146</b>	<b>\$70</b>	<b>\$235</b>	<b>\$5</b>	<b>\$5</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,467</b>	<b>\$14,632</b>

**OUTSIDE AGENCY EXPENDITURE PLAN (\$000)**

TASK	PRIOR YEARS	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	Total	
Environmental Document	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Design	0	0	0	0	0	0	0	0	0	0	0	\$0	
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	\$0	
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	\$0	
Construction Support	0	0	0	0	0	0	0	0	0	0	0	\$0	
Construction Capital	0	0	0	0	0	0	0	0	0	0	0	\$0	
<b>Total Caltrans</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Total SANDAG &amp; Caltrans</b>	<b>\$14,246</b>	<b>\$146</b>	<b>\$146</b>	<b>\$70</b>	<b>\$235</b>	<b>\$5</b>	<b>\$5</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,467</b>	<b>\$14,632</b>
TransNet Pass-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

**FUNDING PLAN (\$000)**

FUNDING SOURCE	PRIOR YEARS	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	Total	
<b>FEDERAL:</b>													
FTA Section 5307	\$5,145	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,145	
<b>STATE:</b>													
	0	0	0	0	0	0	0	0	0	0	0	\$0	
<b>LOCAL:</b>													
91040000 TDA	1,071	0	0	0	0	0	0	0	0	0	0	\$1,071	
91200001 MTS	100	59	70	235	5	0	0	0	0	0	0	\$234	
91000100 TransNet-T	486	0	0	0	0	0	0	0	0	0	0	\$486	
91000100 TransNet-MC*	7,444	87	87	0	0	0	0	0	0	0	0	\$7,631	
<b>TOTAL:</b>	<b>\$14,246</b>	<b>\$146</b>	<b>\$146</b>	<b>\$70</b>	<b>\$235</b>	<b>\$5</b>	<b>\$5</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,467</b>	<b>\$14,632</b>

\* At its meeting on March 23, 2007, the SANDAG Board of Directors approved the swap of State Transportation Improvement Program and TransNet funding for this project.



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## Agenda Item No. 17

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 14, 2018

#### SUBJECT:

GREEN LINE COMMUNICATIONS SYSTEM UPGRADE PROJECT – FUND  
 TRANSFER

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Addendum 17, Scope of Work 41 to the MOU between the San Diego Association of Governments (SANDAG) and MTS for the ARINC/Rockwell Collins' testing and integration support of the Green Line Communications System Upgrade project.

#### Budget Impact

There would be no change to the overall Capital Improvement Project (CIP) amount. SANDAG would be reimbursed for the Green Line Communication System Upgrade Project from MTS CIP 20050024 for a total amount not to exceed \$165,000.00.

#### DISCUSSION:

MTS is in the process of upgrading existing network communication equipment on the Green Line from Old Town Transit Center to Santee Town Center Station. The existing Train to Wayside Communications (TWC) system is being replaced and the new system will be put on the MTS network. The TWC system supports tracking trolley vehicles as they move through the system. TWC uses electromagnetic loops placed in the track to send and receive data with passing trolley vehicles. Along with the TWC upgrade, MTS is also adding Supervisory Control and Data Acquisition (SCADA), temperature and intrusion detection systems. This data is already present at the Blue Line and Orange Line Trolley stations and has been integrated into the Centralized Train Control (CTC) System by ARINC/Rockwell Collins.



ARINC/Rockwell Collins has been working with MTS over the years through SANDAG's contract to provide technical support, maintenance, system testing, integration, and acceptance of various new technologies in the MTS system. In order to keep the same level of support and system consistency without any disruption in MTS trolley operations, MTS reaches out to SANDAG to utilize their existing contract with ARINC/Rockwell Collins to provide the testing and integration of the new equipment for the Green Line Communications System Upgrade project.

Therefore, staff recommends that the Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Addendum 17, Scope of Work 41, for the ARINC/Rockwell Collins' testing and integration support of the Green Line Communications System Upgrade project.

/s/ Paul C. Jablonski  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Addendum 17 SOW 41

### Addendum 17 Project Scope of Work

MTS File No.	G0930.17-04.41	SANDAG Reference No.	5000710 SOW 41
CIP Title:	Green Line Communications System Upgrades – Testing and Integration		
CIP No.	2005002402 – MTS 1142500 – SANDAG	Project Managers:	MTS – Thang Nguyen SANDAG – Dale Neuzil
Lead Agency:	SANDAG	Operating Agency:	MTS
Estimated Start Date:	04/01/18	Original SOW 41 Budget	\$165,000
Estimated Completion Date:	12/31/18	Additional SOW ____ Budget (this amendment)	N/A
Total CIP Budget	\$4,170,000 (FY 19)	Total SOW Budget (value of work to be invoiced between SANDAG/MTS):	\$165,000

Intended Source of Funds:

MTS will be using Local Funding under MTS CIP 2005002402.

Describe Any Necessary Transfers of Project Funds Between the Parties:

MTS shall reimburse SANDAG via invoices for services described herein.

Project Description:

MTS currently has a project on the Green Line to perform upgrades of Train to Wayside Communications (TWC) and Supervisory Control and Data Acquisition (SCADA) equipment. This project is to provide testing and integration of this new equipment into the Centralized Train Control (CTC) System.

Scope of Work to be Performed by SANDAG:

1. Provide Project Management and technical support to MTS Project Manager for the integration tasks associated with the Green Line Communications System Upgrade.
2. Work with third party integration team (ARINC/Rockwell Collins) to perform systems testing, integration, acceptance and closeout of the project.

Scope of Work to be performed by MTS:

1. MTS agrees to reimburse SANDAG for the full and actual cost for technical services provided herein within 15 days of receipt of invoice.
2. In the event that SANDAG notifies MTS that the amount will be exceeded, MTS will meet with SANDAG to discuss the need for additional funds. In no event shall SANDAG have the responsibility to move forward until both parties are able to identify sufficient funding for items associated with this procurement.

Any Additional Project-Specific Conditions:

None

APPROVED BY:  
SANDAG

METROPOLITAN TRANSIT SYSTEM

\_\_\_\_\_  
Jim Linthicum  
Director of Mobility Management and  
Project Implementation  
Attachment 1 – VMS Hardware Procurement

Date

\_\_\_\_\_  
Paul Jablonski  
Chief Executive Officer

Date



**TRANSPORTATION COMMITTEE  
JULY 6, 2018**

**ACTION REQUESTED: RECOMMEND**

**PROPOSED FY 2019 PROGRAM BUDGET  
AMENDMENTS: I-5/VOIGT DRIVE  
IMPROVEMENTS PROJECT AND I-5/GILMAN DRIVE  
BRIDGE PROJECT**

File Numbers 1200507 and 1200508

**Introduction**

SANDAG, the Metropolitan Transit System (MTS), and Caltrans have been working collaboratively with UC San Diego to plan and design transportation improvements for the region near the university. In March 2015, SANDAG approved a Memorandum of Understanding with MTS, UC San Diego, and Caltrans to cooperate on the implementation of the Mid-Coast Corridor Transit (Mid-Coast) Project and other transportation projects in the UC San Diego area.

**Discussion**

The I-5/Voigt Drive Improvements and the I-5/Gilman Bridge projects are included in the portfolio of Mid-Coast Corridor improvements being coordinated with UC San Diego.<sup>1</sup> The I-5/Voigt Drive Improvements project includes street realignment and intersection improvements along Voigt Drive. The I-5/Gilman Bridge project will construct a bridge over I-5 to connect the west and east campuses of UC San Diego. In May 2015, the Board of Directors approved delivery of the I-5/Voigt Drive Improvements Project and the I-5/Gilman Bridge through the Mid-Coast Construction Manager/General Contractor contract with Mid-Coast Transit Constructors (MCTC).

*Proposed Budget Amendments*

The proposed budget amendments would add UC San Diego funding to the FY 2019 Program Budget to support the delivery of betterments within the current projects' scopes of work allowing for the coordination of phasing and implementation of construction on the campus to limit construction impacts to the public. Specifically, the budget amendments propose to:

**Recommendation**

The Transportation Committee is asked to recommend that the Board of Directors approve amendments to the FY 2019 Program Budget to: (1) add \$400,000 in UC San Diego funds to the I-5/Voigt Drive Improvements project (Capital Improvement Program [CIP] Project No. 1200507) for design of UC San Diego betterments, in substantially the same form as Attachment 1; and (2) add \$4 million in UC San Diego funds to the I-5/Gilman Drive Bridge project (CIP Project No. 1200508) for construction of UC San Diego betterments, in substantially the same form as Attachment 2.

<sup>1</sup> Other projects include the Mid-Coast Project, I-5/Genesee Avenue Interchange, and I-5 North Coast Corridor.

1. Add \$400,000 of UC San Diego funds to the I-5/Voigt Drive Improvements project (CIP Project No. 1200507) to complete the design of UC San Diego improvements (utilities, sidewalks, Genesee Avenue/Campus Point Drive Interchange).

This funding is in addition to funding approved in January 2018 for design of other betterments for UC San Diego for utility, intersection, and active transportation improvements. The design of the I-5/Voigt Drive Improvements project currently is 90 percent complete. Additional Transportation Committee and Board actions will be requested to accept UC San Diego funding for construction, which is expected to begin in early 2019 and open to traffic in late 2020.

2. Add \$4 million of UC San Diego funds to the I-5/Gilman Bridge project (CIP Project No. 1200508) to complete the construction of UC San Diego betterments (community signage, fencing, lighting) at the request of UC San Diego.

Construction of the I-5/Gilman Bridge project began in September 2016. The project is 75 percent complete and is anticipated to be open to traffic in early 2019.

### **Next Steps**

Pending recommendation by the Transportation Committee and approval by the Board of Directors, SANDAG and Caltrans would enter into agreements with UC San Diego to fund the requested improvements for the I-5/Voigt Drive Improvements and the I-5/Gilman Bridge projects.

A Guaranteed Maximum Price for the I-5/Voigt Drive Improvements project, which would include the proposed betterments, is scheduled to be negotiated with MCTC and presented to the Board for approval in fall 2018.

JIM LINTHICUM

Director of Mobility Management and Project Implementation

- Attachments:
1. Proposed Program Budget Amendment for CIP Project No. 1200507, I-5/Voigt Drive Improvements
  2. Proposed Program Budget Amendment for CIP Project No. 1200508, I-5/Gilman Bridge Project

Key Staff Contact: Allan Kosup, I-5 Corridor Director, (619) 688-3611, allan.kosup@dot.ca.gov

**FY 19 CAPITAL BUDGET AMENDMENT IN '000'S**

<b>Project Number:</b> 1200507	<b>Corridor Director:</b> Allan Kosuj
<b>RTIP Number:</b> V18	<b>Project Manager:</b> Arturo Jacobo
<b>Project Name:</b> I-5/Voigt Drive Improvements	<b>PM Phone Number:</b> (619) 688-6816

<p><b>PROJECT SCOPE</b></p> <p>Scope: Construction of the realignment of both Campus Point and Voigt Drive between Interstate 5 (I-5) and Genesee Avenue.</p>	<p><b>SITE LOCATION</b></p>	<p><b>PROGRESS TO DATE</b></p> <p><b>Progress to Date:</b>  <del>Environmental clearance completed under the I-5 North Coast: 4 Express Lanes project (1200501). Voigt Drive design is 98 percent complete.</del></p> <p>Environmental clearance completed under the I-5 North Coast: 4 Express Lanes project (1200501). Voigt Drive design is 98 percent complete.</p>																					
<p><b>PROJECT LIMITS</b></p> <p>Project Limits: On I-5 between La Jolla Village Drive and Genesee Avenue.</p>		<p><b>MAJOR MILESTONES</b></p> <table border="1"> <thead> <tr> <th></th> <th>Approved</th> <th>Proposed</th> </tr> </thead> <tbody> <tr> <td>Draft Environmental Document</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Final Environmental Document</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Ready to Advertise</td> <td>Oct-18</td> <td>Oct-18</td> </tr> <tr> <td>Begin Construction</td> <td>Jan-19</td> <td>Jan-19</td> </tr> <tr> <td>Open to Public</td> <td>Jan-21</td> <td>Jan-21</td> </tr> <tr> <td>Close-Out</td> <td>Jan-22</td> <td>Jan-22</td> </tr> </tbody> </table>		Approved	Proposed	Draft Environmental Document	N/A	N/A	Final Environmental Document	N/A	N/A	Ready to Advertise	Oct-18	Oct-18	Begin Construction	Jan-19	Jan-19	Open to Public	Jan-21	Jan-21	Close-Out	Jan-22	Jan-22
	Approved	Proposed																					
Draft Environmental Document	N/A	N/A																					
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Begin Construction	Jan-19	Jan-19																					
Open to Public	Jan-21	Jan-21																					
Close-Out	Jan-22	Jan-22																					

**SANDAG EXPENDITURE PLAN (\$000)**

TASK	PRIOR YEARS		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL													
Administration	\$55	\$55	\$13	\$11	\$61	\$76	\$65	\$64	\$59	\$58	\$47	\$47	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300	\$311	
Environmental Document	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Design	3,822	3,822	699	170	580	1,498	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$5,101	5,490
Right-of-Way Support	0	0	250	0	650	900	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$1,000	1,000
Right-of-Way Capital	0	0	100	0	2,400	2,500	500	500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$3,000	3,000
Construction Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Construction Capital	0	0	0	0	2,000	2,000	5,000	5,000	5,000	5,000	2,000	2,000	0	0	0	0	0	0	0	0	0	0	0	0	\$14,000	14,000
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Legal Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Communications	4	4	6	5	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$10	10
Project Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$2,000	2,000
<b>Total SANDAG</b>	<b>\$3,881</b>	<b>\$3,881</b>	<b>\$1,068</b>	<b>\$186</b>	<b>\$5,691</b>	<b>\$6,975</b>	<b>\$5,665</b>	<b>\$5,664</b>	<b>\$5,059</b>	<b>\$5,058</b>	<b>\$4,047</b>	<b>\$4,047</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,411</b>	<b>\$25,811</b>

**CALTRANS EXPENDITURE PLAN (\$000)**

TASK	PRIOR YEARS		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL			
Environmental Document	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Design	590	590	210	0	0	210	0	0	0	0	0	0	0	\$800	800	
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0	
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0	
Construction Support	0	0	0	0	500	500	800	800	800	669	669	0	0	\$2,769	2,769	
Construction Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0	
<b>Total Caltrans</b>	<b>\$590</b>	<b>\$0</b>	<b>\$210</b>	<b>\$0</b>	<b>\$500</b>	<b>\$710</b>	<b>\$800</b>	<b>\$800</b>	<b>\$800</b>	<b>\$800</b>	<b>\$669</b>	<b>\$669</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,569</b>	<b>\$3,569</b>
<b>Total SANDAG &amp; Caltrans</b>	<b>\$4,471</b>	<b>\$3,881</b>	<b>\$1,278</b>	<b>\$186</b>	<b>\$6,191</b>	<b>\$7,685</b>	<b>\$6,465</b>	<b>\$6,464</b>	<b>\$5,859</b>	<b>\$5,858</b>	<b>\$4,716</b>	<b>\$4,716</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,980</b>	<b>\$29,380</b>
TransNet Pass-Through	\$590	\$590	\$335	\$0	\$575	\$910	\$800	\$800	\$767	\$767	\$502	\$502	\$0	\$0	\$3,569	\$3,569
Caltrans Pass-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

**FUNDING PLAN (\$000)**

FUNDING SOURCE	PRIOR YEARS		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL		
<b>LOCAL:</b>															
91000100 TransNet-MC	4,471	4,471	\$1,078	\$86	\$5,411	6,405	\$5,465	\$5,464	4,859	4,858	\$4,216	\$4,216	\$0	\$25,500	\$25,500
91140001 UC San Diego	0	0	\$200	\$100	\$80	1,280	\$1,000	\$1,000	1,000	1,000	\$500	\$500	\$0	\$3,480	\$3,880
<b>TOTAL:</b>	<b>\$4,471</b>	<b>\$4,471</b>	<b>\$1,278</b>	<b>\$186</b>	<b>\$6,191</b>	<b>\$7,685</b>	<b>\$6,465</b>	<b>\$6,464</b>	<b>\$5,859</b>	<b>\$5,858</b>	<b>\$4,716</b>	<b>\$4,716</b>	<b>\$0</b>	<b>\$28,980</b>	<b>\$29,380</b>

**FY 19 CAPITAL BUDGET AMENDMENT IN '000'S**

**Project Number:** 1200508  
**RTIP Number:** V15  
**Project Name:** I-5/Gilman Drive Bridge

**Corridor Director:** Allan Kosup  
**Project Manager:** Arturo Jacobo  
**PM Phone Number:** (619) 688-6816

PROJECT SCOPE	SITE LOCATION	PROGRESS TO DATE																					
<b>Scope:</b> Construct new overcrossing over Interstate 5 (I-5) between Gilman Drive and Medical Center Drive.			<b>Progress to Date:</b> Construction is 75 percent complete.																				
PROJECT LIMITS	MAJOR MILESTONES																						
<b>Project Limits:</b> On I-5 between La Jolla Village Drive and the Voigt Drive overcrossing.		<table border="1"> <thead> <tr> <th>MAJOR MILESTONES</th> <th>Approved</th> <th>Proposed</th> </tr> </thead> <tbody> <tr> <td>Draft Environmental Document</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Final Environmental Document</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Ready to Advertise</td> <td>Feb-16</td> <td>Feb-16</td> </tr> <tr> <td>Begin Construction</td> <td>Sep-16</td> <td>Sep-16</td> </tr> <tr> <td>Open to Public</td> <td>Jan-19</td> <td>Jan-19</td> </tr> <tr> <td>Close-Out</td> <td>Dec-19</td> <td>Dec-19</td> </tr> </tbody> </table>	MAJOR MILESTONES	Approved	Proposed	Draft Environmental Document	N/A	N/A	Final Environmental Document	N/A	N/A	Ready to Advertise	Feb-16	Feb-16	Begin Construction	Sep-16	Sep-16	Open to Public	Jan-19	Jan-19	Close-Out	Dec-19	Dec-19
MAJOR MILESTONES	Approved	Proposed																					
Draft Environmental Document	N/A	N/A																					
Final Environmental Document	N/A	N/A																					
Ready to Advertise	Feb-16	Feb-16																					
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Open to Public	Jan-19	Jan-19																					
Close-Out	Dec-19	Dec-19																					

TASK	PRIOR YEARS		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL		
Administration	\$52	\$57	\$95	\$34	\$70	\$70	\$52	\$118	\$0	\$0	\$0	\$0	\$0	\$279	\$279
Environmental Document	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Design	143	143	2	0	0	7	0	0	0	0	0	0	0	\$150	150
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Construction Support	819	819	1,376	1,100	536	912	60	160	0	0	0	0	0	\$2,791	2,991
Construction Capital	5,241	5,241	8,006	6,241	3,365	5,730	0	1,500	0	0	0	0	0	\$16,612	18,712
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Legal Services	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Communications	4	4	6	5	0	1	0	0	0	0	0	0	0	\$10	10
Project Contingency	0	0	0	0	200	0	365	2,265	0	0	0	0	0	\$565	2,265
<b>Total SANDAG</b>	<b>\$6,264</b>	<b>\$6,264</b>	<b>\$9,490</b>	<b>\$7,380</b>	<b>\$4,171</b>	<b>\$6,720</b>	<b>\$482</b>	<b>\$4,043</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,407</b>	<b>\$24,407</b>

TASK	PRIOR YEARS		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL		
Environmental Document	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Design	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Construction Support	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0
Construction Capital	10	10	100	62	90	120	0	8	0	0	0	0	0	\$200	200
<b>Total Caltrans</b>	<b>\$10</b>	<b>\$0</b>	<b>\$100</b>	<b>\$62</b>	<b>\$90</b>	<b>\$120</b>	<b>\$0</b>	<b>\$8</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200</b>	<b>\$200</b>
<b>Total SANDAG &amp; Caltrans</b>	<b>\$6,274</b>	<b>\$6,264</b>	<b>\$9,590</b>	<b>\$7,442</b>	<b>\$4,261</b>	<b>\$6,840</b>	<b>\$482</b>	<b>\$4,051</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,607</b>	<b>\$24,607</b>
TransNet Pass-Through	\$8	\$8	\$125	\$125	\$67	\$67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200	\$200
Caltrans RE Services	\$603	\$603	\$1,011	\$826	\$354	\$539	\$112	\$112	\$0	\$0	\$0	\$0	\$0	\$2,080	\$2,080

FUNDING SOURCE	PRIOR YEARS		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL		
<b>LOCAL:</b>															
91000100 TransNet-MC	2,531	2,531	\$8,291	\$5,577	4,064	5,106	\$117	\$1,786	0	0	\$0	\$0	0	\$15,000	\$15,000
91140001 UC San Diego	3,743	3,743	\$1,299	\$1,865	200	1,734	\$365	\$2,265	0	0	\$0	\$0	0	\$5,607	\$9,607
<b>TOTAL:</b>	<b>\$6,274</b>	<b>\$6,274</b>	<b>\$9,590</b>	<b>\$7,442</b>	<b>\$4,261</b>	<b>\$6,840</b>	<b>\$482</b>	<b>\$4,051</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,607</b>	<b>\$24,607</b>

Date: July 6, 2018  
File Number: 3300100  
Memo to: Transportation Committee  
From: Charles "Muggs" Stoll, Director of Land Use and Transportation Planning  
Action Requested: Recommend  
Subject: **Funding Recommendations for Cycle 4 *TransNet* Smart Growth Incentive Program and Active Transportation Grant Program**

**Overview**

The *TransNet* Extension Ordinance provides funding for two SANDAG competitive grant programs: the Smart Growth Incentive Program (SGIP) and the Active Transportation Grant Program (ATGP). This cycle, SANDAG received 54 applications, for a total request of approximately \$55 million. Just over \$30 million is available for distribution.

Last month, staff presented the draft project rankings and funding recommendations for each of the grant categories – SGIP Capital, SGIP Planning, ATGP Capital, and ATGP Non-Capital – to the Regional Planning and Transportation Committees for information and discussion. Both Committees provided substantial feedback, which resulted in revisions to the funding recommendations in three categories (SGIP Planning, ATGP Capital, and ATGP Non-Capital), and a delay to the project rankings and funding recommendations for the SGIP Capital category. The revised funding recommendations for three of the four categories and a summary of the revisions are included in the staff report.

Budgetary Impact: Cycle 4 funding is available from the *TransNet* SGIP and ATGP as reflected in the FY 2019 SANDAG Program Budget approved by the Board of Directors in May 2018.

**Next Steps**

Pending recommendation by the Regional Planning and Transportation Committees, the Board of Directors will be asked to approve funding awards for the SGIP Planning, ATGP Capital, and ATGP Non-Capital projects on July 27, 2018. Funding recommendations for SGIP Capital applications are expected to be considered this fall.

**Recommendation**

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve the proposed funding awards for the Cycle 4 *TransNet* Smart Growth Incentive Program Planning grants, Active Transportation Grant Program Capital grants, and Active Transportation Grant Program Non-Capital grants, as shown in Attachments 1A-1C; (2) adopt Resolution No. 2019-01, approving the use of Transportation Development Act Article 3 Claims funds, in substantially the same form as shown in Attachment 2; and (3) in the event that a selected project is unable to use its awarded funds, authorize staff to offer funding and execute a grant agreement with the next highest ranked project(s).

Key Staff Contact: Carolina Ilic, (619) 699-1989, carolina.ilic@sandag.org

*Staff report and support information attached*

# Funding Recommendations for Cycle 4 *TransNet* Smart Growth Incentive Program and Active Transportation Grant Program

## Introduction

The *TransNet* Extension Ordinance<sup>1</sup>, approved by the voters in 2004, provides funding for two SANDAG competitive grant programs: the Smart Growth Incentive Program (SGIP) and the Active Transportation Grant Program (ATGP)<sup>2</sup>. Through these programs, the Board of Directors has awarded more than \$50 million to more than 100 projects throughout the San Diego region, leveraging over \$34 million in matching funds. This has resulted in a total investment of almost \$85 million for smart growth and active transportation projects in local communities since 2009.

Last December, the Board of Directors approved the criteria and released the [call for projects](#) for the fourth cycle. The application period closed on March 15, 2018. In total, SANDAG received 54 submittals for these two programs: 33 applications for the SGIP and 21 applications for the ATGP. An additional application was received for a [Climate Action Plan grant](#), which was approved by the Board on May 25, 2018. Application descriptions are included on the Cycle 4 web page at [sandag.org/cycle4grants](http://sandag.org/cycle4grants).

Last month, the Regional Planning and Transportation Committees were asked to review and provide input on the draft project rankings and funding recommendations. Both Committees provided substantive feedback, which resulted in changes to the initial funding recommendations for three of the four categories (SGIP Planning, ATGP Capital, ATGP Non-Capital), and a delay on project rankings and funding recommendations for the SGIP Capital category. The changes are summarized below.

Attachments 1A-1C contain the updated project rankings and funding recommendations for the SGIP Planning, ATGP Capital, and ATGP Non-Capital categories. Attachment 2 includes Resolution 2019-01 Transportation Development Act Article 3 Claims for ATGP projects<sup>3</sup>. As background information, Attachment 3 summarizes the competitive evaluation process and new requirements for Cycle 4.

## Discussion

### Smart Growth Incentive Program

Applicants can submit funding requests for two types of projects: capital and planning. Per the Board-approved guidelines, approximately 80 percent of funding is allocated to capital projects and approximately 20 percent is designated for planning projects. \$26,850,000 is available for the SGIP.

Jurisdictions submitted 33 SGIP applications – 20 capital and 13 planning. In an eligibility check, it was determined that two applications should be reviewed in more detail by the Independent Taxpayer Oversight Committee (ITOC) because they may not sufficiently relate to transportation-related infrastructure, as required by the *TransNet* Extension Ordinance. In advance of this review, all applications were scored and ranked according to the approved criteria.

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<sup>1</sup> The *TransNet* Extension Ordinance sets aside 2 percent of annual *TransNet* sales tax revenues each for the SGIP and ATGP. The ATGP is supplemented with Transportation Development Act (TDA) revenues.

<sup>2</sup> The ATGP is referred to as the “Bicycle, Pedestrian, and Neighborhood Safety Program” in the *TransNet* Extension Ordinance. When the SANDAG Board approved the Regional Bike Early Action Program in 2013, it limited the ATGP to \$1 million per year. This cycle includes additional funding due to cost-savings carried over from previous cycles.

<sup>3</sup> While most ATGP projects are funded with TDA revenues, five ATGP projects in Cycle 4 will be funded through *TransNet* based on the available funding mix, including the Del Mar Civic Center Bike Locker, Imperial Beach EEA Campaign, National City Bike Parking Enhancements, National City Waterfront to Homefront Connectivity Study, and San Diego Move Free San Diego project. As a result, these five projects are not included in the attached TDA Resolution.

At its [June 13, 2018 meeting](#) (Item 9), the ITOC discussed the eligibility of the two projects and confirmed that all other SGIP applications were eligible. ITOC discussion and staff recommendations are summarized below:

- *St. Joseph's Park (\$165,000), City of San Diego/Civic San Diego:* This proposed SGIP planning project would fund a master plan for a local park in Downtown San Diego. ITOC reviewed this project's eligibility, as it was not clear whether the requested funding for the park master plan was sufficiently-related to transportation in accordance with the *TransNet* Extension Ordinance, and park master plans are not clearly identified as fundable projects in the grant guidelines. ITOC members thoroughly discussed the eligibility of this project. Although some members expressed concerns regarding the quality of the project features, the ITOC did not find this project ineligible pursuant to the terms of the *TransNet* Extension Ordinance.

*Staff Recommendation:* Staff recommends the St. Joseph's Park application as ELIGIBLE.

