AGENDA

Major Projects Committee Workshop
INTERCHANGE AND ARTERIAL PROJECT DELIVERY IN THE VALLEY SUBAREA

May 10, 2012
Immediately following Major Projects Committee
(Approximately 9:30-11:00)

Location: San Bernardino Associated Governments
1170 W. 3rd Street, Super Chief Conference Room
San Bernardino, CA 92410

1. Welcome and Introductions – Dick Riddell, Chair
   Presenters: Steve Smith, Director of Planning
   Garry Cohoe, Director of Project Delivery

2. Purpose of workshop
   - Continue discussion of interchange and arterial project delivery issues begun at the April 12 Major Projects Committee
   - Receive report on delivery status of interchange projects for the next 10 years
   - Provide direction to staff on next steps

3. Introduction and Recap of April 12 meeting (see Issue 1 in attachment – Finding ways to expedite delivery of Valley freeway interchange projects) – Steve Smith, Director of Planning

4. Delivery status of interchange projects for the next 10 years – Garry Cohoe

5. Discussion of Issues 2 and 3- Steve Smith
   - Issue 2 – Possible acceleration of Project Advancement Agreement (PAA) Reimbursement
   - Issue 3 – Availability of local share of funding for interchange and arterial projects

6. Direction to staff and next steps – Dick Riddell

Major Projects Committee Workshop

INTERCHANGE AND ARTERIAL PROJECT DELIVERY IN THE VALLEY SUBAREA

- Background Materials -
May 10, 2012

This workshop is in response to a request from the Major Projects Committee (MPC) at its April 12 meeting to provide additional time for discussion related to Item 14 on that agenda. Item 14 addressed three issues related to expediting freeway interchange and arterial project delivery in the Valley subarea:

1. Ways to expedite the delivery of Valley freeway interchange projects;
2. Possible acceleration of Project Advancement Agreement reimbursement; and
3. The availability of the local share of funding for projects, given the economic climate.

ISSUE 1 was extensively discussed at the April 12 meeting. Issues 2 and 3 are to be discussed at this workshop. In addition, an update will be presented on the delivery status of the top 10 interchanges on the Valley interchange priority list, 7 of which are included in the Measure I 10-Year Delivery Plan. Each of the three issue areas has an extensive policy history, during which policy options were identified and evaluated in light of conditions at the time. Today's circumstances may lead to identification of other opportunities or impacts the Board may wish to consider as it weighs the policy options.

Staff requests that the Major Projects Committee provide direction on the next steps. Direction to staff on several specific questions would be helpful, including those listed below. Staff does not have recommendations or answers to these questions at this time, but is seeking direction from the committee regarding whether recommendations should be brought forward by staff as a next step.

1. To what extent should SANBAG front the costs of the early phases of interchange projects to increase the number of projects that are "shovel-ready?" Under current policy, this would involve loans for the local share of project costs.
2. Should SANBAG take more initiative to manage interchange projects than the agency has done in the past?
3. Should SANBAG consider bonding for portions of the local share of projects at the appropriate time, in light of the limitation in local share funding that currently inhibits project delivery?
4. Of the options presented for accelerated reimbursement of Project Advancement Agreements in Issue 2, which, if any, would the committee suggest staff pursue?
5. Should SANBAG staff re-examine the possibility of phased implementation of interchange projects, where feasible, to target some of the more congested areas at lower cost, recognizing this is not a permanent solution?
6. Should SANBAG staff re-examine the possibility of consolidating the development of fair shares for interchanges where the share is split among two or more jurisdictions?

MPC1205a-ss Workshop
Attachments: MPC1205a1-ss; MPC1205a2-ss; MPC1025a3-ss; MPC1205a4-ss

SUMMARY OF DISCUSSION OF ISSUE 1: WAYS TO EXPEDITE THE DELIVERY OF VALLEY FREEWAY INTERCHANGE PROJECTS

Staff began the discussion at the April 12 Major Projects Committee meeting by highlighting the importance of emphasizing project delivery while at the same time protecting jurisdictional equity in access to Measure I and other funding. Staff then reviewed the status of the top 10 interchanges on the Measure I Valley Freeway Interchange Program priority list, so that the discussion could occur in the context of specific projects on the list. The full interchange priority list is provided as Attachment 1 to this workshop material. Attachment 2 contains a chronology of how the interchange program and its priority list were developed, beginning in 2003.

Seven of the interchanges are included in the SANBAG 10-year Delivery Plan, approved by the SANBAG Board in January 2012. With the exception of the I-10/University and SR-60/Archibald interchanges, project development work has begun on all the interchanges listed in the Plan. The I-15/Baseline interchange is the closest to construction of the interchanges in the top 7. Table 1 provides updated information on projected start dates by phase for each interchange, assuming funding is available. The table also comments on project delivery status and whether SANBAG assistance is likely to be needed for funding a portion of the local share.

Staff then reviewed each of the questions/issues on pages 164 through 168 of Agenda Item 14 on the April 12 Major Projects Committee agenda. In general, it was indicated that:

- Current Strategic Plan policy allows for borrowing to fund either the public share or local share of interchange costs. Policy 40005 for the Valley Freeway Interchange Program identifies some of the conditions under which borrowing or loans may occur. See Page 190 of the agenda item.
- Bonding for the public share is not as difficult as borrowing for the local share, given that the public share is already SANBAG's responsibility. Bonding could even save SANBAG dollars if the construction cost inflation rate exceeds the interest costs of bonding, but it is not possible to accurately predict future trends in either project costs or bonding interest rates.
- Borrowing for the local share is more difficult because it can impact on the funds available to pay for the public share on interchanges farther down the priority list.

A discussion then occurred among committee members. The following summarize the principal points. Listing of the points does not necessarily imply that there was consensus among committee members on all those points.

- SANBAG bonding for the public share is acceptable, but not bonding for the local share.
- SANBAG should not change the current interchange priority list, but can re-evaluate in 2015 when the entire Measure I Expenditure Plan is reviewed, per prior Board decision.

Table 1. Schedule and Project Delivery Issues for Top 10 Interchanges on the Priority List for the Valley Subarea

Project	Lead Agency, per Nexus Study	Public Share of Cost ($M)*	Local Share of Cost ($M)	Expected Start Date by Phase				Comments
				PA/ED	Design	ROW	Constr.	
1. I-10/Cedar	County	$37.9	$16.2	Complete in October	07/01/2012	07/01/2013	07/01/2014	County staff has expressed need for help in funding local share for Design/ROW/Construction
2. SR-210 / Baseline	Highland	$ 6.0	$4.3	11/01/2013	07/01/2015	03/01/2016	05/01/2017	Would be sequenced with SR-210 widening. City staff indicates possible need for help with local share of construction cost.
3. SR-60 / Central	Chino	$14.5	$17.6	01/01/2013	01/01/2015	01/01/2015	01/01/2017	Schedule per 10 Year Delivery Plan. City staff states timing will depend whether City chooses to focus on interchange or on Pine Ave. in near term. May need SANBAG help with local share.
4. I-10/University	Redlands	$6.1	$1.2	07/01/2016	07/01/2018	07/01/2018	07/01/2019	Schedule per 10 Year Delivery Plan. No current activity. May need help with local share. Could be sequenced with mainline I-10 widening.
5. I-215/University	City of San Bernardino	$13.7	$9.4	09/01/2012	07/01/2014	07/01/2014	08/01/2016	City completing PSR. City in discussion with SANBAG about taking over project. May need help with local share.
6. I-10/Alabama	County	$18.2	$23.4	07/01/2016	07/01/2018	07/01/2018	07/01/2019	Schedule per 10 Year Delivery Plan. Would likely be sequenced with I-10 mainline widening.
7. I-15/Baseline	Rancho Cucamonga	$15.0	$ 15.0	Complete	Ongoing	Ongoing	04/19/2013	Per latest city schedule. City staff previously indicated need for public share commitment only.
8. I-10/Mt. Vernon	Colton	$30.4	$1.6	07/01/2016	07/01/2018	07/01/2018	07/01/2019	Interchange would be incorporated into I-10 mainline widening.
9. SR-60/Archibald	Ontario	$2.7	$5.3	07/01/2020	07/01/2021	07/01/2021	07/01/2022	No known activity at this time.
10. I-10/Monte Vista	Montclair	$38.0	$12.1	07/01/2020	07/01/2023	07/01/2023	07/01/2026	City has performed small conceptual study. Has discussed initiating PSR.

