

Written Statement for the Record

Gary L. Gallegos, Executive Director
San Diego Association of Governments
and

Board Member, Executive Directors Council
National Association of Regional Councils
1666 Connecticut Ave. NW
Washington, D.C. 20009
(202) 986-1032x212

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Committee on Transportation and Infrastructure
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Investing in Infrastructure: The Road to Recovery
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NARC

Building Regional Communities

National Association of Regional Councils

1666 Connecticut Avenue, NW Suite 300

Washington, DC 20009

202.986.1032 (tel) 202.986.1038 (fax)

www.narc.org

Good morning and thank you, Chairman Oberstar, Ranking Member Mica and members of the Committee. I am honored to be before you today with the opportunity to testify on the important role our nation's regions play in directing federal investments in infrastructure.

I am Gary Gallegos, the Executive Director of the San Diego Association of Governments (SANDAG), located in San Diego, California, and an Executive Director's Council board member of the National Association of Regional Councils (NARC). I am here today to stress the need for federal-level investment in our nation's infrastructure, and to illustrate how Regional Councils and Metropolitan Planning Organizations effectively and successfully plan intermodal transportation networks, and link policy concerns with practical solutions.

The National Association of Regional Councils is a national, non-profit trade organization that serves as the national voice for regionalism, advocating for multi-regional cooperation as the most effective way to address community planning and development opportunities and issues. NARC is governed by local elected officials and represents member organizations composed of multiple local governments that work together to improve America's communities - large and small, urban and rural. Through advocacy and assistance, NARC's mission is to increase funding and authority for all regional councils and metropolitan planning organizations (MPOs), regardless of their size or location, and to strengthen American regions and communities in transportation, economic and community development, homeland security, and the environment.

Regional councils deliver an array of federal, state and local programs that provide planning support and technical assistance to local governments. The network of nationwide regional councils includes organizations such as Metropolitan Planning Organizations (MPO), Councils of Government (COG), Rural Planning Organizations (RPO), Economic Development Districts (EDD) and Local Development Districts (LDD). Most regional councils are created by compact and enabling legislation as consortia of local governments. Their mission is the delivery of services and programs for economic development, first responder and 9-1-1, health care, infrastructure development, aging services, air and water quality, land-use planning, work force development, and transportation planning at a regional level. MPOs are mandated under federal law and as such have important responsibilities in planning and programming federal transportation dollars at the local and regional level. As such, regional councils and MPOs represent local elected officials from cities, counties, townships, and villages.

The San Diego Association of Governments is a statutorily created consolidated agency serving the more than 3 million residents of the San Diego region. The 18 cities and county governments comprise SANDAG, which serves as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transportation, and provides information on a broad range of topics pertinent to the region's quality of life.

In addition to transportation, SANDAG's regional work includes population and employment growth forecasts, habitat planning, housing, census, energy, economic prosperity, public safety, binational and interregional planning, and shoreline preservation. The agency's program budget for the fiscal year beginning July 1, 2008, totals \$966 million, which includes a \$56 million overall work program with the remainder dedicated to the capital program. As the federally designated MPO, SANDAG is responsible for regional transportation planning and programming of federal, state, and local funding (**attachment 1**).

SANDAG has responsibilities far beyond what is required by the federal government for a metropolitan planning organization. In addition to the federal MPO designation, SANDAG is designated by the State of California as the Regional Transportation Planning Agency (RTPA) for San Diego County. There is some overlap in these two designations; both require the agency to develop a long-range regional transportation plan as well as a shorter-term regional transportation improvement program.

Most importantly, and unlike many of our COG and MPO colleagues nationwide, the augmented state responsibilities vest in SANDAG *the authority to decide and direct where state and federal funding in the region will be used*. California has independent – and unique – regional participation requirements. Senate Bill 1435 (1992) required subvention of federal Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) programming decisions to MPOs/RTPAs, and Senate Bill 45 (1997) gave the same regional agencies the responsibility for programming state dollars (State Transportation Improvement Program funds). Vesting this degree of authority within the regional planning agencies is, in large part, what has helped SANDAG become so successful at moving infrastructure projects.

Further, on January 1, 2003, a state law (Senate Bill 1703) consolidated all of the roles and responsibilities of SANDAG with many of the transit functions of the two regional transit agencies. The consolidation gave SANDAG responsibilities for transit planning, funding allocation, project development, and eventually construction in the San Diego region in addition to its ongoing transportation responsibilities and other regional roles.

All of NARC's members, SANDAG included, support this Committee's efforts to create and maintain a robust transportation network, and commend the Committee's commitment to a strong federal partnership with our nation's local elected officials. NARC and its members welcome the Committee's questions in addressing the needs, opportunities, and challenges facing our nation's regional organizations and constituent local governments.

Mr. Chairman, the financial realities of underinvesting in infrastructure are significant at the local level. The report by the National Surface Transportation Policy and Revenue Study Commission, reiterated that, since 1980, the federal commitment to infrastructure spending has remained stagnant, while the commitments of both state and localities have continued to increase.