- *FRED Fleet Expansion (\$300,000), City of San Diego/Civic San Diego:* This proposed SGIP capital project would fund the purchase of ten electric vehicles and associated charging infrastructure for FRED (Free Rides Everywhere Downtown), the on-demand shuttle system launched in 2016. While the grant guidelines indicate that [Eligible Capital Projects](#) include pedestrian improvements, bike facilities, transit access improvements, and other smart growth-supporting infrastructure and encourage applicants to use innovative solutions that are comprehensive in scope, the [Eligibility Guidelines](#) for capital projects state that applicants must meet minimum design standards and guidelines consistent with certain documents such as *Designing for Smart Growth: Creating Great Places in the San Diego Region*, and geometric standards in the *Caltrans Highway Design Manual* and other guidance. ITOC reviewed this project's eligibility. While ITOC members discussed this project in depth, expressed support for the project's innovation, and acknowledged the changing conditions since the passage of the *TransNet* Extension Ordinance, they did not reach a clear consensus on the project's eligibility pursuant to the terms of the *TransNet* Extension Ordinance.

*Staff Recommendation:* Given the program's focus on the construction of capital infrastructure improvements in the public realm that support smart growth, staff recommends the FRED Fleet Expansion application as INELIGIBLE.

## ***SGIP Project Rankings and Funding Recommendations***

### **SGIP Planning Projects**

Jurisdictions submitted 13 planning applications originally requesting just over \$4.9 million. There is \$5.2 million available to fund planning projects for this cycle (representing 20 percent of the total SGIP funding). This means that the remaining \$292,909 will be rolled-over into the SGIP Capital category.

Based on the quality of the proposed applications and the eligibility recommendation for the St. Joseph's Park project, all planning projects are recommended to receive full funding (Attachment 1A). In the meantime, one project (County of San Diego Valley Center Community Plan Update) has received partial funding from a separate Caltrans grant application. This has resulted in a decreased request of SGIP Planning funds by the County from \$500,000 to \$325,000 for this project, causing a slight re-ranking of projects based on the quantitative points associated with the County's increased match percentage for this application. This also results in an additional roll-over of \$175,000 to SGIP Capital. As a result, the total roll-over from SGIP Planning to SGIP Capital is \$467,909 (the \$292,909 original rollover plus the \$175,000 resulting from the County's reduced funding request).

### **SGIP Capital Projects**

Jurisdictions submitted 20 capital applications requesting approximately \$42 million in SGIP Capital funding. Including the \$850,000 returned from the SGIP Climate Action Plan and complete streets policy category, and the \$467,909 roll-over funding from the SGIP Planning category, there is just over \$22 million available to fund capital projects.

At its June 1, 2018 meeting, the Regional Planning Committee raised concerns about evaluator scores for two Escondido applications. Staff made a commitment to re-evaluate the qualitative scores associated with these two projects and to return with additional information. At this time, the reassessment is still underway. As a result, the project rankings and funding recommendations for the SGIP Capital applications will be brought back separately to the Regional Planning and Transportation Committees this fall.

In addition, as discussed at the June 1, 2018 Regional Planning and Transportation Committee meetings, there is a possibility that the SGIP Capital category could end up with remaining unused funds. This could happen due to the roll-over funding from the SGIP Planning category, the additional \$300,000 unused funds from the FRED Fleet expansion project, which is recommended as ineligible, and the large funding requests that may prevent applicants from accepting partial funding, if offered. Both Committees were asked for guidance on allocating potential remaining funds, and both Committees expressed support for transferring any remaining SGIP Capital funds, if applicable, to the ATGP for ATGP capital applications in Smart Growth Opportunity Areas. Once the SGIP Capital project rankings and funding recommendations are finalized and brought back to the Committees, determinations on any potential roll-over to the ATGP Capital program will be made in accordance with Board direction.

### **Active Transportation Grant Program**

Funding was available for two types of projects: capital and non-capital. Per the criteria approved by the Board of Directors, approximately 75 percent of funding is allocated to capital projects – with a maximum of 60 percent for large projects over \$500,000 – and approximately 25 percent is designated for non-capital projects in three subcategories: Planning; Bicycle Parking and Education/Encouragement/Awareness (EEA). A total of \$3.6 million is available this cycle.

Jurisdictions submitted 21 applications – 10 capital projects and 11 non-capital projects. An eligibility check determined that all applications are eligible, and the ITOC confirmed this finding at its June 13, 2018, meeting. All applications were scored and ranked according to the approved criteria.

### ***ATGP Project Rankings and Funding Recommendations***

#### **ATGP Capital Projects**

Jurisdictions submitted ten capital grant project applications requesting approximately \$6.4 million in ATGP funding. There is \$2.7 million (representing approximately 75 percent of the total ATGP funding) available to fund “large category” and “small category” capital projects. Large category projects are those over \$500,000, and the grant guidelines reserve approximately 60 percent of the total capital funds for this category.

In the initial draft project rankings and funding recommendations, the ATGP Evaluation Panel originally recommended 25 percent, for small category projects, instead of the approximately 40 percent reserved for this category. This recommendation was based on a large point differential between the two top-ranked projects and the two bottom-ranked projects in this category. The Regional Planning and Transportation Committees did not agree with the Evaluation Panel's recommendation, and directed staff to more closely adhere to the funding percentage allocations specified in the grant guidelines. This resulted in revised funding recommendations, as shown in Attachment 1B, where one additional small-category project (La Mesa Massachusetts Avenue Pedestrian and Bike project) is recommended for full funding; one additional small-category project (Santee Prospect Avenue and Mesa Road Improvements project) is recommended for partial funding; and one large-category project (City of San Diego Streamview Drive project) is recommended for less partial funding than originally recommended.

The cities of San Diego and Santee have indicated that they would be willing to accept partial funding and could increase their match funding to complete their projects as proposed.

In addition, the direction from the Policy Advisory Committees prompted staff to realize that an adjustment was needed to the ATGP Non-Capital funding recommendations to more properly adhere to the 25 percent allocation for Non-Capital. As a result, in the ATGP Planning category, partial funding of \$135,000 was offered to the City of San Diego for its Del Mar Heights Complete Streets study, if the City could increase its matching funds to complete the project as proposed. The City of San Diego declined partial funding due to lack of additional matching funds. Partial funding was then offered to the next highest-ranked project, the City of Escondido's Comprehensive Active Transportation Strategy, pending the City's ability to increase its matching funds to complete the project as proposed. Similar to the City of San Diego, the City of Escondido also declined partial funding due to lack of additional matching funds. Partial funding was then offered to the next highest-ranked and final project on the list, the City of Santee's Comprehensive Active Transportation Strategy, pending the City's ability to increase its matching funds to complete the project as proposed. Similar to the cities of San Diego and Escondido, the City of Santee also declined partial funding due to lack of additional matching funds.

As a result, the remaining \$140,000 has been rolled-over into the ATGP Capital category, with \$84,000 (60%) allocated to Large-Category projects and \$56,000 (40%) allocated to Small-Category projects to more closely reflect the allocation guidance included in the grant guidelines. This results in additional funding for the City of San Diego Streamview project and the City of Santee Prospect Avenue and Mesa Road Improvements project, still partially funding both projects.

These revised funding recommendations are reflected in Attachments 1B and 1C.

### **ATGP Non-Capital Projects**

Jurisdictions submitted 11 non-capital grant applications requesting just under \$1.5 million in ATGP funding. A total of \$900,000 (representing 25 percent of the total ATGP funding) is available to fund non-capital projects. As discussed above, based on the project rankings, eight projects in the non-capital categories are recommended to receive full funding and no projects are slated to receive partial funding (given the declined offers of partial funding described above), resulting in a rollover of \$140,000 to ATGP Capital Large-Category and Small-Category. The proposed final funding recommendations for ATGP Non-Capital are included in Attachment 1C.

## **Independent Review and Social Equity Analysis**

SANDAG staff conducted an independent review of the revised funding recommendations as part of the Peer Review Process and confirmed the accuracy of the formulas, calculations, quantitative scores, and project rankings. In addition, staff performed a social equity analysis of the revised funding recommendations to ensure that the funding for projects recommended for award would be distributed such that low-income and minority communities would receive an equitable proportion of the benefits. The analysis confirmed that the SGIP Planning and ATGP Capital and Non-Capital funds would be distributed in an equitable manner based on the recommended funding allocations.

## **Contingency Projects**

In some instances, jurisdictions face special circumstances in which they sometimes are not able to complete the tasks included in the scope of work of their grant agreements or need to withdraw from funding. In anticipation that this could happen in Cycle 4, the staff recommendation includes the requested authority to offer funding to the next highest-ranked project(s), execute grant agreements, and report progress in the subsequent quarterly monitoring reports. If this were to occur, a project that fails to meet its deliverables would forfeit the unspent portion of its grant funds. The contingency list would expire after the initiation of the next *TransNet* grant cycle.

## **Next Steps**

Upon approval by the Board of Directors, the SGIP and ATGP projects would be amended into the 2018 Regional Transportation Improvement Program at its earliest opportunity, and SANDAG would submit the TDA claim for the ATGP projects. The selected grantees would be issued a Notice of Award and would be invited to participate in a kick-off meeting with SANDAG staff to initiate the process to execute grant agreements.

Grant agreement executions for jurisdictions that have adopted Climate Action Plans (CAPs) and complete streets policies are anticipated in fall 2018. The execution of grant agreements for jurisdictions that are awarded funding but have not yet adopted CAPs or complete streets policies will be put on hold for up to one year from Board approval of the funding awards. If those jurisdictions have not adopted their CAPs and/or complete streets strategies within that timeframe, funding will be offered to the next highest-ranked project(s) or reserved for the next funding cycle, and results would be reported in the SGIP and ATGP quarterly reports.

- Attachments:
1. Project Rankings and Funding Recommendations
    - 1A. SGIP Planning Grants
    - 1B. ATGP Capital Grants
    - 1C. ATGP Non-Capital Grants
  2. Resolution No. 2019-01 Transportation Development Act Article 3 Claims
  3. Competitive Evaluation Process and New Requirements for Cycle 4

**Project Rankings and Funding Recommendations**  
**Smart Growth Incentive Program (SGIP) Planning (\$5.2 million available, 20% of SGIP)**

SGIP Planning								Initial Total Available: \$ 5,200,000				
								Unspent Funds (Rollover from SGIP Capital): \$ 0				
								New Total Available: \$ 5,200,000				
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Allocated	Remaining Funding
9	1	San Diego	SD College Area (CASGS)	Yes	Yes	20	1	\$ 225,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 4,700,000
3	2 (tie)	National City	National City 24th St TOD	Yes	Yes	25	2	\$ 60,000	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 4,200,000
10	2 (tie)	San Diego	SD University Comm. SG	Yes	Yes	25	2	\$ 225,000	\$ 500,000	\$ 500,000	\$ 1,500,000	\$ 3,700,000
8	4 (tie)	San Diego	SD E St Greenway MP	Yes	Yes	38	4	\$ 90,000	\$ 110,000	\$ 110,000	\$ 1,610,000	\$ 3,590,000
7	4 (tie)	San Diego	SD Mira Mesa TOD	Yes	Yes	38	4	\$ 225,000	\$ 500,000	\$ 500,000	\$ 2,110,000	\$ 3,090,000
2	6	Lemon Grove	Lemon Grove SG GPU/CAP PEIR	Underway	Underway	51	6	\$ 112,823	\$ 262,290	\$ 262,290	\$ 2,372,290	\$ 2,827,710
4	7	Oceanside	Oceanside Coastal Rail Trail	Underway	Yes	55	7	\$ 100,000	\$ 400,000	\$ 400,000	\$ 2,772,290	\$ 2,427,710
6	8	San Diego	SD St. Joseph's Park	Yes	Yes	59	8	\$ 135,000	\$ 165,000	\$ 165,000	\$ 2,937,290	\$ 2,262,710
5	9	San Diego	SD Clairemont TOD	Yes	Yes	67	9	\$ 225,000	\$ 500,000	\$ 500,000	\$ 3,437,290	\$ 1,762,710
11	10	County	Valley Ctr. GPU/VCR Spcl. Study*	Yes	Yes	73	10	\$ 300,000	\$ 325,000	\$ 325,000	\$ 3,762,290	\$ 1,437,710
1	11	La Mesa	La Mesa CS Design Manual	Yes	Yes	84	11	\$ 29,648	\$ 169,801	\$ 169,801	\$ 3,932,091	\$ 1,267,909
12	12 (tie)	County	County Casa de Oro SP	Yes	Yes	93	12	\$ 45,000	\$ 500,000	\$ 500,000	\$ 4,432,091	\$ 767,909
13	12 (tie)	County	County Alpine Financing Tools	Yes	Yes	93	12	\$ 50,000	\$ 300,000	\$ 300,000	\$ 4,732,091	\$ 467,909

Recommended for full funding

Recommended for rollover

\*The County of San Diego originally requested \$500,000 for its Valley Center project. However, the County subsequently reduced its funding request to \$325,000 based on a successful grant award from Caltrans.

Summary	
<b>SGIP Planning Grants - Fully Funded:</b>	<b>\$ 4,732,091</b>
<b>Total SGIP Planning Grant Funds Awarded:</b>	<b>\$ 4,732,091</b>
<b>Unspent Funds (Rollover to SGIP Capital):</b>	<b>\$ 467,909</b>

*Jurisdictions must have an adopted Climate Action Plan (CAP) and an adopted Complete Streets (CS) Policy to receive grant funding. Jurisdictions that have not yet adopted these documents have up to one year from the Board's action on the final funding awards to adopt them before funding is transferred to the next highest-ranked project.*

**Project Rankings and Funding Recommendations**  
**Active Transportation Grant Program (ATGP) Capital (\$2.7 million available, 75% of ATGP)**

Overall ATGP Capital Funding Available: \$ 2,700,000

ATGP Capital - Large Category								Initial Total Available (60% of ATGP Capital): \$ 1,620,000 Rollover from ATGP Non-Capital (60%): \$ 84,000 Rollover from Small Category: \$ 0 New Total Available: \$ 1,704,000				
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS Policy?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Requested	Remaining Funding
2	1	La Mesa	LM University Ave Ped Bike	Yes	Yes	6	1	\$ 466,000	\$ 502,000	\$ 502,000	\$ 502,000	\$ 1,202,000
6	2	Solana Beach	SB Lomas Santa Fe Active Trans.	Yes	Yes	12	2	\$ 68,450	\$ 616,050	\$ 616,050	\$ 1,118,050	\$ 585,950
5	3	San Diego	SD Streamview Dr	Yes	Yes	19	3	\$ 200,000	\$ 1,500,000	\$ 585,950	\$ 2,618,050	\$ (914,050)
1	4	Del Mar	Del Mar Streetscape	Yes	Yes	25	4	\$ 1,735,000	\$ 665,000	\$ 0	\$ 3,283,050	\$ (1,579,050)
3	5	National City	National City Bicycle Wayfinding	Yes	Yes	28	5	\$ 1,000	\$ 826,800	\$ 0	\$ 4,109,850	\$ (2,405,850)
4	6	San Diego	SD CH Ped. Improvements	Yes	Yes	36	6	\$ 1,000,000	\$ 1,200,000	\$ 0	\$ 5,309,850	\$ (3,605,850)

ATGP Capital - Small Category								Initial Total Available (40% of ATGP Capital): \$ 1,080,000 Rollover from ATGP Non-Capital (40%): \$ 56,000 Rollover from Large Category: \$ 0 New Total Available: \$ 1,136,000				
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS Policy?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Requested	Remaining Funding
17	1	National City	National City Division St	Yes	Yes	6	1	\$ 100,000	\$ 312,000	\$ 312,000	\$ 312,000	\$ 824,000
18	2	National City	National City Blvd Bike Conn.	Yes	Yes	12	2	\$ 1,000	\$ 394,001	\$ 394,001	\$ 706,001	\$ 429,999
16	3	La Mesa	La Mesa Mass. Ave	Yes	Yes	19	3	\$ 39,000	\$ 123,000	\$ 123,000	\$ 829,001	\$ 306,999
19	4	Santee	Santee Prospect Ave	Underway	Yes	23	4	\$ 174,120	\$ 348,760	\$ 306,999	\$ 1,177,761	\$ (41,761)

- Recommended for full funding
- Recommended for partial funding
- Recommended for no funding

*Jurisdictions must have an adopted Climate Action Plan (CAP) and an adopted Complete Streets (CS) Policy to receive grant funding. Jurisdictions that have not yet adopted these documents have up to one year from the Board's action on the final funding awards to adopt them before funding is transferred to the next highest-ranked project.*

Summary	
ATGP Large Category Grants - Fully Funded:	\$ 1,118,050
ATGP Large Category Grants - Partially Funded:	\$ 585,950
ATGP Small Category Grants - Fully Funded:	\$ 829,001
ATGP Small Category Grants - Partially Funded:	\$ 306,999
<b>Total ATGP Capital Grant Funds Awarded:</b>	<b>\$ 2,840,000</b>
Unspent Funds (Rollover to ATGP Non-Capital):	\$ 0

**Project Rankings and Funding Recommendations**  
**Active Transportation Grant Program (ATGP) Non-Capital (\$900k available, 25% of ATGP)**

Overall ATGP Non-Capital Funding Available: \$ 900,000

ATGP Planning								Initial Total Available (60% of ATGP Non-Capital): \$ 540,000				
								Rollover from ATGP EEA: \$ 5,000				
								New Total Available: \$ 545,000				
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Allocated	Remaining Funding
3	1	National City	National City Waterfront	Yes	Yes	8	1	\$ 22,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 347,000
1	2	El Cajon	El Cajon ATP	Underway	Underway	14	2	\$ 23,000	\$ 207,000	\$ 207,000	\$ 405,000	\$ 140,000
4	3	San Diego	SD Del Mar Heights CS	Yes	Yes	18	3	\$ 135,000	\$ 220,000	\$ 0	\$ 625,000	\$ (80,000)
2	4	Escondido	Escondido CATS	Yes	Yes	20	4	\$ 39,000	\$ 195,000	\$ 0	\$ 820,000	\$ (275,000)
5	5	Santee	Santee CATS	Underway	Yes	30	5	\$ 33,330	\$ 300,000	\$ 0	\$ 1,120,000	\$ (575,000)

ATGP Bike Parking								Initial Total Available (20% of ATGP Non-Capital): \$ 180,000				
								Rollover from ATGP Planning: \$ 0				
								New Total Available: \$ 180,000				
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Allocated	Remaining Funding
8	1	National City	National City Bike Parking	Yes	Yes	6	1	\$ 12,500	\$ 50,000	\$ 50,000	\$ 50,000	\$ 130,000
9	2	Oceanside	Oceanside BikeStation	Underway	Yes	14	2	\$ 30,000	\$ 70,000	\$ 70,000	\$ 120,000	\$ 60,000
7	3	El Cajon	El Cajon Bike Parking	Underway	Underway	17	3	\$ 12,500	\$ 50,000	\$ 50,000	\$ 170,000	\$ 10,000
6	4	Del Mar	Del Mar Bike Locker	Yes	Yes	23	4	\$ 9,000	\$ 10,000	\$ 10,000	\$ 180,000	\$ 0

ATGP EEA								Initial Total Available (20% of ATGP Non-Capital): \$ 180,000				
								Rollover from ATGP Bike Parking: \$ 0				
								New Total Available: \$ 180,000				
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Allocated	Remaining Funding
11	1	San Diego	Move Free SD	Yes	Yes	7	1	\$ 25,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 55,000
10	2	Imperial Beach	IB EEA	Underway	Underway	11	2	\$ 5,000	\$ 50,000	\$ 50,000	\$ 175,000	\$ 5,000

  Recommended for full funding  
  Recommended for partial funding (*Note: All jurisdictions declined partial funding*)

*Jurisdictions must have an adopted Climate Action Plan (CAP) and an adopted Complete Streets (CS) Policy to receive grant funding. Jurisdictions that have not yet adopted these documents have up to one year from the Board's action on the final funding awards to adopt them before funding is transferred to the next highest-ranked project.*

Summary	
ATGP Planning Grants- Fully Funded:	\$ 405,000
ATGP Bike Parking Grants- Fully Funded:	\$ 180,000
ATGP EEA Grants- Fully Funded:	\$ 175,000
<b>Total ATGP Non-Capital Grant Funds Awarded:</b>	<b>\$ 760,000</b>
<b>Total Unspent Non-Capital Funds:</b>	<b>\$ 140,000</b>
Unspent Non-Capital Funds (Rollover to ATGP Capital - Large Category - 60%):	\$ 84,000
Unspent Non-Capital Funds (Rollover to ATGP Capital - Small Category - 40%):	\$ 56,000

(60%/40% rollover allocation per grant guidelines)



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## **RESOLUTION NO. 2019-01**

### APPROVING THE ALLOCATION OF TRANSPORTATION DEVELOPMENT ACT FUNDS ARTICLE 3 BICYCLE AND PEDESTRIAN FACILITIES AND PROGRAMS<sup>i</sup>

WHEREAS, the Transportation Development Act (TDA) claims listed below are submitted for FY 2019 TDA funds pursuant to Chapter 4, Article 3, Section 99234 of the California Public Utilities Code (PUC); and

WHEREAS, pursuant to Section 29532 of the California Government Code (CGC), SANDAG has analyzed these claims and determined that they conform substantially to the provisions of the TDA of 1971, as amended; and

WHEREAS, SANDAG finds the claim to be consistent with the Regional Transportation Plan; NOW THEREFORE

BE IT RESOLVED by the SANDAG Board of Directors as follows:

1. That the Board, pursuant to CGC 29532 and PUC 99234, does hereby approve the allocation of TDA funds for the following projects in the amounts specified below:

<b>Claim No.</b>	<b>Claimant</b>	<b>Allocation</b>
19011001	City of El Cajon Active Transportation Plan	\$207,000
19011002	Bicycle Parking Enhancements	\$50,000
	<b>Total City of Del Mar</b>	<b>\$257,000</b>
19011003	City of La Mesa University Avenue Corridor – Bike Network and Pedestrian Improvements	\$502,000
19011004	Massachusetts Avenue and Blackton Drive – Pedestrian and Bike	\$123,000
	<b>Total City of La Mesa</b>	<b>\$625,000</b>
19011005	City of National City Division Street – Euclid to Harbison Bicycle Improvements	\$312,000
19011006	National City Boulevard Inter-City Bike Connection	\$394,001
	<b>Total City of National City</b>	<b>\$706,001</b>
19011007	City of Oceanside Enclosed Bike Parking Facility (Bike Station)	\$70,000
	<b>Total City of Oceanside</b>	<b>\$70,000</b>
19011008	City of San Diego Streamview Drive	\$585,950
	<b>Total City of San Diego</b>	<b>\$585,950</b>
19011009	City of Santee Prospect Avenue and Mesa Road Improvements	\$306,999
	<b>Total City of Santee</b>	<b>\$306,999</b>
19011010	City of Solana Beach Lomas Santa Fe Corridor Active Transportation Improvements	\$616,050
	<b>Total City of Solana Beach</b>	<b>\$616,050</b>

2. That the Board, pursuant to CGC 29532 and PUC 99234, does hereby approve the revision to the claims as shown below:

<b>Claim No.</b>	<b>Claimant</b>	<b>Previous Allocation</b>	<b>Adjustment + (-)</b>	<b>Revised Allocation</b>
16011012	City of Chula Vista Walk + Bike Chula Vista	\$100,000	-\$4,491	\$95,509
16011008	City of Carlsbad Carlsbad Blvd/Tamarack Improvements	\$270,000	-\$186,431	\$83,568
16011006	City of Santee Riverwalk Drive Crossing	\$216,900	-\$4,466	\$212,434

3. That the Board does hereby authorize the Executive Director to prepare and transmit allocation instructions and payment schedules to the San Diego County Auditor as are necessary and legal for payment of these claims.

PASSED AND ADOPTED this 27th day of July 2018.

\_\_\_\_\_  
**CHAIR** **ATTEST:** \_\_\_\_\_  
**SECRETARY**

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

**ADVISORY MEMBERS:** California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, Southern California Tribal Chairmen’s Association, and Mexico.

<sup>i</sup> While most *TransNet* Active Transportation Grant Program projects are funded with TDA revenues, five ATGP projects in Cycle 4, amounting to a total of \$433,000, will be funded through *TransNet* based on the available funding mix. These projects include the Del Mar Civic Center Bike Locker, Imperial Beach EEA Campaign, National City Bike Parking Enhancements, National City Waterfront to Homefront Connectivity Study, and the City of San Diego’s Move Free San Diego project. As a result, these five projects are not included in this TDA Resolution.

## Competitive Evaluation Process and New Requirements for Cycle 4 SGIP and ATGP

### *Competitive Evaluation Process*

As with prior calls for projects, evaluation panels were assembled to assist in the review of grant applications. The evaluation panels consisted of members of the Regional Planning Technical Working Group (TWG), Cities/County Transportation Advisory Committee (CTAC), and the Active Transportation Working Group (ATWG) that did not compete for funds; the academic community; and staff from SANDAG, Caltrans, and the North County Transit District (NCTD). Per the approved criteria, a “Sum of Ranks” scoring approach was used, where projects with the lowest sum of ranks performed the best.

On April 16 and 17, 2018, the evaluation panels met to review their individual rankings, which were compiled and cumulatively ranked (sum of ranks) by SANDAG staff prior to the meeting for each of the funding categories. The proposals were then collectively discussed regarding merit, shortcomings and conditions, and/or partial funding based upon available funding for this call for projects.

The evaluation panels made recommendations for funding based upon their discussions and expertise to determine if overall intended goals of project proposals could be achieved. The original draft project rankings and funding recommendations were presented to the [Regional Planning Committee](#) (Item 7) and the [Transportation Committee](#) (Item 9) on June 1, 2018. Detailed spreadsheets showing the original quantitative and qualitative scores for each project (including the evaluator’s raw scores, individual rankings, and combined rankings by project) were posted for review at [sandag.org/cycle4grants](http://sandag.org/cycle4grants).

Based on feedback from the Committees at their June 1 meetings, revised project rankings and funding recommendations for the SGIP Planning category and the ATGP Capital and Non-Capital categories will be presented to the Regional Planning and Transportation Committees on July 6, 2018. Spreadsheets showing the revised project rankings are posted for review at [sandag.org/cycle4grants](http://sandag.org/cycle4grants).

### *New Requirements*

Several changes were required in Cycle 4 based on commitments made in San Diego Forward: The Regional Plan, including that a local jurisdiction must have an adopted Climate Action Plan (CAP) and complete streets policy to be eligible to receive SGIP and ATGP funding; and that SANDAG would make available competitive funding through the grant programs for preparation of these documents. The Board approved setting aside up to \$1 million from the SGIP for this purpose, and approved a one-year “phased funding approach” for jurisdictions to meet the eligibility requirements.

Projects recommended for funding will only receive funding if the jurisdiction has an adopted CAP and complete streets policy in place, or adopts these documents within one year from when the SANDAG Board approves funding awards for the SGIP and ATGP. The proposed funding recommendations include a column indicating the status of each jurisdiction’s CAP and complete streets policy. Upon conclusion of the one-year period, if the requirements are not met, funding would be allocated to the next eligible project(s) in ranked order or reserved for the next funding cycle.



Date: July 6, 2018  
File Number: 1200301  
Memo to: Transportation Committee  
From: Charles "Muggs" Stoll, Director of Land Use and Transportation Planning  
Action Requested: Recommend  
Subject: **Funding Recommendations for Cycle 9 *TransNet* Environmental Mitigation Program Land Management Grant Program**

**Overview**

The *TransNet* Extension Ordinance provides funding for a competitive grant program for regional land management to promote regional habitat conservation planning. This is the ninth cycle of funding.

On September 22, 2017, the Board of Directors approved the criteria and released the [call for projects](#) for a total of \$2 million to address land management activities related to: (1) Threat Reduction Stewardship (\$800,000); and (2) Species and Habitat Recovery (\$1,200,000). The application period closed on January 12, 2018. In total, SANDAG received 39 submittals.