*In 2011 dollars. Excludes federal earmarks.

- Although the priority list may not be modified in the short term, situations should be examined on a case-by-case basis regarding how SANBAG can facilitate project delivery.
- An honest discussion is needed on the interchanges in the top 10 on the priority list to ensure that these projects are actually moving forward.
- SANBAG is doing a great job delivering projects, but we need to prepare for the next wave of projects, given the length of time required for project delivery.
- Possible exceptions to current policy to accommodate a project should be examined as to how they could impact other projects on the priority list. Decisions should not be made that disadvantage projects higher on the priority list.
- A workshop and/or meetings with individual Board members are needed to get SANBAG Board members up to speed on the Measure I Expenditure Plan, Strategic Plan, 10-Year Plan, and other SANBAG policies. Staff will come back to the Board with a proposal.

An extensive discussion of the issues surrounding interchange project delivery and borrowing for interchange projects was held with the City/County Managers Technical Advisory Committee (CCMTAC) on May 3, 2012. The CCMTAC was provided with a report on the April 12 discussion of Issue 1 by the Major Projects Committee, along with the same material as in the April 12 agenda item presented to the committee. The CCMTAC expressed an interest in continuing involvement on this topic, and stressed that SANBAG be actively engaged in project development for the next wave of interchange projects to be delivered. Concern was expressed that the interchange priority list could inhibit local jurisdiction initiatives to prepare projects for delivery that were farther down the priority list and that the current priority list did not reflect the full range of factors that should be considered. SANBAG staff reiterated that the interchange priority list represents the overall structure, but that individual situations involving interchange project delivery could be brought forward for consideration by SANBAG on a case-by-case basis, as indicated above. CCMTAC members observed that construction cost inflation often outpaces the cost of borrowing and that borrowing to accelerate the delivery of transportation projects usually pays off. The CCMTAC is forming a working group for the specific purpose of providing input to the full CCMTAC and to SANBAG on this topic.

The same background material provided in the April 12 Major Projects Committee Agenda Item 14 is repeated below. The presentation for this workshop will focus on Issues 2 and 3, but discussion may occur on all three issues. Therefore, the Issue 1 material is repeated here.

ISSUE 1: FINDING WAYS TO EXPEDITE THE DELIVERY OF VALLEY FREEWAY INTERCHANGE PROJECTS

Existing Policy and History

The following bullet points describe the timeline and process for structuring the Valley Freeway Interchange Program as represented in the Measure I 2010-2040 Strategic Plan.

- The extension of the Measure I half-cent sales tax (Measure I 2010-2040), passed by the voters in 2004, establishes the percentage of revenue to be devoted to each program in the Valley subarea. The Valley Freeway Interchange Program receives 11% of Measure I Valley Subarea revenue. For Fiscal Year 2012-2013, this amount is projected to be $10.5 million.

- Interchange priorities are governed by the list in the Measure I 2010-2040 Strategic Plan, approved by the SANBAG Board in April 2009. See Attachment 1 for the list of Valley interchange priorities. The I-10/Cherry, I-10/Citrus, I-10/Riverside, I-10/Tippecanoe, and I-10/Live Oak interchanges were grandfathered and were not assigned a priority. The policy discussion on how interchange priorities should be established occurred during the development of the Measure I 2010-2040 Strategic Plan between 2006 and 2009, and was extensive. Attachment 2 provides a chronology of that discussion and the information that was generated for SANBAG Board consideration before the policy was established.
- Four Valley interchanges are to be reimbursed through Project Advancement Agreements: I-10/Live Oak (Yucaipa), I-10/Riverside (Rialto), Phase 1 of I-10/Pepper (realignment of Valley Boulevard - County), and I-15/Duncan Canyon (Fontana). These legally binding contracts were entered into by SANBAG and the respective local jurisdictions between August 2006 and May 2010. For the first two years of the new Measure, 40% of the revenue from the interchange program has been used to reimburse jurisdictions for expenditures already incurred. SANBAG's commitment of interchange PAAs is expected to be paid off by mid-FY 14/15. See **ISSUE 2** for further background on the PAA program.
- Each interchange has a public (SANBAG) share and a development (local) share. Jurisdictions are reimbursed for the public share based on invoices submitted to SANBAG, once the expenditures are authorized through a project funding agreement. The development share percentage is defined in the Nexus Study. See additional background information on the development mitigation program and the Nexus Study under **ISSUE 3**. The development share percentage for many interchanges is further split among two or more jurisdictions based on each jurisdiction's contribution of new traffic (post 2004) within the interchange "traffic shed."
- Jurisdictions may advance work on a project by fronting the total cost (both SANBAG and local shares) and being reimbursed for the public share at a later date, as specified by Strategic Plan Policies 40002 and 40005. Only expenditures covered under an Advance Expenditure Agreement (AEA) with SANBAG may be reimbursed in this manner. Only one AEA has been issued to date, for a ramp improvement at the SR-60/Euclid Ave. interchange. See Attachment 3 for the relevant Board-approved policies underpinning the Valley Interchange, PAA, and AEA programs.
- Loans for the local share are possible on an exception basis (Policy 40005/VFI-23), with Board approval. Repayment terms are specified in the policy. According to the policy, failure to make payments consistent with the terms of the loan agreement will result in the jurisdiction's loss of access to new allocations of Measure I Valley Major Street and Valley Freeway Interchange program funds, until payments are restored.

Policy Issues/Options

The Measure I 2010-2040 Strategic Plan and 10-Year Delivery Plan identified the Valley Freeway Interchange Program to be structured as a "pay-as-you-go" program. A steady stream of interchange funding was envisioned, but not a need for significant bond issuance. In addition, SANBAG policy allows for local jurisdictions to advance the delivery of their interchange projects by fronting the SANBAG share of the cost, as well as the local share. Thus, mechanisms have already been built into Strategic Plan policy for advancing interchange project delivery.