The U.S. Chamber of Commerce's *Future Highway and Public Transportation Finance Study* states that our nation needs to invest an additional \$50 billion annually to maintain our infrastructure network, and another \$100 billion annually to improve it. Another panelist at today's Committee hearing, the American Society of Civil Engineers, has given the nation's transportation network a "D" grade, estimating that \$1.6 trillion is needed over the next five years for infrastructure upgrades.

Additionally, analysis by the consulting firm Moffatt & Nichol reports that as the economy softens, more companies are moving their operations overseas in search of cheaper markets, thereby eliminating American jobs. This creates a secondary pressure of increased imported goods moving through U.S. ports and border crossings, adding to highway and rail traffic congestion as goods move to market.

All of our regions, as studied by NARC, face severe underinvestment as needs outstrip our ability to fund critical infrastructure. Both urban and rural America are sitting on billions of dollars of unfunded, dormant

infrastructure projects. For example, the Detroit metropolitan region has identified an unfunded \$30 billion worth of transportation projects. In smaller Huntington WV, the region has identified over \$600 million in needed transportation improvements and only \$230 million in anticipated revenue.

The nation's regional planning agencies are currently working on their comprehensive transportation plans to create a vision of what users of a system in the year 2040 will need, and are planning for approximately 120 million projected additional users by 2050.

Regional planning agencies are today's "boots on the ground" planners and implementers of tomorrow's regional infrastructure. In order to continue our successful efforts, regional planning organizations need a strong federal partner and decisive federal leadership to help make safe and secure transportation a reality. If the federal government wishes to be part of a unified solution tomorrow, federal leadership needs to be at the table today.

Mr. Chairman, the convergence of a softening economy, rising unemployment, forecasted population growth, and the clear need for substantial investments in the country's infrastructure network provides us with the opportunity to address our nation's infrastructure. The question is – how can Congress best direct funding not only to provide family-wage jobs, but also to create a world class, globally competitive transportation system in the process? Let me offer San Diego as a successful example of progress toward that goal.

The San Diego Example

The State of California and SANDAG are pressing forward with many "Self-Help" projects. At the local level, our region's voter-approved, half-cent local sales tax program, *TransNet* (**attachment 2**), which has been an important element in constructing, expanding, and maintaining the network of highway, public transit, and local street and roads in San Diego County. Due to the program's success in accomplishing its goals and SANDAG's good work in communicating these accomplishments, in 2004, 67 percent of the region's voters approved a 40-year extension of *TransNet*. Today, SANDAG administers a \$14 billion *TransNet* sales tax program that will fund highway, transit, local streets, smart growth and bicycle/pedestrian projects, and environmental mitigation efforts through 2048. SANDAG also operates several commuter programs, including the Interstate 15 FasTrak® program (allowing single-occupant vehicles to use the I-15 Managed Lanes for a fee), the RideLink Transportation Demand Management program (carpool/vanpool programs, 511 transportation information service, and other commuter-oriented programs), and a Freeway Service Patrol (providing service for stranded motorists on all major highways).

The State of California also has made an investment in the state's infrastructure. In 2006, voters approved nearly \$43 billion in statewide infrastructure bonds to address transportation, housing, public education, and water projects. These infrastructure bonds have helped to keep California's economy moving during hard economic times. The California Infrastructure Commission Report found that every \$1 billion of transportation spending in California creates approximately 18,000 new jobs in the state.

Additionally this November, California voters will decide the fate of a \$9.95 billion bond to create the nation's first high-speed rail system connecting Northern and Southern California. The statewide high-speed rail project, if approved, is expected to create more than 160,000 new jobs in California. For the

San Diego region, this translates to 45,000 new jobs according to the San Diego Institute for Public Research.

Innovation that Moves You

In September 2008, SANDAG opened the first 4.5 mile segment of our Interstate 15 Managed Lanes. When fully completed, this project will create a 20-mile multimodal facility in the median of Interstate 15. It will feature a four-lane Managed Lane facility with a movable barrier; multiple access points to the regular highway lanes; and, direct access ramps for buses, carpools, and FasTrak customers (paying solo drivers). A high-frequency Bus Rapid Transit (BRT) system also will operate in the Managed Lanes.

This \$1.3 billion project is an example of a successful partnership among federal, state, and local governments. To complete the initial segments of the Managed Lanes, SANDAG has invested \$176 million in *TransNet* local sales tax funds, and successfully competed for \$400 million in funding from the California infrastructure bonds (Proposition 1B, 2006) by illustrating the employment, labor income, financial output and taxes generated by our proposed projects. Congress has appropriated less than \$10 million for the project, with a combination of annual appropriations as well as an appropriation in SAFETEA-LU. With full funding, we would be on track to complete the 20 miles of Managed Lanes by 2012.

At the regional-level, we have the drive and ambition to undertake and deliver major transportation infrastructure projects. With Caltrans, our state Department of Transportation, we have employed an alternative delivery method known as design-sequencing to advance the Interstate 15 Managed Lanes (**attachment 3**). And we are working hand-in-hand with our public transit partners to develop and implement the first BRT system in San Diego using these same Managed Lanes and serving a strong commuter market in the Interstate 15 corridor.