This report presents the project rankings and funding recommendations, included as Attachments 1 and 2. The rankings and funding recommendations were presented to the Regional Planning and Transportation Committees on June 1, 2018, for information, and to the Independent Taxpayer Oversight Committee on June 13, 2018, with no recommended changes.

Budgetary Impact: Cycle 9 funding is available from the *TransNet* Environmental Mitigation Program budgeted in the Capital Improvement Program Project No. 1200300 as reflected in the FY 2019 SANDAG Program Budget approved by the Board of Directors in May 2018.

**Next Steps**

Pending recommendation by the Regional Planning and Transportation Committees, the Board of Directors is scheduled to consider approval of the proposed funding awards on July 27, 2018. Grant agreements are expected to be executed in fall 2018.

**Recommendation**

The Transportation Committee is asked to recommend that the Board of Directors approve the proposed funding awards for the Cycle 9 *TransNet* Environmental Mitigation Program Land Management Grant Program, as shown in Attachments 1 and 2 and in the event that a selected project is unable to use its awarded funds, authorize staff to offer funding and execute a grant agreement with the next highest ranked project(s).

Key Staff Contact: Sarah Pierce, (619) 699-7312, sarah.pierce@sandag.org

*Staff report and support information attached*

# **Funding Recommendations for Cycle 9 *TransNet* Environmental Mitigation Program Land Management Grant Program**

## **Introduction**

The *TransNet* Extension Ordinance and Expenditure Plan, approved by the voters in 2004, includes the Environmental Mitigation Program (EMP), which provides funding to mitigate habitat impacts from regional and local transportation projects, and provides funding for regional land management and biological monitoring. The EMP is a unique component of the *TransNet* Extension Ordinance in that it goes beyond traditional mitigation for transportation projects by including a funding allocation for habitat acquisition, management, and monitoring activities to help implement the regional habitat conservation plans.

Each year the Board of Directors allocates \$4 million toward implementation of regional land management and biological monitoring pursuant to a memorandum of agreement (MOA) with state and federal agencies on the implementation of the EMP. Of the \$4 million available each year, a portion of that funding is allocated to the Land Management Grant Program pursuant to the Regional Management and Monitoring Work Plan. A total of \$2 million was allocated to the ninth cycle of land management grants.

A competitive selection process is used to award funding to successful applicants. Eligible applicants include land managers from private nonprofit organizations, local jurisdictions, and other governmental agencies.

## **Discussion**

### ***Competitive Selection Process***

On September 22, 2017, the Board of Directors approved the release of the Ninth Cycle Call for Projects for the *TransNet* EMP Land Management Grant Program. A total of \$2 million was available to address land management activities related to: (1) Threat Reduction Stewardship (\$800,000); and (2) Species and Habitat Recovery (\$1,200,000). The Board of Directors also approved the evaluation criteria for each of the funding categories.

The Ninth Cycle Call for Projects was issued on October 2, 2017, and closed on January 12, 2018. SANDAG received a total of 39 proposals, requesting a total of \$6,354,400 in grant funding.

At its January 9, 2018, meeting, the EMP Working Group appointed an evaluation committee to independently review and evaluate the land management grant proposals received by SANDAG under the call for projects. The final evaluation committee consisted of EMP Working Group members who were not competing for funds.

On March 13, 2018, the evaluation committee met to review their individual rankings, which were compiled and cumulatively ranked (sum of ranks) for both of the funding categories. The proposals were then collectively discussed regarding merit, shortcomings and conditions, and/or reductions in project funding based upon available funding for this call for projects.

The evaluation committee made recommendations for full or partial funding for projects based upon its discussions and expertise to determine if overall intended goals of project proposals could be achieved. In addition, applicants were available by phone to address any questions regarding their proposals.

### **Evaluation Ranking Results**

The project rankings are reflected in Attachments 1 and 2. The evaluator's raw scores, individual rankings, and the combined rankings by grant project are available at [sandag.org/empgrants](http://sandag.org/empgrants).

SANDAG staff conducted an independent review of the evaluation scores as part of the Peer Review Process and confirmed the accuracy of the formulas, calculations, scores, and project rankings. In addition, staff performed a social equity analysis, which showed that the projects proposed for grant funding were distributed such that low-income and minority communities receive an equitable proportion of the benefits.

### **Funding Recommendations**

For the Threat Reduction Stewardship category, a total of 21 proposals were received, requesting funding for \$1,313,886. The evaluation committee recommended funding for 13 projects totaling \$800,000. The top-ranked projects recommended for funding are highlighted in yellow in Attachment 1.

Since this information was presented to the Regional Planning and Transportation Committees in June, the City of Chula Vista has withdrawn its application for the Otay Ranch Burrowing Owl Project due to concerns over the project's proposed location for the creation of owl burrows. As such, the funding that would have been awarded to this No. 2 ranked project now is proposed to be awarded to the City of San Diego's Florida Canyon project (rank No. 14).

For the Species and Habitat Recovery category, a total of 18 proposals were received, requesting funding for \$5,040,515. The evaluation committee recommended funding for six projects totaling \$1,200,000.

The top-ranked projects recommended for funding are highlighted in green in Attachment 2.

- Attachments:
1. *TransNet* Environmental Mitigation Program Land Management Grant Program: Project Rankings and Funding Recommendations for Ninth Cycle of Grant Funding – Short-Term Threat Reduction Stewardship
  2. *TransNet* Environmental Mitigation Program Land Management Grant Program: Project Rankings and Funding Recommendations for Ninth Cycle of Grant Funding – Long-Term Species and Habitat Recovery

*TransNet* Environmental Mitigation Program Land Management Grant Program: Project Rankings and Funding  
Recommendations for Ninth Cycle of Grant Funding Short-Term – Threat Reduction Stewardship

PRJ #	Project Title	Applicant	Project Summary	Requested Grant Amount	Recommended Grant Amount	Sum of Ranks	Overall RANK	Comments
12	Navajo Canyon	City of San Diego	Create, enhance, and expand existing Coastal Cactus Wren (CACW) habitat and reduce the threat of wildfire and invasive plant conversion by replacing areas of invasive flashy fuels with native cactus in City of SD Chollas Radio Canyon and Navajo Canyon Open Spaces.	\$ 80,000.00	\$ 80,000.00	28	1	Fully funded.
30	Otay Ranch Burrowing Owl	City of Chula Vista	Increase the quality of habitat and improve connectivity for the western burrowing owl by installing artificial burrows that would encourage burrowing owls to occupy the Millenia parcel within Otay Ranch Preserve.	\$ 43,957.00	\$ -	40	2	Grant withdrawn.
20	Elfin Forest	The Escondido Creek Conservancy	Eradicate exotic plants that directly threaten the eastern Encinitas baccharis occurrences and eliminate exotic forbs from the rest of the Los Cielos Preserve Complex in order to protect occurrences of Orcutt's brodiaea and Encinitas baccharis.	\$ 79,852.91	\$ 79,852.91	41	3	Fully funded. Treatment of invasive species should be prioritized in areas near sensitive species (Encinitas baccharis and Orcutt's brodiaea).
13	Otay Mesa Open Space	City of San Diego	Create, enhance, and expand existing Coastal Sage scrub (CSS) habitat surrounding the vernal pools complex and western burrowing owl dens to act as a buffer from invasive plant species and to reduce sediment erosion into the vernal pools.	\$ 80,000.00	\$ 80,000.00	41	3	Fully Funded.
5	D Street	Port of San Diego	Assist in management and recovery of two federal and state-listed species, the California least tern and western snowy plover, which occur at the D Street Fill during the avian breeding season. The Port's goal is to "prepare" the site for the 2019 and 2020 nesting seasons by performing management required to maintain it as suitable breeding habitat.	\$ 75,400.00	\$ 75,400.00	44	5	Fully Funded.
3	Cabrillo	National Parks Service	Remove invasive plants, restore social trails with complimentary native plants, and reduce off-trail use with signage, fencing, and education via social media platforms.	\$ 25,000.00	\$ 25,000.00	46	6	Fully Funded.
17	Ramona Grasslands	County of San Diego	Enhance the existing arroyo toad population and increase the potential for a southwestern pond turtle population within the Preserve.	\$ 80,000.00	\$ 80,000.00	47	7	Fully Funded. Coordinate with USGS for methods of bullfrog eradication.
31	Rice Canyon Invasive Removal	City of Chula Vista	Reduce threats to Otay tarplant, San Diego thornmint, and Orcutt's bird beak within Rice Canyon by maintaining and installing new fencing (wire and t post) and signage to direct trail users on authorized trails only.	\$ 36,500.00	\$ 36,500.00	49	8	Fully Funded.

**TransNet Environmental Mitigation Program Land Management Grant Program: Project Rankings and Funding  
Recommendations for Ninth Cycle of Grant Funding Short-Term – Threat Reduction Stewardship**

PRJ #	Project Title	Applicant	Project Summary	Requested Grant Amount	Recommended Grant Amount	Sum of Ranks	Overall RANK	Comments
24	Wright's Field	Back County Land Trust	Development and implementation of a Recreation Management Plan (Plan) for the Wright's Field MSCP Preserve in Alpine. The implementation of this Plan will include trail decommissioning and rerouting, interpretive signage, and a 58 acre fire-fuel reduction / weed control program.	\$ 61,000.00	\$ 61,000.00	56	9	Fully Funded.
35	Boulder Creek	San Diego River Park Foundation	Increase the suitability of roosting habitat for Townsend's big-eared bat by installing a gate at the entrance of a mine and controlling the existing erosion threat.	\$ 47,326.46	\$ 47,326.46	57	10	Fully funded. Field Assessment must include evaluation of constructing other structures on site. Coordinate with Forest Service during project duration on joint management of mines in areas.
23	Rare Plants 2	The Chaparral Lands Conservancy	Seed bulking for Orcutt's spineflower, short-leaved dudleya, and Orcutt's brodiaea; supplementation of existing plant populations; and control invasive plants.	\$ 79,998.00	\$ 79,998.00	66	11	Fully Funded.
6	Silverwood-Anstine	San Diego Audubon Society	Survey the Silverwood Reserve property lines currently affected and install approximately 1,100 feet of non-barbed wire fencing. In addition 255 feet of lodge pole wood fencing will be installed at the Anstine Preserve.	\$ 34,311.00	\$ 34,311.00	70	12	Fully Funded.
32	Veldt Grass 2	San Elijo Lagoon Conservancy	Begin Phase 1 eradication perennial veldt grass (Ehrharta calycina) in the newly acquired Lake Property, adjacent to San Elijo Lagoon Ecological Reserve.	\$ 77,571.24	\$ 76,654.63	91	13	Fully funded less approximately \$916.
37	Florida Canyon	City of San Diego	Preserve native species, control invasive species, re-establish native vegetation and habitat, control erosion, establish a designated trail system, fence sensitive areas, and install signage in three sites within Florida Canyon.	\$ 80,000.00	\$ 43,957.00	96	14	Partial award. Revised scope of work and budget will be submitted to SANDAG staff.
22	Sticky Dudleya	The Escondido Creek Conservancy	Eradicate exotic forbs within five feet of individual Dudleya viscida plants and establish a 250-foot buffer zone (~4 acres) around the population where all large flammable exotic plants are removed (Eucalyptus, palm, Arundo).	\$ 79,890.25	\$ -	99	15	Funding Not available
38	Nesting Sites	Batiquitos Lagoon Foundation	Create a sustainable habitat on a site that has high potential to support a vibrant native plant and bird.	\$ 46,450.00	\$ -	104	16	Funding Not available
25	Pallid Bat 2	Living Coast Discovery Center	Conduct surveys to determine bat species composition on and around the Sweetwater Marsh Unit of the San Diego Bay National Wildlife Refuge. Bat boxes will be installed throughout the Living Coast Discovery Center's property and the habitat threat reduction and management plan will be implemented.	\$ 11,715.00	\$ -	106	17	Funding Not available
10	Channel to El Monte	Lakeside's River Park Conservancy	Remove homeless camps and patrol the San Diego River from Channel Road to El Monte Valley.	\$ 79,981.00	\$ -	115	18	Funding Not available
8	Otay Burrowing Owl	Otay Water District	Reconstruct existing burrows for western burrowing owl with the most current design to maximize fledgling success and remove of invasive plants around burrows.	\$ 55,868.00	\$ -	118	19	Funding Not available

*TransNet* Environmental Mitigation Program Land Management Grant Program: Project Rankings and Funding  
 Recommendations for Ninth Cycle of Grant Funding Short-Term – Threat Reduction Stewardship

PRJ #	Project Title	Applicant	Project Summary	Requested Grant Amount	Recommended Grant Amount	Sum of Ranks	Overall RANK	Comments
34	Upper Otay Lakes	River Partners	Weed management, tamarisk removal, willow and mulefat plantings to expand the riparian corridors in the 71-acre project site.	\$ 79,065.00	\$ -	123	20	Funding Not available
11	Chollas Creek	Jacob's Center for Neighborhood Innovation	Control invasive plants and remove trash within two sections of the Chollas Creek (Pueblo) Watershed located on JCNI-owned property in Southeastern San Diego.	\$ 80,000.00	\$ -	126	21	Funding Not available
<b>TOTAL</b>				<b>\$ 1,313,885.86</b>	<b>\$ 800,000.00</b>			

*TransNet* Environmental Mitigation Program Land Management Grant Program: Project Rankings and Funding Recommendations for Ninth Cycle of Grant Funding – Long-Term Species and Habitat Recovery

PRJ #	Project Title	Applicant	Project Summary	Requested Grant Amount	Recommended Grant Amount	Required Match Amount	Sum of Ranks	Overall RANK	Comments
19	Invasive Species Management	Mission Resource Conservation District	The Santa Margarita and San Luis Rey Watersheds are now over 98% free of <i>Arundo donax</i> . This project will continue re-treatments to allow the program to reach its goal of eradication.	\$ 379,500.00	\$ 379,500.00	\$ 379,500.00	8	1	Fully funded.
14	San Pasqual Cactus Wren	City of San Diego	Enhance and restore an additional 100 acres of habitat for the endangered Coastal cactus wren along the north side of San Pasqual Valley.	\$ 300,000.00	\$ 200,000.00	\$ 53,333.00	34	2	Partial award. Funding not available for task 3 (trail remediation). Planted cactus density must be a minimum of approximately 200-300 cacti per acre. Grantee must work with SDMMP staff to determine the appropriate density of rooted plants/ cactus pads for the specific planting sites. Revised scope of work must specify the total number of cactus that will be planted and how many acres of cactus scrub will be restored. Revised scope of work will be submitted to SANDAG staff.
2	Lower Otay Reservoir	City of San Diego	Expand existing coastal cactus wren territory from Salt Creek Preserve towards the Sweetwater population. This project would add to the connectivity work done by other regional stakeholders to increase coastal cactus wren genetic diversity.	\$ 336,742.00	\$ 243,142.00	\$ 69,158.00	45	3	Partial award. Funding not available for task 2 (eucalyptus control). Planted cactus density must be a minimum of approximately 200-300 cacti per acre. Grantee must work with SDMMP staff to determine the appropriate density of rooted plants/ cactus pads for the specific planting sites. Revised scope of work will be submitted to SANDAG staff.
27	Burrowing Owl	San Diego Zoo Global	Support the establishment of a new breeding node at Rancho Jamul Ecological Reserve with supplemental releases of burrowing owl from an existing conservation breeding program.	\$ 83,584.00	\$ 50,000.00	\$ 19,147.00	48	4	Partial award. Funding provided for years 1 and 2 of proposal. ICR to determine how to allocate funds between proposed tasks. Revised scope of work and timeline will be submitted to SANDAG staff.
7	Mission Bay Park	San Diego Audubon Society	Create resilient, self sustaining California Least tern and Nuttall's acmispson populations in Mission Bay through ecosystem based management and predator control community science.	\$ 325,891.02	\$ 195,333.00	\$ 93,543.00	49	5	Partial award. Funding will be provided for first three years of work. The goal for vegetation cover at nesting sites should be 20%. Some Nuttall's acmispson plants should be moved from the nesting areas to other sites to ensure that habitat quality remains suitable for California least tern. Revised scope of work and timeline will be submitted to SANDAG staff.
26	Stinknet Removal	San Diego Zoo Global	Manage an entrenched <i>Oncosiphon piluliferum</i> (stinknet) infestation at the Safari Park Biodiversity Reserve for the benefit of the large extant nesting population of coastal cactus wrens and other sensitive species on the property.	\$ 505,098.00	\$ 132,025.00	\$ 132,263.00	51	6	Partial award. Funding awarded for task 1 (stinknet removal) only. Work should take place over 3-4 year timeframe. Revised scope of work and timeline will be submitted to SANDAG staff.
36	Nuttall's Acmispon Resilience	Los Penasquitos Lagoon Foundation	Protect and enhance Nuttall's acmispon populations at existing locations with the opportunity to expand the overall populations in locations determined as suitable habitat for this species.	\$ 155,000.00	\$ -		54	7	Funding not available.
21	Rancho Jamul	The Chaparral Lands Conservancy	Project planning, design, permitting, and implementation of work to restore 5.6 acres of vernal pools, native grasslands, chaparral and dependent sensitive species in Proctor Valley.	\$ 399,964.00	\$ -	\$ -	56	8	Funding not available.
29	Rice Canyon Thornmint	City of Chula Vista	Improve and expand areas occupied by the San Diego thormmint within Rice Canyon through habitat maintenance and enhancement.	\$ 139,656.00	\$ -	\$ -	64	9	Funding not available.
39	Nuttall's Acmispon Management	San Diego River Park Foundation	Maintain and enhance existing occurrences of Nuttall's acmispon and establish a program for annual inspection of occurrences at the project site.	\$ 350,275.00	\$ -	\$ -	67	10	Funding not available.

**TransNet Environmental Mitigation Program Land Management Grant Program: Project Rankings and Funding Recommendations for Ninth Cycle of Grant Funding – Long-Term Species and Habitat Recovery**

18	Hanson Pond	Endangered Habitats Conservancy	Habitat restoration of 9 acres of the upland portion of the site from annual non-native grassland to a coastal sage scrub/cactus scrub habitat and transitioning into riparian, emergent, wetland, and open water habitats.	\$ 235,741.00	\$ -	\$ -	68	11	Funding not available.
33	Canada de San Vicente	California Department of Fish and Wildlife	Improve the water storage at two seasonal ponds and restore an adjacent 20 acres of invasive Bromus spp. grass to native grasslands.	\$ 265,000.00	\$ -	\$ -	74	12	Funding not available.
9	South Crest & Odom	Conservation Biology Institute	Treat previously untreated Brachypodium-infested areas on South Crest and Odom, enhance previously occupied San Diego thornmint habitat on Odom through dethatching and invasive plant control, and introduce thornmint seed into enhanced habitat.	\$ 169,781.00	\$ -	\$ -	80	13	Funding not available.
28	Rolling Hills Ranch Preserve	City of Chula Vista	Restore habitat and reduce the encroachment of weeds on habitat for Quino checkerspot butterfly, variegated dudleya, and coastal California gnatcatcher through revegetation of an unauthorized trail on the Rolling Hills Ranch Preserve.	\$ 192,490.00	\$ -	\$ -	80	13	Funding not available.
15	Furby North 2	County of San Diego	Remove and treat invasive non-native plant species, with an emphasis on stinknet, that are infesting the Property.	\$ 250,000.00	\$ -	\$ -	84	15	Funding not available.
1	Arundo Completion and Maintenance	Lakeside's River Park Conservancy	Complete an arundo removal project focused on the tributaries and the main channel of the San Diego River in Lakeside.	\$ 590,712.00	\$ -	\$ -	102	16	Funding not available.
4	Perennial Pepperweed	San Elijo Lagoon Conservancy	Implement 5 years of initial treatments, re-treatments, and mapping and monitoring of perennial pepperweed in the San Elijo Lagoon Ecological Reserve.	\$ 192,080.90	\$ -	\$ -	103	17	Funding not available.
16	Lusardi Creek 2	County of San Diego	Development of a Translocation, Propagation and Management Plan; receptor site preparation; corm collection; translocation; and 5-year maintenance, monitoring and reporting for thread-leaved brodiaea on the Lusardi Creek preserve.	\$ 169,000.00	\$ -	\$ -	104	18	Funding not available.
<b>TOTAL</b>				<b>\$ 5,040,514.92</b>	<b>\$ 1,200,000.00</b>	<b>\$ 746,944.00</b>			



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**MID-COAST CORRIDOR TRANSIT PROJECT: STATUS UPDATE** File Number 1257001

**Introduction**

The Mid-Coast Corridor Transit (Mid-Coast Trolley) Project will extend the Metropolitan Transit System (MTS) Trolley Blue Line service from Downtown San Diego north into the University Town Center (UTC) area. Heavy construction for the Mid-Coast Trolley Project started in fall 2016. This item provides an update on the status of recent advances in structure and guideway for all 11 miles of the Mid-Coast Trolley Project.

**Discussion**

The Mid-Coast Trolley Project is an 11-mile extension of the MTS Trolley Blue Line that will offer a one-seat (no transfer) ride from the international border and communities south of Downtown San Diego all the way to University City. Attachment 1 includes an overview of the scope, budget, and schedule information with a map of the project alignment. The total project budget is \$2.171 billion, including financing costs, and the project is scheduled to be open to the public in late 2021.

The Mid-Coast Trolley Project is funded with 52 percent *TransNet* funds and 48 percent Federal Transit Administration (FTA) Full Funding Grant Agreement funds. It is being constructed using the Construction Manager/General Contractor (CM/GC) delivery method, which is a best value construction procurement method. The CM/GC contractor is Mid-Coast Transit Constructors (MCTC), a joint venture of Stacy & Witbeck, Herzog and Skanska contractors. MCTC also is the CM/GC contractor for several other SANDAG projects in the corridor that are adjacent to and being built concurrently with the Mid-Coast Trolley Project.

*Capital Project Budget and Schedule*

The capital budget, excluding the financing costs, is \$1.814 billion. As of May 2018, SANDAG has authorized contracts and agreements worth approximately \$1.6 billion. Actual expenditure through May 2018 is \$783 million or 43.2 percent of the capital budget.

In April 2018, staff reported to the Transportation Committee that the project had two possible critical paths leading to completion of construction, as calculated in the Master Project Schedule (MPS). One path ran through the realignment of an active COASTER track to clear the way for Mid-Coast work in the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor. The other path was guideway construction in Genesee Avenue. Staff is pleased to report that the LOSSAN track realignment work was completed in April, six months ahead of the date in the MPS, effectively taking the work in the LOSSAN segment off the critical path.

The critical path going forward likely is to remain guideway construction in the Genesee Avenue segment. The MPS shows this work to be approximately five weeks behind schedule with the delay driven by fabrication of pre-cast beams, which are being fabricated now. Staff is evaluating the work on Genesee Avenue in collaboration with MCTC to identify where specific activities can be completed sooner or overlapped to meet the contract completion date.

Another potential schedule risk was a delay in gaining possession of right-of-way needed for construction at the Nobel Station site at the La Jolla Village Square shopping center. Possession had been delayed by several court actions; however, on June 22, 2018, the court ruled for SANDAG on the possession needed to construct the guideway (see details below).

Currently, the MPS has 38 months remaining of construction, which allows time to react to schedule delays and risks. The project team continually is monitoring the MCTC construction schedule and the MPS for trends and risks, and is working proactively with the contractor to resolve any potential schedule delays early-on.

### *Right-of-Way*

Temporary and permanent private property acquisitions are required for the Mid-Coast Trolley Project from 39 property owners for 41 properties, including 4 full acquisitions. The Mid-Coast Trolley Project has obtained property rights for construction at 37 properties, with rights for construction outstanding at four locations. The Board of Directors has held Hearings of Necessity for 24 of the 41 properties. Agreement was reached without needing a hearing for 13 properties. Four properties are still in negotiations and of those, two to three may require condemnation action if negotiations come to an impasse.

As mentioned previously regarding schedule risk, property is needed at the La Jolla Village Square shopping center for the Trolley guideway, the Nobel Drive Station, and a parking structure. This property went before the court in May where a California Environmental Quality Act (CEQA)-related right-to-take issue was resolved for the guideway and station and a hearing on possession for the property for the guideway was scheduled for June 22, 2018. At its June 22, 2018, hearing, the court agreed to grant SANDAG an order of possession for the station and guideway. SANDAG should have possession in approximately 35 days. Possession of the right-of-way for the parking structure will be addressed in a future court hearing.

SANDAG has settled on the final costs with 30 of the 39 property owners. SANDAG is in the process of trying to reach settlements through negotiation with the remaining nine property owners. In most cases, the owner's counter-offers are above the appraised value offered by SANDAG.

The project team also anticipates that between one and three of the remaining nine properties in negotiations would go to trial to determine value, which represents increased cost risks. Staff is waiting on the outcome of pretrial discussions and mediations before revising the right-of-way budget, including funding goodwill costs, which are not eligible for reimbursement by the FTA. As a result, the right-of-way budget is being monitored closely and may exceed the budget and contingency allocated to right-of-way.

### *Construction*

Mid-Coast Trolley Project construction is about 36 percent complete with about 30 percent of the contract construction time elapsed as of May 2018, as shown graphically on Attachment 2. Construction continues to progress rapidly. Work is taking place along all 11 miles of the project alignment. Coordination with Caltrans, UC San Diego, and the City of San Diego continues to be working well. Street widening work on Genesee Avenue north of La Jolla Village Drive is complete except for some property restoration, minor sidewalk work, and final utility reconnections. Construction on Genesee Avenue has moved into the median. Guideway columns are going up. Significant progress has been made on the aerial guideway structure on the UC San Diego campus, at the VA Medical Center, and over La Jolla Village Drive. Considerable construction progress has been made in the area under State Route 52 (SR 52) in the LOSSAN railroad corridor. Retaining walls, grading, and bridge and trackwork are progressing well and the LOSSAN track cut-over was completed in April.

Mid-Coast Trolley Project construction is being completed through a CM/GC contract with a negotiated price known as a Guaranteed Maximum Price (GMP). Within the GMP, certain items that were at a lower level of design when the GMP was negotiated are subject to further price negotiation. The Mid-Coast GMP designated these items as provisional sums in the GMP. Since the GMP was approved by the Board of Directors on May 27, 2016, in the amount of \$927.5 million, design has been completed and the final plans and specifications were Issued for Construction (IFC) to MCTC. Between GMP and IFC, design advanced and scope changes were made to reflect field conditions, constructability improvements, and changes to meet stakeholder requirements. Staff and MCTC have been negotiating the changes between GMP to IFC and have agreed on costs for new scope identified as a result of design advancement and provisional sums for pre-cast construction and soil export. The currently negotiated GMP to IFC amount is \$24.9 million which is a 2.7 percent change to the original negotiated GMP value. The additional amount is within the construction line item budget and construction contingency. As construction continues, staff will continue to negotiate other field and scope changes and remaining provisional sums.

### *Pepper Canyon Betterments*

Through project amendments completed earlier this year, SANDAG and UC San Diego have agreed to place excess soil from various locations on the Mid-Coast Trolley Project into portions of Pepper Canyon near the Pepper Canyon Station on the UC San Diego campus. Prior to placing soil in the canyon, several UC San Diego utilities will be relocated. These utilities are betterments being funded by UC San Diego that will be constructed concurrently with the earthwork. The fill and utility work have started and are expected to be complete this calendar year. The heaviest work is planned for this summer.

### *Safety and Disadvantaged Business Enterprise Subcontracting*

Protecting the workers and the public is a primary focus for SANDAG and MCTC. Safety on the project is tracked daily and reported monthly. The Mid-Coast Corridor projects continue to have a safety record that is better than the national average.

The Mid-Coast Trolley Project construction has an 11.3 percent goal for Disadvantaged Business Enterprise (DBE) subcontracting. Based on the contractor's accepted DBE subcontracting plan and trends to-date, MCTC is expected to meet or exceed the 11.3 percent DBE goal.

