



TransNet Independent Taxpayer Oversight Committee Agenda

**Wednesday, April 10, 2024
9:30 a.m.**

Welcome to SANDAG. The TransNet Independent Taxpayer Oversight Committee (ITOC) meeting scheduled for Wednesday, April 10, 2024, will be held in person in the SANDAG Board Room. While ITOC members will attend in person, members of the public will have the option of participating either in person or virtually.

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Public Comments: Members of the public may speak to the ITOC on any item at the time the ITOC is considering the item. Public speakers are generally limited to three minutes or less per person.

Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at clerkoftheboard@sandag.org (please reference ITOC meeting in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. the business day before the meeting will be provided to members prior to the meeting. All comments received prior to the close of the meeting will be made part of the meeting record.

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Esta reunión se llevará a cabo en inglés, y se ofrecerá interpretación simultánea en español. Se ofrecerá interpretación en otros idiomas previa solicitud a ClerkoftheBoard@sandag.org al menos 72 horas antes de la reunión.

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Безкоштовна мовна допомога | sandag.org/LanguageAssistance | (619) 699-1900

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Vision Statement: *Pursuing a brighter future for all*

Mission Statement: *We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.*

Our Commitment to Equity: *We hold ourselves accountable to the communities we serve. We acknowledge we have much to learn and much to change; and we firmly uphold equity and inclusion for every person in the San Diego region. This includes historically underserved, systemically marginalized groups impacted by actions and inactions at all levels of our government and society.*

We have an obligation to eliminate disparities and ensure that safe, healthy, accessible, and inclusive opportunities are available to everyone. The SANDAG equity action plan will inform how we plan, prioritize, fund, and build projects and programs; frame how we work with our communities; define how we recruit and develop our employees; guide our efforts to conduct unbiased research and interpret data; and set expectations for companies and stakeholders that work with us.

We are committed to creating a San Diego region where every person who visits, works, and lives can thrive.

Independent Taxpayer Oversight Committee

Wednesday, April 10, 2024

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the TransNet Independent Taxpayer Oversight Committee (ITOC) on any issue within the jurisdiction of the ITOC that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to five public speakers. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. ITOC members and SANDAG staff also may present brief updates and announcements under this agenda item.

Consent

+2. Approval of Meeting Minutes

Approve

Tessa Lero, Francesca Webb, SANDAG

The ITOC is asked to review and approve the minutes from its March 13, 2024, meeting.

[Meeting Minutes.pdf](#)

Reports

+3. Annual Submittal of Regional Transportation Congestion Improvement Program Funding Programs by Local Jurisdictions

Accept

Susan Huntington, Zara Sadeghian, Vanessa Leon, SANDAG

The ITOC is asked to accept the Regional Transportation Congestion Improvement Program funding program submittals in accordance with TransNet Extension Ordinance Provisions.

[RTCIP Funding Programs by Local Jurisdictions.pdf](#)

[Att. 1 - Funding Program Submittals.pdf](#)

+4. Possible Indirect Cost Rate Guidelines for TransNet Grant Recipients

Discussion

Andre Douzdjian, Marcus Pascual, SANDAG

The ITOC is asked to discuss indirect cost rate guidelines for TransNet grant recipients.

[Possible ICR Guidelines for TransNet Grant Recipients.pdf](#)

[Att. 1 - Discussion Memo.pdf](#)

[Att. 2 - Indirect Costs - Total TransNet Expenditures.pdf](#)

5. Otay Mesa East Port of Entry Status Update

Information

Omar Atayee, Maria Rodriguez-Molina, SANDAG

Staff will present an update on the status of the Otay Mesa East Port of Entry project.

[Supporting Materials.pdf](#)

6. Adjournment

The next ITOC meeting is scheduled for Wednesday, May 8, 2024, at 9:30 a.m.

+ next to an agenda item indicates an attachment

April 10, 2024

March 13, 2024, Meeting Minutes

[View Meeting Video](#)

Chair Jonathan Frankel (Real Estate / Right of Way Acquisition) called the meeting of the TransNet Independent Taxpayer Oversight Committee (ITOC) to order at 9:33 a.m.

1. Non-Agenda Public Comments/Member Comments

Chief Financial Officer (CFO) Andre Douzdzian presented brief agency updates.

Public comments: None.

Member comments: None.

Consent

2. Approval of Meeting Minutes

The ITOC was asked to approve the minutes from its February 13, 2024, meeting.

3. Draft Schedule of ITOC Meeting Agenda Topics

The ITOC was asked to review the proposed upcoming draft schedule of agenda topics.

4. FY 2023-2024 ITOC Goals Update

This report provided an update on progress made by the subcommittees, ITOC, and SANDAG staff to date.

Public comments: None.

Action: Upon a motion by Frank Rivera (Licensed Civil/Traffic Engineer), and a second by Maryam Babaki (Finance/Budgeting), the ITOC voted to approve the Consent Agenda.

The motion passed.

Yes: Chair Frankel, Lorraine Ahlquist (Biology/Environmental), Sunnie House (CEO/Private Sector), Maryam Babaki, Frank Rivera, and Les Hopper (Licensed Engineer).

No: None.

Abstain: None.

Absent: Contractor/Construction.

Reports

5. Independent Auditor's Draft Annual Report on Results of FY 2023 TransNet Compliance Audits

5A. FY 2024 TransNet Fiscal and Compliance Audits: Initial Findings and Recommendations

Senior Accountant Marcus Pascual and Shannon Ayala, Davis Farr, presented the item.

Public comments: None.

Action: Upon a motion by Chair Frankel, and a second by Lorraine Ahlquist, the ITOC voted to accept the draft independent auditor's report on results of the agreed upon procedures, including initial findings and recommendations, for presentation to the Transportation Committee on April 19, 2024.

The motion passed.

Yes: Chair Frankel, Lorraine Ahlquist, Sunnie House, Maryam Babaki, Frank Rivera, and Les Hopper.

No: None.

Abstain: None.

Absent: Contractor/Construction.

5B. TransNet Funding Eligibility Requests

Marcus Pascual presented the item.

Public Comments: None.

Action: Upon a motion by Sunnie House, and a second by Frank Rivera, the ITOC voted to recommend the Board of Directors, acting as the San Diego County Regional Transportation Commission, approve the TransNet funding eligibility requests of the City of Solana Beach, along with North County Transit District and Metropolitan Transit System.

The motion passed.

Yes: Chair Frankel, Lorraine Ahlquist, Sunnie House, Maryam Babaki, Frank Rivera, and Les Hopper.

No: None.

Abstain: None.

Absent: Contractor/Construction.

6. Draft FY 2024 TransNet Triennial Performance Audit

Sunnie House, ITOC Performance Audit Subcommittee Chair; CFO Douzajian; and Cathy Brady and Kelly Hansen, Sjoberg Evashenk Consulting; presented the item.

Public comments: None.

Action: Upon a motion by Les Hopper, and a second by Frank Rivera, the ITOC voted to accept the draft FY 2024 TransNet Triennial Performance Audit report and recommendations, including responses to the recommendations as prepared by SANDAG staff.

The motion passed.

Yes: Chair Frankel, Lorraine Ahlquist, Sunnie House, Maryam Babaki, Frank Rivera, and Les Hopper.

No: None.

Abstain: None.

Absent: Contractor/Construction.

7. Draft FY 2025 Capital Program Budget Update: TransNet Program of Projects

Manager of Financial Programming and Project Control Chelsea Gonzales presented the item.

The proposed SANDAG Draft FY 2025 Program Budget is scheduled to be presented to the Board of Directors on March 22, 2024. The ITOC was asked to discuss the Draft FY 2025 TransNet Capital Program Budgets.

Public comments: None.

Action: Discussion.

8. FY 2023 TransNet Major Corridors and Bikeway Program Project Annual Status Report

Chelsea Gonzales presented an update of the FY 2023 Major Corridors and Regional Bikeway Program TransNet Project Status Report.

Public comments: None.

Action: Information.

9. Adjournment

The next ITOC meeting is scheduled for Wednesday, April 10, 2024, at 9:30 a.m.

Chair Frankel adjourned the meeting at 11:34 a.m.

DRAFT

Confirmed Attendance at TransNet Independent Taxpayer Oversight Committee Meeting

Jurisdiction	Name	Attend
Biology/Environmental	Lorraine Ahlquist	Yes
CEO/Private Sector	Sunnie House	Yes
Contractor/Construction	Pedro Orso-Delgado, Vice Chair	No
Finance/Budgeting	Maryam Babaki	Yes
Licensed Civil/Traffic Engineer	Frank Rivera	Yes
Licensed Engineer	Les Hopper	Yes
Real Estate/Right-of-Way Acquisition	Jonathan Frankel, Chair	Yes
Advisory Members		
San Diego County Auditor's Office	Tracy Drager	Yes

April 10, 2024

Annual Submittal of Regional Transportation Congestion Improvement Program Funding Programs by Local Jurisdictions

Overview

The [TransNet Extension Ordinance](#) requires the 18 cities in the San Diego region and the County of San Diego to collect a [Regional Transportation Congestion Improvement Program \(RTCIP\) fee](#) from the private sector for each new housing unit constructed in their jurisdiction.

The purpose of this fee is to help ensure that future development contributes its proportional share of the funding needed to pay for the impact of new growth on the Regional Arterial System and related regional transportation facility improvements as defined in the most recent Regional Transportation Plan adopted by SANDAG.

In accordance with the TransNet RTCIP provisions ([TransNet Extension Ordinance pages 13 and 38–41](#)), local jurisdictions within the San Diego region are required to confirm annually by April 1, any updates to their initial RTCIP funding programs to remain eligible to receive TransNet Local Streets and Roads funding in the upcoming fiscal year.¹

Action: **Accept**

The ITOC is asked to accept the Regional Transportation Congestion Improvement Program funding program submittals in accordance with TransNet Extension Ordinance Provisions.