The current challenge is that the substantial slowdown in housing and commercial construction has resulted in a major reduction in development impact fees (DIFs) for transportation projects, the primary source of funds to be used for jurisdictions' match to SANBAG's public share of funding. Further, the dissolution of local redevelopment agencies (RDAs) as of February 1 has affected a major potential source of funding for local jurisdictions to front the costs for transportation project delivery. On one hand, one could argue that the slowdown in development has also slowed the need for building additional transportation capacity. On the other hand, the long lead time and cost for preparing projects for construction could result in certain projects being put on hold indefinitely, resulting in increased costs to the program later on.

The general policy issue to be discussed by the Board is whether SANBAG should borrow funds to facilitate the delivery of Valley freeway interchange projects. The policy choices revolve around two questions:

- Should SANBAG borrow for the public share of interchange projects, and if so, under what circumstances should it be done?
- Should SANBAG provide loans for the local jurisdiction share of interchange projects, and if so, under what circumstances should it be done?

The answers to both questions must consider how interchanges would be selected as beneficiaries of a borrowing program and how protections would be put in place so as not to disadvantage other interchange projects or the jurisdictions that sponsor them.

Staff has had discussions with two technical advisory committees on issues that would need to be addressed, should the SANBAG Board determine to pursue borrowing to advance Valley freeway interchange projects. Material in this section was discussed with the Transportation Technical Advisory Committee (TTAC) on February 27, 2012 and with the City/County Manager TAC (CCMTAC) on April 5 and May 3. These meetings were intended as introductions to the topics, not with the intent of developing recommendations. Portions of the material contained in this workshop background paper were handed out and discussed at these meetings.

The CCMTAC expressed an interest in further discussion of this material, with the intent of providing input to any recommendations that may be made as part of a subsequent agenda item for the Major Projects Committee. SANBAG staff indicated that staff would be available to have additional meetings or workshops with either or both TACs if that would be useful.

Schedule Information for the Top 10 Interchanges on the Priority List

Table 1, presented earlier, provides an update on approximate schedules for delivery of the top 10 interchange projects, assuming funding is available. The 10-Year Plan approved by the Board assumed that these schedules would be pushed out to accommodate the "pay-as-you-go" approach for the interchange program, as endorsed by the SANBAG Board in both the Measure I Strategic Plan and the 10-Year Delivery Plan.

It should be noted that construction on the I-15/Duncan Canyon interchange will begin in Fall, 2012. This interchange is included in the Project Advancement Program, but this agreement would be superseded by a new agreement should SANBAG be successful in obtaining an allocation of Corridor Mobility Improvement Account (CMIA) funds for that project.

One additional interchange that has been discussed with County staff is the I-10/Pepper interchange. This is a joint County/City of Colton project, which is entering the design stage. Construction could begin as early as 2014, but under current policy, the SANBAG share would need to be reimbursed at a later date under an Advance Expenditure Agreement, given that the interchange is No. 19 on the priority list. A first phase of that project (realignment of Valley Boulevard at Pepper Ave.) is being reimbursed through a Project Advancement Agreement with the County. A federal earmark of approximately $6 million was secured by the local jurisdiction sponsors under a prior transportation bill (TEA-21). SANBAG staff has preliminarily discussed with County staff possible options for advancing this interchange, including a Phase 2 focused on improving interchange operations in the near term.

The 10-Year Delivery Plan indicates that bonding for Measure I projects would be considered in approximately two-year increments. After the current bond issue in Spring 2012, the next issue would be considered in 2014. Based on the schedules above, the need for borrowing for the public share prior to the planned 2014 bond issue is limited, and is likely less than $25 million. Internal cash flow borrowing would likely cover these costs, should the Board wish to advance funds for the SANBAG share. Bonding needs for the interchange public share can be more clearly defined in late 2013 prior to the target date for the next bond issue.

Why Consider Borrowing for Interchange Project Delivery?

To set the stage for Board consideration of future bonding for the interchange program, SANBAG staff has examined both opportunities for advancing projects as well as the limitations and risks of doing so. Several overall objectives and circumstances should be considered:

- Timely project delivery – delays in delivery generally result in increased costs.
- Project benefit – Earlier delivery brings earlier benefits to the public.
- Jurisdictional equity – no jurisdiction should be disadvantaged by SANBAG's borrowing to accelerate a project in another jurisdiction.
- Program funding capacity – SANBAG is legally required to comply with the voter-approved Measure I 2010-2040 Expenditure Plan, including the percentages allocated to each program, and this compliance cannot be put at risk. This may limit the extent to which borrowing may occur for the Valley Interchange Program.
- Financial stability – Borrowing must not put SANBAG's various financial commitments at risk across the spectrum of the agency's activities.
- Leveraging of state/federal dollars – Borrowing may be higher priority for projects that can bring in outside funds or for which loss of substantial outside funds is at risk.
- Current favorable conditions for project construction – Though the bid environment is currently favorable, it is unclear how long this favorable climate will continue.

Although the SANBAG Strategic Plan policy allows for borrowing for Valley Freeway Interchange Program projects, this was expected to be on an exception basis, with a clear rationale for how borrowing would benefit the program. In addition, SANBAG's commitments to Project Advancement Agreement reimbursement and to current interchange projects in the Valley will consume Valley Freeway Interchange program funds through Fiscal Year 2014-2015. Thus, there are numerous pros and cons that need to be considered, and the timing would be influenced by current commitments.

Initial Considerations and Questions Regarding Borrowing for Valley Interchange Projects

A number of questions would need to be resolved to effectively structure an interchange borrowing program based on the objectives referenced earlier. The list below poses each of the questions along with initial answers or thoughts by SANBAG staff, including possible policy options that could be considered by the Board.

The bullet points are presented as information only, with policy determinations to be made by the SANBAG Board. Responses are not intended to imply either that SANBAG should or should not engage in such a program, but focus on how a program could be structured should the SANBAG Board decide to do so. The responses are intended to be merely a starting point for discussion, and staff is seeking direction on the choices that the SANBAG Board members recommend. An evaluation will need to be conducted as to the benefits and impacts of such an initiative, with specific borrowing needs/opportunities identified through contacts with local jurisdictions.

Borrowing to fund loans for the development share presents different issues than borrowing for SANBAG's public share. Therefore, issues relating to the public and development shares are identified separately, preceded by issues that apply to the general topic of borrowing for interchange project delivery. Initial thoughts are intended as only a starting point for discussion, not a policy recommendation.

General Issues/Questions

- How far down the priority list should SANBAG go for eligibility for either borrowing for the public share or a loan for a portion of the local share? Initial thought (i.e. starting point for Board member discussion): Top 10
- For which phases would borrowing or loans be considered? Initial thought: right-of-way and construction phases only.
- Who should have first call on funds available for borrowing or loans? Initial thought: Higher priority interchanges should have first call. Borrowing may occur for lower priority interchanges if higher priority interchanges are not ready to proceed with right-of-way or construction.
- Would borrowing or loans change local jurisdiction responsibility for the development share of all phases? Answer: Existing SANBAG policy and local shares would apply.
- Would SANBAG take over management of projects for which borrowing occurs? Answer: Strategic Plan Policy 40005 still applies. See Attachment 3. If a jurisdiction requests SANBAG management, jurisdiction is required to pay 100% of management costs.
- What would be the limit to SANBAG's ability to borrow for the interchange program? Answer: Borrowing or loans for the public or development share would be subject to available bonding capacity for the Valley Freeway Interchange program, but beyond that, would be at the discretion of the SANBAG Board on a case-by-case basis, both whether to bond and the loan amount.