The Interstate 15 Managed Lanes projects is just one several major Early Action infrastructure projects that SANDAG is advancing in order to improve the region's transportation infrastructure and tackle growing traffic congestion head-on. In January 2005, shortly after passage of the *TransNet* Extension in late 2004, the SANDAG Board of Directors adopted an aggressive Early Action Program to accelerate a variety of high-priority regional transportation projects. These major construction and infrastructure projects include Interstates 5, 15, and 805, and State Highways 52 and 76; the Mid-Coast Corridor Transit Project (Trolley) from Old Town to the University of California, San Diego campus and the University City community; the Super Loop Transit Project, also in the University City community; and BRT projects along the interstate corridors.

While the new sales tax revenues would not begin flowing until April 2008, our financial analysis determined that it made sense to advance the funding through bonds to deliver the Early Action Program. The benefits of delivering the program early, combined with the project cost escalation that could be avoided with the use of bonding, were estimated to exceed the interest costs on the bonds. SANDAG subsequently approved a financial strategy for implementing the Early Action projects that included expanding the existing commercial paper program to \$335 million and issuing \$600 million of long-term variable rate debt in April 2008.

The tremendous progress that we have made on the Interstate 15 Managed Lanes is based on a decision that the region made several years ago to focus on major corridors – not just individual transportation projects. With Interstate 15, we planned for, secured environmental clearance, and developed the concept for the entire corridor. This “accordion approach” allowed us to envision what was needed over the long-term and at the same time be competitive and get projects to construction as funding became available.

Mr. Chairman, SANDAG is continuing to press the envelope in innovation in the San Diego region by undertaking a third border crossing project in partnership with Caltrans. In September, Governor Schwarzenegger signed into law California Senate Bill 1486 by State Senator Denise Ducheny. This legislation provides SANDAG with the authority to set, levy, and collect tolls or fees for the use of a new highway – State Route 11 and a new border crossing – the Otay Mesa East Port of Entry (**attachment 4**). SANDAG plans to bond against these tolls/user fees to advance construction of the new border crossing and state highway.

The new Otay Mesa East Port of Entry will help reduce traffic delays at the existing San Ysidro and Otay Mesa Ports of Entry and will provide an alternative crossing for commercial traffic. Each day, an estimated 62,000 vehicles, more than 25,000 pedestrians, and nearly 3,000 trucks cross the U.S.-Mexico border northbound at our existing crossings (**attachment 5**). Typical peak period wait times exceed two and a half hours. Our recent research shows that California loses \$3.9 billion due to these border crossing delays, and the lost economic opportunity in San Diego alone exceeds \$3.3 billion.

The construction of this project is expected to provide 8,200 jobs in our region for a total of \$464 million in labor income. Additionally the combined operation of the new Otay Mesa East border crossing, State Route 11, and State Route 905 highways will bring in 34 million jobs and \$1.2 billion in labor income to our region.

Arguably, a new international border crossing is a federal responsibility. However, SANDAG’s Board of Directors – locally elected mayors, council members, and county supervisors, along with business and community leaders, recognize the importance of border infrastructure improvements to our own economy. While Mexico is the United States’ third largest trading partner, it is California’s number one export market. Trade also is the fastest growing component of the San Diego regional economy. Our local leaders realize that to get the new border crossing project off the ground, local investments are needed sooner to strengthen and sustain our local and regional economies. The State of California also has acknowledged the importance of this new project. Through Caltrans, the state has been leading the way to secure a Presidential Permit for the Otay Mesa East Port of Entry as well as the environment clearances for both the border crossing and the planned State Route 11 highway. We expect to break ground on this project no later than 2013.

Making the Case for Federal Investment

State and regional agencies like SANDAG have moved forward aggressively to continue to address state, regional and local transportation challenges, but we cannot invest in our nation’s infrastructure alone. We as a nation recognized the value of building a national transportation network under the successful Interstate Highway Program of President Dwight D. Eisenhower’s Administration. Today, we have an even more urgent need to rebuild and grow our national intermodal transportation system.

Highways, transit, ports, border crossings, and rail infrastructure need focused attention and focused investment.

The nation's economic woes have been felt at all levels of government. According to the UCLA Anderson forecast, unemployment in California is expected to stay in the middle seven percent range next year, because the state economy is not producing the jobs required for new entrants to the labor force. The California housing market also will continue to get worse, before it gets better. Locally, we have seen our *TransNet* sales tax revenues shrink. *TransNet* sales tax receipts for fiscal year 2008 were 1.4 percent less than the prior fiscal year, with the quarter ending June 2008 4.5 percent lower than the same quarter of last year. There appears to be a growing consensus nationwide that the economic slowdown will continue to have significant effects on revenues now and into all of 2009.

Here in San Diego, the decline in local sales tax-based revenues will have effects on all transportation agencies. For our public transit partners, the financial impact during fiscal year 2009 is estimated be \$5.1 million less revenue for the San Diego Metropolitan Transit System, and a \$2.1 million loss for the North County Transit District. These shrinking revenues are occurring at the same time that public transit agencies in San Diego and across the country are facing high fuel prices and increased demand for services. Faced with declining local *TransNet* sales tax revenues and the tightening of the municipal credit market, local jurisdictions also are postponing capital improvement projects. The decline of *TransNet* revenues is expected to result in \$4.7 million less funding for the *TransNet* Major Corridor Program during fiscal year 2009.