Fiscal Impact:

Failure by a local jurisdiction to submit its funding program by April 1, would result in a loss of eligibility to receive TransNet Local Street and Roads funding for the upcoming fiscal year.

Schedule/Scope Impact:

The 19 local jurisdictions submitted their Regional Transportation Congestion Improvement Program funding programs by the required April 1, 2024, deadline.

Key Considerations

The RTCIP and each local jurisdiction's funding program are subject to an annual review and audit by the TransNet Independent Taxpayer Oversight Committee (ITOC). The funding programs demonstrate how RTCIP fees will be collected and spent by each jurisdiction.

All 19 local jurisdictions submitted their funding programs by the April 1, 2024, deadline, certifying that their RTCIP funding programs are still in place and include the necessary components to fulfill the TransNet Extension Ordinance requirements (Attachment 1).

Next Steps

Each jurisdiction's RTCIP funding program will be reviewed as part of the annual fiscal and compliance audit process for FY 2024, which is scheduled to be conducted by the ITOC in FY 2025.

Susan Huntington, Director of Financial Planning, Budgets, and Grants

Attachment: 1. Funding Program Submittals (from 19 jurisdictions)

¹ In accordance with RTCIP provisions, local jurisdictions within the San Diego region were required to submit their initial RTCIP funding programs by April 1, 2008. In 2008, all 18 cities and the County of San Diego submitted their initial RTCIP funding programs, and these were approved by the Board of Directors in April 2008 and took effect by July 1, 2008.



March 25, 2024

Mr. Jonathan Frankel, ITOC Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Frankel:

The City of Carlsbad submitted an initial funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008, and each year since 2013, we have submitted an updated program in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that an updated program, reflecting the changes to the city's current Capital Improvement Program as adopted by the City Council, is in effect.

Should you have any questions regarding our RTCIP Funding Program, please contact Hossein Ajideh, Engineering Manager, at (760) 579-1062 or hossein.ajideh@carlsbadca.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paz Gomez", with a stylized flourish extending from the end.

Paz Gomez, PE, CEM, GBE, CPM
Deputy City Manager, Public Works

cc: Laura Rocha, Deputy City Manager, Administrative Services
Tom Frank, Transportation Director/City Engineer
Zach Korach, Finance Director
Roxanne Muhlmeister, Assistant Finance Director
Hossein Ajideh, Engineering Manager
Esther Lan, Management Analyst



Development Services Department

March 12, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Chula Vista submitted its Western Transportation Development Impact Fee (WTDIF) funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) prior to April 1, 2008 in accordance with Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. At that time, the WTDIF covered all of the City lying to the west of Interstate 805 (I-805). In November 2014, the WTDIF was updated to remove portions of the area west of I-5, which were placed into a separate RTCIP funding program (i.e., the Bayfront Development Impact Fee [BFDIF]). In accordance with the reporting requirements of the *TransNet* Extension Ordinance, this letter confirms that the two approved programs referenced in last year's letter (i.e., the BFDIF area and the WTDIF area) are still in effect and have not materially changed. Both programs exceed the requirement to collect at least \$2,875.06 per dwelling unit in RTCIP fees for the Regional Arterial System (RAS).

As noted in previous letters, the City also administers the Eastern Transportation Development Impact Fee (ETDIF). The ETDIF, which covers most of the City lying east of I-805, was established in 1988 (prior to the *TransNet* Extension Ordinance) and is therefore exempt from the RTCIP funding requirements. Nevertheless, the ETDIF is used for RAS projects, and is currently assessed at \$17,647.00 per dwelling unit. This is substantially higher than the RTCIP transportation mitigation fee of \$2,875.06 per dwelling unit. The Attachment shows the location of the WTDIF, BFDIF, and ETDIF in Chula Vista.

Should you have any questions regarding our RTCIP funding programs, please contact me at 619-691-5247 or sbarker@chulavistaca.gov.

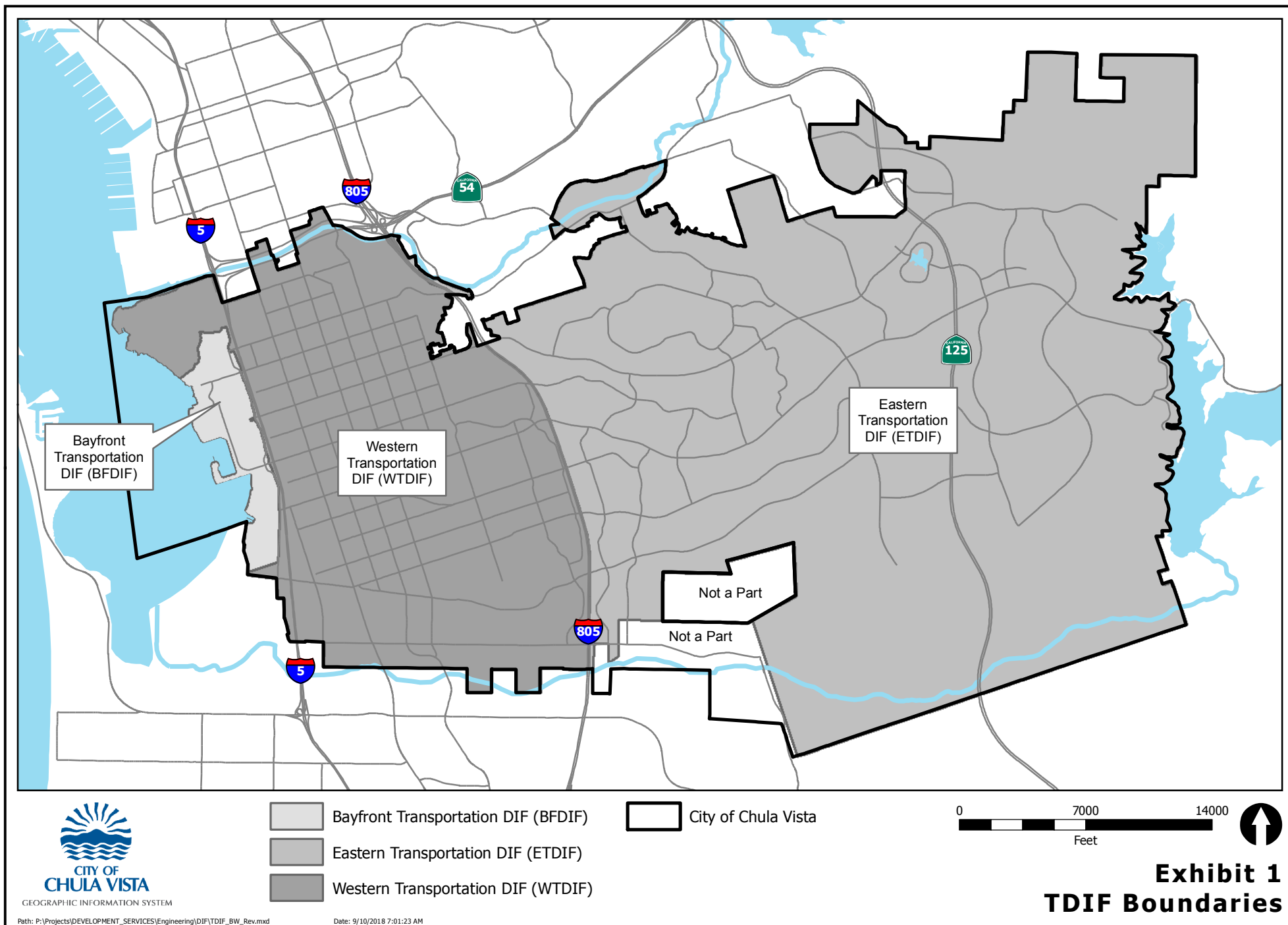
Sincerely,

Scott Barker, PE, AICP
Senior Transportation Engineer, Land Development
Development Services Department

Cc: Tiffany Allen, Laura Black, Claudia Block, Kimberly Elliott, Eddie Flores, Matt Little, Patrick Moneda, Sarah Schoen, William Valle (Chula Vista)

Noelle Takahashi, Vanessa Leon, Zara Sadeghian (SANDAG)

Attachment: City of Chula Vista TDIF Boundaries



**CITY OF CORONADO**

March 14, 2024

Jonathan Frankel, Chair

TransNet Independent Taxpayer Oversight Committee

c/o San Diego Association of Governments

401 B Street, Suite 800

San Diego, CA 92101

Dear Chair Frankel:

The City of Coronado submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 18, 2008, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact me at (619)-522-7313 or jnewton@coronado.ca.us.

Sincerely,

Jim Newton

City Engineer

cc: Tina Friend, City Manager
Denise Johnson, Administration Supervisor/Manager
Michele Miller, Secretary to the City Manager



CITY OF DEL MAR

March 25, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Del Mar submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on July 17, 2017 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you previously is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Diana Martinez at 858-704-3677 or dmartinez@delmar.ca.us.

Sincerely,

Joe Bride, Public Works Director
City of Del Mar



Public Works

February 27, 2024

Mr. Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Subject: Annual Regional Transportation Congestion Improvement Program (RTCIP) Fee Adjustment

Dear Chair Frankel:

The City of El Cajon submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on April 9, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Mario Sanchez of my staff at (619) 441-1651.

Sincerely,

Yazmin Arellano, P.E.
Director of Public Works



City of Encinitas

March 25, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Encinitas submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 27, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact David Lisenbee, Senior Management Analyst at 760-943-2231.