Issues/Questions Concerning Borrowing for Public Share

- Could borrowing for the public share involve either bonding or internal cash flow borrowing among Measure I programs? Initial thought: It could be some of both. The SANBAG Board would have discretion regarding use of cash flow borrowing as a bridge prior to bond issuance. See Attachment 3 for SANBAG's Cash Flow Borrowing policy (40021).
- What would be the costs to a jurisdiction if borrowing for the public share were to be used to advance its interchange? Initial thought: The interchange's share of bond issuance costs and interest would be added to the total project cost, and split between SANBAG and local jurisdiction per the public/development share percentages.

Issues/Questions Concerning Loans for Development Share

- What would be the term of the loan? Answer: The loan would be for a maximum term of 10 years, per Strategic Plan policy, but could be shorter, at Board discretion.
- How much of the local share could be borrowed from SANBAG? Initial thought: Jurisdictions need to be able to pay a significant portion of the local share on their own. SANBAG would not provide a loan for the entire local share.
- What would be the costs to a jurisdiction if a loan for the local share were to be used to advance their interchange? Initial thought: The basic principle is that no jurisdiction should be disadvantaged because of SANBAG's interchange loan transaction with another jurisdiction. Therefore, any incremental cost, such as bond issuance and interest costs for a local share loan, should be borne by the benefitting jurisdiction.

- What would serve as security for the loan? Initial thought: Security for the loan would be the jurisdiction's regional portion of Development Impact Fee collections, plus enough of the jurisdiction's Measure I Local Street pass-through funds to ensure on-time repayment of the loan. The loan amount would be limited by what the jurisdiction was willing to pledge as security. The project would need to be listed in the jurisdiction's 5-year Measure I capital improvement program.
- Could a portion of a jurisdiction's Measure I Major Street/Arterial Sub-program funds be used as security? Initial thought: A portion of an interchange loan could be secured through a pledge of Arterial Sub-program funds if an arterial portion of the interchange project can be defined and is listed separately in the SANBAG Development Mitigation Nexus Study.

An assessment of the interchange schedules presented earlier indicates that there are few interchanges that have a need for borrowing for either construction or right-of-way in the very near term. The interchange in the top 10 that is most likely to go to construction prior to SANBAG's forecast second bond issue in 2014 is I-15/Baseline. Thus, the bonding needs for the next two years are limited, and other financial strategies, such as cash flow borrowing, could be used in the event the SANBAG Board desires to front the public share for that project. Staff also recognizes local jurisdiction desires to deliver both the I-15/Duncan Canyon and I-10/Pepper interchanges. Both projects have state or federal funds at risk of loss if the projects are not delivered in the near term. Each project has unique circumstances that must be addressed on a case-by-case basis. The delivery of the I-10/Pepper interchange would be more feasible if a lower-cost solution could be found, and staffs of the agencies have discussed that possibility.

Initial Assessment of Impact of Borrowing on Other Projects in the Valley Interchange Program

A legitimate concern of jurisdictions with projects in the Valley Freeway Interchange Program is how borrowing for another jurisdiction's interchange might impact their own project. SANBAG staff's initial observations on this question are listed below:

- **Borrowing for the Public Share**: SANBAG retains responsibility for the public share of funding, whether or not the interchange delivery involves bonding. The impact to other interchanges, in terms of potential reduction of funds, would involve the incremental difference between the cost of the borrowing and the projected cost escalation for right-of-way and construction. If the bonding interest rate were to be the same as the projected construction cost escalation factor, there would be little loss of funds to other interchanges in the program. If the bonding interest rate were higher than the escalation factor, then funds would be lost to the extent of the difference between the two interest rates. An interest rate that is lower than the projected cost escalation would offer an actual cost savings for borrowing for shovel-ready projects. Thus, if another cost spike was in the horizon, as occurred in the 2004/2005 timeframe, borrowing offers clear advantages. Unfortunately, it is not possible to accurately predict either interest rates or cost escalation. Although the impact of borrowing on other projects cannot be determined, borrowing for the public share has much less potential impact than borrowing for the local share. If borrowing were to delay the funding of another interchange on the priority list, this would be an additional impact. But limited schedule impact is envisioned in borrowing for the public share only.

- **Borrowing for the Development (Local) Share**: SANBAG is not responsible for the local share of an interchange project. Therefore, borrowing against Measure I funds to finance a local share loan has an incremental impact beyond what SANBAG would otherwise be obligated to pay. Loaning funds for the local share would result in reduced access to funding for the public share on other projects. Even though the loan recipient would pay back the loan with interest, it would delay access to public share funds for other projects, likely increasing the public share cost. Following the principle of jurisdictional equity, the benefitting jurisdiction would need to reimburse SANBAG for loan principal, a fair share of any bond issuance costs, interest, and any increased cost of delays in access to public share funding for other projects. An assessment of these potential impacts cannot be made until more detailed schedule and cost information is compiled on candidate projects, as indicated below. Any loan for the local share would need to be sized so that the debt service payments could be guaranteed given the methods of loan security listed earlier. As a general gauge of impact, each $10 million loaned for the local share would set back access to the public share for other projects by one year, after the PAAs are paid off. If long term bonds were issued to cover a loan of this size, access to the public share would be reduced only by the debt service payment, which would be dependent on term of the loan and interest rate.

Possible Next Steps

The SANBAG Board could direct staff to follow up with activities such as:

- Prepare recommendations for policy committee consideration, based on input received at the Major Projects Committee meetings, TTAC, and CCMTAC. These recommendations could be reviewed by the TTAC and by the CCMTAC prior to policy committee consideration.
- Meet with lead agencies on each of the top 10 interchanges to identify barriers to their delivery and how they could be overcome. Discussions would include funding challenges as well as the management of the project development process (e.g., should SANBAG take over management of certain projects).
- Identify additional interchanges outside the top 10 that local jurisdictions are interested in delivering. Issues associated with delivering those interchanges would be documented and brought back for policy consideration at the appropriate time.

Other Interchange Program Considerations

A variety of issues have been raised in the past concerning the structure of the Valley Freeway Interchange Program. Several were identified and addressed during the development of the Measure I

2010-2040 Strategic Plan or shortly thereafter. The paragraphs below provide additional historical background on the issues examined and how they were addressed.

- **Could interchanges be broken into phased projects?** – SANBAG staff floated a proposal in 2010, in response to forecast Measure I revenue reductions, to reexamine the entire interchange program to determine whether a phased approach on some interchanges might optimize the investment of Measure I funds. There was reluctance on the part of both jurisdiction staff and elected officials to re-open the interchange priority list at that time. It was determined that any re-examination of the program would occur in 2015 when the full Measure I Expenditure Plan is reviewed. Current revenue projections suggest that Measure I will fund, at most, the public share for two-thirds of the Valley interchanges on the priority list. Others would need to be deferred until a subsequent Measure I renewal, unless substantial state/federal funds could supplement the program. However, all interchanges are being maintained on the list, and all are viewed to be important.
- **Could development shares be consolidated to reduce the institutional complexity of funding?** – SANBAG staff floated a proposal during the review of the Measure I Strategic Plan in 2009 to consolidate jurisdiction fair shares for those interchanges that had multiple contributing agencies. This would allow for one jurisdiction to be 100% responsible for the local share of each interchange, reducing the institutional complexity of delivering the interchange program. Jurisdiction staff and Board members preferred the current system, accepting the fact that bringing the parties together to fund each interchange would be a challenging process. However, this position was not universally held.
- **Could development fee collections for interchanges be centralized?** - The CMP already allows for individual jurisdictions to send the interchange portion of their DIF fees to SANBAG as an option, but no interest has been expressed in that so far. A program similar to Riverside County's Transportation Uniform Mitigation Fee (TUMF) program could be undertaken, but there has been resistance to this in the past. There would be some significant disadvantages to this, as well as advantages.