## *Vehicles*

Thirty-six light rail vehicles are being purchased for the Mid-Coast Trolley Project through an MTS contract option with Siemens. MTS is reviewing design submittals and is performing in-plant inspections and Buy America compliance in preparation for vehicle fabrication using the First Article of Inspection List.

## *Other Corridor Projects*

In addition to building the Mid-Coast Trolley Project, MCTC is the contractor for five other projects in the Mid-Coast Corridor that are adjacent to and being closely coordinated with the construction of the light rail work. Below is a brief update on the other corridor projects.

LOSSAN San Diego River Bridge Project replaces the single-track LOSSAN bridge over the San Diego River with two new bridges. The first new bridge is in operation. The old bridge has been demolished and the foundations for the second bridge are being built.

Elvira to Morena Double Track Project replaces and adds bridges over Rose Creek and a second track from north of SR 52 to Balboa Avenue. Shoofly2 was completed in April which shifted LOSSAN train operations to the west. This shift allows work to start on the bridges and walls needed for the second track, and provided space needed to construct the Mid-Coast Trolley Project.

Gilman Drive Bridge Project is being built for UC San Diego to provide an east-west campus connection and also to facilitate construction of the Voigt Drive Improvement Project and future direct access ramp. Work continues to progress with MCTC placing reinforcing and concrete for the bridge superstructure. The bridge is scheduled to open in early 2019.

Rose Creek Bikeway Project creates a dedicated bikeway from the north end of Santa Fe Street to Mission Bay. Work continues on the pathway segment of the project from Mission Bay Drive to Santa Fe Street.

Voigt Drive Improvement Project will widen Voigt Drive and re-align Campus Point Drive. With Board approval, the work may include betterments and funding by UC San Diego for utilities and street improvements within the project footprint to achieve construction efficiency and eliminate conflicts or rework that would be needed if built as a separate UC San Diego project. Construction is expected to start in early to mid-2019. Item No. 7 on today's agenda, requests approval for additional UC San Diego funding for design of its proposed betterments.

## *Outreach*

The Mid-Coast Project and related LOSSAN corridor and UC San Diego projects have a multi-layered outreach program including a comprehensive project information component and focused communication efforts for specific construction activities. SANDAG is coordinating outreach activities with the Project Office, Construction Management teams, and MCTC. MCTC is conducting daily construction-specific outreach. The SANDAG communications team is planning outreach events, and is updating the SANDAG project websites and communicates via social media with stakeholders and the public. In the Golden Triangle area of University City, SANDAG works through SHIFT ([ShiftSanDiego.com](http://ShiftSanDiego.com)) to coordinate the distribution of construction information and alerts through its website for approximately 50 concurrent public and private construction projects in the Golden Triangle.

## **Next Steps**

Staff will return to the Transportation Committee this fall to provide an update on the Mid-Coast Corridor Trolley Project.

JIM LINTHICUM

Director of Mobility Management and Project Implementation

Attachments: 1. Mid-Coast Corridor Transit Project Fact Sheet  
2. Construction Progress Compared to Construction Expenditures

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# MID-COAST CORRIDOR TRANSIT PROJECT

## FACT SHEET



MID-COAST TROLLEY

**TransNet**

### The Project

The Mid-Coast Trolley will extend the Trolley Blue Line service from the Santa Fe Depot in Downtown San Diego north to the University City community, serving major activity centers such as Old Town, the University of California, San Diego (UC San Diego), and Westfield UTC. This important regional transit project was approved in fall 2014. Pre-construction activities began in early 2016 to relocate utilities out of the project alignment. Primary construction started in fall 2016, and service is anticipated to begin in 2021.

The route begins just north of the Old Town Transit Center, travels in existing railroad right-of-way, and alongside Interstate 5, to serve UC San Diego and University City. The extension will serve nine new stations: Tecolote Road, Clairemont Drive, Balboa Avenue, Nobel Drive, VA Medical Center, Pepper Canyon (serving UC San Diego west campus), Voigt Drive (serving UC San Diego east campus), Executive Drive, and the terminus station at the Westfield UTC transit center.

### The Need

Freeways and arterials in the Mid-Coast corridor are generally congested, and traffic congestion is projected to increase as the region grows. By 2030, population in the corridor is forecast to increase 19 percent and employment is expected to increase by 12 percent. The University City area has developed as a major employment and high-density residential area, similar to Downtown San Diego. University City is

San Diego's second downtown, and UC San Diego is a high transit use area with students and employment. SANDAG just opened a regional transit center at Westfield UTC, and the Mid-Coast Trolley will directly connect to the transit center, increasing transit ridership.

The Mid-Coast Trolley extension will provide an effective alternative to congested freeways and roadways for travelers, improve public transit services, and enhance travel options by connecting the corridor with areas served by the existing trolley system.

### Project Costs

The current project budget is \$2.1 billion, which includes financing costs.

### Project Status

In fall 2014, the SANDAG Board of Directors and the Federal Transit Administration (FTA) gave final environmental clearance to the project. In September 2016, through its New Starts Program, the Federal Transit Administration signed a Full Funding Grant Agreement with SANDAG to provide the nearly 50 percent federal match needed to fund the project and allow construction to immediately start in fall 2016. In June 2017, SANDAG secured a loan from the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program, which reduces borrowing costs and increases flexibility that will save taxpayer dollars in building the largest transit project in the region's history.

*(Continued on reverse)*



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Pre-construction activities - consisting of the relocation of underground utilities - began in early 2016, and primary construction activities started in fall 2016. Construction is now well underway along the entire 11-mile alignment. Service is scheduled to begin in 2021.

### Funding Status

The Mid-Coast Trolley extension is fully funded. The project is one of the highest priorities for SANDAG in its *TransNet* Early Action Program. The FFGA is providing approximately 48 percent of the project funding, with *TransNet* providing the remaining local match. *TransNet* also will provide operating funds for the Mid-Coast Trolley extension through the year 2048.

### Summary

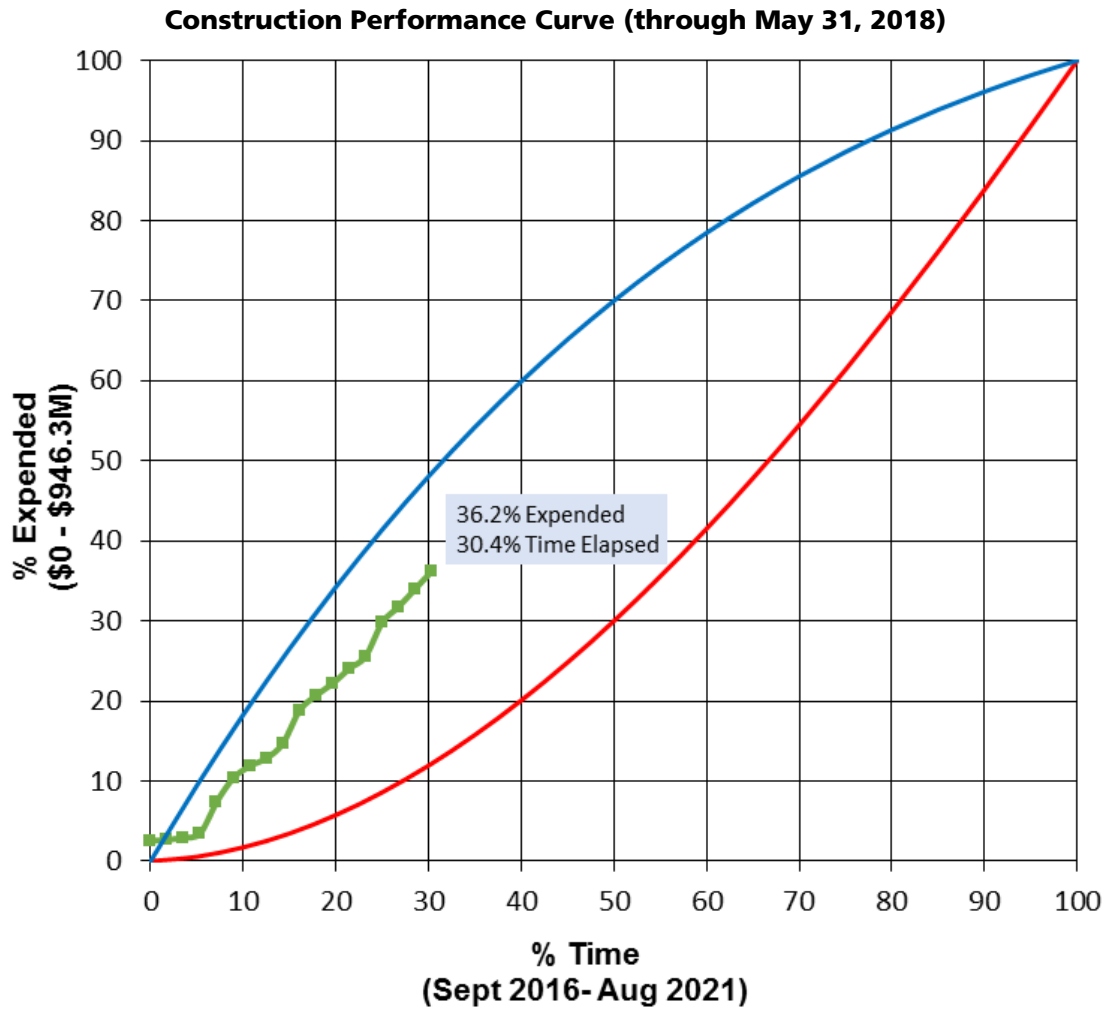
The Mid-Coast Trolley extension will improve access to growing employment, education, and residential areas. A trolley extension is particularly well-suited to the corridor because:

- » It connects with the existing regional rail system at the Old Town Transit Center and Downtown San Diego at Santa Fe Depot, providing a vast improvement to mobility within the region.
- » As an extension of the existing Trolley Blue Line, it will offer a one-seat (no transfer) ride from the international border and communities south of Downtown San Diego all the way to University City.
- » It will connect residents of the corridor with major activity centers such as the VA Medical Center and two major hospitals, UC San Diego, Westfield UTC, Old Town, and Downtown San Diego.

### For More Information

- » Visit: [KeepSanDiegoMoving.com/MidCoast](http://KeepSanDiegoMoving.com/MidCoast)
- » Call: (877) 379-0110
- » Facebook: MidCoastTrolley
- » Twitter: @MidCoastTrolley

### Construction Progress Compared to Construction Expenditures





**TRANSPORTATION COMMITTEE  
JULY 6, 2018**

**ACTION REQUESTED: INFORMATION**

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**NORTH COAST CORRIDOR PROGRAM: STATUS UPDATE**

File Number 1200504

**Introduction**

The North Coast Corridor (NCC) Program is a comprehensive set of transportation, environmental, and coastal access projects to reduce congestion, improve the quality of life for residents, create a stronger local and regional economy for the future, and enhance the coastal environment.

Projects are being built using the Construction Manager/General Contractor (CM/GC) delivery method, which is a best value construction procurement method. The CM/GC contractor is a joint venture of Flatiron, Skanska and Stacy Witbeck (FSSW) contractors. The project budget for construction is \$846 million and includes federal, state, and *TransNet* funds.

The Transportation Committee was last briefed on the status of the NCC Program in fall 2017. This item provides an update on the status of the project's progress, schedule, and cost.

**Discussion**

The first phase of construction of the NCC Program, known as Build NCC, will extend through the cities of Solana Beach, Encinitas, and Carlsbad (Attachment 1). Construction began in late 2016 and is scheduled to open to the public in late 2022.

*Highway Improvements*

Caltrans will extend high occupancy vehicle (HOV) lanes for 14 miles on Interstate 5 (I-5) from Lomas Santa Fe Drive in Solana Beach to State Route 78 (SR 78) in Oceanside. Additional highway improvements include replacing and lengthening the San Elijo highway bridge to accommodate the HOV lanes and help improve lagoon tidal flow; some sound walls on private property; a new Park & Ride/multi-use facility at the I-5/Manchester Avenue interchange; and auxiliary lanes. The multi-use facility will provide parking for HOVs, bike racks, electric vehicle charging stations, and recreational access to the San Elijo Lagoon and the new North Coast Bike Trail.

*Rail Improvements*

Improving the coastal rail line is a central component of Build NCC. The San Elijo Lagoon Double Track project is part of a larger plan to improve the coastal rail system by adding a second track. The addition of the second track will allow trains traveling in opposite directions to pass without slowing down or stopping, increasing the corridor's efficiency and reliability. Other project features include the replacement and lengthening of the rail bridge spans over the San Elijo lagoon. Additionally, at-grade rail crossing improvements will be made at Chesterfield Drive in Encinitas.

Finally, a pedestrian undercrossing is being built on the south side of the lagoon to provide improved lagoon and coastal access.

#### *Lagoon Restoration*

Build NCC includes the restoration of the San Elijo Lagoon. The restoration project is being coordinated with the San Elijo Lagoon Conservancy and resource agencies. Restoration will enhance the lagoon's wetland and upland areas, improve tidal flushing, and facilitate beach sand replenishment. Improving coastal access is a critical component of the NCC Program. Build NCC will include new east-west and north-south bicycle and pedestrian trails in and around the San Elijo Lagoon.

#### *Active Transportation Improvements*

Build NCC includes construction of 7 miles of the North Coast Bike Trail, a planned bike trail approximately 27 miles between Gilman Drive in the City of San Diego and Harbor Drive in the City of Oceanside. Build NCC also includes segments of the Coastal Rail Trail (CRT), a planned continuous bike route approximately 44 miles between the City of Oceanside and Santa Fe Depot in Downtown San Diego. The first 1.3 mile segment of the CRT in the City of Encinitas, from Chesterfield Drive to Santa Fe Drive, currently is under construction.

### **Overall Capital Project Budget and Schedule**

The capital budget for the projects currently in construction is \$846 million. Actual expenditure through May 2018 is \$130 million, or 15.4 percent of the capital budget.

#### *Highway Improvements*

The San Elijo highway project, which includes the Santa Fe Drive and Encinitas Boulevard bicycle and pedestrian improvements, is 30 percent complete with an anticipated completion date of December 2021. Utilities are 75 percent complete. The majority of the work continues to focus on the construction of the foundation system for the new bridge over the San Elijo Lagoon. Similar work will continue over the next six months. The community improvements at Santa Fe Drive and Encinitas Boulevard are scheduled to be completed in summer 2019.

The extension of the HOV lanes from Manchester Avenue to Palomar Airport Road will begin in October 2018 and the entire eight miles is expected to be open to traffic by the end of 2021.

The design of the HOV Lanes from Palomar Airport Road to SR 78 will begin in the summer of 2018 with construction beginning in late 2020.

#### *Rail Improvements*

The San Elijo Lagoon Double Track project, on the LOSSAN railway corridor, is 70 percent complete with an anticipated completion in mid-2019. Construction crews recently completed the new rail bridge over the San Elijo Lagoon and have laid new track across the bridge. Crews also removed the temporary work berm located under the bridge that had been built to assist in construction of the new bridge. At Chesterfield Drive a second track has been constructed across the roadway and along San Elijo Avenue where a new retaining wall has been completed. As part of the San Elijo Lagoon Double Track project, crews are building a pedestrian undercrossing on the south side of the San Elijo Lagoon.

In fall 2018, train traffic will transition onto the new bridge and the new track will be placed into service. Chesterfield Drive grade crossing will be closed to traffic for three weeks in order to reconfigure the intersection.

### *Lagoon Restoration*

Lagoon restoration team members recently wrapped up beach sand replenishment work at Fletcher Cove in the City of Solana Beach and on Cardiff State Beach in the City of Encinitas. All together, 441,000 cubic yards of sand from the lagoon's central basin were pumped to the local beaches. Excavators currently are working in the lagoon channels to help widen the channels. Dredges will then move in to help deepen the channels and improve tidal flow and circulation.

### *Coastal Rail Trail Construction*

The first CRT segment in the City of Encinitas began construction in April 2018. Current construction activities include clearing the project area, working on drainage, and completing a retaining wall in the north segment near Santa Fe Drive. Construction of the CRT is expected to be completed along with the San Elijo Lagoon Double Track project, mid 2019.

### *Disadvantaged Business Enterprise Subcontracting*

The San Elijo highway and rail construction of the San Elijo Highway Bridge has a 6.9 percent goal for Disadvantaged Business Enterprise (DBE) subcontracting. Based on the contractor's accepted DBE subcontracting plan and trends to-date, FSSW is expected to meet or exceed the DBE goal.

### **Next Steps**

Next steps include continuation of the Guaranteed Maximum Price negotiations currently underway for the HOV Lane extension from Manchester Avenue to Palomar Airport Drive, breaking ground for the HOV Lane extension project in October 2018, and beginning design of the HOV extension project from Palomar Airport Road to SR 78 in fall 2018. Staff will return in six months with another Build NCC update.

JIM LINTHICUM

Director of Mobility Management and Project Implementation

Attachment: 1. Build NCC Project Fact Sheet

Key Staff Contact: Allan Kosup, (619) 688-3611, [allan.kosup@dot.ca.gov](mailto:allan.kosup@dot.ca.gov)

## Integrating Transportation and Environmental Enhancements



San Elijo Lagoon highway bridge



San Elijo Lagoon

The San Elijo Lagoon highway bridge will be replaced and lengthened to help improve tidal flow in the lagoon. The wider bridge will accommodate an additional carpool lane in each direction. In addition, a suspended bike and pedestrian bridge will be built underneath the San Elijo Lagoon highway bridge to further increase north-south and east-west connectivity, and create more travel options. A 10-mile North Coast Bike Trail bike trail will be constructed to expand the regional bike and pedestrian network.

### Preserving Community Character and Improving Coastal Access



Santa Fe Drive in Encinitas

Build NCC includes local bike/pedestrian path improvements in Encinitas and Carlsbad. The interchanges at Encinitas Boulevard and Santa Fe Drive will be upgraded with new bike and pedestrian paths.

To help reduce freeway noise for nearby residents, Caltrans is proposing to construct some sound walls on private property. In areas with views, transparent sound walls will be offered to residents.



Batiquitos Lagoon

## About the Project

Build NCC is the first phase of construction of the North Coast Corridor (NCC) Program in the cities of Solana Beach, Encinitas, and Carlsbad. Build NCC is part of a comprehensive set of transportation, environmental, and coastal access projects to improve the quality of life for residents, create a stronger local and regional economy for the future, and enhance the coastal environment.

### Highway Improvements

Caltrans will extend carpool lanes on Interstate 5 (I-5) from Lomas Santa Fe Drive in Solana Beach to State Route 78 (SR 78) in Oceanside. Additional highway improvements include replacing and lengthening the San Elijo highway bridge to accommodate the carpool lanes and help improve lagoon tidal flow; some sound walls on private property; a new Park & Ride/multi-use facility at the I-5/Manchester Avenue interchange; and auxiliary lanes. The multi-use facility will provide parking for carpools, bike lockers, electric vehicle charging stations, and recreational access to the San Elijo Lagoon and the new North Coast Bike Trail.



### Rail Improvements

Improving the coastal rail line is a central component of Build NCC. Two double track projects – San Elijo Lagoon Double Track and Batiquitos Lagoon Double Track – are part of a larger plan to improve the coastal rail system by adding a second track, allowing trains traveling in opposite directions to pass without slowing down or stopping, increasing efficiency and reliability. Other project features include the replacement and lengthening of the rail bridge spans over the San Elijo and Batiquitos lagoons. Additionally, at-grade rail crossing improvements will be made at Chesterfield Drive in Encinitas.



### Lagoon/Bike/Pedestrian

Build NCC includes the restoration of the San Elijo Lagoon. The restoration project will be coordinated with the San Elijo Lagoon Conservancy and resource agencies. Restoration will enhance the lagoon's wetland and upland areas, improve tidal flushing, and includes beach sand replenishment.

Improving coastal access is a critical component of the NCC Program. Build NCC will include new east-west and north-south bicycle and pedestrian trails in and around the San Elijo Lagoon.



See inside map for details.

### Project Schedule and Funding

**Construction Start Date**  
2017

**Completion Date**  
2021

**Funding Sources**  
Federal  
State  
SANDAG (*TransNet*)

**Contractor**  
Flatiron-Skanska-Stacy and Witbeck

**Total Project Cost**  
Approximately \$700 million  
(Highway \$480 million; Rail \$140 million; Environment \$80 million)

The budgeted amounts are per the Draft FY19 budget provided to the SANDAG Board of Directors.

### For more information:

[KeepSanDiegoMoving.com/BuildNCC](http://KeepSanDiegoMoving.com/BuildNCC)

**Construction Hotline:** (844) NCC-0050

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[@BuildNCC1](https://twitter.com/BuildNCC1) @SDCaltrans  
[f](https://www.facebook.com/SANDAGregion1) SANDAGregion1 CaltransDistrict11  
[y](https://www.youtube.com/channel/UC...) SANDAGregion1 CaltransDistrict11

As of April 2018

HOV/Carpool Lanes from Lomas Santa Fe Dr. to SR 78



Batiquitos Lagoon and San Elijo Lagoon Double Track



Encinitas Blvd./Santa Fe Dr. Bike/Pedestrian Enhancements



Lagoon Bridge Replacements\*



Sound Walls\*\*



San Elijo Lagoon Restoration and Environmental Enhancements



\* Bridge replacements will help improve tidal flow and overall lagoon health.

\*\* Not all proposed sound walls will be transparent (glass).



## 7-6-2018 Transportation Committee Meeting

### 1.0 Roads, Rail, High-Speed Rail, Bridges, Busses, and Bicycle Issues

President Trump appointed Ann D Begeman to serve as acting chairman of the STB, a 2<sup>nd</sup>-5-year term that will end on 12-31-2020.

Ref: Trains, June 2018 pp. 9

#### 1.1 Roads

##### 1.1.1 Road Construction Materials

Road tests, on-going in China by Li Wu—chairman of Shandong Pavenergy, the company that made the plastic covered solar panels that were installed on a solar-panel highway. China produces 75% of solar panels sold globally and its wind-turbine manufacturing industry is also among the world's largest. The surface of these panels is made of a complex polymer that resembles plastic and has slightly more friction than conventional road surfaces, says Zhang Hohgchao at Tongji University in Shanghai. Highways in China are built with very thick Concrete bases, whereas in the U.S. we use asphalt that compresses under the weight of trucks.

Ref: The San Diego U-T 6-12-18 pp. C3

#### 1.2 Rail

##### 1.2.1 Interstate Freight Systems

In a network-wide \$3.3E9 infrastructure program BNSF Railway will lay a 4<sup>th</sup>-track through Needles, CA in 2018. The 4-mi section of quadruple track is expected to boost the capacity of the present Needles Subdivision of the Southern Transcon. It is in addition to \$230E6 of other projects planned in CA in 2018.

Ref: Trains, June 2018 pp. 9

- The next generation of track geometry cars measure more than geometry. Operating over rail they measure the position of the rails in 3-D space looking for problems of track gauge, horizontal and vertical alignment, and cross-level warp that are set by the FRA with strict limits for faster speeds. New cars built by ENSCO Rail, Plasser American, and MERNEC-track measuring companies looking for cracked joint bars to worn rail profiles on Class I railroads and transit systems—light-rail transit systems are more complex and measure: track geometry; rail profile measurement; ultrasonic detection of internal rail flaws; thermal cameras to look for electrical “hot spots” on electrified 3<sup>rd</sup>-rails; video inspection of rail head and sides, fasteners, and ties; 3<sup>rd</sup>-rail height, gage and protective board clearances; flangeways, and tunnel and platform clearances. Freight railroads are also using unmanned inspection vehicles. ENSCO Rail has built autonomous track geometry boxcars for CP and CSX Transportation. They do not carry freight but roam the system anywhere in a revenue freight train system. They are powered by rooftop solar panels with batteries and a backup diesel generator. They send defect information to remote computer servers in real time using cellphone networks to match GPS coordinates to milepost locations, sending reports to maintenance managers. It is now possible to detect tiny stress cracks in concrete ties, photographing every tie it passes. Current FRA regulations say tacks and sidings must be inspected on foot or hi-rail once

or twice/wk. Machines can not measure: Tie fasteners, switches, diamond crossings, culvers, ballast, track beds, drainage, vegetation, and rights-of-way.

Ref: Trains, June 2018 pp. 20

- Map and routes from Seattle and Portland, WA to Spokane, WA using the Stevens Pass, Stampede Pass, and Snoqualmie Pass at elevations of 2,894, 2,837, and 2,564-ft respectively, by Great Northern Railway, Northern Pacific Railway, and The Milwaukee Road, respectively.

Ref: Trains, June 2018 pp. 38

#### 1.2.1.1 Locomotives

GE pulled back the curtain on a year's worth of upgrades to change its Fort Worth locomotive production plant to specialize in modernizing aging locomotives. Upgrades typically include new control systems, crash worthy cabs, improvements to electrical components, D.C.-to-A.C. conversions, and new paint. They also do installation of PTC technology, trip optimizer control systems or other software technology's. Refurbishing locomotives of that age yields a 50% increase in hauling capabilities, 25% improvement in adhesion, 40% increase in reliability, and 20% decrease in overall maintenance costs. GE typically does 10-locomotives modernizations at a time. The upgrades take 9-weeks, compared to 5-weeks to build a new one. The Fort Worth facility opened in 2013 and took orders from BNSF, UP, Ferromex, CN, others, and celebrated the production of its 1,000<sup>th</sup>-locomotive in July 2016. There is a backlog of 1,000-locomotives set for upgrades.

Trains, June 2018 pp. 18

#### 1.2.3.2 Intermodal

Federal regulators are concerned about deterioration in railroad service metrics amid complaints from shipper groups—saying the industry is mired in a slowdown delaying shipments of goods from automobiles to grain. The Surface Transportation Board—STB—in March asked Class I railroad CEOs to explain service problems and whether their railroads have resources to meet current demand. Letters from grain shippers and automakers painted a picture of slow and erratic service across North America. Randall Gordon, President of the National Grain and Feed Association, blames the service decline on industries perusing of lower operating ratio's, resulting in shedding of resources by Class I railroads, including locomotives and crews that degraded services, resulting in non-existent capacity to meet rail customer's needs. The STB says most Class I railroads are experiencing declines in average train speeds and climbing average terminal dwell times, and the number of cars that have not moved in 48-hours is trending in the wrong direction. Performance metrics at 3-rairoads—BNSF Railway, CSX Transportation, and Kansas City Southern, have held steady or improved, but Canadian National, Canadian Pacific, Norfolk Southern, and Union Pacific have slowed to varying degrees. Service problems have prevented the industry from capitalizing on tightening truck capacity. Truck rates have risen this year amid rising demand, while railroad executives and investors expected to divert traffic off North American highways. Carload traffic was down approximately 1%, while intermodal was up 6% says the AAR.

Ref: Trains, June 2018 pp. 8

- Each day the Florida East Coast—FEC—Railway does the impossible—stack cars at Jacksonville, FL and launch them to Miami, 351-mi to the South that are on time nearly every time, with truck-trailers and

ocean shipping containers that truckers bring to Jacksonville that is about 50% of FEC's business. Rail is preferred to trucking containers on Miami's congested and accident plagued roads. The trucking industry generates some \$700E9 in revenue annually—10-times that of the Class I railroad systems. Overseas lessons learned by the U.S. in intermodal handling are: better short-haul intermodal that is driven by cost savings vrs highway, traffic congestion, and scheduled service to mesh with larger supply chains. It works in Europe because equipment is low-tare and terminals are low cost using a wide spot in the tracks and a forklift that can wrestle a 25-ton container off and on a flat car. Amazons out-bound shipping costs alone were larger than the total revenues of 5 of the 7-Class I railroads in 2016.

Ref: Trains, June 2018 pp. 40

#### 1.2.4 Urban Light Rail Systems

A man was killed on 6-4-18 when he walked in front of a north-bound Coaster train in Solana Beach and was struck a half-mi north of the Solana Beach Transit Center around 7:20 p.m. by the train going 40-mph. The engineer put on the brakes but was unable to stop.