Sincerely,

Pamela Antil
City Manager



Julie Procopio, P.E.
City Engineer
201 North Broadway, Escondido, CA 92025
Phone: 760-839-4001 Fax: 760-839-4597

February 27, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Escondido submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact me at jprocopio@escondido.org or (760) 839-4001.

Sincerely,

A handwritten signature in black ink that reads "Julie Procopio". The signature is written in a cursive, flowing style.

Julie Procopio, P.E.
City Engineer



City of Imperial Beach, California

PUBLIC WORKS DEPARTMENT

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8311 Fax: (619) 429-4861

March 13, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Imperial Beach submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 26, 2019, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Juan Larios, Public Works Director at 619-424-2214 or via email at jlarios@imperialbeachca.gov.

Sincerely,

Juan Larios
Public Works Director



**CITY OF
LA MESA**

JEWEL of the HILLS

PUBLIC WORKS DEPARTMENT

March 6, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of La Mesa submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) in April of 2021 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Michael Throne, Director of Public Works/City Engineer at 619-667-1388.

Sincerely,

Michael Throne
Director of Public Works/City Engineer



CITY OF LEMON GROVE

"Best Climate On Earth"

Office of the City Manager

March 28, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Lemon Grove submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on February 9, 2022, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Izzy Murguia, Public Works Director, at imurguia@lemongrove.ca.gov.

Sincerely,



March 25, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of National City submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Stephen Manganiello, Director of Engineering & Public Works at 619-336-4380 or via email at smanganiello@nationalcityca.gov.

Sincerely,

Benjamin A. Martinez
City Manager

cc: Vanessa Leon, SANDAG
Stephen Manganiello, Director of Engineering & Public Works



CITY OF OCEANSIDE

DEVELOPMENT SERVICES DEPARTMENT / ENGINEERING DIVISION

March 1, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Oceanside submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on April 1, 2023 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect, and has not materially changed.

As in previous years, the City of Oceanside automatically adopts any “pass-through” increases in the RCTIP component of the City’s transportation impact fee. For each residential dwelling unit, Oceanside collects the RCTIP fee (currently \$2,742 and increasing to \$2,876 beginning July 1, 2024).

Should you have any questions regarding our RCTIP funding program, please contact Mr. Victor Velasco, Principal Civil Engineer either or via telephone at 760.435.5102 or via email at VVelasco@ocensideca.org.

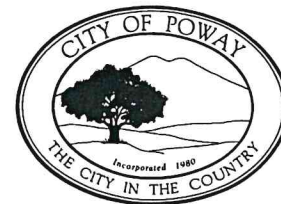
Respectfully,

Brian K. Thomas, PE
City Engineer

C: Darlene Nicandro, Development Services Director
Jill Moya, Financial Services Director
Victor Velasco, Principal Civil Engineer

CITY OF POWAY

STEVE VAUS, Mayor
 CAYLIN FRANK, Deputy Mayor
 PETER DE HOFF, Councilmember
 ANITA EDMONDSON, Councilmember
 BRIAN PEPIN, Councilmember



March 13, 2024

Jonathan Frankel, Chair
 TransNet Independent Taxpayer Oversight Committee
 c/o San Diego Association of Governments
 401 B Street, Suite 800
 San Diego, CA 92101

Dear Chair Frankel:

The City of Poway submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on April 2, 2008, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Tracy Beach, City Engineer, at (858) 668-4652, or via email at tbeach@poway.org.

Sincerely,

DEVELOPMENT SERVICES DEPARTMENT

Robert Manis
 Director of Development Services

c: Brad Rosen, Interim Director of Finance
 Tracy Beach, City Engineer

M:\Engineering\Traffic\SANDAG\RTCIP\2024\RTCIP Letter 2024.docx

March 13, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego CA 92101

Dear Chair Frankel:

The City of San Diego submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 23, 2020, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that this program as approved by the Council of the City of San Diego in October 21, 2022 (attached) is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP Funding Program, please contact Alfonso Gastelum, agastelum@sandiego.gov.

Sincerely,



Sameera Rao
Assistant Deputy Director
Public Spaces Division
Planning Department

AG/ag

Enclosure: Build Better San Diego Regional Transportation Congestion Improvement Program (RTCIP) Funding Program.



BUILD BETTER SD

CITY OF SAN DIEGO REGIONAL TRANSPORTATION
CONGESTION IMPROVEMENT PROGRAM (RTCIP)
FUNDING PROGRAM



THE CITY OF SAN DIEGO PLANNING DEPARTMENT

RESOLUTION NUMBER R- 314269DATE OF FINAL PASSAGE AUG 09 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AMENDING THE REGIONAL
TRANSPORTATION CONGESTION IMPROVEMENT
PROGRAM (RTCIP) RELATING TO BUILD BETTER
SAN DIEGO (SD) CITYWIDE INITIATIVE.

WHEREAS, in November 2004, voters approved Proposition A to extend the TransNet half-cent sales tax for transportation projects through 2048; and

WHEREAS, the passage of Proposition A resulted in the establishment of the Regional Transportation Congestion Improvement Program (RTCIP); and

WHEREAS, on April 14, 2008, the City Council adopted Resolution No. R-303554, originally approving and adopting the City's Funding Program pursuant to Report to City Council No. 08-049, as well as adopting the associated nexus study, and the development impact fee; and

WHEREAS, on April 24, 2012, the City Council adopted Resolution No. R-307401 formally adopting and revising the City's RTCIP Funding Program; and

WHEREAS, the purpose of the RTCIP is to ensure that new development directly invests in the region's transportation system to offset the negative impact of growth and congestion and mobility; and

WHEREAS, the RTCIP provides for the collection of a development impact fee per new dwelling unit to ensure future development contributes its proportional share of the funding needed to pay for Regional Arterial System (RAS) and related transportation

facility improvements, as identified and defined in the San Diego Association of Government's (SANDAG) most recently adopted Regional Transportation (RTP); and

WHEREAS, revisions to the City's RTCIP Funding Program have been proposed to better align the RTCIP Funding Program with Build Better San Diego (SD); and

WHEREAS, the RTCIP fee will be a component of the Citywide Mobility Development Impact Fee (DIF) and will be scaled by residential unit size; and

WHEREAS, the RTCIP will now be imposed citywide to ensure compliance with the TransNet extension ordinance with the movement to a Citywide Mobility DIF; and

WHEREAS; this amendment to the RTCIP Funding Program will not change the amount of the fee and it will remain subject to SANDAG's annual adjustment of no less than 2 percent to ensure the RTCIP retains its purchasing power to improve the Regional Arterial System; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego that the amendments to the RTCIP Funding Program, on file in the Office of the City Clerk as document No. RR 314269, are hereby adopted.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Shannon C. Eckmeyer
Shannon C. Eckmeyer
Deputy City Attorney

SCE:sc
07/13/2022
Or.Dept: Planning
Doc. No.: 2986139_2

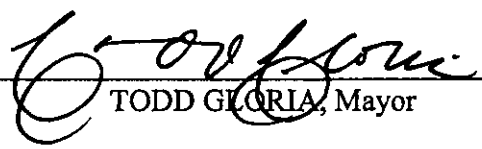
Exhibit A – Amendments to RTCIP Funding Program

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of AUG 01 2022

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 8/8/22
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

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INTRODUCTION

Providing transportation options is an integral part of providing a high level of mobility and quality of life throughout the San Diego region. In 2004, the SANDAG Board recognized the need to establish a Regional Transportation Congestion Improvement Program (RTCIP) to ensure future development contributes its share toward funding and mitigating new traffic impacts on the Regional Arterial System (RAS).

On May 28, 2004, the San Diego County Regional Transportation Commission adopted the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (TransNet 2 Ordinance), approved by San Diego voters in November, 2004. The TransNet 2 Ordinance (Appendix A) established a Regional Transportation Congestion Improvement Program (RTCIP) to ensure future development contributes its proportional share of the funding needed to pay for the Regional Arterial System (RAS) and related regional transportation facility improvements

Under Section 9 of the TransNet Extension Ordinance, each local agency shall establish an impact fee or other revenue Funding Program by which it collects and funds its contribution to the RTCIP; and shall be responsible for establishing a procedure for providing its monetary contribution to the RTCIP. This program is known as the local jurisdiction's Funding Program.

RTCIP revenue is to be used to construct improvements on the RAS such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional express bus and rail transit. If a local agency does not comply with the RTCIP requirements set forth in the TransNet 2 Ordinance, the agency may lose TransNet sales tax funding for local roads.

This document constitutes the City of San Diego's RTCIP Funding Program (City RTCIP Program) pursuant to the TransNet 2 Ordinance requirements. Key Components to the City RTCIP Program include:

- Beginning July 1, 2008, the City of San Diego (City) must contribute \$2,000 (increased annually based upon the Engineering Construction Cost Index or similar cost of construction index or two percent, whichever is greater, and as approved by the SANDAG Board of Directors) on RAS improvements per each new residential dwelling unit (City RTCIP Funding Requirement);
- Beginning July 1, 2008, the City implements a City RTCIP Development Impact Fee Schedule on residential development, as adopted and updated annually by City Council Resolution, which identifies the applicable RTCIP fee (City RTCIP Fee);
- In the future, residential development in all communities will be required to pay a City RTCIP Fee which will be incorporated into the City's Mobility Fee Program. This will ensure that new development will contribute their fair share towards both the RTCIP fundings and the City's transportation network.
- City RTCIP Fees are collected prior to final inspection, before building occupancy; and revenues must be expended within the parameters defined under the Mitigation Fee Act (California Government Code Sections 66000 et seq.) and in a manner consistent with the expenditure priorities in the SANDAG Regional Transportation Plan (RTP); and
- The Independent Taxpayer Oversight Committee (ITOC), created by SANDAG for the TransNet Program is responsible for reviewing the City's implementation of the RTCIP Program.