ISSUE 2 - POSSIBLE ACCELERATION OF PROJECT ADVANCEMENT AGREEMENT (PAA) REIMBURSEMENT

Existing Policy and History

Following the passage of Measure I 2010-2040 in November 2004, several member agencies indicated an interest in advancing shovel-ready or near-shovel-ready freeway interchange, overcrossing, and arterial projects consistent with the new Expenditure Plan. A strategy to advance SANBAG Nexus Study interchange, arterial, and grade separation projects to construction prior to 2010 was approved by the SANBAG Board in December 2005. The policy indicated that the project must be ready to begin construction by January 1, 2008.

A model Project Advancement Agreement was approved by the SANBAG Board on April 5, 2006. This became the basis for the execution of PAAs between SANBAG and local jurisdictions. Each agreement was approved by the SANBAG Board. Several of the key terms and conditions of the model agreement included the following:

- A maximum reimbursement amount was established based on the public share of cost listed in the Nexus Study for each project
- Reimbursements would be funded by up to 40% of the respective Measure I program annual revenue (Valley Freeway Interchange or Major Street Program). This provision was included so that PAA reimbursements would not consume all the Valley Freeway Interchange or Major Street Program revenues, but Measure I revenues would remain for the jurisdictions not having PAA projects.
- No interest would be paid on the PAA reimbursements, regardless of when the reimbursements occurred.
- Additional criteria for cost eligibility and reimbursement would be established through the Measure I Strategic Plan, yet to be developed at the time the agreements were executed.

In January 2008 the Board approved the inclusion of all Nexus Study projects as eligible for project advancement reimbursement, regardless of construction schedule. A final solicitation of candidate PAA projects occurred with a closing date of January 2010. This resulted in the set of PAA project commitments identified in Attachment 4. The total current PAA commitments are:

- Valley Interchange Program: 4 projects totaling $34.3 million in public share commitment (this commitment could be fulfilled using various state/federal funds in addition to Measure I funds)
- Valley Major Street Program: 51 projects totaling $84.2 million in public share commitment

Financial projections indicate that SANBAG's reimbursements to the Valley Interchange Program can be paid off by Fiscal Year 2014-2015, and the Valley Major Street reimbursements can be completed by approximately Fiscal Year 2020-2021.

The Measure I 2010-2040 Strategic Plan established the following policies related to the PAA program (see Policy 40002 in Attachment 3 for complete details):

- Reimbursement is based on the chronology of expenditure – the earliest expenditures incurred are the first to be reimbursed.
- Expenditures prior to April 5, 2006 (the date the model PAA was approved by the SANBAG Board) are not eligible for reimbursement.
- PAA reimbursements are included in the "equitable shares" identified for each jurisdiction in the Valley arterial program.
- Possible bonding for PAAs was discussed by the Board at the time of the development of the Strategic Plan, but the Board did not anticipate bonding for PAAs at that time.

These and other policies were established through over two years of discussion with SANBAG policy committees, with technical committees, at Board workshops, and by a Strategic Plan Ad Hoc Policy Committee. The Measure I Strategic Plan was approved by the SANBAG Board in April 2009.

Annual allocations of Measure I funds to reimburse PAAs thus far include the following:

- Fiscal Year 2010-2011 - $2.911 million for the Interchange Program; $5.293 million for the Major Street Program
- Fiscal Year 2011-2012 - $3.83 million for the Interchange Program; $6.970 million for the Major Street Program
- Fiscal Year 2012-2013 - $4.215 million for the Interchange Program; $12.533 million for the Major Street Program (proposed in the SANBAG budget)

Table 2 shows the full set of allocations made for the Valley Major Street/Arterial and PAA programs for Fiscal Years 10/11 and 11/12 and the proposed allocations for FY 12/13. The table also shows the "equitable share" percentage of Measure I arterial funds to be received by each Valley jurisdiction over the 30-year life of Measure I. These percentages were derived from the Development Mitigation Nexus Study and documented in the Measure I Strategic Plan.

Policy Issues/Options

At the February 9 Major Projects Committee meeting, Board members Tahan and Gonzales asked staff to report back to the Board on the possibility of including reimbursement of Valley Project Advancement Agreements in the bond issue scheduled for Spring 2012. Mr. Tahan indicated that perhaps an arrangement could be made wherein jurisdictions holding PAAs could be provided with an option for participation in the bond issue and would be responsible for the interest payments. Material was included in the April 12 Major Projects Committee agenda indicating some of the pros and cons of bonding for PAA reimbursement. Some of the committee members expressed concern about SANBAG's borrowing to pay off the PAA commitments.

Three options are identified below as ways to provide PAA-holders with faster access to PAA reimbursements:

Table 2. Proposed Allocation of Valley Major Street/Arterial Sub-program funds and Measure I Funds for Valley Project Advancement Programs for FY 12/13

Jurisdiction	Arterial Equitable Share	FY 10/11 Allocation ($1,000s)	FY 11/12 Allocation ($1,000s)	Proposed FY 12/13 Allocation ($1,000s)	Proposed Cumulative Allocation Through FY 12-13 ($1,000s)
Chino	7.60%	$482.68	$638.40	$158.39	$1,279.47
Chino Hills	2.20%	$139.72	$184.80	$45.85	$370.37
Colton	2.50%	$158.78	$210.00	$52.10	$420.88
Fontana	19.50%	$1,238.45	$1,638.00	$786.17	$3,662.62
Grand Terrace	1.40%	$88.91	$117.60	$29.18	$235.69
Highland	6.80%	$431.87	$571.20	$141.72	$1,144.79
Loma Linda	4.10%	$260.39	$344.40	$85.45	$690.24
Montclair	0.60%	$38.11	$50.40	$22.50	$111.01
Ontario	12.30%	$781.17	$1,033.20	$434.90	$2,249.27
Rancho Cucamonga	5.10%	$323.90	$428.40	$430.19	$1,182.49
Redlands	4.90%	$311.20	$411.60	$102.12	$824.92
Rialto	3.90%	$247.69	$327.60	$81.28	$656.57
San Bernardino	7.90%	$501.73	$663.60	$164.65	$1,329.98
Upland	2.30%	$146.07	$193.20	$47.94	$387.21
Yucaipa	6.00%	$381.06	$504.00	$506.11	$1,391.17
County	12.90%	$819.28	$1,083.60	$1,088.14	$2,991.02
Total Non PAA arterial	100.00%	$6,351.00	$8,400.00	$4,176.71	$18,927.72
PAA Maj. St. Alloc.		$5,293.00	$6,970.00	$12,533.25	$24,796.25
PAA Interchange Alloc.		$2,911.00	$3,830.00	$4,215.20	$4,215.20

1. SANBAG bonds for PAA reimbursement, and the entire PAA obligation is paid off following receipt of bond proceeds.
2. SANBAG allocates more than 40% of Major Street Program funds to PAA reimbursement, paying down the PAA obligation faster that would otherwise occur. An increased allocation is included in SANBAG's FY 2012-2013 budget by allocating a portion of unused Valley Major Street arterial funds to arterial PAA reimbursement. This action also indicates that SANBAG could under-allocate to the PAA program in a subsequent year, should the "borrowed" cash flow be needed in the non-PAA portion of the arterial program.
3. Local jurisdictions bond against their PAA revenue stream. In this case, the SANBAG Board would likely need to guarantee the revenue stream that would be used as security for the debt service.