Ref: The San Diego U-T 6-6-18 pp. B2

- A 59-year old woman picking trash from RR tracks in Mission Hills was struck by a train and killed. The engineer sounded the horn, but she did not move.

Ref: The San Diego U-OT 6-2-18 pp. B2

- Residents near RR tracks in Oceanside may get relief from blasts of train horns as early as next spring, with a "quiet zone" that has been in planning since 2007.

Ref: The San Diego U-T 6-18-18 pp. B1 & B3

- A tour of Brightline's test runs in FL shows its amenities and garish colors gives it a 1<sup>st</sup>-Class experience. Brightline believes they will succeed in this market, as it is heavily populated, and suffers from serious highway congestion even with Tri-Rail commuter trains on another route. I-95 is very congested and has numerous crashes. The Brightline is developing its own real estate holdings with residential units adjacent to rail stations, the thought is not, if you build it they will come—its install your customers next door, they will ride. Most Americans can not afford cars because of its capital costs, insurance, parking, gas, and maintenance, it's a burden to urbanites who prefer to get around by using Uber, Lyft, and a train if its fast, a pleasant experience, and convenient. Brightline will grow and expand eventually, extending to the Orlando airport, and to Miami. Area's of overcrowding and congesting like Fort Collins, Denver, and Colorado Springs area are examples where they can also succeed.

Ref: Trains, June 2018 pp. 4 and 52-61

- Cubic Corporation won a \$275E6 contract to upgrade the mass transit fare ticketing system in Queensland, Australia.

Ref: The San Diego U-T 6-20-18 pp. C1 & C4

##### 1.2.4.1 Street Cars

The 1<sup>st</sup>-streetcar for Milwaukee's new downtown service arrived on March 26, 2018 by truck from Brookville Equipment Corporation's factory in Brookville, PA. The 1<sup>st</sup>-of 5-built for the 2.5-mi

line is expected to open in late 2018. It will generate 1,850-rides/day or 595E3 in 2019. The rest of the cars will arrive in spring 2018.

Ref: Trains, June 2018 pp. 9

#### 1.2.5 Amtrak

Amtrak announced for the near future, so-called private varnish remains uncertain and they could drop excursions and special trains. They must narrow their focus to running a great core railroad that is: safe, on time, clean, with friendly service, and great customer facing technology. The American Association of Private Railroad Car Owners urged its members to contact lawmakers and leaders about the significance of private cars. Amtrak executives published a notice in March announcing the end of charters and special trains, effective immediately. Amtrak receives some \$10.0E6 in fees annually from private car owners of some 150-cars certified for use.

Ref: Trains, June 2018 pp. 6

- Issues of Amtrak performance-mixing passenger expectations of on-time trains with a host of railroad's right to move freight over infrastructure it owns. In mid-March, Amtrak issued a "Host Railroad Report Card" for 2017 listing grades to freight carriers based on minutes of delay/[10.0E3-train-miles]. This was followed by a Senate testimony where President Richard Anderson urged lawmakers to give Amtrak the right to sue railroads that willfully delay passenger trains. Congress codified Amtrak's statutory right of preference over host-railroads freight trains in 1973, but the U.S. Justice Department could bring legal action on Amtrak's behalf, that happened just once in 1979. Congress attempted the Passenger Rail Investment and Improvement Act of 2008 but was forced down by the AAR and host railroads. A 2<sup>nd</sup>-ruling I 2017 found the metric was tainted by Amtrak's involvement and could not be applied by the STB. Chicago's environmental Law and Policy Center filed a "Writ of Certiorari" petition to the U.S. Supreme court. The 2017 report cars listed: Railroad-minutes of delay-grade of: CP-422-A, BNSF-956-B+, UP-1,174-B-, CSX-1,273-C, NS-1,558-F, and CN-1,1659-F.

Ref: Trains, June 2018 pp. 22-23

#### 1.2.6 Interstate Freight Systems

The Transportation Safety Board of Canada says a broken rail was involved in an October 3, 2017 crash on Canadian Pacific in Saskatchewan. 37 of the 170-cars in the covered hopper train derailed as it rolled West on CP's single-track Maple Creek subdivision toward Medicine Hat, Alberta. Rail pieces show vertical split head fracturing in 3-places.

Ref: Trains, June 2018 pp. 9

#### 1.3 High-Speed Rail—HSR—

##### 1.3.2 Higher-Speed—HrSR—

Elon Musk's Boring company will work on a project connecting downtown Chicago to O'Hare International Airport, called Loop. He also worked on a project between city's a few hundred miles apart, that will travel at 760-mph. The Chicago to airport project will run at 150-mph, getting to the airport in 12-min, vs. 40-min by car or train.

Ref: The San Diego U-T 6-15-18 pp. C1 & C4

### 1.3 2.2 International

Taiwan may have the most concentrated and diverse railroad network/mi<sup>2</sup> on earth. Taiwan's emphases on providing high-quality rail services in an extensive modern rail-passenger network that is safe and convenient is made up of a 100-year-old, Lima-built Shays train; GE electrics operating under wire in daily freight and passenger service; 42-in-gage tilt trains; and a world class high-speed rail line in an area slightly larger than the states of MD and DL in the U.S. Taiwan is one of the most geologically active locations on the earth, with some 4-geologic plates converging under Taiwan that produced mount Yu Shan rising to 12,966-ft. In 400-years they went from native people to 17<sup>th</sup>-Century western explorers, where Spanish and the Dutch established trading outposts. Eventually, China's Qing dynasty claimed the Island with substantial immigration from the mainland. The 1<sup>st</sup>-railroads were built by 1887 and the Qing dynasty was defeated in the 1<sup>st</sup>-Sino-Japanese War [1894-1895] and ceded to Japan. The Railroads were developed with Japan's 42-in gage over a 50-year colonial period and it extended from Taipei south to Fangliao, and northeast to Keelung and Su'ao. A secondary mainline—the Coast Line was constructed from Chunan to just north of Changhua. Branch lines were constructed to tap onto the islands rich natural resources of coal-Pingxi line and timber-Alishan line. With the end of WW II Taiwan was returned to China but under the Nationalist Chinese government that was forced off the mainland by the Communists, and they formed the Republic of China, hoping to return to the mainline some day and developed a vibrant Western Style economy. Since 1949 the Taiwan Railways upgraded the railway, adding double track, CTC, and electrifying lines. On the West Coast it was reaching capacity so high-speed rail was the solution pursued. The Taiwan High Speed Rail Corporation won the contract to build and operate the Taiwan High Speed Rail System—THSR—in 1998. Opened in March 2007, the THSR connects Taipei in the north with Kaohsiung in the South in 96-minuets with 12-stations. It moved 30E6-people in 2008, in 2016 it moved 56.59E6-people, in 2017-60.5E6, and in January 2018 it set a record of 285E3 with the New Years holiday. The railroad uses 700T Shinkansen trainsets by Kawasaki with a top speed of 186-mph on standard gage track. Each 12-car train is formed with 11-standard cars and one business-class car with a capacity of 989-passengers. CEO James Jeng says through 2015 "average train reliability was 9.97%"—one of the best performing HSR systems in the world, arriving within 5-minutes of schedule 99.72% of the time.

The other railroads of significance are the Pingxi Line—originally built for coal—today it has 4-diesel railcars that move day-trippers to relax in the trails of the mountains sites and from Taipei to Ruifang. Outside of Asia, the Alishan Forest Railway is unknown and was completed in 1912 to haul the large timber resources in the mountains. It begins in Chiayi at 100-ft elevation to Chushan at elevations of 8,039-ft. It uses Shays, Lima-built trains built between 1910 and 1917 and they were the mountain workhorses of the time that were replaced in 1962 with diesels. The systems have extensive tunnels in the routes.

Ref: Trains, June 2018 pp. 30-37 and Google.com: taiwans high-speed rail

### 1.4 Bridges

#### 1.4.3 State, County, and City

Caltrans will install small spikes on the San Diego Coronado Bridge barrier wall to prevent suicides. More than 400-people have jumped to their deaths since 1969 from the bridge.

Ref: The San Diego U-T 6-8-18 pp. A1 & A8

## 1.5 Buses

### 1.5.2 San Diego Metropolitan Transit System—MTS—

The San Diego MTS rolled out a 2<sup>nd</sup>-phase of their Transit Optimization Plan starting this week, with better frequency. Service is up in about a dozen routes 60 of 90 routes will be altered in some way.

Ref: The San Diego U-T 6-14-18 pp. B1 & B7

## 1.6 Bicycle

A study shows the most dangerous intersections for cyclists. The top 3 in San Diego are: Midway Dr. & Rosecrans St., Rose St. & Valley Pkwy., and Valley Pkwy & Midway Dr. The data is from 2010 to 2016 with 15 to 8-crashes at each intersection.

Ref: The San Diego U-T 6-22-18 pp. 31

## 1.7 Urban Ride-Share, Delivery, and Transportation Networks

### 1.7.1 Uber

Drivers of Uber will get \$1.00-more/trip if they use electric vehicles under the “EV Champions Intuitive” in San Diego, Austin, Los Angeles, and Seattle.

Ref: The San Diego U-T 6-20-18 pp. C1 & C4

## 2.0 Port and Military Issues

### 2.1 Ports

#### 2.1.1 Container Ships

U.S. container shipping goes back to April 26, 1956 in the U.S. with the 1<sup>st</sup>-sailing of Malcom McLean’s, Ideal X from Newark to Houston with 58- 33-ft-containers in 1956. McLean’s 1<sup>st</sup>-Cellular ship-a converted freighter carried 266—35-ft boxes. The industries ability to load and unload the containers was developed with the twist-lock that allows containers to be loaded and unloaded easily in tight confines. Today’s container ships carry up to 22E3-TEUs [20-ft-equivalent containers]. Polish advisors say ships could carry 50E3-TEUs, but will require numerous advances to make it feasible, and would need ports dredged to 20-m [65.62-ft] to handle a 50E3-TEU ship. Ports are now using automation and 24/7-crews to speed up loading/unloading at ports and transport through terminal-gates. Freeway congestion is also an issue.

Ref: The Journal of Commerce, May 14, 2018 pp. 4

- NYK Line, MOL, and “K” Line entered the new Ocean Network Express—ONE—, in the 1<sup>st</sup>-Q-2018 on April 1, 2018, and is now the 6<sup>th</sup>-largest global carrier globally, says CEO Jeremy Nixon.

Ref: The Journal of Commerce, May 14, 2018 pp. 6, 16-17 and 70

- CMA CGM and Maersk Line said in April, they will take a 25% stake in CEVA in its plan to become the “global integrator of container logistics” in 3 to 5-years, akin to a FedEx or UPS for ocean freight.

Ref: The Journal of Commerce, May 14, 2018 pp. 16-17

### 2.1.2 Cruise Ships

Carnival Cruise Line will return to San Diego in 2019 after several years of absence with voyages to Mexico, Hawaii, and the Panama Canal. Carnival operates out of Long Beach and it left San Diego in 2012 for Australia. They have added 4-more ships to their fleet which gives San Diego a Spirit-Class ship.

Ref: The San Diego U-T 6-29-18 pp. A4

### 2.1.3 LNG and CNG Terminals

Sempra Energy's plans to build a large LNG facility on the TX-Gulf Coast is moving forward as of 6-22-18, when the company's LNG and midstream division selected Bechtel as the project contractor to build the facility near Port Arthur, TX. The LNG-"trains" [2-each] will enable sale of 11E6-ton/yr of LNG, placement of storage tanks, and 2-marine berths will be built on the site. The Cameron LNG project in Hackberry, LA is expected to begin operations in 2019 from the \$10.0E9 facility, with partners from Japan and France. Sempra's earnings at Cameron could exceed \$400E6/yr by 2020. Sempra's subsidiary in Mexico, IEnova operates the Energía Costa Azul facility near Ensenada that has an LNG import component and permits are in place for construction of an export component to supply markets in the Pacific, including Japan. The LNG is cooled to -260 °F and condensed into a liquid to be shipped around the world. The market will move from zero prior to 2016 to 6.0E9-ft<sup>3</sup>/d by the end of 2018.

Ref: The San Diego U-T 6-23-18 pp. C2

- Sempra Energy will construct an LNG facility with 2-partners for an LNG project near Ensenada, Mexico. Sempra LNG & Midstream selected International TechnipFMC and U.S. NE-based Kiewit as the engineering, procurement, construction, and commissioning contractor at the Energía Coast Azal facility in Baja California, Mexico.

Ref: The San Diego U-T 6-26-18 pp. C1 & C4

### 2.1.4 U.S.

City and port leaders agreed on 6-12-18 to buy out a hotel developer for \$33.2E6 to regain control of a waterfront parcel for the Convention Center Expansion project. It again still depends on the vote of a proposed hotel tax increase in November 2018. The payout will go to port tenants Ray Carpenter and Art Engel who worked with Robert Green on a \$300E6 hotel project on the 5-acre parcel. 3-years ago the city could have bought the parcel for \$14E6 a price set in 2010, but the Convention Center Corporation opted out of a deal.

Re: The San Diego U-T 6-13-18 pp. A1 & A9

- The Port of Charleston is moving to provide BCOs more intermodal options—doubling its rail share among the 4-largest U.S. East Coast ports, as Savannah works to expand its options too. As East Coast ports have gained Asia import market share, they are rushing to build rail infrastructure for intermodal markets in the U.S. Midwest, traditionally served by West Coast ports, now that the Panama Canal's 3<sup>rd</sup> Set of Locks is operational with 14E3-TEU ships, that shifted Asia imports to the East Coast, and its share has risen more than 10% from 2005 to 30.8% in 2017. Charleston's rail moves were 14.6% of rail moves of the 4-East Coast ports in 2017. The South Carolina Ports Authority opened Inland Port Greer in November 2013 and Inland Port Dillon on April 16, 2018 to capture manufactures in SC, NC, GA, and TN.

The ports in VA and NY-NJ are the main gateways for Midwest markets. There is an inland port in Cordele, GA and another will open in Chatsworth in August 2018. Ports will not cut truck trips but balance them with rail. The ELD mandate is exempted for trips under 100-mi. The Inland Port Greer facility is served by CSX Transport and Norfolk Southern Railway that opened in 2013 and handled 124,817-TEUs in 2017. In March 2018 the Georgia Ports Authority—GPA—started the ground breaking of the Mason Mega Rail Terminal that can build a 10,000-ft unit-train and remove 200E3-trucks/yr off GA’s interstate roads by the fall of 2019-20, for transport to Memphis, St. Louis, Chicago, and the Ohio Valley. In August 2018 GPA will open the Appalachian Regional Port in Chatsworth to attract BCOs in AL, TN, and KY, with 50E3-TEU moves/yr. The Port of Everglades in FL wants to increase rail share vrs trucks, from the intermodal containers transfer facility that opened in 2014, for transfer of 63,142-TEUs in 2017. The Port of Miami is also moving to increase rail options.

Canada’s and Mexico’s, Halifax and Veracruz and Altamira ports respectively will drive the Top 25-North American ports growth. In 2017 Canadian ports in the Top 25 rose 5% to 33.8E6-TEUs and Mexican ports rose 11.6% yr-over-yr to 4.3E6-TEUs at U.S. ports. U.S. Gulf Ports exports and imports were up in 2017. Long Beach’s ports imports were up. Wilmington, NC was not able to recover from the collapse of Hanjin Shipping.

Ref: The Journal of Commerce, May 14, 2018 pp. 18-23 & 24 and 26, 28, 30 & 32-34

- The ports of NY and NJ are moving to attract young people to a career in the logistics and supply chain industry among school and college students.

Ref: The Journal of Commerce, May 14, 2018 pp. 34 & 36

- U.S. retail importers oppose a proposal to enact a flat fee on all loaded container moves at the Ports of LA-LB on the revised PierPass extended-gate program. The revised plan was from the old plan that only charged daytime container moves is “anti-completive and market distorting” says the National Retail Federation.

Ref: The Journal of Commerce, May 28, 2018 pp. 82 & 84

#### 2.1.4.2 Drayage Truck Issues

The ELD mandate is raising trucker rates and causing tight truck capacity issues.

Ref: The Journal of Commerce, May 14, 2018 pp. 11-15

- To help smaller overseas exporters break into U.S. markets and find U.S. truck capacity, MOL Group is partnering with digital trucking marketplace, NEXT Trucking with a warehousing sister company, iDC Logistics’. The goal is to help smaller Asian enterprises co-load containers bound for the U.S. and deconsolidate and transload them near the Ports of Los Angeles and Long Beach via iDC and NEXT Trucking. Truckers sourced on NEXT’s digital platform would deliver the goods to distribution centers or stores throughout the U.S.—basically an end-to-end solution.

Ref: The Journal of Commerce, May 2018 pp. 70-72

- The Port of Long Beach will issue an RFP to companies interested in developing and operating a chassis support yard in the harbor, that could move the chassis off the container terminals.

Ref: The Journal of Commerce, May 28, 2018 pp. 74, 76-77

- Shippers moving goods through the Ports of NY-NJ could see average turn times decline at the ports main terminals via a new truck-tracking system that will prod terminal operators into greater efficiency.

Ref: The Journal of Commerce, May 2018 pp. 78-79 and 80-81

#### 2.1.5 International

China's Top 20-ports in the 1<sup>st</sup>-Q-2018 volume was 48.9-TEU say Shanghai Shipping exchange. China's GDP grew 6.8% in the 1<sup>st</sup>-Q-2018. The world's GDP is projected to be 3.4% in 2018, up 0.1% from 2017. There was a 30% decline in U.S. exports to China because of China's ban on certain kinds of waste. China's Top 5 ports volumes were: Shanghai up 3.8% to 9.7E6-TEU, Ningbo-Zhoushan up 10.6% to 6.5E6-TEU, Guangzhou up 9.7% to 4.9E6-TEU, Shenzhen up 6.4% to 6.0E6-TEU, and Qingdao up 0.7% to 4.5E6-TEU.

Ref: The Journal of Commerce, May 14, 2018 pp. 6

- The Prince Rupert port in the Pacific Northwest will welcome Yang Ming Line and its partners in the THE Alliance will call at the Canadian gateway. Yang Ming and its partners Hapag-Lloyd and Ocean Network Express joined Cosco, and its Ocean Alliance partners and Maersk Line and its 2M partner Mediterranean Shipping company will call Prince Rupert that has 4-weekly trans-Pacific services. Prince Rupert has direct service to Chicago, Memphis, and New Orleans via Canadian National Railway with 3-trains/day at Prince Rupert. They compete with the Northwest Seaport Alliance of Seattle and Tacoma, Vancouver, and Prince Rupert with shares of 39.5%, 48.5% and 12% respectively. Prince Rupert opened its Fairview Container Terminal in 2007 and in the summer of 2007, DP World added a 2<sup>nd</sup> berth at the terminal. The THE Alliance in 2017 said its PS8 trans Pacific service from Tianjin, Qingdao, Shanghai, and Busan would call the Pacific Northwest.

Ref: The Journal of Commerce, May 14, 2018 pp. 36-38

- Container volume through Mexican ports increased 12% yr-over-yr in 2017, as more shippers routed goods through the Gulf Coast and pacific traffic slipped, paralleling the acceleration of the eastward shift of U.S. imports after the 2016 opening of the expanded 3<sup>rd</sup>-Set of Locks at the Panama Canal. It is also being driven by improved economic situations in Europe, especially in the automobile parts industry near the Gulf Coast of Mexico handled 4.6E6-laded TEUs in 2017, says the Department of Communications and Transportation. The Mexican government has pledged a \$5.0E9 upgrade to the nation's ports with public money and the private sector. Expansion will be done in the Port of Veracruz, increasing its 900E3-TEU capacity 5-fold, and a new rail tunnel at the Port of Manzanillo set to open in 2018. The new 3<sup>rd</sup>-Set of Locks at the Panama Canal has had a demonstrable impact on U.S. trade. In the 1<sup>st</sup>-yr after opening, imports from Asia to the East coast grew 7.9%, while they increased 3.6% through the West Coast. The size of the ships through the locks is up 39% and has caused the shrinkage of imports on the West Coast with routes that don't require full cross-country travel by road or rail. The location of Mexico's fast-growing automobile industry is closer to the Gulf Coast than the Pacific, that helps cargo volumes to the eastern ports, as auto ports made their way to the factories. The Mexican port also benefited from an improved European economy. Mexico's GDP was up 1.2% for 2017. Mexico's economic outlook is grim for the next 2-years, with growth of 2% for 2018-19 because of tight fiscal and monetary policies, as the government needs to reduce the fiscal deficit and the federal bank fights relatively high inflation. The

countries automobile industry continues to thrive and is driving the cargo volume. Mexico has more than a dozen car plants including Ford, Chrysler, Fiat, GM and imports the parts, and sends out finished cars. At the Ports of Veracruz and Almirante, Tamaulipas, Mexico, nearest the auto factories and Mexico City. Mexico's largest port, Manzanillo on the Pacific Coast handled 2.0E6-TEUs, the 2<sup>nd</sup>- Pacific Port Lazaro Cardenas was 773,680-TEU. The port opened a \$900E6 semi-automatic terminal by APM Terminals. A specialized \$51E6 roll-on-roll-off terminal at the Port of Lazaro Cardenas is in full operation and welcomed its 1<sup>st</sup>-ships in March 2018. APL and Hamburg Sud will add new services aimed at a growing volume between Asia and Mexico as Chinese imports jumped 12.9% to 632.844-TEUs. The new APL Route—Quetzal Express, will run weekly, connecting China, Korea, Taiwan, and Hong Kong—with Mexico and the West Coast of South America, with a South China-Mexico sailing time of 22-days, with calls at Guatemala, Columbia, Ecuador, and Peru.

Ref: The Journal of Commerce, May 14, 2018 pp. 49-57

### 2.1.5 International

#### 2.1.5.1 China's 21<sup>st</sup>-Century Maritime Silk Route Economic Belt

The battle for Hodeida, the Yemeni Port City and life-line for the famine crises is heating up.

Ref: The San Diego U-T 6-20-18 pp. A3

- Fighting escalated in South Syria as government forces pushed deeper into rebel-held territories in Daraa province and the UN says 50E3-people were displaced. Jordan said its borders will remain closed for new refugees, as they have 600E3 now! Many are trying to move to the Israeli-occupied Golden Heights. Italy may take some, with 3-other countries saying as well.

Ref: The San Diego U-T 6-27-18 pp. A3

- Defense Secretary Jim Mattis says China's President Xi Jinping said the South China sea belongs to China's ancestors and Mattis said the U.S. still stands with Taiwan—where issues they spoke about. Mattis stressed freedom of navigation in the region and adherence to international law. In a 2015 White House meeting visit Xi said he had no intention to militarize Islands in the South China Sea.

Ref: The San Diego U-T 6-28-18 pp. A3

### 2.1.7 Logistics

Article on how the electronic shipping platform INTTRA's foray into rate management software is unnerving competitors. The solution is designed to give freight forwarders and non-vessel-operating common carriers on its platform tools, to automate the collection and ingestion of contracted freight rates from carriers.

Ref: The Journal of Commerce, May 28, 2018 pp. 72-74

### 2.1.9 Autonomous Navigation Systems

A Tesla Model X using semi-autonomous Autopilot accelerated before crashing into a CA freeway barricade killing its driver.

Ref: The San Diego U-T 6-8-18 pp. C3

## 2.2 Military

President Trump said he would direct the Pentagon to establish a 6<sup>th</sup>-armed force, dedicated to protecting U.S. interests in outer space issues, at a speech during a meeting of the National Space Council.

Ref: The San Diego U-T 6-19-18 pp. 4

- President Trump's nominated Army Lt. General Austen Miller says he cannot give a date of closure for the 17-year Afghan War.

Ref: The San Diego U-T 6-20-17 pp. A5

- The Trump Administration is considering housing up to 20E3-unaccompanied migrant children on military bases, says lawmakers and a Defense Department memo.

Ref: The San Diego U-T 6-22-18 pp. A12

- Under the zero-tolerance policy by President Trump, tens of thousands of unauthorized immigrants will be housed indefinitely by the U.S. Government. Military leaders will create a tent city at Camp Pendleton to detain as many as 47E3-unauthorized immigrants.

Ref: The San Diego U-T 6-23-18 pp. A1 & A9

### 2.2.2 International Issues

President Trump will fly to Singapore in June 2018 for a landmark summit with North Korea's leader Kim Jong Un, anticipates a more drawn-out negotiation, and will stop increasing pressure on the regime while talks proceed.

Ref: The San Diego U-T 6-2-18 pp. A1 & A13

- North Korea's leader Kim Jong Un's letter to President Trump was as big as a folded news paper and was delivered to the president by North Korea's Kim Yong Chol. President Moon of South Korea also received a letter of the same size, by Kim's sister who attended the Olympics as a special envoy and it was covered by a blue folder embossed with a golden seal.

Ref: The San Diego U-T 6-3-18 pp. A16

- President Trump offered normalized relations, economic investment, a White House visit, and he believes Kim Jong Un wants to do something, but Trump will not give away the store, he told allies.

Ref: The San Diego U-T 6-8-18 pp. A4

- President Trump has wanted to solve issues with North Korea since 1999, after studying the events with the Soviet Union in the 1960s.

Ref: The San Diego U-T 6-10-18 pp. A5

- President Trump and North Korea's Kim Jong Un converged on this Island City-state on 6-10-18 for their summit—most anticipated summit in recent World history, to settle Pyongyang's nuclear arsenal issues. Hours earlier a jet carrying Kim Jong Un landed. He shook hands with Singapore's Foreign Minister and

proceeded to the luxurious and guarded St. Regis Hotel in a limousine with North Korean flags fluttering on the hood. Kim and Trump will meet—the first summit of its kind between a leader of North Korea and a sitting U.S. President, will meet one-on-one with translators that could last 2-hours, before opening to their advisers. Kim met Singapore Prime Minister Lee Hsien Loong. President Trump will meet Lee on 6-11-18. Kim has left his country only 3-times since taking office—twice to China and once to South Korea. Trump wants a Peace Treaty with North Korea to replace the Armistice signed in 1953 and China and South Korea would also need to sign off on any legal treaty. North Korea will deal, if the U.S. provides it with reliable security assurances and other benefits. The deal will also need to allow unfettered outside inspections of the country's warheads and nuclear fuel kept in an underground facility. On July 27, 1953 it was ended but continues today because of negotiates to a peace treaty by U.S. led, U.N., North Korea and China for the peace treaty, and preserving the Kim family dynasty. China is jittery of Kim's ambitions.

Ref: The San Diego U-T 6-11-18 pp. A1 & A6 and A7

- What President Trump and Kim Jong Un signed at the summit is being analyzed by the White House and North Korea's official media that says it will be done step-by-step. President Trump and Kim met for some 40-min on Singapore's Sentosa Island.

Ref: The San Diego U-T 6-13-18 pp. A1 & A12 and 6-14-18 pp. A1 & A8

- Secretary of State Mike Pompeo told Asian powers at a meeting, that President Trump was sticking to demands that North Korea surrender its nuclear weapons and he would continue sanctions on the north, in South Korea.

Ref: The San Diego U-T 6-15-18 pp. A3

- Satellite imagery at a North Korean nuclear research site shows improvements at a "rapid pace" says a 38 North report of the Yongbyon Nuclear Scientific Research Center on June 21, 2018. North Korea has called for a "step-by-step" process of dismantling nuclear capabilities.

Ref: The San Diego U-T 6-28-18 pp. A7

- An American financier, Gabriel Schulze approached the Trump Adm. last summer, 2017 with a proposition—the North Korean government wanted to talk to Jared Kushner, the president's son-in-law and senior adviser. The North Korean official wanted to explore a meeting between President Trump and Kim Jong Un. Schulze lives in Singapore and had built a relationship with North Korea for business opportunities in the isolated state. He did business deals in North Korea before the Obama era. All is well with President Donald Trump and Kim Jong Un's summit results, but analysts are baffled over issues on North Korea's chemical weapons issues.

