



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: May 11, 2004

TO: Board of Supervisors

SUBJECT: San Diego Association of Governments Proposed TransNet Extension
(Districts: All)

SUMMARY:

Overview

TransNet is the San Diego county half-cent transportation sales tax approved by voters of San Diego County in 1987 for transportation improvements in the County. As approved by the voters, TransNet revenue is allocated to improving highways (1/3), transit (1/3), and local streets and roads (1/3). These funds have been key to helping address significant transportation needs in the San Diego region.

This measure is due to sunset on March 31, 2008, and the San Diego Association of Governments (SANDAG) is in the process of drafting a new measure that would extend this tax for an additional 40-years. A two-thirds voter approval is required. The SANDAG Board of Directors must vote to approve the ordinance before it is placed on the November 2004 ballot.

On May 14, the SANDAG Board of Directors is expected to accept the draft ordinance from the public review period and approve the first reading and adoption of the TransNet ordinance. This action presents critical issues still unresolved in the ordinance and proposes that the Board of Supervisors take an official position on the ordinance to oppose the approval of the TransNet ordinance unless amended to the satisfaction of the Board of Supervisors.

Recommendation(s)

CHAIRWOMAN DIANNE JACOB AND SUPERVISOR BILL HORN:

1. Oppose the TransNet Ordinance unless amended to reflect one of the following
Two options:

Position #1:

A) SANDAG must include a provision that guarantees TransNet revenue be allocated annually no less than 1/3 to local streets and roads and no less than 1/3 to Highway projects.

B) SANDAG must include a provision that prohibits changes to the congestion

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relief projects, as listed and defined in the ordinance, unless there is a 2/3 vote of the SANDAG Board of Directors and the concurrences of each jurisdiction in which the project is proposed.

- C) SANDAG must add the two items above to the list of items that would be excluded from any future change in the TransNet Ordinance.

Position #2

- A) SANDAG must include a provision that guarantees TransNet revenue be allocated annually no less than 1/3 to local streets and roads and no less than 1/2 to Highway projects.
- B) SANDAG must include a provision that prohibits changes to the congestion relief projects, as listed and defined in the ordinance, unless there is a 2/3 vote of the SANDAG Board of Directors and the concurrences of each jurisdiction in which the project is proposed.
- C) SANDAG add the two items above to the list of items that would be excluded from any future change in the TransNet Ordinance.

Fiscal Impact

There is no fiscal impact associated with this action

Business Impact Statement

N/A

Advisory Board Statement

N/A

BACKGROUND:

Summary and Actions to Date:

TransNet is the San Diego county one-half percent transportation sales tax approved by voters of San Diego County in 1987 for transportation improvements in the County. As approved by the voters, TransNet revenue is allocated to improving highways (1/3), transit (1/3), and local streets and roads (1/3). These funds have been key to helping address significant transportation needs in the San Diego region.

This measure is due to sunset on March 31, 2008, and the San Diego Association of Governments (SANDAG) is in the process of drafting a new measure that would extend this tax for an additional 40-years. The SANDAG Board of Directors must vote to approve the ordinance before it is placed on the ballot, and a two-thirds voter approval is required.

On February 10, 2004, SANDAG staff first made the draft ordinance available for review. Since February 10, there have been several adjustments and modifications to the proposal.

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On March 19, the SANDAG Board of Directors took unanimous action to direct SANDAG staff to modify the proposed ordinance, creating a 40-year, \$14 billion program which will maintain the 1/3 allocation to local streets and roads without reliance on Proposition 42 dollars, and 2/3 allocation to Highway and Transit projects.

On April 7, 2004 the Board of Supervisors took action on individual items within the ordinance, supporting, in concept, the following items:

- 1/3 allocation to local streets and roads;
- A 40-year, \$14 billion measure;
- The inclusion of a provision that prohibits changes to the list of congestion relief projects unless there is a 2/3 vote of the SANDAG Board of Directors *and* the concurrence of each jurisdiction in which the project is proposed;
- The exclusion of several items from future change.

It is important to note that the Board of Supervisors has not taken an official position on the overall plan to date.

On April 9, 2004 the SANDAG Board of Directors accepted the draft ordinance and approved its distribution for a 30-day public review period without the inclusion of significant Board of Supervisors' requests.

Board of Supervisors' action

In order to increase the chances of passage, two major changes should be made to the proposed TransNet Ordinance.