Yet we continue to see an overwhelming number of infrastructure needs, and limited resources in both the County of San Diego and the State of California. According to the U.S. Census Bureau, California ranks 48th in investment in highways, and 40th in overall infrastructure investment based on personal income. This is despite the multi-billion dollar infrastructure bond measures passed by California voters in 2006, and the billions of transportation dollars invested by the self-help local sales tax measures currently in effect in 19 California counties. The success of SANDAG's own \$14 billion *TransNet* program will rely on leveraging our local sales tax funding with an equal amount of matching funds from other sources (a combination of state and federal dollars) to implement the more than 40 major highway and transit corridor projects in the 40-year program.

Federal investment is necessary, and it is needed now. There have been small rays of hope during this troubled economic time. Many of our recent bid openings for major transportation infrastructure projects in the San Diego region have come in lower than originally estimated. Just last week, the contractor's bid for construction of the north segment of the Interstate 15 Managed Lanes came in 12 percent less than the engineer's estimate. If we can get infrastructure projects ready and out the door, we can take advantage of an opportunity to improve our transportation system, and at the same time give our economy a much needed jumpstart.

As Congress contemplates a possible second economic stimulus, we urge you to consider infrastructure investments in the overall package. San Diego, like many other regions across the nation, will benefit from federal investments in infrastructure. Our region is poised with a number of "ready-to-go" transportation projects, some of which include:

<u>Project</u>	<u>Description</u>	<u>Cost</u>
SR 905	Construction of new highway between Interstate 805 and Otay Mesa Border Crossing	\$25 million
SR 125/SR 905 Interchange	New freeway-to-freeway interchange.	\$25 million
Buses on Shoulders System (BOSS)	New bus service from Otay Mesa to Chula Vista and Sorrento Valley utilizing the Interstate 805 freeway median shoulders and a bus guidance system	\$6 million
San Diego Trolley Blue Line Upgrades	Installation of crossovers as an initial phase to retrofitting the light rail transit (LRT) line for low-floor vehicle operation; realignment of track at Civic Center Drive in National City	\$16 million
New LRT Low-Floor Vehicles	Purchase new low-floor vehicles for San Diego Trolley Blue Line	\$25 million
Articulated CNG-Powered Buses	26 sixty-foot buses equipped with automatic passenger counters	\$15 million
CNG Powered Buses	55 forty-foot buses equipped with automatic passenger counters	\$22 million
Regional Fiber Optic Network Expansion	Expands MTS and Caltrans fiber optic network	\$25 million
Regional Rail Grade Separations	LRT grade separations within Chula Vista	\$3 million

Federal leadership and stimulus funds will help regions across the country take ready to go projects from concept to completion. In addition, regions and states also would benefit from concerted efforts to streamline federal processes. With cooperation and determination, federal, state and local partners can work together to get projects to construction more quickly. From our past experience rebuilding from the California earthquakes, major infrastructure projects were able to move into construction in a matter of months over the standard process of two to four years.

Conclusion

Mr. Chairman, we continue to live off the infrastructure investments made by the federal government as long ago as the Great Depression. Where would the entire Southwestern portion of the nation be without the Hoover Dam? In the San Diego region, we have reaped benefits for generations from Depression era infrastructure investments like the construction of much of San Diego State University. We need a similar vision and commitment from the federal government today.

Mr. Chairman, as we face our own challenging economic times, we join other regions across the country to encourage Congress to use the power of federal investment to stimulate the economy, create jobs and make the same lasting impression on the nation's infrastructure in the 21st century as our nation's leaders did in the 20th century.

Regional planning agencies such as SANDAG stand ready to partner with federal and state governments to deliver high-caliber infrastructure projects to rebuild America and put us on a path to economic recovery and prosperity.

Mr. Chairman and members of the Committee, on behalf of SANDAG and the National Association of Regional Councils, I thank you for the opportunity to testify before you today.

SANDAG: San Diego Association of Governments FACT SHEET



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401 B Street, Suite 800
San Diego, CA 92101
(619) 699-1900
Fax (619) 699-1905
www.sandag.org

A Forum for Regional Decision-making

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG is the San Diego region's primary public planning, transportation, and research agency, providing the public forum for regional policy decisions about growth, transportation planning, environmental management, housing, open space, energy, public safety, and binational topics. As a result of Senate Bill 1703, which consolidated all of the roles and responsibilities of SANDAG with many of the transit functions of the Metropolitan Transit System (MTS) and the North County Transit District (NCTD), SANDAG also is responsible for transit planning, funding allocation, project development, and construction in the San Diego region.

Leadership

SANDAG is governed by a Board of Directors composed of mayors, councilmembers, and county supervisors from each of the region's 19 local governments (with two representatives each from the City of San Diego and the County of San Diego). Voting is based on membership and the population of each jurisdiction. Supplementing these voting members are advisory representatives from Imperial County, Caltrans, MTS, NCTD, the U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.