Ref: The San Diego U-T 6-18-18 pp. A1 & A8 and 6-19-18 pp. A5

- Kim Jong Un and his wife Ri Sol Ju arrived at the Chinese Beijing capital's international airport on his 3<sup>rd</sup>-visit to China in the last 3-months for a meeting with President Xi Jinping at the Great Hall of the People.

Ref: The San Diego U-T 6-20-18 pp. A3

- President Trump signed an executive order for 1-tear saying North Korea is still an extraordinary threat to the U.S. North Korea and the U.S. still need to negotiate terms for giving up nuclear weapons to get relief from sanctions for the last 25-years.

Ref: The San Diego U-T 6-23-18 pp. A3

- On 6-23-18 the U.S. Military in South Korea moved some 100-wooden coffins with the remains of some 200 to 250-U.S. servicemen from North Korea, casualties of the Korean War. Some 5,300-U.S. troops from the Korean War are still missing and presumed to have been killed and remaining in North Korea.

Ref: The San Diego U-T 6-24-18 pp. A4

- North Korea did not celebrate the annual “anti-U.S. Imperialism” rally marking the start of the Korean War. On July 27 North Korea celebrates as a national holiday “Victory in the Fatherland Liberation War”.

Ref: The San Diego U-T 6-26-27-18 pp. A3

- Defense Secretary Mattis says he wasn’t aware of North Korean steps to denuclearization.

The San Diego U-T 6-22-18 pp. A6

- Secretary of Defense Jim Mattis arrived in Beijing in the 1<sup>st</sup>-visit to China by a Pentagon Chief in 4-years, as Beijing and Washington navigate a Trade War. The U.S. said it would impose sanctions against all importers of Iranian oil by November 4, 2018, that roiled oil markets, and alienated allies and adversaries alike. U.S. oil prices rose 4% to \$70.68/bbl and International Brent crude went up 2.3% to \$76.46/bbl.

Ref: The San Diego U-T 6-27-18 pp. A3

- President Trump will meet Queen Elizabeth II during a 1<sup>st</sup>-visit to Britain on Friday July 13, 2018. He may have a meeting with Vladimir Putin after National Security Advisor John Bolton’s meeting with the Kremlin. The meeting could be in Vienna if approved [was changed to Finland] by Russia’s spokesman Dmitry Peskov who so far says there have not been any plans to do so. Putin has not been to the White House since 2005 and he will meet with Trump “as soon as the American side is ready”.

Ref: The San Diego U-T 6-22-18 pp. A3

- President Putin says he’s working to rejoin the G-7 after President Trump’s invite.

Ref: Google Alerts 6-10-18

- President Trump plans to meet President Putin in a one-on-one summit that could exacerbate strains with NATO allies.

Ref: The San Diego U-T 6-28-18 pp. A4

- President Trump and President Putin will meet for a summit on July 16, 2018 in Finland.

Ref: The San Diego U-T 6-29-18 pp. A4

- Socialist party leader Prime Minister Pedro Sanchez took over Spain’s government from conservative Mariano Royjoy.

Ref: The San Diego U-T 6-2-18 pp. A3

- Populist’s Premier Giuseppe Conte pledged loyalty to the Italian Republic and post war-Constitution in front of President Segio Mattarella, Catholic Christian Democracy, anti-fascist party. Earlier Conte had alarmed financial markets with issues over the euro.

Ref: The San Diego U-T 6-2-18 pp. A3

- As India enters the global stage in trade, Prime Minister Narendra Modi told the top Defense and Espionage Ministers of the Pacific Rim and major European nations, they face insecurity with rising military budgets reflecting new fault lines in trade and conflict across the globe and they will preserve piece in the Indian and pacific Oceans. They also said India and China should work together for a better world.

Ref: The San Diego U-T 6-2-18 pp. A6

- Italy's new populist government refused to let a rescue ship with 600-migrants dock on 6-10-18 and threaten to do the same to other ships on 6-11-18. The E.U. reacted until Spain said they would break the dead lock and accept the ship.

Ref: The San Diego U-T 6-12-18 pp. A3

- Heavy fighting in Yemen between pro-government forces and Shiite rebels has killed more than 600-people on both sides in recent days.

Ref: The San Diego U-T 6-12-18 pp. A3

### 3.0 Water Issues

#### 3.1 Regulation

Scott Pruitt head of the EPA is expected to send President Trump a detailed legal proposal to scale back an Obama-era regulation on water pollution. He will also gut President Obama's rule to reduce climate- warming pollution from vehicle tailpipes. That proposal risks a court battle with CA, and the American car market could split in two, over the 2-different pollution rules.

Ref: The San Diego U-T 6-15-18 pp. A10

#### 3.6 Municipal Water Systems Contamination

Salem, OR is experiencing a civil emergency from toxins in its water supply and other U.S. reservoirs that supply drinking water and other lakes used for recreation are experiencing the effect of global warming, of blooms of cyano-bacteria where their lakes and ponds a create a class of toxins that impact the areas from algae. Humans get liver damage from the toxin and it attacks the nervous system.

Ref: The San Diego U-T 6-24-18 pp. A23

### 4.0 Pipelines and tunnel Issues

#### 4.1 Pipelines

##### 4.1.5 Oil and Gas

The 47-mi natural gas pipeline-Line 3602 that SDG&E wants to construct between Rainbow and Miramar is on the table on 6-21-18, when the CPUC is scheduled to vote on it. SDG&E says the line will replace an old line constructed 70-years ago-in 1949 but an Administration Law Judge in May 2018 recommended commissioners reject the utilities plan. If they reject the line, the old pipeline will have to undergo a high-pressure water test that SDG&E says is expensive and would impact 125-homes and structures near the path of the existing line. SDG&E wants to partner with SoCalGas to replace the 16-in

pipeline along I-15 with a 36-in one that runs North-South and goes on a path near Escondido and Poway. The new pipeline would cost \$639E6 and be paid for by ratepayers by an 1.7% increase in monthly bills—57¢/month.

Ref: The San Diego U-T 6-20-18 pp. A1 & A9

- A 5-0 vote by the CPUC, rejected the proposed 47-mi, \$639E6 natural gas pipeline by SDG&E and SCE between Rainbow and Miramar.

Ref: The San Diego U-T 6-22-18 pp. A1 & A6

## 5.0 Transportation Environmental Issues

### 5.1

## 6.0 Transportation Financial Issues

The U.S. Supreme Court on 6-21-18 passed a ruling that online sales are subject to the same state and local taxes that are collected on purchases at brick-and-mortar retailers. Justice Anthony Kennedy says the ruling was fair.

Ref: The San Diego U-T 6-22-18 pp. A1 & A11

- The County of San Diego will spend \$6.3E9—an increase of 8.5% more than 2018 on public safety and mental health, to capital projects, and the high arts. Health and Human Services is up 10% to \$2.1E9, Public Safety up 5% to \$1.9E9, land use and environment up 5% to \$536E6. The Capital budget is up 80% to \$275E6 for 2019 and adds 179-fulltime employee positions to 17,583 at a cost of \$2.23E9 for the new fiscal year. Homeless housing will get \$13E6 for vouchers to hotels that cost \$35E3/person.

Ref: The San Diego U-T 6-26-18 pp. A1 & A11

- The U.S. GDP is down to 2% for the 1<sup>st</sup>-Q-2018.

Ref: The San Diego U-T 6-29-18 pp. C3

- President Donald Trump wants to further lower the corporate tax rate from 21% to 20% in a 2<sup>nd</sup>-round of tax cuts late in 2019. It is the 6<sup>th</sup>-month anniversary of the \$1.5E12 tax cut law passed in 2017.

Ref: The San Diego U-T 6-30-2018 pp. A4

### 6.1 Ports

### 6.2 Container Ships

The Federal Maritime Commission is investigating claims from BCOs that some lines are canceling store deliveries, over the recent rise in drayage costs, as truck capacity is cut by the ELD mandate.

Ref: The Journal of Commerce, May 14, 2018 pp. 40

- The Teamsters Union is backing a bill in CA to require BCOs to share liability for wages, penalties, and damages to drayage drivers in lawsuits with S.B. 1402.

Ref: The Journal of Commerce, May 14, 2018 pp. 41

- Container lines are facing a slow start in 2018 because of rising bunker fuel prices, a weak spot rate market, and higher charter costs.

Ref: The Journal of Commerce, May 2018 pp. 7

## 6.4 State, County, and City

The San Diego City Council unanimously adopted a budget on Monday that increases infrastructure spending to its highest level ever. The budget starts July 1, 2018 at \$1.46E9.

Ref: The San Diego U-T 6-12-18 pp. B1 & B3

## 7.0 Airport and Global Space Issues

### 7.1 Airport

#### 7.1.4 Air Freight

Tijuana's Carlos Bustamante Anchondo said he is seizing on the city of San Diego's strategic location next to CA with existing airline connections to Mexico's interior and Asia, wants to turn Tijuana into a major air cargo hub for domestic and international routes.

Ref: The San Diego U-T 6-4-18 pp. A1 & A8

#### 7.1.5 Safety

New arrivals at SDIA will face a \$229.4E6 new biometric identification system at a new 130E3-ft<sup>2</sup> arrivals facility in the west end of Terminal 2.

Ref: The San Diego U-T 6-29-18 pp. A1 & A11

#### 7.1.6 U.S.

Alaska Airlines continues to expand service out of SDIA will start flying nonstop to Spokane, WA on October 1, 2018.

Ref: The San Diego U-T 6-16-18 pp. C1 & C3

#### 7.1.7 International

Shippers whose cargo crosses Russian airspace will see their costs increase 5 to 6% says the Russian Federal anti-Monopoly Service, who increased air navigation fees for international cargo carriers by 5%. It could increase in response to the West's latest sanctions, imposed by the U.S. and supported by European allies.

Ref: The Journal of Commerce, May 14, 2018 pp. 8

### 7.2 Global and Space

#### 7.2.4 Planets

##### 7.2.4.1 Mars

Mars's rover Opportunity has been knocked out by a gigantic dust storm that enveloped the red planet and blotted out the Sun. The storm covers 25% of the planet and could last for months. Opportunity will be able to catch sun light and recharge its power source from solar panels when the storms subside.

Ref: The San Diego U-T 6-17-18 pp. A27

- Rover Curiosity on Mars is studying a Martian Dust Storm.

Ref: The San Diego U-T 6-24-18 pp. A27

#### 7.2.4.3 Pluto

The dunes on Pluto are made up of tiny frozen grains of methane. They were discovered by NASA's New Horizons Spacecraft launched in 2006 in its 2015 flyby. The icy specks are the size of sand with frozen nitrogen mixed in. Pluto also has gentle winds.

Ref: The San Diego U-T 6-3-18 pp. A21

#### 7.2.5 Comets and Asteroids

The U.S. is stepping up efforts to protect the planet from incoming asteroids that could wipe out entire regions or continents. The National Science and Technology Council and NASA say most objects are at least 1760-ft in size and 18,310 objects have cataloged.

Ref: The San Diego U-T 6-24-18 pp. 27

### 8.0 Border and Culture Issues

#### 8.1 Border

U.S. border authorities in an escalation of President Trump's "zero tolerance" immigration policy, called on operation streamline where migrants will be moved through the justice system with cases taking only hours in groups of up to 100-migrants/day to save time and expense, says the Criminal Case Management Committee. Arrests by the Border Patrol across the Southwest border were up to 40,344-people between April and May 2018, says U. Customs and Border Protection.

Ref: The San Diego U-T 6-7-18 pp. A1 & A13

##### 8.1.1 Import-Export

Trade talks between the U.S. and China ended with China refusing to buy more U.S. goods without President Trump agreeing to drop further tariffs.

Ref: The San Diego U-T 6-4-18 pp. A3

- U.S. Commerce Secretary Wilber Ross arrived in Beijing on 6-2-18 for talks on China buying more American Goods, as Washington revived tensions by renewing threats of tariff hikes on Chinese high-tech exports.

Ref: The San Diego U-T 6-3-18 pp. A6

- President Trump imposed more tariffs on Chinese goods. China retaliated with the same 25% scale.

warehouses. XPO Logistics in April 2018 launched an e-commerce distribution platform drawing on its trucking, last mile/last-touch and logistics units.

Ref: The Journal of Commerce, May 14, 2018 pp. 43-44, 46-48

- The relationship between NAFTA and auto-manufacturing is complex. Parts cross the North American borders many times before a finished product is assembled—allowing the U.S. to stay competitive against foreign competitors, especially Japan and South Korea, that flooded the U.S. with cars. Wages in Mexico are lower than in the U.S. or Canada. NAFTA mandates 62.5% of auto content must come from within North America, but to repatriate jobs. One of Washington’s earliest proposals in renegotiations of the trade deal wasn’t to raise the content to 85%, but to require 50% of content come from within the U.S. The proposal was rejected by Canada and Mexico and seen as too disruptive to supply chains and it would reduce profitability and competitiveness, with loss of market share and lost jobs. The new U.S. shift is to reduce the 50% of auto content provided in the country and it will also adjust its North American content requirement. The proposed 85% NAFTA regional value content may be lowered to 75%. Tracing non-originating materials—not from within North America, is done today, but the new proposal will group material inputs into 3-or more categories to meet thresholds from 65 to 75%. Washington would require U.S. auto makers to have auto-content produced in jurisdictions with set minimum wage, in exchange for financial credits to offset additional labor costs. The other critical concern is the degree the increased labor costs impact U.S. automakers over all competitiveness.

Ref: The Journal of Commerce, May 14, 2018 pp. 56

- If President Trump delivers on threats to slap 25% tariffs on imported vehicles and components, there could be fewer rigs heading to Canada and Mexico. The tariff threat could be a negotiating play to restart stalled talks on NAFTA. With wider auto tariffs imposed, industry experts say it will disrupt a decades-old symbiotic parts supply chain; raising vehicle prices, cutting new vehicles sales, cost jobs in the U.S., Canada and Mexico; and could slow related sectors of the economy. Based on the 24-year old NAFTA, automakers and suppliers ship engines, transmissions, and thousands of widgets across both U.S. borders and from China.

Ref: The San Diego U-T 6-19-18 pp. C3

- The U.S. imported more than 6.0E9-lbs of seafood valued at \$21.5E9 in 2017, says NOAA that oversees the American fisheries. The country exported 3.6E9-lbs valued at \$6.0E9. The U.S. handles Pacific Salmon, New England lobster, and Alaskan pollock, but imports more than 90% of it’s seafood from Canada, China, and Chile. Major buyers of U.S. fish are China, Japan, and South Korea.

Ref: The San Diego U-T 6-26-18 pp. C3

- WI dairy farmers say if President Trump moves to change dairy products exports they will be pouring cows milk in the fields, because you cannot shut off cows.

Ref: The San Diego U-T 6-26-18 pp. C3

- Marie Callender’s and Hungry-Man are merging in a \$10.9E9 deal between Conagra and Pinnacle Foods. Conagra owns Banquet, Healthy choice, and Alexia frozen brands. Pinnacle owns bird’s Eye, Vande Kamp’s and Mrs. Pauls. The 2 also own chef Boyardee, redid-Whip, and Duncan Hines. Kellogg reported a jump in frozen food sales for healthier options.

Academy-West Point and received a Doctorate Degree from Vanderbilt University Law School in 1973, and lived with Lamar Alexander, present U.S. Senator from TN, applied for a construction permits to expand the Otay Mesa Detention Center that holds immigrants waiting court proceedings.

Ref: The San Diego U-T 6-24-18 pp. A16 and Google.com: thomas w. beasley

John G Wotzka 720 4<sup>th</sup> Ave. San Diego, CA 92101, Ph: 619-446-7690, johnwotzka@gmail.com

# MTS Fiscal Year (FY) 2019 Operating Budget Report

*San Diego Metropolitan Transit System*

Transportation Committee Item 5 | July 6, 2018



## **Fiscal Year 2018 Highlights**

- AB 805 results in new leadership and taxing authority
- Completed Transit Optimization Plan
- Committed to Zero-Emission Bus Pilot
- Earned National Award for Trolley Safety
- Increased Non-fare Revenue
- Advanced Next Generation Fare Collection Procurement
- Conducted Long-Term Capital Needs Assessment
- Triennial Review Completed:
  - No findings for 4<sup>th</sup> consecutive Triennial (12 years running)



Fiscal Year 2018 Highlights

### Assembly Bill 805 (AB 805)

- New Chair, Georgette Gómez, elected
  - Additional seat on the Board for Chula Vista
- Authorized MTS to levy a sales tax
  - Next steps: polling, stakeholder outreach, focus groups, financing plan and educational campaign



Fiscal Year 2018 Highlights

### Transit Optimization Plan (TOP)

- Approved unanimously by Board in September 2017
- \$2 million to improve bus network
  - Changes to 2/3rds of bus routes
  - 12 routes with increased service all seven days of the week
  - TOP routes performing 10% better than non-TOP



### Zero-Emission Bus Pilot

- In May, MTS Board approved purchase of 6 zero-emission buses (ZEB) for pilot program
- Pilot will run ZEBs on different routes for 2 years and test for operating variables



### American Public Transportation Association (APTA) Gold Award

- MTS Rail awarded national top safety recognition in 2018
  - Award earned for installation of vehicle delineators in downtown
  - Reduce the risk of LRV vs. car collision



Fiscal Year 2018 Highlights

### Transit and Intercity Rail Capital Program (TIRCP) Award

- \$40.9 million in SB 1 and Cap and Trade funds
  - \$15.7 million to purchase 11 zero-emission buses for new Rapid 925 (Otay Mesa to Imperial Beach)
  - Improvements on the UC San Diego Blue Line
  - Pedestrian safety at America Plaza



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Fiscal Year 2018 Highlights

### Non-Fare Revenue

- Sycuan Casino
  - Green Line naming rights: up to \$25.5 million in non-fare revenue over 30 years
- Clear Channel Outdoor
  - New vehicle advertising agreement
  - Added 30 digital shelters to that agreement
  - All combined guarantee a minimum of \$21.5M over next 10 years



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## Fare Collection

- UCSD U-Pass Renewal
  - 72% student approval
  - 6-year extension through 2025
- Added UCSD, S/D/M and Youth passes to Compass Cloud app



## Next-Gen Fare Collection

- New account-based system using cloud storage
- RFP out in March; contract to be awarded in November
- New system to launch in 2021



## Courthouse Station

- First new Trolley station since 2005
- Accommodates Mid-Coast extension
- Construction paid with TIRCP funds
- Adjacent to new San Diego Superior Court Building that has 1.2 million visitors each year



## Centerline Stations

- MTS began operations on first-freeway level transit stations
- Increased reliability of *Rapid* services
- Approx. 1,100 daily boardings at both stations
- *Rapid 235* serves approx. 3,300 daily passengers



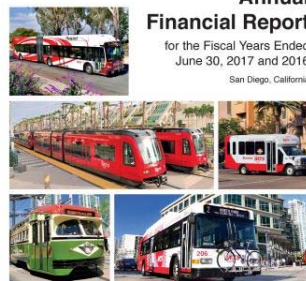
## Improving Safety

- Implemented a “beat” system similar to local law enforcement
- Added Code Compliance Inspectors (34 to 64)
- 27% reduction in crime between 2016 – 2017



## Financial Management

- MTS received the Certificate of Achievement in Excellence in Financial Reporting (CAFR) for 12<sup>th</sup> year in a row
- Recognition of MTS' excellence in accounting, transparency and full disclosure.



San Diego Metropolitan Transit System

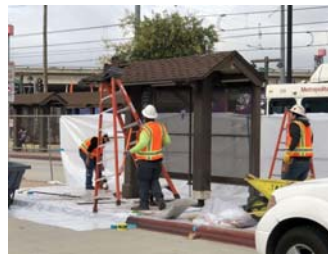


## 20-Yr. Capital Improvement Program Forecast

- Project needs for the next 20 years projected at \$2 billion
- Current funding expected to be \$1.4 billion
- \$632 million funding deficit projected



IAD Repaving Project



Old Town Transit Center Reconstruction



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## FY19 Operating Budget

- **No fare increases included in budget**
- **Sales Tax generated revenue**
  - Utilizing the SANDAG revenue projections for TDA/*TransNet*
  - Sales Tax revenues expected to grow by 2.2%/3.0% respectively
- **Senate Bill 1 (SB1) revenue not included at this time**
  - \$16-17M in total potential revenue for FY19
  - Pending repeal, adjust the budget accordingly at midyear
- **Expenses**
  - Expanding service with:
    - Transit Optimization Plan (TOP) service additions in January, June and September 2018
    - South Bay *Rapid* being launched in January 2019
- **Structural deficit: balanced budget with \$7.5M of one-time funding**



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### FY 2019 Combined Budget – Revenue/Expense (Summary in \$000s)

	Amended FY 2018	Budget FY 2019	Variance	Variance Percentage
<b>TOTAL REVENUES</b>				
Operating Revenues	\$ 107,664	\$ 108,898	\$ 1,234	1.1%
Non Operating Revenues	171,709	178,307	6,597	3.8%
<b>Combined Revenues</b>	<b>\$279,373</b>	<b>\$287,205</b>	<b>\$ 7,831</b>	<b>2.8%</b>
<b>TOTAL EXPENSES</b>				
Personnel Expenses	\$ 131,249	\$ 134,015	\$ 2,766	2.1%
Purchased Transportation	69,879	75,531	5,652	8.1%
Outside Services	25,082	25,507	425	1.7%
Energy	27,506	28,176	670	2.4%
All Other Expenses	25,657	23,975	(1,682)	-6.6%
<b>Combined Expenses</b>	<b>\$279,373</b>	<b>\$287,205</b>	<b>\$ 7,831</b>	<b>2.8%</b>
<b>Total Revs Less Exps</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	

- Non Operating Revenues include \$7.5M of one-time funding
- \$4.6M in expenses related to additional service in FY19
  - Excluding \$4.6M, organic expense growth is just 1.2%



### FY 2019 Combined Budget – Five Year Projections (Summary in \$000s)

	Proposed FY19	Projected FY20	Projected FY21	Projected FY22	Projected FY23
Recurring Revenues	\$279,136	\$288,640	\$295,369	\$314,447	\$324,585
Recurring Expenses	286,905	297,913	306,388	326,811	338,057
Net Operating Deficit	\$ (7,769)	\$ (9,273)	\$ (11,019)	\$ (12,364)	\$ (13,472)
Non-Recurring Revenues	7,769	310	352	395	440
<b>Net Operating Subsidy</b>	<b>\$ (0)</b>	<b>\$ (8,963)</b>	<b>\$ (10,666)</b>	<b>\$ (11,969)</b>	<b>\$ (13,033)</b>

**Major Assumptions**

- Operating revenue growth averages 1.6% annually
- Subsidy revenue growth averages 2.8% annually
  - Does not include SB1 revenue
- Expense growth averages 2.9% per year
  - Full year of South Bay Rapid in FY20
  - Mid-Coast Trolley implemented in FY22 and FY23



## MTS Peer Comparison

	Farebox Recovery	Oper. Cost/ Revenue Hour	Passengers / Revenue Hour	Subsidy/ Passenger
Fixed Route Bus	34.4%	\$ 78.80	26.5	\$ 1.95
Light Rail	54.4%	\$ 148.97	78.2	\$ 0.87
<b>MTS Combined</b>	<b>41.0%</b>	<b>\$ 93.25</b>	<b>37.2</b>	<b>\$ 1.48</b>
Dallas DART	13.4%	\$ 150.63	22.5	\$ 5.79
Denver RTD	29.3%	\$ 111.18	25.4	\$ 3.10
Portland TriMet	30.5%	\$ 145.30	38.3	\$ 2.64
Sacramento RTD	20.3%	\$ 163.50	28.8	\$ 4.53
Santa Clara VTA	11.2%	\$ 196.80	25.3	\$ 6.91
Seattle	33.4%	\$ 167.95	33.6	\$ 3.33
Utah Transit Authority	19.5%	\$ 121.13	23.9	\$ 4.08

Comparison Metrics

- Farebox Recovery Ratio: The percentage of costs paid by the passengers
- Operating Cost per Revenue Hour: The cost to operate each hour of service
- Passengers per Revenue Hour: Average number of passengers per hour of service
- Subsidy per Passenger: The amount of public funding for each passenger trip
- Source: FY 2016 National Transit Database - Combined Light Rail and Fixed Route Bus





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# Adopted FY2019 Operating and Capital Budget


Transportation Committee Item 5 | July 6, 2018

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## DISCUSSION TOPICS

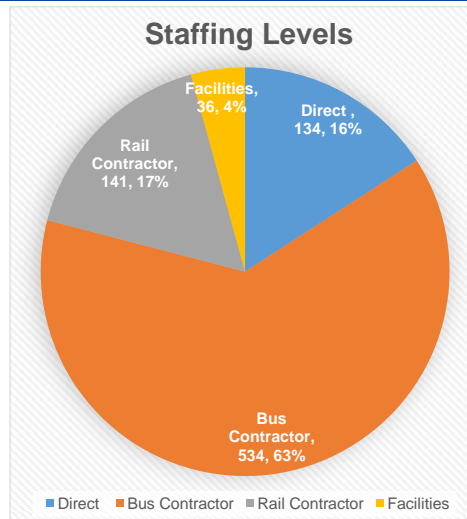
- Key Facts About NCTD
- FY 2018 Highlights
- Peer Comparisons
- Adopted FY 2019 Service Levels, Ridership, and Revenue
- Adopted FY2019 Operating Budget
- Adopted FY2019 Capital Budget
- Strategic Considerations
- Next Steps

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# KEY FACTS ABOUT NCTD

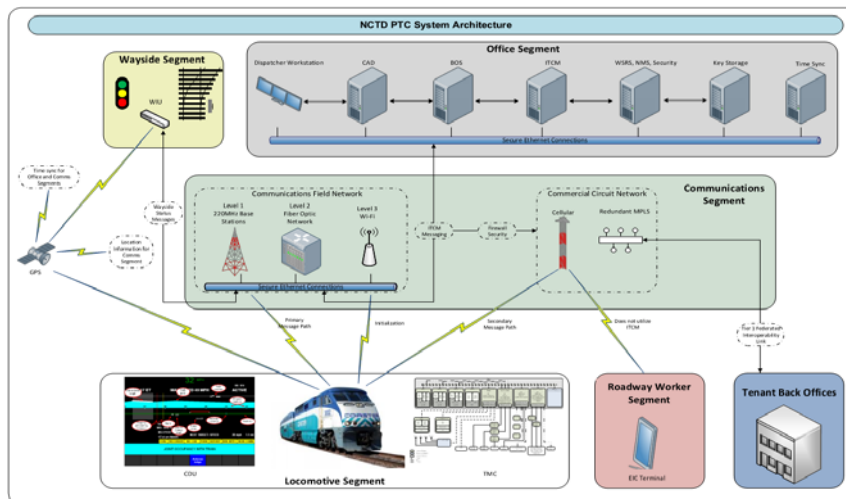
- **NCTD operates bus, hybrid rail, and commuter rail**
  - 26 agencies operate commuter rail in FY 16 NTD
  - 5 agencies operate hybrid rail (DMU) – NCTD is 2<sup>nd</sup> largest
- **Transit operations and facilities maintenance contracted-out**
- **134 direct employees**
- **NCTD is the railroad of record for the Federal Railroad Administration**
  - 60 miles of Class 5 track (90 mph operations)
  - 22 miles of SPRINTER track falls under state and federal regulations



# FY 2018 HIGHLIGHT – OPERATIONAL IMPROVEMENTS

- **Implemented significant service change in October 2017**
  - Reduced average weekday revenue miles by approximately 8% and average weekday revenue hours by over 6%
  - Converted some fixed route services in low density areas to deviated fixed route service
  - Year over Year ridership has only declined by 2% and trends indicates that NCTD should achieve its goal of reducing costs and improving productivity
- **Advancing implementation of new technologies for paratransit services**
  - Interactive Voice Recording and Web Based Scheduling ready for testing
  - Trip planning application under development to provide customers with travel costs and options
  - Virtual wallet to support Taxicab, Uber, Lyft, and other Transportation Network Companies integration for customers without credit cards