In general, all three of the above options would have the following benefits:

- Holders of arterial PAAs would receive their funds more quickly and, in the case of options 1 and 3, almost immediately.
- Funds reimbursed to jurisdictions earlier could be put to use on local projects.

However, each option also has some challenges, as stated below:

Challenges/Issues for Option 1 (SANBAG borrows to pay off PAAs)

- Borrowing for PAAs could consume cash flow or bonding capacity that is needed for other projects. The specifics of these impacts would need to be evaluated to ensure that both non-PAA holders and non-participating PAA-holders would not lose a portion of their equitable share or timely access to Measure I funds by borrowing for PAAs. The analysis of parity would need to consider the interest costs, bond issuance costs, and cost of potentially delayed access to Measure I funds for the Major Street and Freeway Interchange programs.
- Particular complexities and uncertainties exist with those jurisdictions that used redevelopment agency funds to front the cost of PAA projects, in light of the recent dissolution of redevelopment agencies. Conversations with both SANBAG counsel and outside counsel have indicated the many unknowns at this time. A better understanding of the implications is needed before a commitment is made to major up-front reimbursement of PAA dollars, and it appears these uncertainties will not be clarified soon.
- Policy changes would be required to allow for an up-front reimbursement of PAAs. City councils would need to consider whether such a program would be advisable for their jurisdiction before SANBAG could proceed. Information on the pros and cons would need to be presented for city consideration, along with technical data on the financial impacts.
- Allocations for jurisdictions benefitting from up-front reimbursement of PAAs may need to have their arterial allocations reduced in future years to ensure that their share of arterial funds did not exceed their equitable share, as defined in Measure I policy. In some cases, jurisdictions would have received Measure I arterial revenue up front equivalent to the first 15 years of their share of

projected Measure I arterial revenue. Measure I policy 40006/VMS-36 indicates that borrowing of funds from other jurisdiction accounts must be limited "such that no jurisdiction gets more than five years ahead of its projected equitable share." This was included in Measure I policy to protect those jurisdictions that envisioned using their Measure I arterial funds later in the Measure rather than earlier. This policy would need to be modified if PAAs were to be reimbursed up front.

Challenges/Issues for Option 2 (Accelerated annual allocation to PAAs until paid off)

- This would involve speeding up of the PAA reimbursement, but the speed would be dependent on the degree to which the arterial portion of the Major Street Program did not require those funds. Approximately $4.2 million in additional PAA allocation is proposed for FY 12-13 above the 40% that was allocated in the first two years of the new Measure. Continuing at that pace could reduce the reimbursement period by about a third.
- Policy changes would not be required
- Some jurisdictions may hit the 5-year policy 40006/VMS-36 limit referenced above and not be able to access additional arterial funds for several years following reimbursement of their PAA invoices.

Challenges/Issues for Option 3 (Local jurisdictions borrow against their own projected PAA revenue stream)

- Jurisdictions exercising this option would have the immediate benefit of up-front capital for other projects. Although jurisdictions would not be able to bond for the full PAA reimbursement amount due to interest costs and debt coverage requirements, a significant portion of the PAA commitment could likely be bonded for. Each jurisdiction would need to work out the details with its own financial advisors and bond counsel.
- PAA revenue streams would need to be calculated for each participating city, and the SANBAG Board would likely need to take an action committing to those reimbursement levels to serve as security for the bonds (or other instrument of indebtedness chosen by the city).
- Project advancement agreements would remain in force with SANBAG until all invoices were reimbursed, and no policy changes would be required.

Possible Next Steps

If the Board desires to pursue any of these options further, the following steps could be envisioned:

- Determine the option to be implemented
- Direct a financial analysis to be conducted to evaluate how the program can be implemented so as not to disadvantage non-PAA holders or PAA holders not participating in the program. Option 1 would require an analysis of projected interest and issuance costs and how those might be allocated to the participants. Option 2 would require a forecast of the extent to which the PAA allocation might be increased and how that might accelerate reimbursement. An analysis of the projected revenue streams would need to be conducted for Option 3.

- Each jurisdiction would need to be provided with information on choices they could make regarding participation. Responses would be provided back to SANBAG.

It is estimated that 4-6 months would be required to resolve all the issues and obtain input from the affected jurisdictions. Included in this time period would be SANBAG staff review of the remaining 2500 consultant/contractor invoices that have been submitted by jurisdictions for the PAA program. The SANBAG Board could make a decision on whether and when to proceed at that time.

ISSUE 3 - AVAILABILITY OF LOCAL SHARE OF FUNDING FOR PROJECTS

Existing Policy and History

The passage of Measure I 2010-2040 in November 2004 mandated that SANBAG require fair share mitigation for regional transportation facilities though a Congestion Management Program (CMP) update within 12 months of voter approval of Measure I. State law has required SANBAG, as the Congestion Management Agency (CMA) to maintain a CMP since the early 1990s. SANBAG's CMP has been in place since 1992, and has been updated each two years, in odd-numbered years, since that time.

A major transition occurred with the CMP for the Valley and Victor Valley subareas in 2005, when the Development Mitigation Nexus Study (Appendix K of the CMP) was prepared, in response to the requirements of the Measure I extension, as referenced above. The Nexus Study defines development mitigation requirements for Valley and Victor Valley freeway interchange, rail/highway grade separation, and arterial projects. The requirements are expressed as percentages of local development contributions required for each project listed in the Nexus Study. These percentages were developed through a detailed technical analysis of growth projections. Both the projects and growth projections were developed and approved by local jurisdictions.

Each local jurisdiction responded to these requirements with a compliant Development Impact Fee (DIF) ordinance addressing mitigation for regional transportation projects the jurisdiction intended to construct through year 2030. Substantial flexibility was provided in how local jurisdictions structured their DIF programs, as long as they achieved the development mitigation targets specified in the Nexus Study.

All DIF funds for regional projects are collected locally and expended locally. These funds do not flow through SANBAG. Jurisdictions in the Valley must annually indicate the projects on which they intend to expend funds over the subsequent five years. Once jurisdictions have expended funds on eligible projects, they may invoice SANBAG for the public share of the costs, up to the jurisdiction's current allocation limit, as established in the SANBAG budget, or as documented in a project funding agreement. The local development share is not reimbursed.

The Measure I Strategic Plan, approved by the SANBAG Board in April 2009, established eligibility criteria and reimbursement processes for Nexus Study projects. Substantial flexibility is allowed in the Strategic Plan for jurisdictions to have internal loan arrangements to fund the local share of project costs, with the expectation that DIF funds (or similar source of development contributions) will eventually be collected to reimburse the loaning programs.