Regional Responsibilities

Current major initiatives include early delivery of transportation projects utilizing *TransNet* and Proposition 1B funds; implementation of a third border crossing and connecting highway improvements in East Otay Mesa; development of planning, funding, and execution strategies for a Quality of Life program that will include regional infrastructure investments in the areas of habitat

conservation, water quality, shoreline preservation, public transportation, and other potential infrastructure areas; collaboration with the San Diego Regional Airport Authority on airport planning, and addressing the impacts of transportation and land use on greenhouse gas emissions.

Other areas of continued emphasis include implementing sustainable Transportation Demand Management programs by expanding the 511 traffic information system and Compass Card program, and utilizing performance measures to ensure effective transportation network management; continuing collaborative efforts among SANDAG, Caltrans, and local jurisdictions to address future transportation and planning needs; continuing Interregional planning efforts between SANDAG and partner agencies in neighboring counties, Mexico, and tribal nations; and implementing smart growth concepts contained in the Regional Comprehensive Plan.

Monthly Board of Directors and Policy Committee meetings provide the public forums and decision points for significant regional issues. Citizens and representatives from community, civic, environmental, education, and business groups are involved in the planning and approval process by participating in committees, workshops, and public hearings.

Budget

Each year, SANDAG adopts an overall work program and budget with federal, state, and local funds to support its regional responsibilities. The fiscal year 2009 program budget, covering the period July 1, 2008, through June 30, 2009, totals \$966 million, including the \$55.9 million overall work program and the annual portion of the Capital Program in the amount of \$650 million.

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THE SANDAG BOARD OF DIRECTORS

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus; plans, engineers, and builds public transit and transportation projects; makes strategic plans; obtains and allocates resources; and provides information on a broad range of topics pertinent to the region's quality of life.

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TransNet

FACT SHEET



The region's window to in-depth information on the TransNet Early Action Program, KeepSanDiegoMoving.com includes project descriptions, construction schedules, public meeting notices, maps, and news releases.



The TransNet Dashboard, an interactive, online reporting tool, provides the public with timely information on how TransNet tax dollars are spent. This Web-based tool is a key element of KeepSanDiegoMoving.com.



401 B Street, Suite 800
San Diego, CA 92101
(619) 699-1900
Fax (619) 699-1905
www.sandag.org

Expanding the transportation network

Travel north, south, east, or west in the San Diego region and you will see the results of the TransNet program, which for 20 years has funded highway expansions, Trolley extensions, pedestrian-friendly projects, bikepaths, local road improvements, and transit programs throughout the entire region.

In 1987, San Diego County voters recognized the challenge to keep San Diego residents, visitors, and commerce on the move, and they approved TransNet—a regional half-cent sales tax collected to finance transportation improvements.

That initial 20-year TransNet program generated approximately \$3.3 billion between 1988 and 2008. SANDAG, which administers TransNet funds, distributed the money in equal thirds among transit, highway, and local road projects. In addition, \$1 million was earmarked annually for bicycle paths and facilities. The program also funded seven innovative Walkable Community Demonstration Projects in Encinitas, San Marcos, Oceanside, El Cajon, and the communities of North Park, Golden Hill, and Clairemont in the City of San Diego.

TransNet Extension

In November 2004, more than 67 percent of voters countywide approved the extension of TransNet to 2048. The 40-year extension will generate more than \$14 billion for transportation improvements, with the funds allocated using a similar formula—dedicated to transit, highway projects, local roads, and other new programs.

The extension will help fund major highway expansion projects along Interstates 5, 8, 15, and 805, as well as State Routes 52, 54, 56, 67, 76, 78, 94, 125, 905, and numerous local road projects. In addition, it will support a robust public transportation system, including new BRT services and carpool/Express Lanes along many of the major transportation corridors.

The TransNet extension includes some added features over the initial program. It supports an innovative \$850 million environmental mitigation program to offset the impacts of future transportation improvements while at the same time reducing overall costs and accelerating project delivery. The extension also provides for a \$280 million smart growth incentive fund. In addition, approximately \$5 million a year of the available funds will go to bicycle paths and facilities, pedestrian improvements, and neighborhood safety projects. The extension also created the Independent Taxpayer Oversight Committee to monitor the expenditure of TransNet funds.

TransNet Dollars Keep San Diego Moving

TransNet is a success story — adding 227 lane miles of highway; financing more than 800 local road projects; and expanding regional transit with 85 miles of trolley and commuter rail lines, as well as providing discounted transit passes for disabled people, seniors, and students. For additional information and documents, visit: www.sandag.org/transnet

(Continued on reverse)

Previous TransNet Successes:

- » San Diego Trolley extended to Santee, Old Town, and through Mission Valley to San Diego State University and La Mesa.
- » COASTER Commuter Rail opened between Oceanside and San Diego.
- » State Route 52 extended from I-15 to Santee.
- » State Route 125 completed from Spring Valley to Santee.
- » South Bay and East County communities connected via major expansions of State Routes 54 and the South Bay Expressway.
- » State Route 56 completed linking I-15 to I-5.
- » State Route 76 widened through the City of Oceanside.
- » State Route 78 widened to six lanes and many interchanges upgraded.
- » Sprinter light rail opened connecting Oceanside and Escondido.