## FY 2018 HIGHLIGHT - POSITIVE TRAIN CONTROL ADVANCES



## FY 2018 HIGHLIGHT - DISCRETIONARY GRANT AWARDS

- **\$65 million Transit and Intercity Rail Grant Program Award**
  - Enhanced Capital Maintenance Program
  - Fencing
  - Signal Optimization
  - Operational and Maintenance Studies
- **\$1.2 million FTA Buses and Bus Facilities Infrastructure Investment Program**
  - Battery Powered Zero Emission Bus Purchase
- **Planning Grants**
  - Land Use Study
  - Comprehensive Operations Analysis

# FY 2018 HIGHLIGHT - REPLACEMENT COASTER LOCOMOTIVE PROCUREMENT

Siemens SC-44 Charger Locomotive  
COASTER Color Scheme  
Concept A



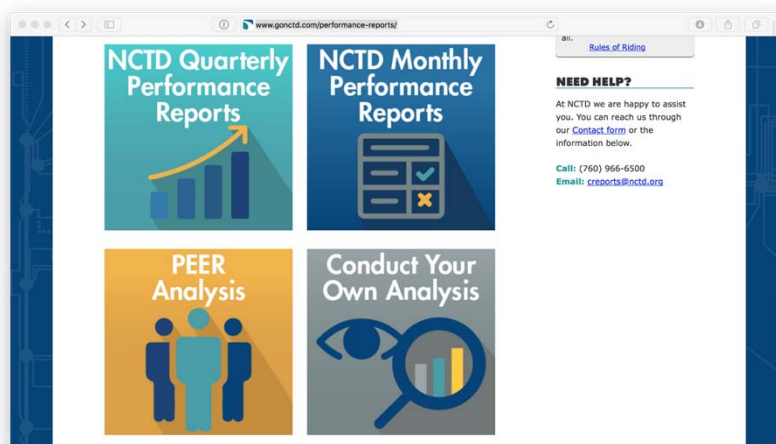
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# NCTD PERFORMANCE REPORTING



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## PEER COMPARISON – MOTORBUS

PURCHASED OR DIRECTLY OPERATED TRANSPORTATION

	Passenger Trips/ Per Capita	Passenger Trips/ Per Revenue Hour	Operating Expense/ Per Revenue Hour	Farebox Recovery (%)
NCTD	8.90	16.28	\$98.47	16.37
Tampa, FL	16.08	21.30	\$102.83	20.57
Charlotte, NC	17.72	24.53	\$101.37	22.98%
Santa Clara, CA	16.70	24	\$181.57	11.64%
Sacramento, CA	11.73	21.83	\$142.98	18.47

Source: 2016 National Transit Database; Urban Integrated National Transit Database

## PEER COMPARISON – COMMUTER RAIL

PURCHASED OR DIRECTLY OPERATED TRANSPORTATION

	Passenger Trips/ Per Capita	Passenger Trips/ Per Revenue Hour	Operating Expense/ Per Revenue Hour	Farebox Recovery (%)
NCTD	1.83	44.87	\$482.86	41.07
Seattle, WA	1.44	72.75	\$749.30	30.57
Alexandria, VA	1.94	60.73	\$974.94	53.95
Chesterton, IN	3.66	29.89	\$410.20	44.42
Dallas, TX	0.86	41.45	\$564.41	31.64

Source: 2016 National Transit Database; Urban Integrated National Transit Database

## PEER COMPARISON – HYBRID RAIL

PURCHASED OR DIRECTLY OPERATED TRANSPORTATION

	Passenger Trips/ Per Capita	Passenger Trips/ Per Revenue Hour	Operating Expense/ Per Revenue Hour	Farebox Recovery (%)
NCTD	3.15	85.91	\$522.79	18.26
Newark, NJ	0.26	52.75	\$610.02	7.29
Austin, TX	0.69	64.32	\$1,840.81	9.26
Denton, TX	2.26	20.85	\$487.93	6.04
Portland, OR	0.29	60.58	\$1,046.16	6.84

Source: 2016 National Transit Database; Urban Integrated National Transit Database

## FY 2019 BUDGET HIGHLIGHTS

- **Final Proposed FY 2019 Operating Budget of \$110,016,738 and Capital Improvement Program (CIP) of \$25,029,750**
  - The Approved FY 2018 Budget is \$105 million and the FY 2018 CIP is \$23,704,174
  - FY 2019 shows surplus funds of \$153,673 that will be allocated as part of a budget amendment
- **Includes new SB 1 funding of \$46,925,000 for FY 19 through FY 2023**
- **Does not include an additional \$3 to \$5 million annually of additional SB 1 funds pending contract for enhanced capital**

## SERVICE LEVELS, RIDERSHIP, AND REVENUE

System Wide	FY2018 Adopted	FY2018 Projected	FY2019 Proposed	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Revenue Miles	8,216,784	8,062,404	7,985,758	8,033,860	8,091,615	8,114,680	8,108,957
Total Miles	9,238,933	9,159,888	9,081,930	9,137,644	9,229,119	9,256,345	9,249,383
Revenue Hours	508,251	616,552	608,382	612,143	612,289	614,113	613,614
Total Hours	630,955	675,404	667,001	671,170	671,398	673,437	672,860
Ridership	10,859,320	10,691,727	10,689,811	10,763,520	10,893,218	11,006,183	10,993,273
Fare Revenues	\$16,596,060	\$16,159,001	\$16,158,074	\$16,274,019	\$16,653,610	\$17,045,252	\$17,024,871

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## FY 2019-2023 OPERATING BUDGET OUTLOOK

	FY2018 Budgeted	FY2018 Forecast	FY2019 Proposed	FY2020 Forecast	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
<b>Operating Revenues</b>							
Passenger Fares	\$ 16,596,060	\$ 16,159,003	\$ 16,158,076	\$ 16,274,019	\$ 16,653,610	\$ 17,045,252	\$ 17,024,871
Non-Transportation Revenues	2,772,400	2,772,400	2,839,441	2,896,230	2,954,154	3,013,238	3,073,502
Auxiliary Revenues	10,547,572	10,547,572	10,710,219	10,924,424	11,142,912	11,365,770	11,593,086
Federal Grants	20,733,081	20,733,081	23,043,425	22,837,742	23,513,192	24,208,905	24,925,490
State Grants	4,900,147	4,900,147	4,770,311	4,770,311	4,770,311	4,770,311	4,770,311
Local Grants	49,958,291	49,958,291	52,495,266	51,535,967	53,517,424	54,417,015	55,870,343
	<b>\$ 105,507,550</b>	<b>\$ 105,070,493</b>	<b>\$ 110,016,738</b>	<b>\$ 109,238,692</b>	<b>\$ 112,551,603</b>	<b>\$ 114,820,491</b>	<b>\$ 117,257,603</b>
<b>Operating Expenditures</b>							
Salaries & Wages	\$ 9,733,074	\$ 9,468,074	\$ 9,664,490	\$ 9,906,102	\$ 10,153,755	\$ 10,407,599	\$ 10,667,789
Employee Benefits	3,814,133	3,814,133	3,349,146	3,432,875	3,518,697	3,606,664	3,696,831
Professional Services	15,532,264	15,681,659	18,068,214	17,271,578	17,617,010	17,969,350	18,328,737
Materials & Supplies	6,120,895	5,798,205	5,779,233	5,894,818	6,012,714	6,132,969	6,255,628
Utilities	2,429,586	2,429,586	2,415,858	2,464,175	2,513,459	2,563,728	2,615,002
Casualty & Liability	4,030,623	4,052,989	4,479,597	4,569,189	4,660,572	4,753,784	4,848,860
Taxes	454,093	454,093	499,960	509,959	520,158	530,561	541,172
Purchased Transportation	60,735,975	60,701,907	62,655,769	64,535,442	66,471,505	68,465,690	70,519,620
Miscellaneous Expenses	807,728	856,345	855,008	871,598	889,030	906,810	924,947
Debt-Related Expense	1,009,400	1,009,400	1,134,180	1,172,471	1,113,847	1,058,155	1,005,247
Leases & Rentals	714,272	714,272	678,639	692,211	706,056	720,177	734,580
Contingency	105,508	89,831	282,972	1,092,387	1,125,516	1,148,205	1,172,576
	<b>\$ 105,507,550</b>	<b>\$ 105,070,493</b>	<b>\$ 109,863,065</b>	<b>\$ 112,412,805</b>	<b>\$ 115,302,319</b>	<b>\$ 118,263,651</b>	<b>\$ 121,310,988</b>
	\$ -	\$ -	\$ 153,673	\$ (3,174,112)	\$ (2,750,715)	\$ (3,443,161)	\$ (4,053,385)

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## FY 2019-2023 CAPITAL IMPROVEMENT PROGRAM

Asset Class	Asset Class Description	FY2019	FY2020	FY2021	FY2022	FY2023	Total
104	Revenue Vehicles	\$ 14,501,841	\$ 17,237,815	\$ 24,581,034	\$ 16,304,185	\$ 14,521,021	\$ 87,145,896
338	Buildings & Structures-Improvements	1,626,504	1,503,480	5,797,202	1,371,794	4,061,222	14,360,202
388	Buildings & Structures-Improvements	100,000	1,420,000	-	-	-	1,520,000
431	Transit Way Equipment	18,380	-	-	-	-	18,380
433	Right of Way-Improvements	5,998,442	3,362,247	3,680,406	3,691,757	3,615,221	20,348,073
434	Operating Yards Equipment	1,049,835	64,098	50,000	1,877,500	497,500	3,538,933
435	Shop/Garage Equipment	10,000	-	185,000	601,393	1,150,000	1,946,393
436	Signal Equipment	107,500	-	-	-	-	107,500
438	Radio Equipment	-	-	48,000	240,000	-	288,000
439	Revenue Collection & Fare Equipment	-	-	500,000	750,000	1,000,000	2,250,000
440	Data Processing Equipment	1,617,249	1,916,927	1,222,691	1,754,890	1,805,858	8,317,615
500	Office Furniture & Equipment	-	49,987	25,013	-	-	75,000
<b>Total Constrained Capital Improvement Program</b>		<b>\$ 25,029,750</b>	<b>\$ 25,554,554</b>	<b>\$ 36,089,345</b>	<b>\$ 26,591,519</b>	<b>\$ 26,650,822</b>	<b>\$ 139,915,990</b>

## KEY ACTIVITIES FUNDED BY FY2019 OPERATING AND CAPITAL BUDGET

- **Advances the purchase of 5 new Tier 4 locomotives and overhaul of SPRINTER Diesel Multiple Units**
- **Provides funding for battery powered zero emission buses.**
- **Maintains expanded law enforcement agreements with the Sheriff's Department, Oceanside Police Department, and Escondido Police Department**
- **Supports key studies/initiatives:**
  - Land Use Study (Funded By Discretionary Grant)
  - Comprehensive Operations Analysis (Funded By Discretionary Grant)
  - Indirect Cost Allocation Plan and Fee Study
  - Parking Management Services Plan
  - Financial Consultant for Debt Study

## UNFUNDED ACTIVITIES IN THE FY2019 BUDGET

- NCTD has 98 revenue vehicles that support BREEZE, LIFT and FLEX service that have reached the end of their useful lives. The estimated cost to replace these 98 buses is \$51 million for replacement with compressed natural gas buses. The FY2019 Budget includes no funding for CNG bus replacement.
- NCTD needs to invest \$169.7 million to replace railroad bridges over the next 10 years for state of good repair. This estimate is reduced if SANDAG is able to fund *TransNet* projects.
- The bluffs in Del Mar are eroding at an accelerated rate. NCTD, working collaboratively with SANDAG, has identified a phased set of projects to stabilize the bluffs for a 50-year period. The estimated cost for this project is \$83 million.
- NCTD needs to replace COASTER rail cars and cabs that have reached end of useful life. The estimated cost is over \$80 million.

## STRATEGIC CONSIDERATIONS

- **Senate Bill 1**
  - Increases NCTD annual Capital Improvement Program up to \$14 million per year beginning in FY 19
  - If repeal efforts are successful, NCTD will have to debt finance capital replacement needs for rail and bus operations unless new source(s) becomes available
- **Federal Funding Levels**
  - Funding increased in FY 2018
  - Funding levels for FY 2019 are expected to increase but not guaranteed
  - No significant discussion or plan to fund large infrastructure plan
- **Local Funding**
  - No significant discussion for new regional initiative after failure of Measure A
  - NCTD staff is planning to advance preliminary analysis per Assembly Bill 805
  - Fare increases are needed to support increased revenues and to improve farebox performance for BREEZE and LIFT

## NEXT STEPS IN BUDGET PROCESS

- **Need to incorporate impacts of recent state discretionary grant awards and additional federal revenue into operating and or capital budget.**
  - Transit and Intercity Rail Capital Program Grant
  - Federal Fiscal Year 2018 Increased Federal Transit Administration Formula Funding
  - Federal Transit Administration discretionary grant for zero emission bus purchase
- **The FY2019 Operating and Capital Budget will require a budget amendment to incorporate new revenues and other potential changes.**

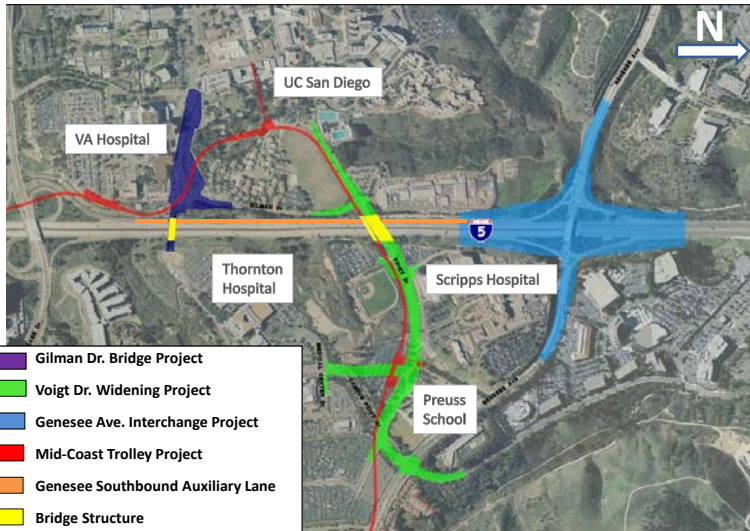
## QUESTIONS?

# Proposed FY 2019 Program Budget Amendments: I-5 Voigt Drive Improvements Project and I-5/Gilman Drive Bridge Project

Transportation Committee Item 7 | July 6, 2018



## Portfolio of Projects



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## Recommendation

The Transportation Committee is asked to recommend that the Board of Directors approve amendments to the FY 2019 Program Budget to:

- (1) add \$400,000 in UC San Diego funds to the I-5/Voigt Drive Improvements project (Capital Improvement Program [CIP] Project No. 1200507) for design of UC San Diego betterments, in substantially the same form as Attachment 1; and
- (2) add \$4 million in UC San Diego funds to the I-5/Gilman Drive Bridge project (CIP Project No. 1200508) for construction of UC San Diego betterments, in substantially the same form as Attachment 2.



## Free Ride Everywhere Downtown (FRED) Expansion



City of San Diego/  
 Civic San Diego

2018 SANDAG/TransNet  
 Smart Growth Incentive Grant

## Free Ride Everywhere Downtown (FRED) Expansion

[www.civicsd.com](http://www.civicsd.com) | 2



### Hours of Operation—Seven days per week:

7 a.m. to 9 p.m., Monday-Thursday  
 7 a.m. to midnight, Friday  
 8 a.m. to midnight, Saturday  
 9 a.m. to 9 p.m., Sunday

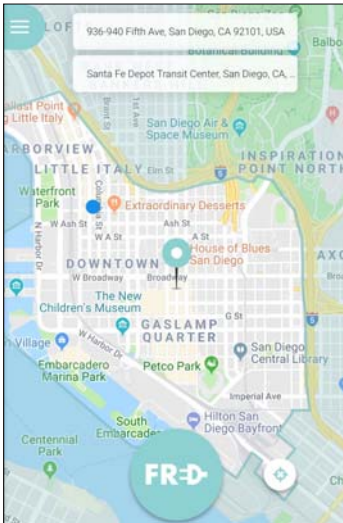
### Meet FRED

- Five passenger, all electric vehicles
- Fleet of 17, with plans to expand to 20 by June 2018
- Free to the public
- Riders can request a pick-up via a smartphone app or hail on the street
- Initial funding of FRED came from parking meter revenues
- ADA compliant service



## Free Ride Everywhere Downtown (FRED) Expansion

www.civicsd.com | 3

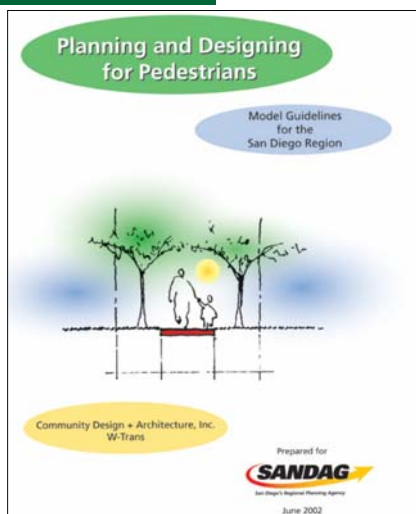


### Smart Growth Incentive Program (Capital)

- Friday, May 25<sup>th</sup>
  - Evaluation panel identified FRED as one of ten projects to receive full funding
  - \$300,000 award with Downtown Community Parking District match of \$250,000
- Unclear whether FRED qualified as an eligible expense of TransNet smart growth funds

## Free Ride Everywhere Downtown (FRED) Expansion

www.civicsd.com | 4

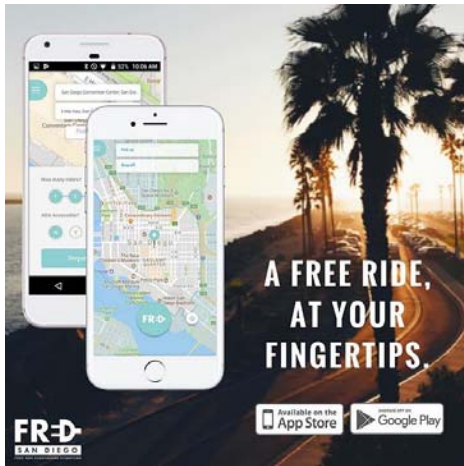


### Planning and Designing for Pedestrians: Model Guidelines for the San Diego Region

- Section 3.7.1
  - Retrofitting an Existing Circulation System
    - “Changes can be made within public right-of-ways that can begin to ‘mend’ a disconnected system.”
- Section 3.7.5
  - Transit Access
    - “...the neighborhood may have formidable barriers or a disconnected street pattern that greatly increases the actual walking distances and connections to the facility.”

## Free Ride Everywhere Downtown (FRED) Expansion

www.civicsd.com | 5



### SGIP Goals and Objectives

- Improving the public realm, and encouraging private smart growth projects that, in combination, create great places, advance mobility hub concepts and leverage advanced technologies.
- Contribute to the reduction of GHG emissions and vehicle miles travelled, and improve public health by encouraging travel by means other than single-occupant vehicles.
- Fund proposed capital projects that are “ready to go”

## Free Ride Everywhere Downtown (FRED) Expansion

www.civicsd.com | 6



### FRED IS a Capital Investment

- Equitable First and Last Mile option for three *Major Transit Centers*, trolley stations and bus stations.
- Vehicles would be owned by the Downtown Community Parking District
- Parking meter revenues have funded majority of program to date

## FRED Highlights

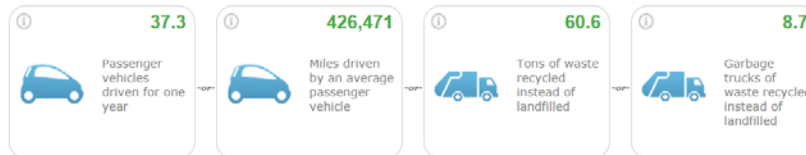
www.civicsd.com | 7

- Total Riders: 250,000 (Since launch in August 2016)
- Averaging 12,500 riders per month, an increase of 44% over previous year
- Over 400,000 Vehicle Miles Traveled
- 20,000 gallons of gas saved\*
- 174 metric tons of CO2 emissions saved\*

The sum of the greenhouse gas emissions you entered above is of Carbon Dioxide Equivalent. This is equivalent to:

174 Metric Tons

### Greenhouse gas emissions from



## FRED Projections

www.civicsd.com | 8

- **Based on total of 30 vehicles:**
  - Ridership projected to increase from 12,500 riders per month, to 25,000 per month, an increase of 100%
  - Annual ridership of 300,000
  - Annual gallons of gas saved per year will increase from 10,000 gallons to 20,000
  - Annual CO2 emissions saved will increase from 88 to 176 metric tons



## Smart Growth Incentive Program and Active Transportation Grant Program

Funding Recommendations for Cycle 4

Transportation Committee Item 8 | July 6, 2018

### Overview

- \$30.6 million available
  - \$27 million for SGIP
  - \$3.6 million for ATGP, supplemented by TDA funds
- 54 applications requested more than \$55 million
- Updated funding recommendations

# Summary of Changes

## Eligibility of Two SGIP Applications

- Discussed with ITOC
- Staff recommendations
  - Eligible: St. Joseph's Park Master Plan (Planning)
  - Non-Eligible: FRED Fleet Expansion (Capital)

## Delay on SGIP Capital

- Re-evaluate qualitative scores for two Escondido projects
- Return this fall

## Funding Splits in ATGP Capital

- More closely adhere to allocations for large and small category

## Rollover of Unused Funding

- SGIP Planning to SGIP Capital (\$467,909)
- ATGP Non-Capital to ATGP Capital (\$140,000)

3



# SGIP Planning Grants – Revised Funding Recommendations – Attachment 1A

**Project Rankings and Funding Recommendations**  
Smart Growth Incentive Program (SGIP) Planning (\$5.2 million available, 20% of SGIP)

SGIP Planning											Initial Total Available: \$ 5,200,000		
											Unspent Funds (Rollover from SGIP Capital): \$ 0		
											New Total Available: \$ 5,200,000		
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Allocated	Remaining Funding	
9	1	San Diego	SD College Area (CASG)	Yes	Yes	20	1	\$ 225,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 4,700,000	
3	2 (tie)	National City	National City 24th St TOD	Yes	Yes	25	2	\$ 60,000	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 4,200,000	
10	2 (tie)	San Diego	SD University Comm. SG	Yes	Yes	25	2	\$ 225,000	\$ 500,000	\$ 500,000	\$ 1,500,000	\$ 3,700,000	
8	4 (tie)	San Diego	SD E St Greenway MP	Yes	Yes	38	4	\$ 90,000	\$ 110,000	\$ 110,000	\$ 1,610,000	\$ 3,590,000	
7	4 (tie)	San Diego	SD Mira Mesa TOD	Yes	Yes	38	4	\$ 225,000	\$ 500,000	\$ 500,000	\$ 2,110,000	\$ 3,080,000	
2	6	Lemon Grove	Lemon Grove SG GPU/CAP PEIR	Underway	Underway	51	6	\$ 112,823	\$ 262,290	\$ 262,290	\$ 2,372,290	\$ 2,827,710	
4	7	Oceanside	Oceanside Coastal Rail Trail	Underway	Yes	55	7	\$ 100,000	\$ 400,000	\$ 400,000	\$ 2,772,290	\$ 2,427,710	
6	8	San Diego	SD St. Joseph's Park	Yes	Yes	59	8	\$ 135,000	\$ 165,000	\$ 165,000	\$ 2,937,290	\$ 2,262,710	
5	9	San Diego	SD Clairemont TOD	Yes	Yes	67	9	\$ 225,000	\$ 500,000	\$ 500,000	\$ 3,437,290	\$ 1,762,710	
11	10	County	Valley Ctr. GPU/VCr Spcl. Study*	Yes	Yes	73	10	\$ 300,000	\$ 325,000	\$ 325,000	\$ 3,762,290	\$ 1,437,710	
1	11	La Mesa	La Mesa CS Design Manual	Yes	Yes	84	11	\$ 29,648	\$ 169,801	\$ 169,801	\$ 3,932,091	\$ 1,267,909	
12	12 (tie)	County	County Casa de Oro SP	Yes	Yes	93	12	\$ 45,000	\$ 500,000	\$ 500,000	\$ 4,432,091	\$ 767,909	
13	12 (tie)	County	County Alpine Financing Tools	Yes	Yes	93	12	\$ 50,000	\$ 300,000	\$ 300,000	\$ 4,732,091	\$ 467,909	

Recommended for full funding  
Recommended for rollover

\*The County of San Diego originally requested \$500,000 for its Valley Center project. However, the County subsequently reduced its funding request to \$325,000 based on a successful grant award from Caltrans.