NEXUS STUDY

In order to comply with the Mitigation Fee Act, the City is required to make certain findings demonstrating a reasonable relationship or nexus between the amount of the City RTCIP Fee collected and the cost of public facilities attributable to the development on which the fee is imposed. On September 22, 2006 the SANDAG Board of Directors approved the “RTCIP Impact Fee Nexus Study” dated September 5, 2006, as prepared by MuniFinancial (Nexus Study). The Nexus Study ((Included in Appendix A) provides the basis for the dollar amount of the RTCIP Fee.

The Nexus Study was adopted by the San Diego City Council (City Council) on April 14, 2008 by Resolution No. R-303554.



RTCIP IMPACT FEE CALCULATION

SANDAG staff developed the original RTCIP contribution amount of \$2,000 per residence (FY 2009) using an approach that allocated transportation system improvements proportionately across both existing development and projected growth. The methodology, specified in the Nexus Study, assumes that all residential development, existing and new, has the same impact on the need for RAS improvements based on the amount of travel demand generated (vehicle trips). Thus, existing and new development should share proportionately in the cost of transportation system improvements. The original City RTCIP Fee was broken down into multi-family and a single family fees and in FY 2022 was \$2,456 per new multi-family residential unit; and \$3,069 per single family residential unit.

In the future, the City RTCIP Fee is included in the new Citywide Mobility DIF. The Citywide Mobility DIF is broken down into a multi-family and a single-family scaled fee based on unit type and size. The full RTCIP contribution amount (per residential unit), set by SANDAG every year, will be extracted from the Citywide Mobility DIF to go toward the RTCIP Funding Program.

The Transnet extension ordinance requires the City RTCIP fee to be adjusted annually in an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index (CCI) published by the Engineering News Record (ENR), or a similar CCI. The Ordinance also states that in no event shall the adjustment be less than 2 percent per year. The purpose of this annual adjustment is to ensure the RTCIP retains its purchasing power to improve the RAS. Each year, the SANDAG Board of Directors considers proposed fee adjustments during the month of February, and the new RTCIP fee amount takes effect at the start of the following fiscal year.

COLLECTION & EXPENDITURE OF IMPACT FEES

In accordance with Municipal Code Section 142.0640(b), and the resolutions adopting the City RTCIP Fee, the City RTCIP Fee is due prior to final inspection, before building occupancy.

Revenues collected through the City RTCIP Program shall be used for preliminary and final engineering, right-of-way acquisition, and construction that will be needed to accommodate future travel demand generated by new development throughout the San Diego region. Selection of proposed projects to be fully or partially funded by the City RTCIP Program are based upon RTCIP eligibility criteria and the City Council approved CIP Prioritization Policy (800-14).



RTCIP Fee revenues must be expended on improvements to the RAS, as designated and updated periodically in the SANDAG Regional Arterials by Jurisdiction (Appendix B). RAS arterials are defined as meeting one of three criteria:

- Provides parallel capacity in high-volume corridors to supplement freeways, state highways, and/or other regional arterials (Corridor);
- Provides capacity and a direct connection between freeways or other regional arterials, ensuring continuity of the freeway, state highways, and arterial network throughout the region without duplicating other regional facilities (Cross-corridor); or
- Provides all or part of the route for existing or planned regional and/or corridor transit service that provides headways of 15 minutes or less during the peak period.
- New or widened arterials, with priority for walking/rolling, bicycle, and transit service
- Turning lanes
- Traffic signal coordination and other traffic improvements
- Freeway interchange and related freeway improvements
- Railroad grade separations
- Improvements required for express bus service
- Transit facilities: new bus stops, bus stops enhancements, bus only lanes, traffic signals priority for buses, queue jumper lanes for buses, circulator routes for buses
- Active transportation: traffic calming measures, pedestrian and bike paths, ramps, crossings, buffer area between sidewalk and street, and roadways lightings

To achieve the City's ambitious climate goals set forth in the Climate Action Plan, priority shall be given to RAS improvements that facilitate walking/rolling, bicycling, and transit.

[RESERVED]



REPORTING REQUIREMENTS

Annual Letter of Conformance

The City of San Diego Planning Department submits an annual letter to the SANDAG Independent Taxpayers Oversight Committee (ITOC) prior to April 1st of each year to document that the City did submit to ITOC the San Diego RTCIP Funding Program in accordance with the RTCIP requirements contained within the TransNet Extension Ordinance, and to confirm that the program submitted is still in effect and has not materially changed (or provide any changes to the RTCIP program approved by City Council).

Annual Audit

The ITOC annual audit is conducted in the Department of Finance in conjunction with Planning Department to verify it has collected or provided RAS improvements in an amount or value greater than the current SANDAG RTCIP Fee per residential unit.

GENERAL EXEMPTIONS

Consistent with the RTCIP as set forth in the TransNet 2 Ordinance, the following types of development are exempt from the City RTCIP Fee:

- A. New moderate, low, very low and extremely low income residential units as defined in California Health and Safety Codes;
- B. Government/public buildings, public schools and public facilities;
- C. Rehabilitation and/or reconstruction of any legal residential structure and/or the replacement of a previously existing residential unit;
- D. Development projects subject to Public Facilities Development Agreements prior to the effective date of the TransNet Extension Ordinance (May 28, 2004) that expressly prohibit the imposition of new fees; provided however, that if the terms of the development agreement are extended after July 1, 2008, the requirements of the City RTCIP Program shall be imposed;
- E. Guest dwellings;
- F. Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning;
- G. Kennels and catteries established in conjunction with an existing residential unit;
- H. The sanctuary building of a church, mosque, synagogue, or other house of worship eligible for property tax exemption;
- I. Residential units that have been issued a building permit prior to July 1, 2008; and
- J. Condominium conversions.
- K. First Accessory Dwelling Units (ADU) built on a premises;

AFFORDABLE HOUSING EXEMPTION

In order to be exempt from payment of the City RTCIP Fee at the time of building permit issuance, each unit must meet the definition of affordable housing as defined above in Section 7(A) for a minimum of 55 years, and the developer must provide a recorded copy of an affordable housing agreement with the responsible government agency.



ALTERNATIVELY CONTRIBUTING DEVELOPMENT PROJECTS

Projects which include residential development have the option to construct RAS improvements In-lieu of contributing to the City RTCIP Fee. Based on the cost of the improvements, these residential development projects may qualify for a full or partial exemption from paying the RTCIP.

In certain circumstances, the City may determine that a particular project will otherwise contribute the required contribution toward the RAS, and thus meet the RTCIP Funding Requirement through the payment of other development fees or provision of RAS improvements valued at an amount greater than or equal to the amount the project would otherwise be required to pay through City RTCIP Fee collection. These development projects may be considered to be Alternately Contributing Community Projects, and residential units within these projects may qualify for the RTCIP exemption.

To be exempt from paying the City RTCIP Fee at time of final inspection, prior to final inspection the City must verify that the value of the RAS improvement being provided exceeds the revenue requirements of the RTCIP Funding Program. If it cannot be verified, the City RTCIP Fee shall be paid prior to final inspection. If the value received from the project toward RAS improvements is determined to be insufficient , in no case shall a final inspection occur until the deficit is paid in City RTCIP Fees. In order to comply with the annual auditing requirements of the RTCIP, the City must submit evidence demonstrating that the required contribution toward the City RTCIP has been met through the provision of improvements that equal or exceed the City RTCIP Fee.

Each alternatively contributing community project shall be required to submit documentation for each RAS improvement it provides, in support of its alternative contribution to the RTCIP Funding Requirement. Such documentation shall include, but not be limited to, copies of contracts, change orders, and invoices received, proof of vendor payments, and proof that all mechanic liens have been released. The City shall verify whether materials and work have been installed and performed per the documents submitted, terms of the project plans and specifications, and adherence to the bid list as to quality and quantities.

SECTION 9

The applicant will be required to establish a deposit account with the City, and contribute up to a maximum of three percent (3%) of the total cost of each RAS improvement as stated below:

- Up to three percent (3%): RAS improvement less than \$1,000,000;
- Up to two percent (2%): RAS improvement greater than \$1,000,00 and less than \$5,000,000; or
- Up to one percent (1%): RAS improvement greater than \$5,000,000.

The deposit account will fund the cost to review and verify the value of the RAS improvement provided in lieu of the City RTCIP Fee. It is anticipated that the review and verification process will be conducted by a consultant retained by the City. The funds used in the deposit account shall not count toward the value of the RAS improvement contributed in lieu of the City RTCIP Fee, nor shall it be considered a credit against fees.

For approved alternatively contributing projects, RTCIP reimbursement or credit allowance may be issued.

RTCIP Reimbursement

At the City's sole discretion, City RTCIP Fees already paid at time of final inspection may be reimbursed to a private developer, if the private developer has designed and/or constructed an eligible RAS improvement and has entered into a Reimbursement Agreement (RA) with the City, and as per the specific terms of the RA.

RTCIP Credit Allowance

At the City's discretion, a private developer (Developer) may be entitled to a City RTCIP Fee credit allowance as follows:

A. Up to twenty-five percent (25%) credit allowance based on the City verified cost estimate for the RAS improvement subject to a Developer satisfying all of the following requirements:

1. All construction plans and drawings for the RAS improvement have been approved by the City;
2. Any right-of-way required for the RAS improvement has been secured and dedicated, or an irrevocable offer to dedicate has been provided to the City;
3. All required permits and environmental clearances necessary for the RAS improvement have been secured;
4. Provision of all performance bonds and payment bonds to complete the RAS improvement; and
5. Payment of all City fees and costs.