The TransNet Early Action Program

With the goal of efficiently using *TransNet* extension funds going forward, SANDAG created the Early Action Program to expedite congestion relief. The program focuses on jump starting construction of the region's top priority transportation infrastructure projects.

TransNet
Early Action Projects

- ① SR 76 - Widening
- ② SR 52 - Widening and Extension
- ③ Mid-Coast and Super Loop Transit
- ④ I-15 Managed Lanes and Bus Rapid Transit (BRT)
- ⑤ I-5 North Coast Corridor - Environmental Effort and HOV Lanes
- ⑥ I-805 Corridor - Environmental Effort & BRT
- ✔ ⑦ SPRINTER - Oceanside to Escondido
- ⑧ Trolley - Vehicle and Station Upgrades (Blue and Orange Lines)
- ⑨ Mid-City Rapid Bus

✔ - Project Completed



I-15 MANAGED LANES FACT SHEET



The Project

This project will build on the success of the I-15 High Occupancy Vehicle (HOV) Lanes and FasTrak® program by creating a 20-mile Managed Lanes facility in the median of I-15 between State Route 163 (SR 163) and State Route 78 (SR 78). Once completed, it will feature a four-lane Managed Lane facility with a movable barrier (similar to the movable barriers on the San Diego–Coronado Bridge); multiple access points to the regular highway lanes; and direct access ramps for buses, carpools, and FasTrak customers. A high-frequency express bus system, known as Bus Rapid Transit (BRT), will operate in these Managed Lanes.

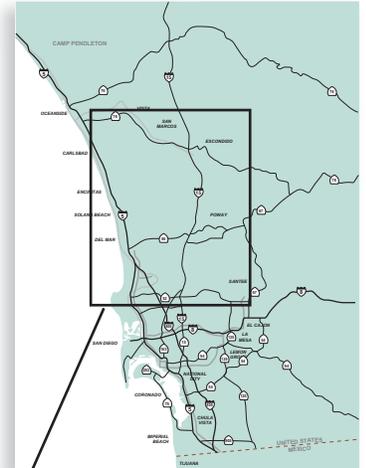
The Need

The average daily traffic on I-15 ranges from 170,000 to 295,000 vehicles, with daily commute delays ranging from 30 to 45 minutes in the general purpose lanes. The I-15 FasTrak program successfully demonstrates that value pricing can be an effective tool for increasing use of an HOV facility while maintaining free-flow conditions on the facility.

Project Costs

The total costs for the freeway improvements and the transit elements of the I-15 Managed Lanes are estimated at \$1.76 billion (2006 dollars).

(Continued on reverse)



401 B Street, Suite 800
San Diego, CA 92101
(619) 699-1900
Fax (619) 699-1905
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Project Status

The Managed Lanes will be constructed in three phases (see map). The Middle Segment will be the first phase of the Managed Lanes to be constructed. It is scheduled to open to traffic in 2008. The movable barrier allows for up to three added lanes available to drivers during rush hours in the peak direction.

- » Carpools and I-15 FasTrak users will enter and exit the Managed Lanes from the freeway lanes at seven access points along I-15.
- » A BRT system will operate in the Managed Lanes by 2012. Transit stations and park and ride lots will be located along I-15 and will be connected to the Managed Lanes via direct access ramps. These direct access ramps will allow both BRT buses, carpoolers, and I-15 FasTrak customers to bypass freeway on-ramps.
- » SANDAG approved implementing electronic tolling on the Managed Lanes for solo commuters. The tolls will be charged on a per-mile basis that is based on traffic conditions.

Funding Status

To date, SANDAG and Caltrans have secured \$176 million in *TransNet* funds for the complete construction of the Managed Lanes. Recently SANDAG secured \$350 million from the Corridor Mobility Improvement Account and an additional \$50 million in State Transportation Improvement Program augmentation from the California Transportation Commission. To date, Congress has appropriated \$4.7 million (FY 2004 \$2 million; FY 2005 \$1.7 million; FY 2006 \$1 million) and \$5 million was included in SAFETEA-LU.