Summary	
SGIP Planning Grants - Fully Funded:	\$ 4,732,091
<b>Total SGIP Planning Grant Funds Awarded:</b>	<b>\$ 4,732,091</b>
Unspent Funds (Rollover to SGIP Capital):	\$ 467,909

4



# ATGP Capital Grants – Large Category and Small Category Revised Funding Recommendations Attachment 1B

Project Rankings and Funding Recommendations												
Active Transportation Grant Program (ATGP) Capital (\$2.7 million available, 75% of ATGP)												
											Overall ATGP Capital Funding Available:	\$ 2,700,000
											Initial Total Available (60% of ATGP Capital):	\$ 1,620,000
											Rollover from ATGP Non-Capital (60%):	\$ 84,000
											Rollover from Small Category:	\$ 0
											New Total Available:	\$ 1,704,000
ATGP Capital - Large Category												
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS Policy?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Requested	Remaining Funding
2	1	La Mesa	UM University Ave Ped Bike	Yes	Yes	6	1	\$ 466,000	\$ 502,000	\$ 502,000	\$ 502,000	\$ 1,202,000
6	2	Solana Beach	SB Lomas Santa Fe Active Trans.	Yes	Yes	12	2	\$ 68,450	\$ 616,050	\$ 616,050	\$ 1,118,050	\$ 585,950
5	3	San Diego	SD Streamview Dr	Yes	Yes	19	3	\$ 200,000	\$ 1,500,000	\$ 585,950	\$ 2,618,050	\$ 914,050
1	4	Del Mar	Del Mar Streetscape	Yes	Yes	25	4	\$ 1,735,000	\$ 665,000	\$ 0	\$ 3,283,050	\$ 1,579,050
3	5	National City	National City Bicycle Wayfinding	Yes	Yes	28	5	\$ 1,000	\$ 826,800	\$ 0	\$ 4,109,850	\$ 2,405,850
4	6	San Diego	SD CH Ped. Improvements	Yes	Yes	36	6	\$ 1,000,000	\$ 1,200,000	\$ 0	\$ 5,309,850	\$ 3,605,850
											Initial Total Available (40% of ATGP Capital):	\$ 1,080,000
											Rollover from ATGP Non-Capital (40%):	\$ 56,000
											Rollover from Large Category:	\$ 0
											New Total Available:	\$ 1,136,000
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS Policy?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Requested	Remaining Funding
17	1	National City	National City Division St	Yes	Yes	6	1	\$ 100,000	\$ 312,000	\$ 312,000	\$ 312,000	\$ 824,000
18	2	National City	National City Blvd Bike Conn.	Yes	Yes	12	2	\$ 1,000	\$ 394,001	\$ 394,001	\$ 706,001	\$ 429,999
16	3	La Mesa	La Mesa Mass. Ave	Yes	Yes	19	3	\$ 39,000	\$ 123,000	\$ 123,000	\$ 829,001	\$ 306,999
19	4	Santee	Santee Prospect Ave	Underway	Yes	23	4	\$ 174,120	\$ 348,760	\$ 306,999	\$ 1,177,761	\$ 41,761
<p> <span style="color: green;">■</span> Recommended for full funding  <span style="color: orange;">■</span> Recommended for partial funding  <span style="color: red;">■</span> Recommended for no funding                 </p> <p>                     Jurisdictions must have an adopted Climate Action Plan (CAP) and an adopted Complete Streets (CS) Policy to receive grant funding. Jurisdictions that have not yet adopted these documents have up to one year from the Board's action on the final funding awards to adopt them before funding is transferred to the next highest-ranked project.                 </p>												
											<b>Summary</b> ATGP Large Category Grants - Fully Funded: \$ 1,118,050 ATGP Large Category Grants - Partially Funded: \$ 385,950 ATGP Small Category Grants - Fully Funded: \$ 829,001 ATGP Small Category Grants - Partially Funded: \$ 306,999 Total ATGP Capital Grant Funds Awarded: \$ 2,840,000 Unspent Funds (Rollover to ATGP Non-Capital): \$ 0	

5



# ATGP Non Capital Grants – Planning, Bike Parking, EEA Revised Funding Recommendations – Attachment 1C

Project Rankings and Funding Recommendations												
Active Transportation Grant Program (ATGP) Non-Capital (\$900k available, 25% of ATGP)												
											Overall ATGP Non-Capital Funding Available:	\$ 900,000
											Initial Total Available (60% of ATGP Non-Capital):	\$ 540,000
											Rollover from ATGP EEA:	\$ 5,000
											New Total Available:	\$ 545,000
ATGP Planning												
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Allocated	Remaining Funding
3	1	National City	National City Waterfront	Yes	Yes	8	1	\$ 22,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 347,000
1	2	El Cajon	El Cajon ATP	Underway	Underway	14	2	\$ 23,000	\$ 207,000	\$ 207,000	\$ 405,000	\$ 140,000
4	3	San Diego	SD Del Mar Heights CS	Yes	Yes	18	3	\$ 135,000	\$ 220,000	\$ 0	\$ 625,000	\$ 80,000
2	4	Escondido	Escondido CATS	Yes	Yes	20	4	\$ 39,000	\$ 195,000	\$ 0	\$ 820,000	\$ 275,000
5	5	Santee	Santee CATS	Underway	Yes	30	5	\$ 33,330	\$ 300,000	\$ 0	\$ 1,120,000	\$ 575,000
											Initial Total Available (20% of ATGP Non-Capital):	\$ 180,000
											Rollover from ATGP Planning:	\$ 0
											New Total Available:	\$ 180,000
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Allocated	Remaining Funding
8	1	National City	National City Bike Parking	Yes	Yes	6	1	\$ 12,500	\$ 50,000	\$ 50,000	\$ 50,000	\$ 130,000
9	2	Oceanside	Oceanside Bike Station	Underway	Yes	14	2	\$ 30,000	\$ 70,000	\$ 70,000	\$ 120,000	\$ 60,000
7	3	El Cajon	El Cajon Bike Parking	Underway	Underway	17	3	\$ 12,500	\$ 50,000	\$ 50,000	\$ 170,000	\$ 10,000
6	4	Del Mar	Del Mar Bike Locker	Yes	Yes	23	4	\$ 9,000	\$ 10,000	\$ 10,000	\$ 180,000	\$ 0
											Initial Total Available (20% of ATGP Non-Capital):	\$ 180,000
											Rollover from ATGP Bike Parking:	\$ 0
											New Total Available:	\$ 180,000
Project ID	Final Rank	Jurisdiction	Abbreviated Project Name	CAP?	CS?	Sum of Ranks	Final Rank	Match Fund Amount	Requested Funding	Recommended Project Funding	Cumulative Funds Allocated	Remaining Funding
11	1	San Diego	Move Free SD	Yes	Yes	7	1	\$ 25,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 55,000
10	2	Imperial Beach	IB EEA	Underway	Underway	11	2	\$ 5,000	\$ 50,000	\$ 50,000	\$ 175,000	\$ 5,000
<p> <span style="color: green;">■</span> Recommended for full funding  <span style="color: orange;">■</span> Recommended for partial funding (Note: All jurisdictions declined partial funding)                 </p>												

6



## Guidance on Allocating Potential Remaining SGIP Capital Funds

- Transfer any remaining SGIP Capital funds to ATGP capital applications in Smart Growth Opportunity Areas
- Once the SGIP Capital project rankings and funding recommendations are finalized, determine any potential roll-over to ATGP Capital

7



## Additional Considerations

- Independent review and social equity analysis
- Contingency projects



8



## Recommendation

The Transportation Committee is asked to recommend that the Board of Directors:

(1) approve the proposed funding awards for the Cycle 4 *TransNet* Smart Growth Incentive Program Planning grants, Active Transportation Grant Program Capital grants, and Active Transportation Grant Program Non-Capital grants, as shown in Attachments 1A – 1C;

9



## Recommendation - Continued

(2) adopt Resolution No. 2019-01, approving the use of Transportation Development Act Article 3 Claims funds, in substantially the same form as shown in Attachment 2; and

(3) in the event that a selected project is unable to use its awarded funds, authorize staff to offer funding and execute a grant agreement with the next highest ranked project(s).

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## ENVIRONMENTAL MITIGATION PROGRAM

Funding Recommendations for Cycle 9  
Land Management Grant Program

Transportation Committee Item 9 | July 6, 2018



### Threat Reduction Stewardship



- 18-month projects
- "Gap funding"
- \$80,000 cap per grant
- 13 projects recommended totaling \$800,000

### Species and Habitat Recovery



- Three- to five-year projects
- Habitat restoration/enhancement projects
- 6 projects recommended totaling \$1,200,000



2

## ■ Recommendation

The Transportation Committee is asked to recommend that the Board of Directors approve the proposed funding awards for the Cycle 9 *TransNet* Environmental Mitigation Program Land Management Grant Program, as shown in Attachments 1 and 2 and in the event that a selected project is unable to use its awarded funds, authorize staff to offer funding and execute a grant agreement with the next highest ranked project(s).



# Mid-Coast Corridor Transit Project: Status Update

Transportation Committee Item 10 | July 6, 2018



## Mid-Coast Trolley Project

- 11-mile extension of Blue Line
- Old Town Transit Center to University Town Center
- Nine new stations (five with parking)
- 36 new vehicles
- \$2.17 billion FTA funded including financing
- Coordinated LOSSAN, regional, UC San Diego projects

2

# LOSSAN Corridor Projects



Elvira to Morena Double Track



San Diego River Double Track



Rose Creek Bikeway

# UC San Diego Regional Projects



UC San Diego  
Gilman Drive  
Bridge



Voigt Drive  
Improvements

## Mid-Coast Project Budget



Mid-Coast Budget (\$000)	
Administration	\$65,262
Environmental Document	32,562
Design	155,570
Right-of-Way Support	8,858
Right-of-Way Capital	92,881
Construction Support	99,673
Construction Capital	1,092,561
Vehicles	164,979
Legal Services	2,569
Communications	1,552
Project Contingency	96,763
TransMet CT Pass-Through	572
<b>Total Capital Delivery</b>	<b>\$1,813,801</b>
Finance Costs	\$357,400
<b>Total Project</b>	<b>\$2,171,201</b>

Item	Capital
Budget	\$1.814 B
Encumbered and Expended	\$1.590 B
% Encumbered and Expended	88%
Expended	\$783 M
% Expended	43%

*As of May 2018*

## Mid-Coast Project Schedule



Milestone	Baseline	Update
Heavy Construction Duration	56 months	58 months
Shoofly 2 AWW	March 2018	April 2018
Genesee Viaduct Complete	July 2019	Jan. 2020
Complete Construction	July 2021	Aug. 2021
Revenue Service Date	Sept. 2021	Nov. 2021
FFGA Service Date	Nov. 2022	Nov. 2022

## Project Risks



### Risk monitoring

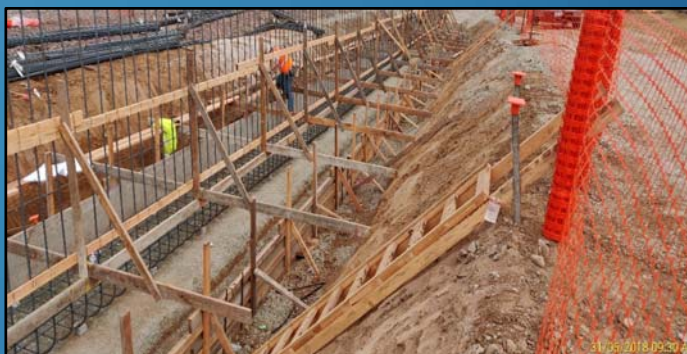
- Monthly cost and schedule review
- Formal quarterly risk matrix evaluation and update

Risk Summary	
Item	Impact
Right of Way Possession	Schedule Delay
Right of Way Cost - 11 Remaining Settlements	Cost
Right of Way - Goodwill Claims	Cost (Federal Participation)
Construction Cost, GMP to IFC	\$14 Million
Construction Cost, Provisional Sums	\$10.9 Million + TBD

## Job Site Safety (through April 2018)



- Project Hours Worked 1,493,953
- Recordable Injuries 13.0
- Project Incident Rate 1.7
- BLS – US – Heavy 2.8
- BLS – US – Other 1.8
- Total Days Away Cases 3.0

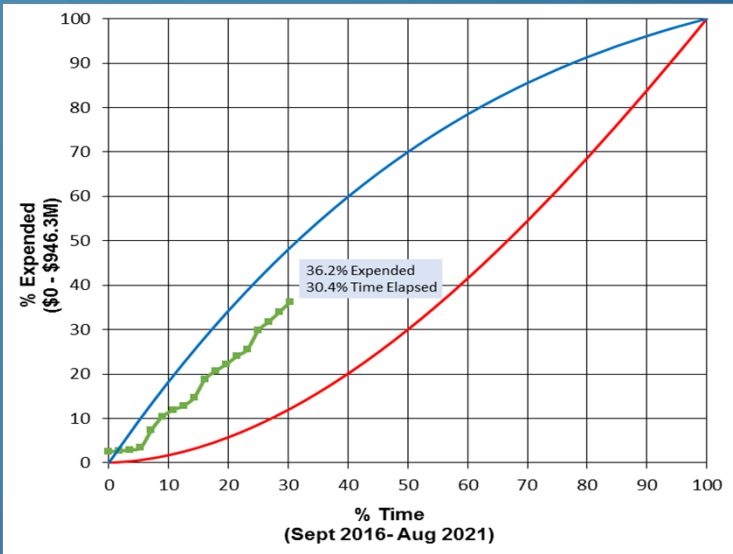


# DBE Success



- MCTC on course for DBE attainment
- Another DBE success - Crest Equipment
- 3 employees
- Mid-Coast trucking program
  - 2016 Trucking \$750,000
  - 2018 Broker \$13 Million

# Mid-Coast Construction



# Railroad Corridor



11 SANDAG

# Railroad Corridor



12 SANDAG

## La Jolla Colony Underpass



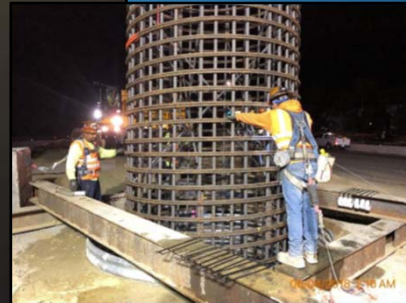
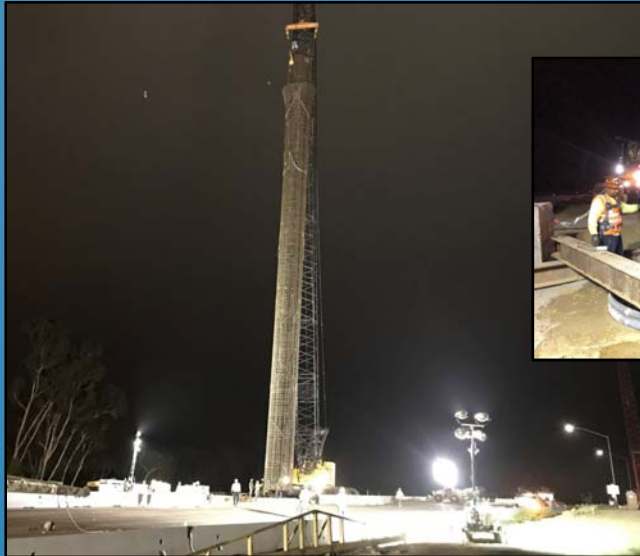
13 SANDAG

## Approach to Nobel Viaduct



14 SANDAG

## Nobel Viaduct



15 SANDAG

## Nobel and UC San Diego Viaduct



16 SANDAG

# UC San Diego Viaduct



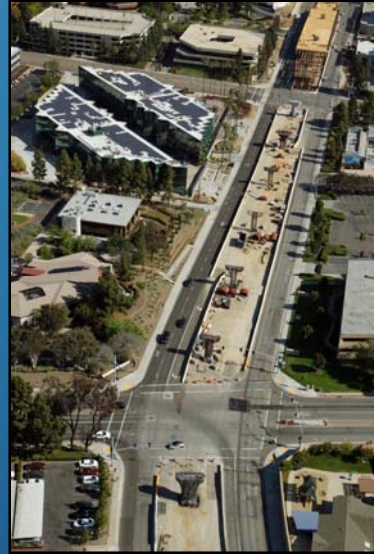
17 SANDAG

# UC San Diego Viaduct



18 SANDAG

# Genesee Viaduct



# Genesee Viaduct



## Mid-Coast Genesee Viaduct



21 SANDAG

## San Diego River Bridge Double Track



22 SANDAG

## Elvira to Morena Double Track



23 SANDAG

## Elvira to Morena Double Track



24 SANDAG

## Rose Creek Bikeway



25 SANDAG

## Gilman Drive Overcrossing



## Gilman Drive Overcrossing



27



## Public Outreach



- Active outreach and communication during construction including road closure alerts
- Participate in community events
- Respond to public inquiries and requests for additional information
- **ShiftSanDiego.com**  
ShiftSanDiego.com  
info@ShiftSanDiego.com

**shift**  
a change in direction

28



# Mid-Coast Trolley Project








Questions?






# Build NCC


## North Coast Corridor Program: Status Update

Transportation Committee Item 11 | July 6, 2018








# Build NCC | North Coast Corridor Project Phase One "Build NCC"

[KeepSanDiegoMoving.com/BuildNCC](http://KeepSanDiegoMoving.com/BuildNCC) | #BuildNCC
 







## Project by the Numbers



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**Baseline Project Construction Capital and Support Costs**

- \$846 M (Budget) / \$130 M (Expended)

**Construction Began**

- December 2016

**All Elements Open to Traffic**

- Late 2022

**Contract Type**

- Construction Manager/General Contractor (CMGC)

**Contractor**


- Flatiron-Skanska-Stacy and Witbeck (FSSW)

**Contracts (GMPs)**


- 5

**Funding Sources**

- 58.5% State
- 24.1% Federal
- 17.5% *TransNet*








San Elijo highway bridge




San Elijo Lagoon rail bridge

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KeepSanDiegoMoving.com/BuildNCC | #BuildNCC

3




## Key Outcomes




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- 13 miles of new HOV/carpool lanes
- 2.25 miles of new double track
- 7 miles of new Class I and Class II bike lanes
- Three new east/west freeway pedestrian crossings
- Shoreline preservation of Fletcher Cove and Cardiff State Beach
- 960 acres restored in the San Elijo Lagoon
- 450 acres of additional restored/preserved coastal habitat








Trail at San Elijo Lagoon Bridge



Pedestrian bridge at San Elijo Lagoon highway bridge

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4



## Accomplishments (Past 12 Months)



San Elijo Lagoon restoration groundbreaking




**The San Diego  
Union-Tribune**

"Projects to receive funding... **\$195 million**  
for the North Coast Corridor Program, which  
includes adding express lanes to Interstate  
5 and coastal rail and transit upgrades"

San Diego region to receive \$311 million in new gas tax funding.  
San Diego Union-Tribune  
May 2, 2018

California Transportation Commission tour




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5



## Project Performance Metrics








- Cost
- Schedule
- Small Business/  
DBE/UDBE
- Innovations and  
risks
- Quality
- Safety




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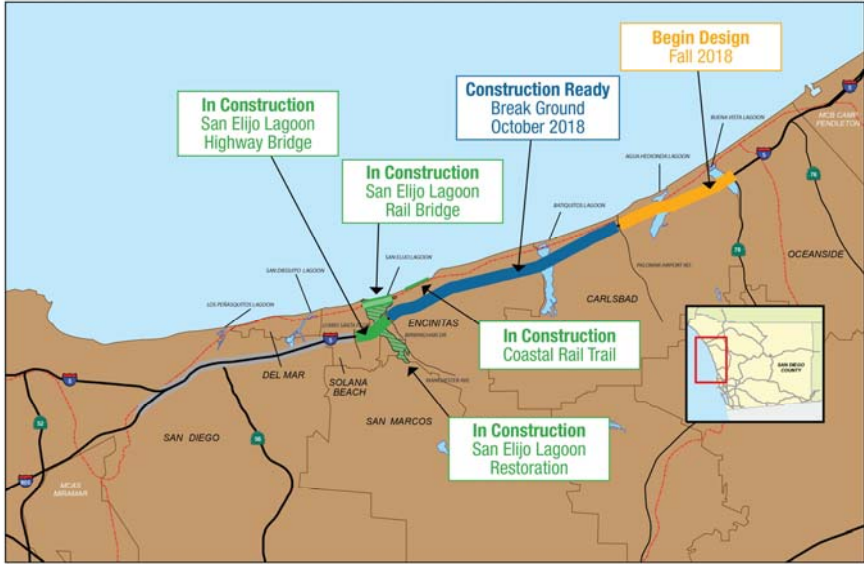
6



## North Coast Corridor Project






### Phase 1 – Segments






The map shows the project route from San Diego to Oceanside. Key segments are highlighted: San Elijo Lagoon Highway Bridge (green), San Elijo Lagoon Rail Bridge (green), Coastal Rail Trail (blue), and San Elijo Lagoon Restoration (green). Other labels include 'Begin Design Fall 2018' and 'Construction Ready Break Ground October 2018'. Major cities like San Diego, Encinitas, Carlsbad, and Oceanside are marked. An inset map shows the project location within the state of California.


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7








## Phase 1 – Corridor Segments



SEGMENT	% COMPLETE	AWARD (M)
San Elijo Highway Bridge	30%	\$199.20
San Elijo Lagoon Double Track	70%	\$50.50
San Elijo Lagoon Restoration	25%	\$99.70
Coastal Rail Trail	3%	\$5.68
Encinitas - Batiquitos HOV	GMP Under Negotiation	–
Carlsbad HOV	Future GMP	–

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8



# San Elijo Lagoon Highway Bridge



**Construction Began:** December 2016  
**Baseline Completion:** Late 2020  
**Most Likely Completion:** Mid 2021



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# San Elijo Lagoon Highway Bridge Construction Progress



[KeepSanDiegoMoving.com/BuildNCC](http://KeepSanDiegoMoving.com/BuildNCC) | #BuildNCC





## Pedestrian and Bike Improvements




### Bike and Pedestrian Improvements at Encinitas Boulevard in the City of Encinitas



Simulation




KeepSanDiegoMoving.com/BuildNCC | #BuildNCC





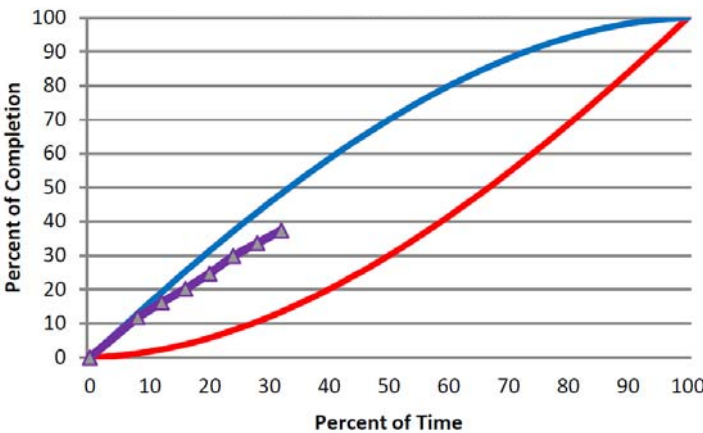



11



## San Elijo Lagoon Highway Bridge Construction Progress










**Capital Budget**  
\$199.2 M

**Expended**  
\$66.9 M

**Remaining Contingency**  
\$8.0 M

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## San Elijo Lagoon Double Track Project





**Construction Began**  
January 2017

**Baseline Completion**  
Mid 2019

**Mostly Likely Completion**  
Mid 2019



San Elijo Lagoon rail bridge

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## Chesterfield Drive Grade Crossing



- Improvements
  - Double track crossing
  - ADA-accessible sidewalk
  - Quiet Zone by City of Encinitas
- Project Budget: \$6.1 M
- Status
  - **Construction Began:** January 2017
  - **Baseline Completion:** Late 2018
  - **Most Likely Completion:** Late 2018



Chesterfield rail crossing today

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February 2018 – Form bent caps for new rail trestle



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April 2018 – New rail bridge in place with pre-cast girder

SD-5, PM R37.4/R46.6  
18180102-031 04/28/18  
CONST. UPDATE

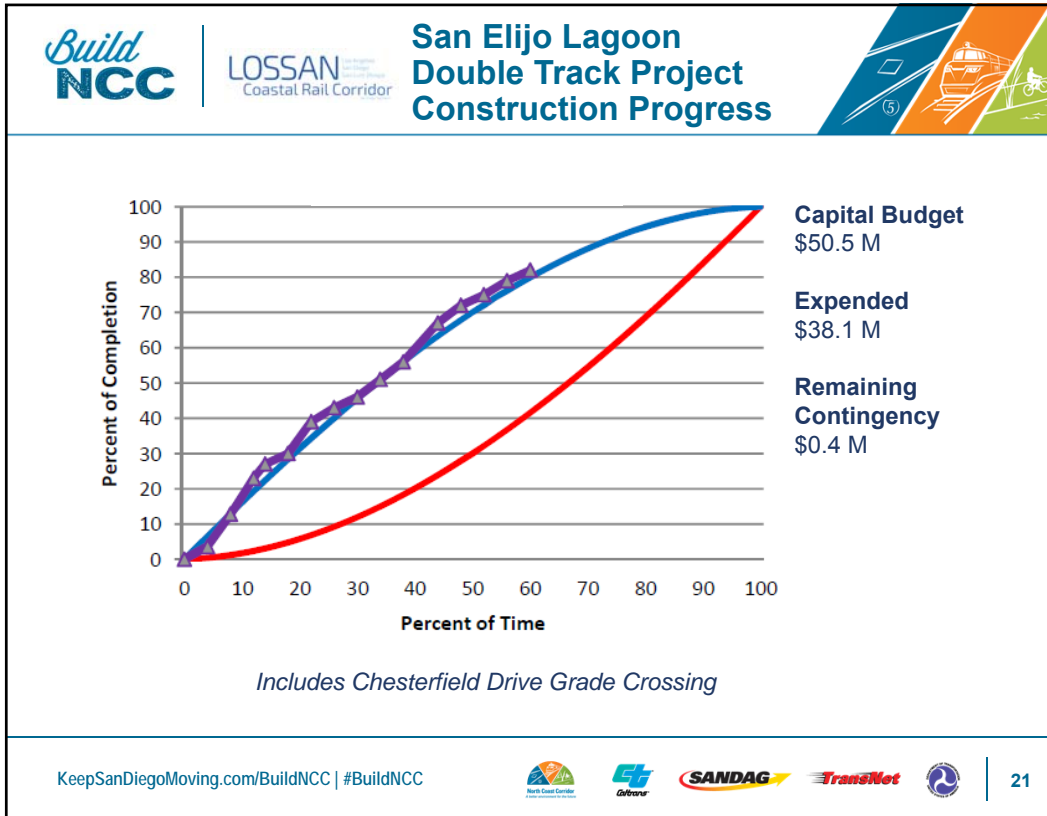


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NCC**

**San Elijo Lagoon Restoration**





**Construction Began**  
November 2017

**Baseline Completion**  
Early 2021

**Most Likely Completion**  
Mid 2020





San Elijo Lagoon restoration  
dredging operations

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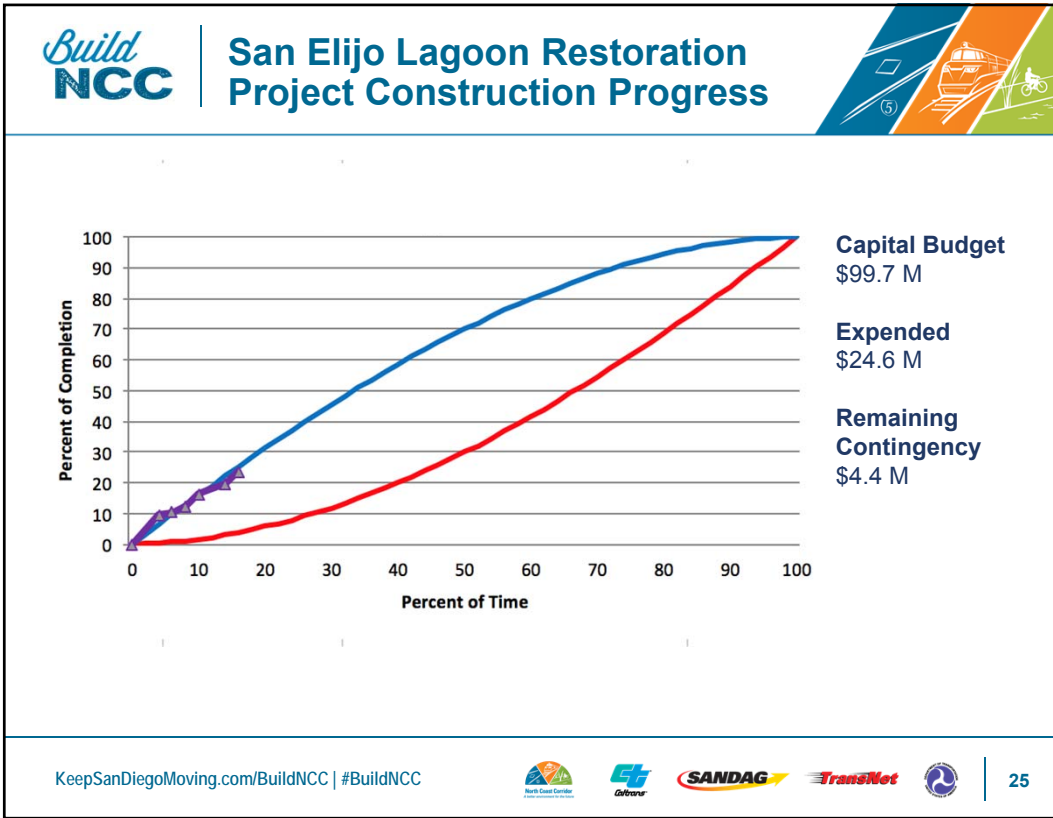






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## Coastal Rail Trail





Construction crews set-up fence to protect habitat

Construction crews install concrete barrier



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## Risks and Opportunities



**RISK: San Elijo Highway Bridge**

- Foundation delays

**RISK: San Elijo Double Track**

- Third party utility delay

**RISK: Interstate 5/HOV**

- Potential SB 1 Gas Tax repeal

**RISK: Interstate 5/HOV**

- Additional cost escalation

**OPPORTUNITY: San Elijo Lagoon**

- Elimination of offshore sand disposal



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## Upcoming 2018 Major Milestones



- Break ground in October for next HOV/carpool lane project (Birmingham Drive to Palomar Airport Road)
- Open service on San Elijo Lagoon Double Track
- Open first half of bike/pedestrian improvements at Santa Fe Drive and Encinitas Boulevard
- Reconstruct Chesterfield Drive intersection in October
- Complete the Encinitas Segment of the Coastal Rail Trail



Chesterfield rail crossing



Ped/bike improvements on Santa Fe Drive

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