B. Up to fifty percent (50%) credit allowance based on the amount of the construction contract, consultants contract, and soft costs that qualify as allowable in lieu costs then incurred for the individual RAS improvement subject to a Developer satisfying all of the above referenced requirements for the twenty-five percent (25%) credit allowance, and provided Developer has received valid bids for the RAS improvement, and has awarded the construction contract.

C. Up to ninety percent (90%) credit allowance at the time of Operational Acceptance, provided that reimbursement requests have been submitted and approved for such amounts, based on the value of the improvements as verified by the City.

D. A credit allowance shall be issued to Developer based upon the remaining ten percent (10%) of value of RAS improvement upon the later of: (i) the recordation by Developer of the notice of completion and delivery of a conformed copy to City, or (ii) City's written acceptance of the Project As-Built Drawings.

APPENDIX A

SANDAG TransNet Extension Ordinance and Expenditure Plan

[PAGES RESERVED FOR APPENDICES]

APPENDIX B

Regional Arterials within San Diego Jurisdiction

[PAGES RESERVED FOR APPENDICES]



March 13, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of San Marcos submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Rafe Cesmat at 760-744-1050 ext. 3226 and rcesmat@san-marcos.net.

Sincerely,

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Etchamendy
Date: 2024.03.13 11:04:04-07'00'

Isaac Etchamendy
Development Services Director/City Engineer

cc: Donna Apar, Finance Director
David Yorba, Building Official
Janet Brotherton, Senior Management Analyst
Jeffrey Jorgenson, Senior Accountant
Rafe Cesmat, Management Analyst

Mayor
John W. Minto
City Council
Ronn Hall
Laura Koval
Rob McNelis
Dustin Trotter

March 4, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Frankel:

The City of Santee submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) in May 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact me at 619-258-4100 extension 175 or at CSchmitz@cityofsanteeca.gov.

Sincerely,



Carl Schmitz
Director of Engineering

Cc: Heather Jennings, Santee Director of Finance
Steve Miller, Santee Principal Civil Engineer
Minjie Mei, Santee Principal Traffic Engineer



CITY OF SOLANA BEACH

FAX (858) 792-6513 / (858) 755-1782
635 SOUTH HIGHWAY 101 • SOLANA BEACH • CALIFORNIA 92075-2215 • (858) 720-2400

March 13, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Solana Beach submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on April 23, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this letter confirms that the program approved and submitted to you in 2008 is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact either myself or Dan Goldberg at (858) 720-2470 or pw-eng@cosb.org.

Sincerely,

Mohammad Sammak
Public Works Director/City Engineer

- c. Finance Director
Community Development Director



March 4, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Vista submitted a revised funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 10, 2014, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to SANDAG in 2014 is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact me at (760) 643-5388.

Sincerely,

Joseph R. Vacca
Community Development Director

cc: John Conley, City Manager
Mike Sylvia, Finance Director
Greg Mayer, Director of Engineering



County of San Diego

WILLIAM P. MORGAN, P.E.
INTERIM DIRECTOR

DEPARTMENT OF PUBLIC WORKS
5510 OVERLAND AVENUE, SUITE 410
SAN DIEGO, CA 92123-1237
(858) 694-2212
www.sdcounty.ca.gov/dpw/

March 19, 2024

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

San Diego County's Board of Supervisors first adopted the Regional Transportation Congestion Improvement Program (RTCIP) funding program and resolution on January 30, 2008. The County of San Diego (County) submitted its RTCIP funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) prior to April 1, 2008 in accordance with RTCIP requirements contained within the TransNet Extension Ordinance.

In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted last year is still in effect and has not materially changed.

Section 77.216 of the County's Transportation Impact Fee (TIF) ordinance (adopted October 31, 2012, and effective since January 1, 2013) confirms the RTCIP extraction amount matches the SANDAG established amount for the fiscal year for each non-exempt newly constructed residential housing unit. The TIF Ordinance is available at https://www.sandiegocounty.gov/content/dam/sdc/dpw/LAND_DEVELOPMENT_DIVISION/landpdf/TIFOrdinance2012.pdf

If you have any questions or need additional information please contact Christopher Hanger, LUEG Program Manager at (858) 869-5815 or Christopher.Hanger@sdcounty.ca.gov.

Sincerely,

**William
Morgan**

Digitally signed by William
Morgan
Date: 2024.03.22
08:25:21 -07'00'

William Morgan, Interim Director
Department of Public Works

April 10, 2024

Possible Indirect Cost Rate Guidelines for TransNet Grant Recipients

Overview

The [TransNet Extension Ordinance and Expenditure Plan](#) provides funding for various regional competitive grant programs available to local jurisdictions, transit agencies, and nonprofit organizations that help implement the 2021 Regional Plan. These TransNet grant programs are the Environmental Mitigation Program Land Management Grant Program (EMP LMG), Smart Growth Incentive Program (SGIP), Active Transportation Grant Program (ATGP), and Senior Mini-Grant Program (SMG). Some TransNet grant recipients have asked SANDAG staff if they can charge indirect costs to their TransNet-funded grants. Indirect costs are expenses incurred for common or joint objectives that cannot be readily assigned to a specific grant, contract, or activity. The [TransNet Extension Ordinance and Expenditure Plan](#) and [Board Policy No. 031](#) do not contain any requirements related to indirect costs and as result in 2022, the Program Management Plan (PMP) was updated to say that indirect costs were not allowed for grantees. Before September 2021, TransNet grant recipients were permitted to charge indirect costs using de minimis or FNICR and while those are approved methods for federal grants it was uncertain whether that was appropriate for TransNet grants; thereafter, indirect costs were excluded. Currently, public agencies may charge indirect costs for TransNet maintenance and congestion relief programs which are documented and evaluated for reasonableness of methodology during the audit. Since at least 2017, the ITOC has requested that staff develop standardized guidelines for the application of indirect costs to TransNet and as result brought back an item proposing standardized guidelines in March 2017 to apply to *all* recipients. The results of the discussion lead to an implementation of auditing procedures documenting the methods used by cities as well as testing for reasonableness of methodology which is what we see today. The goal of the procedure was to allow flexibility while at the same time providing ITOC a means of monitoring the cities' indirect rates, with the long term plan of revisiting the guidelines at a later date after sufficient data had been collected to determine whether these guidelines are necessary. Staff has outlined simplified indirect cost guidelines that would mirror federal guidance and apply to all TransNet grant program recipients. The ITOC is asked to provide direction on whether SANDAG should allow TransNet grant recipients to charge indirect costs to TransNet projects and programs and, if so, use either the [2 CFR 200](#) guidelines or allow staff to review TransNet grant recipient indirect costs for reasonableness of methodology with an optional percentage cap.

Action: Discussion

The ITOC is asked to discuss indirect cost rate guidelines for TransNet grant recipients.

Fiscal Impact:

There would be minimal fiscal impacts to SANDAG. Fiscal impacts to TransNet grant recipients would vary.

Schedule/Scope Impact:

Pending results of the discussion, SANDAG staff will have direction in including/excluding indirect cost guidelines for grantees in the next call for projects.

Key Considerations

[2 CFR 200](#) establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities, including guidelines on the application of indirect costs to Federal grants.

Allowing TransNet grant program recipients to elect the de minimis rate, currently 10%, would be consistent with 2 CFR 200 and would especially benefit TransNet grant recipients such as nonprofit organizations that would like to charge indirect costs, but do not have the capacity due to size or resource constraints to develop a federal Indirect Cost Rate Proposal. Some TransNet grant recipients are already charging the de minimis indirect cost rate of 10% on their federal awards. Charging the de minimis rate of 10% for TransNet will allow consistency for grant recipients not only seeking reimbursement for indirect costs, but also using their TransNet grants as match for their federal grants.

Allowing TransNet grant recipients to use a FNICR would be consistent with 2 CFR 200 and would benefit those that have a FNICR or intend to submit a federal Indirect Cost Rate Proposal to obtain an indirect cost rate that exceeds the de minimis rate.

Alternatively, SANDAG staff can review indirect costs submitted by grantees and evaluate the reasonableness of their methodology in allocating their total indirect costs to the grant. ITOC can also have the option to set a maximum percentage to limit indirect costs as a ratio of total TransNet expenditures as a supplement to this option.

Next Steps

Staff would like to include updated indirect cost guidelines in the next TransNet grant program call for projects, which is the STGP Cycle 13 call for projects which solicits applications for the Senior Mini-Grants Cycle 9. Staff plans to present proposed selection criteria for the STGP Cycle 13 call for projects to the ITOC at its May 8, 2024, meeting. The STGP Cycle 13 call for projects is anticipated to be presented to the Transportation Committee (TC) at its May 17, 2024, meeting. Pending the outcome of those meetings, staff expects to present the STGP Cycle 13 call for projects to the Board of Directors in May or June 2024. Staff can share ITOC member feedback with the TC and Board. If indirect cost guidelines are approved as part of the STGP Cycle 13 call for projects and those guidelines resume the allowability of indirect costs for the SMG Program, awarded SMG Cycle 13 grant recipients could begin to charge indirect costs July 1, 2025, when their SMG Cycle 13 grants could start. SANDAG staff would monitor TransNet grant recipients to ensure incurred indirect costs are allowable, align with the grant budget, and do not exceed the grant recipient's approved indirect cost rate. If needed, staff can clarify questions the ITOC may have and continue discussion through the audit subcommittee.