STATE ROUTE 11 AND OTAY MESA EAST PORT OF ENTRY

FACT SHEET



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 San Diego, CA 92101
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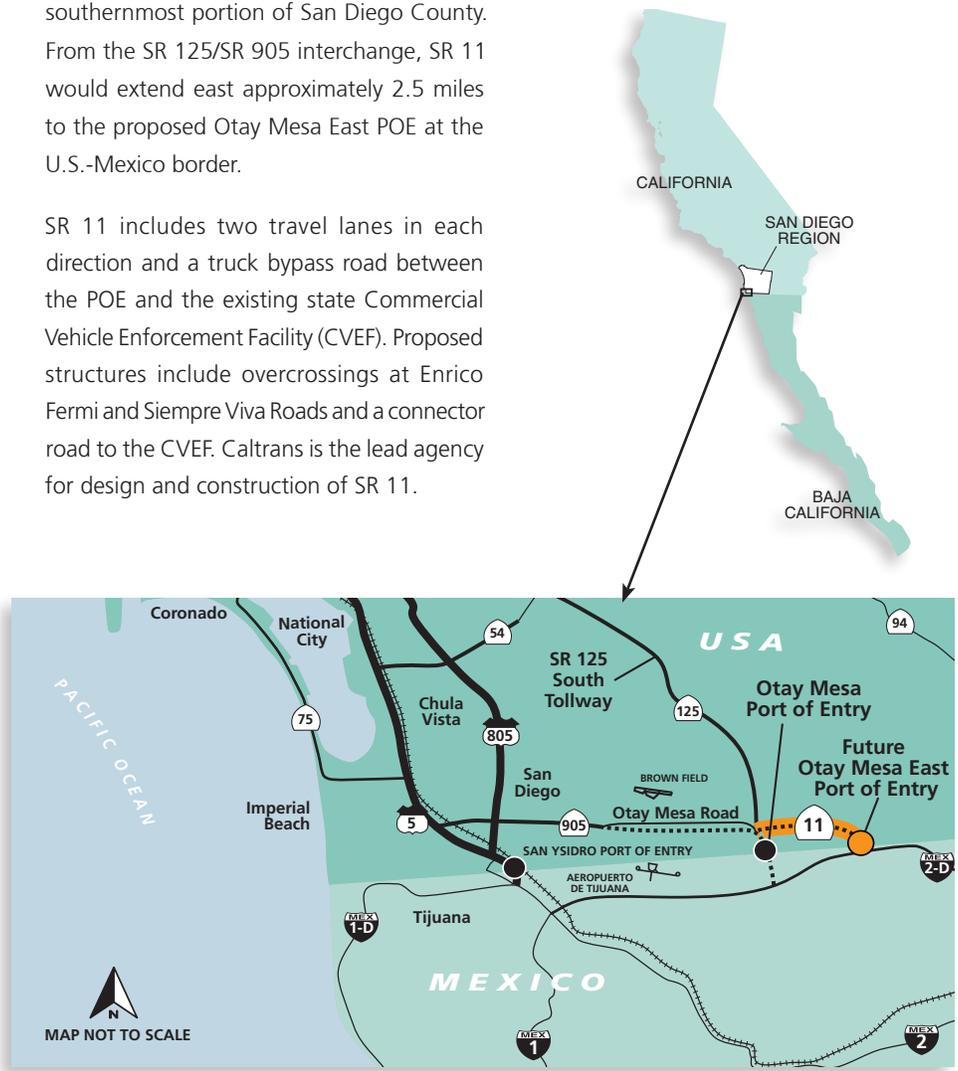
Project Description

State Route 11 and a new federal port of entry (POE) will improve the efficient movement of people, goods, and services between the United States and Mexico. This project proposes construction of SR 11, a new four-lane freeway, and a new POE located in the unincorporated community of East Otay Mesa within the Otay Subregional Planning Area in the southernmost portion of San Diego County. From the SR 125/SR 905 interchange, SR 11 would extend east approximately 2.5 miles to the proposed Otay Mesa East POE at the U.S.-Mexico border.

SR 11 includes two travel lanes in each direction and a truck bypass road between the POE and the existing state Commercial Vehicle Enforcement Facility (CVEF). Proposed structures include overcrossings at Enrico Fermi and Siempre Viva Roads and a connector road to the CVEF. Caltrans is the lead agency for design and construction of SR 11.

The proposed Otay Mesa East POE would be located approximately two miles east of the existing Otay Mesa POE. The proposed 100 acre site would be sufficient to accommodate all the federal agency and security functions currently anticipated to be necessary for the long-term effective operation of an international POE.

(Continued on reverse)



The U.S. General Services Administration is the lead agency for design and construction of the new POE.

The Need

The San Diego and Tijuana region is the largest urban area along the entire U.S.-Mexico border, with a combined population of more than four million people. This combined population is anticipated to grow to more than 5.5 million by the year 2020. Two international POEs, San Ysidro and Otay Mesa, currently link San Diego and Tijuana. The new POE at Otay Mesa East will help reduce traffic at the two existing San Ysidro and Otay Mesa land ports. The capacities of the existing U.S. and Mexican POEs in the region are currently being exceeded at certain times of the day and the year, causing excessive border wait times for those making both commercial and personal trips. Trade and travel in this area are forecasted to continue to grow rapidly, and border delays are expected to increase correspondingly. SR 11 becomes a critical facility to connect the new POE with the regional highway system via SR 905 and SR 125. The new Otay Mesa East POE and SR 11 will alleviate long and unpredictable crossborder delays at the San Diego-Tijuana POEs and also improve air quality by reducing truck and passenger vehicle emissions due to idling and traffic congestion.

Project Costs

The project cost for both the four-lane freeway and the POE is currently estimated at \$715 million. The TCIF request is for \$75 million to leverage approximately \$640 million in public and/or private investments.