Although SANBAG does not directly monitor internal agency transactions, it is recognized that substantial use has been made of this flexibility. The local share match has been provided on many projects by leveraging these additional funds, allowing project delivery schedules to be maintained.

However, it is also recognized that the slow rate of growth in the last several years has substantially reduced the DIF funds available for the local share of these projects. Although reduced growth also means less urgent need for roadway construction, the lack of local share funds has hindered jurisdiction project delivery to some extent. However, it is expected that the growth originally envisioned by the local agencies will eventually occur, even though this may not occur until after the original 2030 forecast horizon. Thus, the development share calculations in the Nexus Study are believed to remain valid.

Policy Issues/Options

The question the Board may wish to consider is whether near-term strategies are needed to assist jurisdictions in meeting their local share commitments to deliver projects. Options for this are limited, but two ideas could be discussed, as indicated below:

- For Valley arterials: The Valley Major Street Program policy (40006) in the Measure I Strategic Plan has a provision for splitting annual Measure I allocations into reserved and unreserved portions. The reserved portion must equal the development share percentage of the allocated amount. The reserved portion of a jurisdiction's account may be accessed (i.e. reimbursed to a jurisdiction) on a 1:1 matching basis as development dollars are expended on projects, up to the cumulative apportionment in jurisdiction accounts. The unreserved portion may be accessed without a development mitigation requirement, up to the current allocation limit, by submitting invoices for actual project expenditures to SANBAG. One of the concepts for reducing the development share burden in the near term would involve reducing the matching requirement for the reserved portion. This would allow for a greater proportion of the funds to be available in the unreserved account. The 1:1 match would be restored once the pace of development picks back up.
- For Valley interchanges: The primary option has been discussed under ISSUE 1, regarding loans for the local share. See that section for additional information. It should be recognized that any reduction in the local shares for interchanges would reduce the number of interchanges that can be delivered under Measure I.

Possible Next Steps

Staff requests Board member direction regarding either of the above policy options or other alternatives that Board members identify. These would need to be evaluated within the limits of policy established in the Measure I 2010-2040 Expenditure Plan and Measure I Strategic Plan.

Attachments: MPC1205a1-ss; MPC1205a2-ss; MPC1025a3-ss; MPC1205a4-ss

Attachment 1
Interchanges in the Measure I Valley Freeway Interchange Program
(See key to jurisdiction list at end of table)

Interchange and Place on Priority List	2011 Nexus Study Cost ($Millions)	Total Fair Share %	Nexus Study Splits	
			Jurisdictions Involved (Lead Juris. Listed First)	Percentage Splits
SR-60 at:				
Ramona (15)	$30	31.3%	Ch/Co/Mo	53/39/8
Central (3)	$30	58.8%	Ch/Co/Mo	91/8/1
Mountain (14)	$15	46.2%	Ch/On	50/50
Euclid (12)	$6	44.5%	On/Ch	57/43
Grove (11)	$51	48.3%	On/Ch	99/1
Vineyard (24)	$51	60.3%	On/Ch	93/7
Archibald (9)	$8	66.1%	On	100
I-10 at:				
Monte Vista (10)	$50	24.1%	Mo/Up/Co	74/2/24
Euclid (13)	$9	17.4%	Up/On	60/40
Grove/4th (25)	$128	17.1%	On/RC/Up	64/22/14
Vineyard (22)	$84	60.0%	On	100
Cherry (Exempt)	$77	35.4%	Co/Fo	64/36
Beech (31)	$114	50.0%	Fo/Co	64/36
Citrus (Exempt)	$59	38.4%	Fo/Co	99/1
Alder (28)	$99	50.0%	Fo/Co	71/29
Cedar (1)	$52	30.0%	Co/Fo/Ri	74/12/14
Riverside (In const) - Phase 1 (Ramps) - Ph 2 (Bridge)	$44 $27 $10	27.4%	Ri/Co/Ct	66/8/26
Pepper (19) - Pepper/Valley - Ramps/Bridge	$55 $10 $45	34.0%	Ct/Co/SB	92/4/4
Mt. Vernon (8)	$32	5.1%	Ct	100
Tippecanoe (Exempt)	$78	34.6%	SB/LL	50/50
Mtn. View (18)	$51	37.8%	LL/SB/Co/Re	70/20/6/4
California (27)	$45	47.8%	Co/LL/Re	47/38/15
Alabama (6)	$31	50.5%	Co/Re	65/35
University (4)	$7	17.9%	Re	100
Wabash (33)	$40	35.8%	Co/Re	88/12
Live Oak (Complete)	$19	37.0%	Yu/Re	99/1
Wildwood (29)	$35	50.0%	Yu	100

Interchange and Place on Priority List	2011 Nexus Study Cost ($Millions)	Total Fair Share %	Nexus Study Splits	
			Jurisdictions Involved (Lead Juris. Listed First)	Percentage Splits
I-15 at:				
6th/Arrow (23)	$70	50.0%	RC/Fo	90/10
Baseline (7)	$40	50.0%	RC/Fo	67/33
Duncan Cyn. (32)	$41	77.3%	Fo/Co	79/21
Sierra (16)	$13	80.3%	Ri/Fo/Co	65/28/7
I-215 at:				
University (5)	$28	15.8	Co/SB	57/43
Pepper/Linden (30)	$57	50.0	SB	100
Palm (26)	$11	35.7	SB/Co	50/50
SR-210 at:				
Waterman (17)	$51	18.2	SB	
Del Rosa (20)	$36	32.8	SB/Hi/Co	63/28/9
Baseline (2)	$9	41.9	Hi	100
5th (21)	$8	44.1	Hi/SB/Re	93/5/1

Abbreviations: Ch=Chino; Co=County; Ct=Colton; Fo=Fontana; Hi=Highland; LL=Loma Linda; Mo=Montclair; On=Ontario; RC= Rancho Cucamonga; Re=Redlands; Ri=Rialto; SB=San Bernardino; Up=Upland; Yu=Yucaipa

Attachment 2

Development of the Measure I Valley Freeway Interchange Program

- Chronology Related to the Interchange Program –

Date	Activity
November 2003	Board approval of RFP for Development Mitigation Nexus Study. The objective of the Nexus Study was to build a foundation of projects and principles upon which a development mitigation program could be based.
February 2004	First draft of Development Mitigation Nexus Study. Includes 38 interchange improvement projects proposed by jurisdictions in the Valley and Victor Valley.
June 2004	SANBAG Board approval of Measure I Expenditure Plan, including cost shares for development mitigation
July 2004	SANBAG Board approval of Development Mitigation Principles
November 2004	Voter approval Measure I 2010-2040, which assigns 11% of Valley subarea revenue to the Freeway Interchange Program and requires a development mitigation program
Dec. 2004 to Sept. 2005	Nexus Study and/or implementation language on each Transportation Technical Advisory Committee (TTAC) agenda. Jurisdictions identified interchanges to be included in the Nexus Study interchange list during this process.
Jan. – April 2005	Multiple meetings of working group (public and private sector) to craft implementation language for development mitigation program
June 15, 2005	Draft Nexus Study distributed to TTAC and city managers. Includes development mitigation "fair share" requirements for arterial projects and interchanges. Fair shares based on technical studies of jurisdiction-approved growth estimates. Fair shares established at the jurisdiction level for arterials and by "traffic shed" for each proposed interchange.
August 1, 2005	Closing date for comments on draft Nexus Study
August 3, 2005	SANBAG Board approval of the Scope of Work for development of the Measure I 2010-2040 Strategic Plan
August 15, 2005	Updated draft Nexus Study circulated to TTAC and city managers
August 17 and 19, 2005	Draft Nexus Study reviewed by Plans and Programs Committee and Mountain/Desert Committee
August 25, 2005	Summary of comments and status report of Nexus Study presented to the City Managers' TAC
September 19, 2005	Updated Draft Nexus Study
October 5, 2005	SANBAG Board Approval of Nexus Study (Appendix K of Congestion Management Program)
November 2, 2005	SANBAG Board Approval of Development Mitigation Implementation Language (Appendix J of CMP)
April 5, 2006	Project Advancement Program approved by SANBAG Board. Allows jurisdictions to construct Nexus Study arterial and interchange projects with their own funds, with a commitment to later reimbursement of