André Douzdzian, Chief Financial Officer

Attachments: 1. Discussion Memo
2. Indirect Costs as a Percentage of Total TransNet Expenditures

Discussion Memo

Overview of Direct and Indirect Costs

As defined by Title 2 of the Code of Federal Regulations, Section 200.413 ([2 CFR 200.413](#)), direct costs are “those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.” For example, if a project manager’s time is completely spent on delivering a TransNet project, that staff expense could be considered a direct cost. Conversely, indirect costs, as defined in [2 CFR 200.1](#), are “incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.” Examples of indirect costs may include an organization’s general technology resources; rent; insurance; utilities; staffing expenses for accounting, payroll, human resources, and executive officers; and certain other overhead and administrative costs. These costs may be necessary for an entity’s general operations and activities but may not be easily identified with a particular project or program. The purpose of separating direct and indirect costs is not only to better understand the total cost of a project or program, but also to allocate these costs in a fair manner.

The TransNet Ordinance and Prior Discussion at the ITOC

The [TransNet Extension Ordinance and Expenditure Plan](#) and [SANDAG Board No. 031](#) does not contain requirements related to indirect costs. Because of this the issue of charging indirect costs to the TransNet program has arisen during several ITOC meetings over the years. During its discussion of the Fiscal Year 2016 TransNet Triennial Performance Audit report at its March 2017, meeting, the ITOC requested that SANDAG staff prepare standardized guidelines for the application of indirect costs. Staff presented proposed guidelines to the ITOC at its July 2017 meeting, which are summarized below:

- To charge indirect costs to TransNet, a local public agency must have an approved Indirect Cost Allocation Plan (ICAP) that is in accordance with 2 CFR 200, Subpart E, the federal guidance pertaining to indirect costs for federal awards. To seek approval, a local public agency has three options:
 - Submit its ICAP to a state or federal cognizant agency for review and approval.
 - Submit its ICAP to a qualified Certified Public Accounting (CPA) firm for the CPA firm to perform procedures or audit the plan and ensure it is prepared in accordance with 2 CFR 200.
 - Secure a resolution from the agency’s governing body attesting that the ICAP was prepared in accordance with 2 CFR 200.
- ICAPs must be updated at least every two years.
- If an agency does not update its ICAP within two years, then the agency could come to the ITOC to request a one-year extension.
- If an agency has not updated its plan in accordance with the indirect cost guidelines, then it will be prohibited from charging indirect costs to the TransNet program until such time that it complies with these guidelines.
- Indirect costs will be included as a procedure in the Agreed Upon Procedures (AUPs) each year.

Staff also shared the proposed guidelines with the local jurisdictions and relayed their feedback to the ITOC:

- City of El Cajon: Suggested that SANDAG allow agencies to apply the de minimis rate for indirect costs.

- City of Escondido: Recommended that SANDAG require ICAPs to be updated every three years, rather than every two years as proposed.
- City of San Diego: Requested more time to fully vet the proposed guidelines and assess their impacts.

As a result of these comments and ITOC member discussions, SANDAG began requiring TransNet public agency recipients to report the indirect costs they were charging to the TransNet program. Additionally, SANDAG updated its AUPs for auditors to document whether the TransNet public agency recipient's indirect cost allocation plan had been reviewed by a federal or state agency or audited by a certified public accounting firm. If not, auditors, per the updated AUPs, would document the year the indirect cost allocation plan was last updated, the year the methodology was last reviewed, and whether the methodology was reasonable. The procedures allowed flexibility for the cities while at the same time providing ITOC a means of monitoring the cities indirect rates, with the long term plan of revisiting the guidelines at a later date after sufficient data had been collected to determine whether these guidelines are necessary.

The Need for Indirect Cost Guidelines for TransNet Grant Recipients

These updated AUPs, however, focused only on TransNet public agency recipients and neglected TransNet grant programs, in which eligible recipients include nonprofit organizations. The TransNet Ordinance provides funding not only for maintenance and congestion relief programs, but also for various regional competitive grant programs. The four TransNet grant programs are the Environmental Mitigation Program Land Management Grant Program (EMP LMG), Smart Growth Incentive Program (SGIP), Active Transportation Grant Program (ATGP), and Senior Mini-Grant Program (SMG Program). Whereas the SGIP and ATGP funds only local jurisdictions, the EMP LMG and SMG Programs offer funding to both local jurisdictions and nonprofit organizations. There are no requirements in the Board Policy or Ordinance related to indirect costs and as result in 2022, the Program Management Plan (PMP) was updated to say that indirect costs were not allowed for grantees. Before September 2021, TransNet grant recipients were permitted to charge indirect costs using de minimis or FNICR and while those are approved methods for federal grants it was uncertain whether that was appropriate for TransNet grants; thereafter, indirect costs were excluded. Since then, some SMG grant recipients that are nonprofit organizations have asked that SANDAG allow them to charge indirect costs toward their TransNet grants since these costs are necessary to perform their TransNet grants, even if they are shared across multiple programs or projects. Some SMG grant recipients also receive grant funding through the Federal Transit Administration (FTA) Section 5310 program administered by SANDAG, and currently charge the de minimis rate, currently 10%, to their federal Section 5310 award(s). Staff asks that the ITOC give direction on whether to allow TransNet grant recipients, including nonprofit organizations, to charge indirect costs to their TransNet grants just as TransNet public agency recipients are allowed to charge indirect costs to TransNet maintenance and congestion relief programs and just as Section 5310 grant recipients are allowed to charge indirect costs to their federal Section 5310 award(s). Staff would like to have direction before the SANDAG Specialized Transportation Grant Program (STGP) Cycle 13 Call for Projects is released, anticipated to be July 1, 2024. The STGP is comprised of the TransNet SMG Program and the FTA Section 5310 Program.

Possible Indirect Cost Guidelines for Grant Recipients

Staff asks that the ITOC consider the following simplified indirect cost guidelines that could mirror federal guidance and apply to TransNet grant recipients:

- TransNet grant recipients can only charge indirect costs to their TransNet grants using an allowable indirect cost rate: either the de minimis rate or a Federally Negotiated Indirect Cost Rate (FNICR).

- Alternatively, TransNet grant recipients can submit their indirect costs with an option to cap the percentage of indirect costs as a ratio of total TransNet expenditures.
- TransNet grant recipients cannot retroactively charge indirect costs for a period when they did not have an allowable indirect cost rate.
- Costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both.

Further, the SANDAG Agreed Upon Procedures could be modified so that auditors can test compliance with the selected guidelines.

De Minimis Rate

Through the possible indirect cost guidelines, a TransNet grant recipient could elect to charge a de minimis rate of modified total direct costs. Consistent with 2 CFR 200, no documentation would be required to justify this rate. As a result, there would be minimal effort required of SANDAG, including testing for reasonableness. This option would benefit TransNet grant recipients that would like to charge indirect costs to their TransNet grants, but do not want to or have the capacity to develop a FNICR proposal. It would also benefit TransNet grant recipients that currently charge the de minimis rate toward their Section 5310 grant awards since there would be consistency across their grants through SANDAG. This option aligns with the recommendation from the City of El Cajon in 2017. Per 2 CFR 200, the current de minimis rate is 10%. On October 5, 2023, the federal Office of Management and Budget released [proposed changes](#) to 2 CFR 200, **including raising the de minimis rate to 15%.**

Federally Negotiated Indirect Cost Rate (FNICR)

Through the possible indirect cost guidelines, if a TransNet grant recipient has or obtained a FNICR that exceeds the de minimis, it could charge indirect costs to its TransNet grants up to the FNICR. This option would benefit TransNet grant recipients that already have a FNICR. It would also benefit TransNet grant recipients that have the capacity to develop and submit a federal Indirect Cost Rate Proposal for consideration.

Considerations in Using the De Minimis Rate or FNICR

In Fiscal Year 2023, 19 of 24 agencies in the congestion relief and maintenance program had indirect costs as a percentage total of TransNet expenditures less than the de minimis rate of 10%, as indicated in Attachment 2. Additionally, all congestion relief and maintenance recipients except for one had an approved allocation plan. If TransNet grantees are also recipients of congestion relief and maintenance funds, staff recommends that the ITOC consider the de minimis rate or FNICR as options to be used for their grants on the basis they are allowed to charge de minimis or FNICR on their federal grants. It may not be reasonable to allow the de minimis rate or FNICR for congestion relief and maintenance funding recipients as that could significantly increase the total indirect costs allowed for TransNet as a whole, since congestion relief and maintenance funding make up a large portion of the TransNet program.

Evaluate Methodology of TransNet Grant Recipients for Reasonableness

Another methodology TransNet grant recipients could use is to submit their actual indirect expenses. SANDAG staff would review the expenses and methodology used to allocate their indirect costs to the grant. Additionally, the indirect costs can be capped at a certain percentage that ITOC finds reasonable and allow for an optional exception if it is approved by an outside agency.

Considerations for Evaluating Methodology of TransNet Grant Recipients for Reasonableness

Allowing TransNet grant recipients to submit their actual indirect costs will require a review by SANDAG staff for the reasonableness of their methodology in allocating their indirect cost pool to their grant(s). There will also be an inconsistency with what many TransNet grant recipients are allowed for their Section 5310 grants (10% de minimis rate and FNICR). If this option were chosen, there could be an additional administrative burden to process potential budget amendments when actual indirect costs exceed budgeted indirect costs submitted during the call for projects application process.

Why a TransNet Grant Recipient's Indirect Cost Allocation Plan (ICAP) Rate is Not Proposed

Staff contemplated allowing a TransNet grant recipient to use an indirect cost rate developed through the recipient's Indirect Cost Allocation Plan (ICAP). SANDAG staff is currently only allowing the de minimis and FNICR for the federal section 5310 program grants because of the administrative effort in ensuring a grant recipient's ICAP complies with 2 CFR 200; as a result, staff would like to administer TransNet grants similarly. Staff also believes that many TransNet grant recipients do not have the same resources as larger agencies to submit an ICAP, therefore the impact of allowing indirect costs through an ICAP would have minimal benefits to grant recipients. However, the option to use an ICAP for TransNet grant recipients can still be considered.