Project Financing and Revenues

Currently, a total of \$13.8 million is programmed to prepare the environmental document. On behalf of Caltrans, SANDAG conducted a financial feasibility assessment for both the new freeway and the POE. The primary objective of the study was to determine the financial feasibility of building SR 11 and the Otay Mesa East POE as toll- or fee-based facilities. Traffic, revenue, cost, and financial risk models were developed for this analysis. The study concluded that the toll option is a potentially good investment provided that there are sufficient external resources to cover the capital, operations, and maintenance costs of the POE. SR 11 cannot be considered without the Otay Mesa East POE. Public participation would be necessary to attract sufficient private capital and finance construction and management of the POE.

A more complete financial analysis will be conducted to explore the potential of non-toll revenues (e.g., development fees, interest earnings on operating reserves) to make up revenue shortfalls, especially in POE O&M costs (e.g., baseline staffing paid by CBP and additional staffing covered by tolls/fees). This analysis needs to complement a similar analysis performed by Mexican counterparts for the proposed Otay Mesa East POE and connecting roads in Tijuana.

Next steps underway include working with federal and state delegations to obtain necessary approvals and legislation for toll/ user fees and finance partnerships. The recently introduced SB 1486, which would establish the Otay Mesa East Toll Facility Authority, serves as an important first step in this direction.

Project Status

The project currently is in the environmental stage and will be completed in two phases. Phase 1 is a Programmatic Environmental Impact Report/Environmental Impact Statement. A draft was completed in January 2008. The purpose of the Phase 1 document is to identify and preserve a corridor for the future SR 11, and the future Otay Mesa East POE in San Diego County. Phase 2 will be a project specific document and will be completed in late 2009.

A Presidential Permit application for the POE was submitted to the Department of State in January 2008. Both the Phase I Environmental Document and Presidential Permit are expected to be approved in Spring 2008.

2007 UPDATE: ECONOMIC IMPACTS OF WAIT TIMES IN THE SAN DIEGO – BAJA CALIFORNIA BORDER REGION FACT SHEET

JURISDICTIONS OF THE SAN DIEGO REGION

City of Carlsbad
City of Chula Vista
City of Coronado
City of Del Mar
City of El Cajon
City of Encinitas
City of Escondido
City of Imperial Beach
City of La Mesa
City of Lemon Grove
City of National City
City of Oceanside
City of Poway
City of San Diego
City of San Marcos
City of Santee
City of Solana Beach
City of Vista
County of San Diego

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San Diego, CA 92101
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Inadequate infrastructure capacity at the border crossings between San Diego County and Baja California currently creates traffic congestion and delays for cross-border personal trips and freight movements that cost the U.S. and Mexican economies an estimated \$7.2 billion in foregone gross output and more than 62,000 jobs in 2007.

Two-hour or longer delays in freight movement at the Otay Mesa – Mesa de Otay and Tecate – Tecate ports of entry are significantly impacting productivity, industry competitiveness, and lost business income at the regional, state, and national level.

The Otay Mesa – Mesa de Otay Port-of-Entry (POE) is the busiest commercial border crossing between California and Mexico. In 2006, this POE handled more than 1.4 million trucks and \$28.6 billion worth of goods in both directions, which represents the third highest dollar value of trade among all land border crossings between the United States and Mexico. Another \$1.2 billion in

merchandise and more than 140,000 trucks crossed at the Tecate – Tecate POE.

Trade is the fastest expanding component of the San Diego regional economy. Mexico is the United States' third largest trading partner (after Canada and China) and California's number one export market. Inadequate and aging infrastructure and more stringent security requirements create congestion at these two commercial border crossings.

Added wait times also discourage personal trips across the border at the San Ysidro, Otay Mesa, and Tecate POEs. In 2007, delays at the border are expected to contribute to a loss in output that exceeds \$2.9 billion and a loss in employment of more than 40,000 jobs for the San Diego region and Baja California combined.

Border delays in freight movement result in increased transportation costs and interruptions in manufacturing and delivery cycles. It is estimated that at today's level of
(Continued on reverse)



processing time at the border — more than two hours per truck—San Diego County loses \$539 million in annual revenue from reduced freight activity. This translates into more than 2,900 jobs or \$155 million in lost labor income a year in 2007. Labor income losses fall heavily in the machinery and equipment sector.

In 2007, the overall impact at the state level is anticipated at \$847 million in foregone output and \$242 million in labor income losses (or more than 4,300 jobs). For the United States, total output losses are estimated at \$1.5 billion and employment losses at more than 9,000 jobs in 2007.

The overall economic impacts of delaying trucks at the border are substantially higher on the Mexican side of the border than the American side. For Baja California, total output losses are expected to amount to \$1.6 billion and 8,200 jobs annually in 2007. Though the machinery and equipment sector is the most affected in terms of output losses, manufactured goods and agricultural and food products experience most of the jobs lost. For Mexico, total impact is estimated at \$2.4 billion in lost output and about 12,900 fewer jobs in 2007.

SANDAG, in partnership with Caltrans, developed an economic model to assess the magnitude of regional economic impacts resulting from delays at the ports of entry. This model serves as an analysis tool to understand economic impacts as the volume of travel increases and/or as a result of security screenings