The first is a provision that prohibits changes to the congestion relief projects, as listed in the ordinance, unless there is a two-thirds vote of the Board of Directors and the concurrences of each jurisdiction in which the project is proposed.

In the proposed ordinance, everything in the ordinance could be changed by a 2/3 vote of the SANDAG Board of Directors with the exception of the priority placed on three projects (52, 76, Mid-Coast Rail); the Oversight Committee; developer impact fee; maintenance of effort; the ½ cent tax; and 40-year extension. Everything else is subject to change including the distribution of dollars and the congestion relief projects.

A voter approved measure that lists specific projects should not be vulnerable to change at the whim of the SANDAG Board of Directors. While some flexibility may be appropriate, the ordinance promises certain projects to the voters of San Diego County, and at the same time allows two-thirds of the SANDAG Board of Directors to change and delete the same projects. This is misleading and deceptive. This recommendation allows flexibility within the ordinance with a very important check and balance of the affected jurisdiction directly elected by the voters of that area.

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The second provision addresses the allocations to local streets and roads, highway projects, and transit. According to an analysis by San Diego County's Department of Public Works staff, the current expenditure plan net allocations are as follows:

Local Streets and Roads	30.9%*
Highways	31.5%
Transit	35.5%

*Not including Smart Growth funding

The first proposal recommends a change to these allocations that would provide no less than **one-third** of the allocation to local streets and roads, and no less than **one-third** of the allocation to highways.

This position is consistent with the current TransNet Ordinance. This proposal is billed as an extension of the current sales tax and an extension of the current ordinance. Therefore, maintaining the same allocations would be a reasonable proposition to the voters of this County.

It is estimated that two percent of commuters use mass transit. The overwhelming majority of commuters travel on local streets and roads and highways. But, under the most recent proposal, SANDAG allocates the highest percentage of dollars to transit. With no more than two percent of all regional travel, transit is slated to receive more money than either highways or local roads.

There are no transit projects slated in this proposal for the East County unincorporated area. Unincorporated North County will benefit minimally from a proposed bus rapid transit project along Interstate 15. It is difficult to justify a higher percentage to transit than the other categories to the voters in the unincorporated area, who do not stand to benefit from transit.

The second proposal recommends a change to these allocations that would provide no less than **one-third** of the allocation to local streets and roads, and no less than **one-half** of the allocation to highways.

This recommended action is the result of a proposal from Supervisor Horn and Supervisor Slater-Price in the April 27, 2004 Union-Tribune entitled *Getting from Here to There - Use TransNet funds to build more freeways*. The Supervisors assert that in order for this measure to pass, more of the funding must be allocated to highways in order to meet future demands on this region's most heavily used transportation asset.

The 1/3 allocation to highways in the last TransNet ordinance did not resolve congestion on the highways. The revenue for highways and local roads should be more proportionate to actual use, and highways should receive a larger percentage in this new proposal to better address existing congestion. Given the number and variety of freeway improvements needed, half of all TransNet funds should be designated for freeway and highway improvements.

The final part of both positions locks in the allocation and prevents two-thirds of the SANDAG Board of Directors from changing the percentage of allocations after the voters approve the measure. Providing assurance to the voters that promises made on the ballot will be kept is critical for the passage of this measure.

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All)

Next Steps

On May 14, the SANDAG Board of Directors is expected to accept the draft ordinance from the public review period and approve the first reading and adoption of the TransNet ordinance. There will be a second reading in June, and action taken to place the ordinance on the November ballot. The November ballot deadline is August 6, 2004.

The current TransNet measure expires March 31, 2008. There are four opportunities to place this measure on the ballot including November 2004, March 2006, November 2006, and March 2008.

Respectfully submitted,

DIANNE JACOB
Chairwoman

BILL HORN
Supervisor, Fifth District

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AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

COUNTY COUNSEL REVIEW	<input type="checkbox"/> Yes	
Written Disclosure per County Charter Section 1000.1 Required	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
GROUP/AGENCY FINANCE DIRECTOR	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
CHIEF FINANCIAL OFFICER	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
Requires Four Votes	<input type="checkbox"/> Yes	<input type="checkbox"/> No
GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
COUNTY TECHNOLOGY OFFICE	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
DEPARTMENT OF HUMAN RESOURCES	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A

Other Concurrence(s): N/A

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