Fiscal Impact of the Possible Indirect Cost Guidelines on the TransNet Grant Programs

Before September 2021, SANDAG practice was to allow TransNet grant recipients to charge indirect costs to their grants. Due to the historical nature of the four TransNet grant programs, only SMG and EMP LMG grant recipients have had an indirect cost rate. Therefore, to assess the impact of the possible indirect cost guidelines on the TransNet grant programs, staff first identified the number of SMG and EMP LMG grant recipients and grants that charged indirect costs to TransNet through the most recent program Call for Projects for which indirect costs were allowed. For the SMG Program, this was the STGP Cycle 11 Call for Projects, in which the SANDAG Board awarded about \$3.3 million to five agencies for nine senior mini-grants in March 2021. For the EMP LMG Program, this was the EMP LMG Cycle 9 Call for Projects, in which the SANDAG Board awarded about \$1.8 million to 13 agencies for 19 grants in September 2017. Staff also calculated the total amount of indirect costs charged to TransNet for these two competitive cycles and compared it with the total amount of TransNet funds awarded through these two competitive cycles.

The analysis revealed that for the SMG and EMP LMG Programs, 8 of the 18 grant recipients and 13 of the 28 grants charged indirect costs to TransNet. However, the analysis also revealed that the indirect costs totaled about \$348,000, which is about seven percent (7%) of the total TransNet grant funding awarded through the STGP Cycle 11 and EMP LMG Cycle 9 Calls for Projects. In other words, while about half of TransNet grant recipients and grants charged indirect costs, the overall fiscal impact to TransNet was minimal. Staff anticipates continued minimal fiscal impact on TransNet if the proposed indirect cost guidelines are implemented, however, it should be noted that the data only used figures from the SMG and EMP programs in Fiscal Year 2022, which may lead to an understatement of what actual indirect costs may be if implemented today along with the ATGP and SGIP programs.

Next Steps

Depending on ITOC member comments, the possible indirect cost guidelines may be refined through the audit subcommittee. Staff plans to present the STGP Cycle 13 Call for Projects selection criteria to the ITOC at its May 8, 2024, meeting. Next, the STGP Cycle 13 Call for Projects is slated to be presented to the Transportation Committee at its May 17, 2024, meeting. Pending the outcome of those meetings, the SANDAG Board is expected to consider approval in May or June 2024. Pending SANDAG Board approval, SANDAG would release the STGP Cycle 13 Call for Projects on July 1, 2024. Staff would like to

include indirect cost guidance as part of the STGP Cycle 13 Call for Projects. SANDAG staff can share any ITOC member feedback with the Transportation Committee and SANDAG Board for their consideration. If indirect cost guidelines are approved as part of the STGP Cycle 13 Call for Projects and those guidelines resume the allowability of indirect costs for the SMG Program, awarded SMG grant recipients could begin to charge indirect costs when their SMG grants start, which is as soon as July 1, 2025. Additionally, staff would update the SANDAG Specialized Transportation Program Management Plan (PMP) to reflect the changes. The PMP, which is required by the FTA for the Section 5310 Program, documents SANDAG policies and procedures for the administration of the STGP. Staff anticipates that the next competitive grant cycle for the EMP LMG Program, the EMP Cycle 11 Call for Projects, would be released in Spring 2026. Pending SANDAG Board approval, indirect cost guidelines could be included as part of this Call for Projects.

Awarded TransNet grants are funded on a reimbursement basis, meaning SANDAG only reimburses TransNet grant recipients based on actual and allowable expenses incurred during the grant term. As part of its oversight of grant recipients, SANDAG staff would continue to review actual indirect costs to ensure they are allowable, align with the grant budget, and do not exceed the grant recipient's approved indirect cost rate.

Depending on the outcome of the ITOC, Transportation Committee, and Board meetings, SANDAG Agreed Upon Procedures (AUP) presented at the August ITOC meeting will be updated to test for indirect costs charged by TransNet grant recipients.

Indirect Costs as a Percentage of Total TransNet Expenditures and Last Allocation Plan Approval¹

Recipient Agency	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Last Allocation Plan Approval Date (as of FY 2023)
Carlsbad	3.69%	5.64%	4.77%	4.07%	5.11%	14.21%	2021 ^{2,4}
Chula Vista	10.66%	12.96%	29.87%	19.70%	2.54%	8.49%	2021 ⁴
Coronado	18.32%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a
Del Mar	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2021 ⁴
El Cajon	1.42%	0.71%	1.65%	2.45%	2.04%	.87%	n/a
Encinitas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a
Escondido	2.99%	3.28%	2.48%	5.40%	14.40%	19.12%	2022 ^{2,4}
Imperial Beach	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a
La Mesa	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a
Lemon Grove	6.21%	12.15%	11.50%	20.60%	16.44%	14.41%	2019 ²
National City	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a
Oceanside	11.47%	10.33%	13.15%	8.43%	1.71%	5.45%	2010 ⁴
Poway	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a
San Diego, City	9.06%	7.22%	14.10%	14.54%	13.28%	13.59%	2022 ⁴
San Marcos	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2023 ³
Santee	0.66%	0.33%	0.70%	4.07%	0.52%	1.48%	2023 ⁴
Solana Beach	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a
Vista	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a
Caltrans	10.58%	9.45%	10.32%	7.86%	4.24%	8.02%	2021 ³
San Diego, County	10.31%	12.47%	14.52%	9.97%	1.42%	9.44%	2023 ⁴
SANDAG	0.57%	1.42%	2.03%	3.10%	2.99%	5.38%	2023 ³

n/a – not applicable because there is no plan or the plan is not formally approved

¹Source: FY 2018 - 2023 TransNet Fiscal and Compliance Audits

<https://www.sandag.org/funding/transnet/transnet-oversight-and-reporting>

²approved by City Council

³approved by federal cognizant agency

⁴approved by management or another individual within the agency



SR 11 / OTAY MESA EAST

PORT OF ENTRY

Maria Rodriguez Molina
Project Development Program Manager, SANDAG

Nikki Tiongco
South County Trade Corridor Director, Caltrans District 11

TransNet Independent Taxpayer Oversight Committee
April 10, 2024

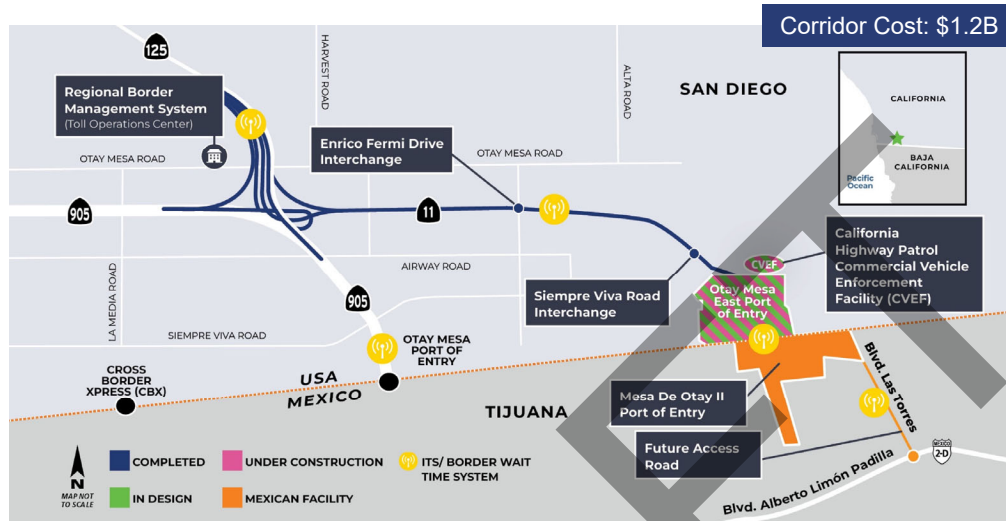
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Agenda

- Project Overview
- Project Benefits
- Agreements
- Design Update
- Next Steps
- Questions & Discussion

2

Project Overview



3

4

Mesa de Otay II Progress

- 100% ROW acquired
- 60% Progress of civil construction of Access Road and POE
- Construction completion expected June 2024
- Installation of non-intrusive inspection (NII) equipment in July 2024



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Mesa de Otay II Progress



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Project Benefits and Innovative Features

7

7

Project Benefits and Innovative Features



With a goal of **net zero emissions by 2035**, the new port of entry will be clean, green, and smart. The facility aims to produce its own energy and recycle its own water and waste to reduce its carbon footprint and maximize operational efficiencies.



An **advanced traveler information system** will inform border crossers about toll rates, border wait times, special lane conditions, and incidents at all regional land ports of entry.



An **integrated operations system** will intelligently link traffic operations. This seamless system will be instrumental in meeting the **20-minute average wait time goal**.



REDUCE GREENHOUSE GAS EMISSIONS



REDUCE WAIT TIMES



FUEL ECONOMIC GROWTH



GOAL TO REACH NET ZERO FOOTPRINT BY 5368



STRENGTHEN BORDER SECURITY AND RESILIENCY



ENHANCE REGIONAL MOBILITY



BOLSTER BINATIONAL TRADE



ZEV INFRASTRUCTURE AND SERVICES

8

Agreements

Progress Update

9

9

Binational Agreements Current Timeline

ID	TASK NAME	START	FINISH	Underway	2023			2024											
					OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	Binational Team Approval for Tolling Operations and ITS	10/10/23	-																
2	Modifications to Toll Allocation Agreement	10/11/23	04/30/24																
3	ITS Operations & Maintenance Agreement	4/1/23	12/31/24																
4	Custodial Agreement with NADBank	10/01/23	04/30/24																
5	Toll Governance Agreement	10/03/23	04/30/24																

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Design Update

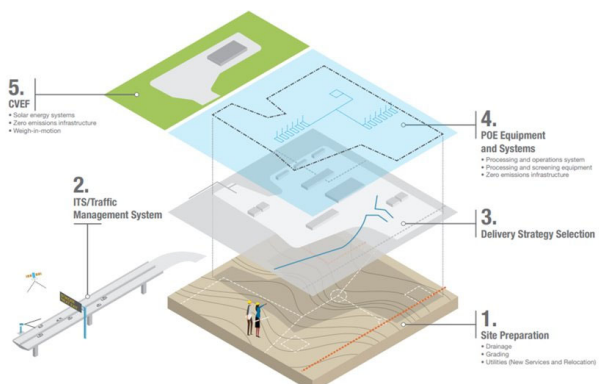
30% Design Progress

11

11

Scope Overview

- Design of:
 - Brand new 21st Century Port of Entry
 - Commercial Vehicle Enforcement Facility
 - Intelligent Transportation System with Tolling Component
- Progress:
 - Update of Master Plan
 - 15% Design (Conceptual Design) of Ultimate Facility and Initial Build Out
 - 30% Design (Schematic Design) of Initial Build Out – Ongoing



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Stakeholder Coordination – POE

- General Services Administration (GSA)
- Customs and Border Protection (CBP)
 - Office of Field Operations (OFO)
 - Office of Facilities and Asset Management (OFAM)
 - Office of Professional Responsibilities (OPR)
 - San Diego Field Office (SDFO)
 - Border Patrol (BP)
 - Enterprise Services (ES)
- Other Allied Agencies:
 - U.S. Department of Agriculture
 - U.S. Food and Drug Administration
 - U.S. Fish and Wildlife

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Initial Site Build-Out

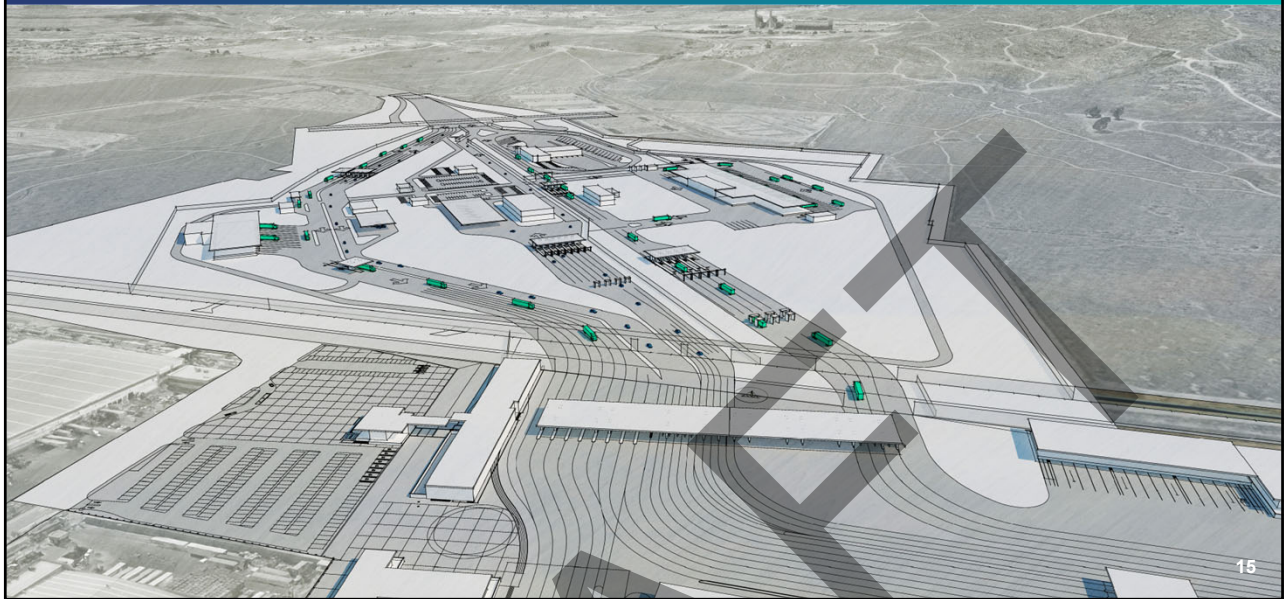


- Day One Build Out
- 7 NB Passenger Vehicle Lanes
- 5 NB Commercial Vehicle Lanes

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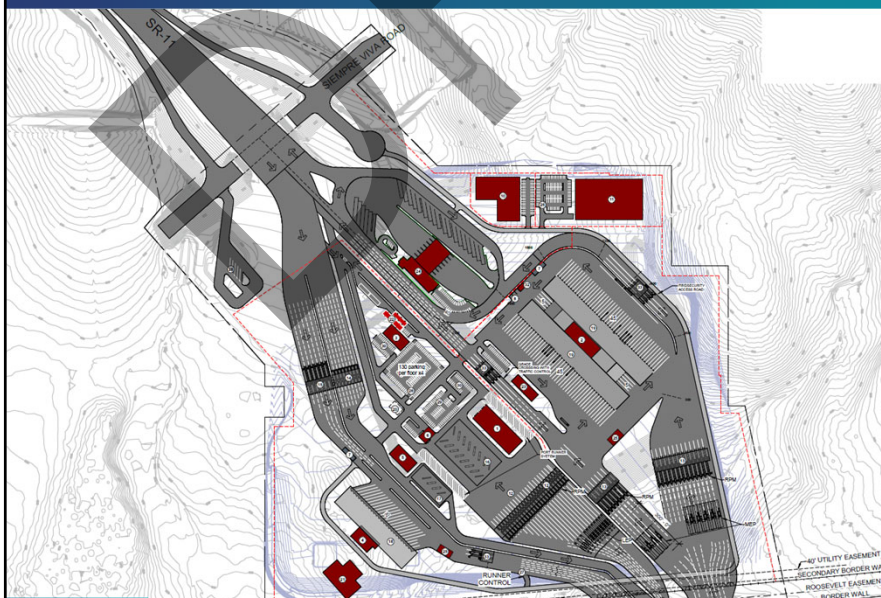
14

Initial Site Build-Out



15

Ultimate Facility Layout



- Planning for Future Expansion
- 25 NB Passenger Vehicle Lanes
- 20 NB Commercial Vehicle Lanes

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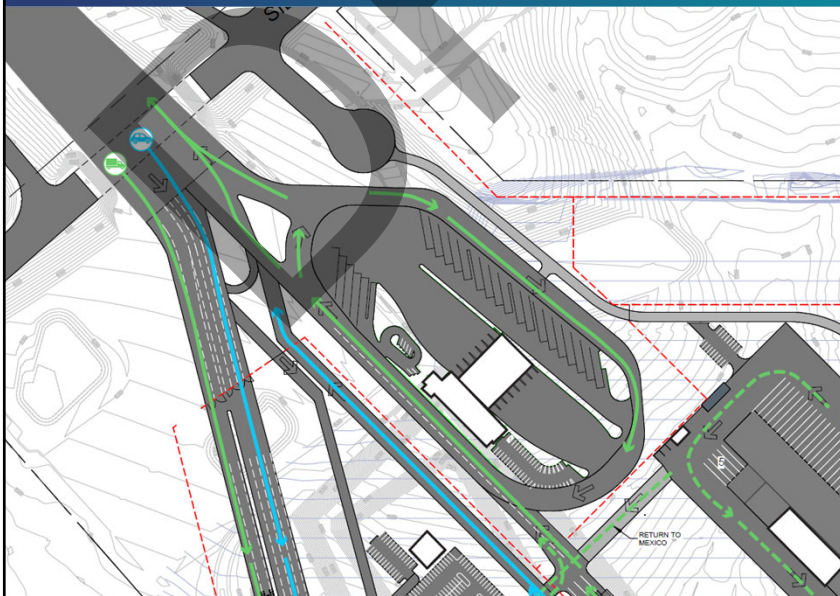
Ultimate Facility Layout



17

17

Commercial Vehicle Enforcement Facility



- State Facility
- Owned by Caltrans
- Operated by CHP
- Space for FMCSA

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Next Steps

U.S. Port of Entry Delivery

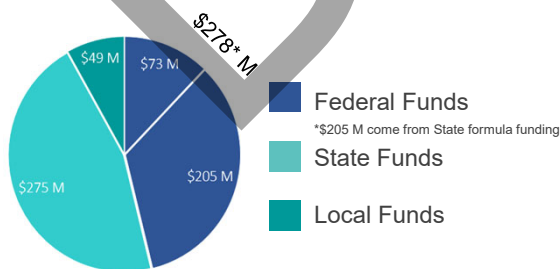
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Project Financial Strategy

Prior Expenditures:

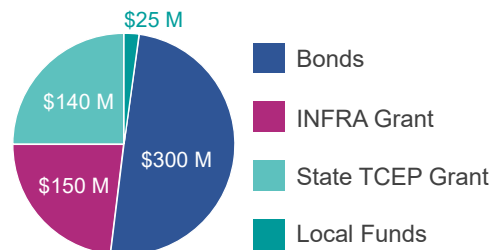
- Right-of-way Acquisition
- SR-11/SR-905/SR-125 Connectors
- State Route 11



Total Spent to Date: \$602 M

Future Financing:

- Otay Mesa East Port of Entry
- Intelligent Transportation System
- CHP/FMCSA Commercial Vehicle Enforcement Facilities



Total Funding Need: \$615 M

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Next Steps

- Continue negotiations with Federal partners, CBP and GSA, to determine roles, responsibilities, conveyance, and financial contributions.
- Secure MOU with CBP and GSA to proceed with final design and construction.
- Continue pursuing funding opportunities and finalize project financial strategy.
- Continue coordination with binational ITS working group.

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Questions & Discussion

Thank you!

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