	Measure I funds for the "public share" by SANBAG.
November 2007	SANBAG Board approves 2007 update of the Development Mitigation Nexus Study.
March – Sept. 2008	Strategic Plan issues and options presented to various policy committees each month, including options for structuring the Valley Interchange Program
May 2008	Interchange queue/delay studies conducted to provide data as the technical basis for setting priorities.
June 2008	First TTAC discussion of Strategic Plan framework for the Valley Freeway Interchange Program
August 13, 2008	First meeting of Measure I Strategic Plan Ad Hoc Policy Committee, focusing on resolution of selected Strategic Plan policy issues
September 8, 2008	SANBAG staff presentation to the TTAC of proposed prioritization methodology and options for Valley Freeway Interchange Program
September 18, 2008	Measure I Strategic Plan workshop with city managers, including structure of interchange program
September 30, 2008	Meeting with Strategic Plan Ad Hoc Policy Committee to discuss/resolve several issues, including prioritization methodology and project priorities for Valley Freeway Interchanges
October 9, 2008	Staff presentation to the Major Projects Committee of the results of four alternative interchange prioritization methodologies and an interchange priority list. The ranking of interchanges was based on the ratio of existing vehicle hours of delay to total interchange cost. The committee requested that staff conduct several follow-up activities prior to further consideration of priorities for the Measure I 2010-2040 Valley Interchange Program. This included: 1) an alternate calculation of benefit/cost using only the public share of the interchange cost; 2) consideration of the AM peak period traffic delays for those interchanges where the AM congestion could be greater than the PM congestion; and 3) further evaluation of the delays at the I-10/Pepper interchange.
November 13, 2008	Staff presentation to the Major Projects Committee of the results of six alternative interchange prioritization methodologies and a recommended interchange priority list. The MPC unanimously adopted the following recommendations: "1. Approve the recommended methodology for prioritizing interchanges for the Measure I 2010-2040 Valley Freeway Interchange Program, including the use of vehicle-hours of delay saved per million dollars in interchange cost as the basis for setting priorities. 2. Approve the interchange priority list in Table 1 as the basis for implementation of Measure I 2010-2040 funding allocation policies for the Valley Freeway Interchange Program." Approval by the Board of these and other committee recommendations was deferred until a complete draft of the Strategic Plan could be assembled.
November 18, 2008	Measure I Strategic Plan workshop for Valley technical representatives

December 11-19, 2008	Release of the Draft Strategic Plan Report and initiation of the formal comment period as part of the December 2008 agendas for the Commuter Rail Committee, Major Projects Committee, Mountain/Desert Committee, and Plans and Programs Committee.
January 2009	Policy committee review and discussion of the Draft Strategic Plan
February 9, 2009	Review of responses to comments on the Draft Strategic Plan with the TTAC
February 17, 2009	Board workshop on the Draft Strategic Plan
End of February 2009	Circulation of Draft Final Strategic Plan to technical and policy committees
March 9, 2009	Review of Draft Final Strategic Plan with the TTAC
March 12-20, 2009	Policy committee approvals of the Measure I 2010-2040 Strategic Plan
April 1, 2009	SANBAG Board approval of the Measure I 2010-2040 Strategic Plan

ATTACHMENT 3

San Bernardino Associated Governments	**Policy**	**40002**
Adopted by the Board of Directors April 1, 2009	Revised	11/3/10
Valley Project Advancement (PA) and Advance Expenditure (AE) Processes Measure I 2010-2040 Strategic Plan	Revision No.	1

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Table of Contents

I. PURPOSE

The purpose of this policy is to establish the requirements for administration of the Project Advancement (PA) and Advance Expenditure (AE) processes for jurisdictions in the Valley. Both the PA and AE processes enable local jurisdictions to advance funding for development and construction of Measure I projects prior to the availability of Measure I 2010-2040 revenue for those projects. The policies establish project eligibility criteria and reimbursement terms for each process. The PA process allows for reimbursement on projects that initiate construction no later than January 31, 2009. Eligible expenditures on Nexus Study projects for which construction begins after January 2009 are captured under the AE process, unless otherwise provided for in individual Project Advancement Agreements (PAA). A project for which construction fails to be initiated by January 31, 2009 under a previously executed Project Advancement Agreement may be transitioned to an Advance Expenditure Agreement (AEA) with SANBAG Board Authorization.

II. REFERENCES

Ordinance No. 04-01 of the San Bernardino County Transportation Authority, Exhibit A – Transportation Expenditure Plan

Policy 40005 – San Bernardino Valley Freeway Interchange Program
Policy 40006 – San Bernardino Valley Major Street Program

III. DEFINITIONS

Project Advancement Agreement (PAA) - A contract that establishes agency roles, responsibilities and financial commitments between local jurisdiction(s) and SANBAG that is required to be executed prior to project approval under the Advance Expenditure process.

Advance Expenditure Agreement (AEA) – A contract that establishes agency roles, responsibilities and financial commitments between local jurisdiction(s) and SANBAG that is required to be executed prior to project approval under the AE process.

Development Share – The percentage share of total project cost assigned as the development contribution percentage as listed in the SANBAG Nexus Study.

Public Share – The share of project cost calculated as the total cost of the project minus the developer share.

Sponsoring Agency – The jurisdiction with the majority share development mitigation responsibility for projects included in the SANBAG Development Mitigation Nexus Study.

IV. POLICIES FOR THE PROJECT ADVANCEMENT PROCESS

A. General Policies

Policy PA-1: The public share costs for eligible projects in the Valley Freeway Interchange or Major Street Programs shall be eligible for a Project Advancement Agreement (PAA) to reimburse eligible costs incurred under the PAA if construction is initiated no later than January 31, 2009.

Policy PA-2: Only projects included in the most recent Board-approved version of the Development Mitigation Nexus Study shall be eligible for reimbursement under the PA process.

Policy PA-3: The PAA shall establish agency roles, responsibilities and financial commitments between local jurisdiction(s) and SANBAG for projects being reimbursed under the PA process.

Policy PA-4: In the event a jurisdiction fails to initiate construction by January 31, 2009, SANBAG reserves the right to terminate the PAA upon written notice to the jurisdiction. A jurisdiction may be reimbursed for those eligible project expenditures that occur prior to the date of termination when successfully completed as provided for in the terms of the PAA. A project covered under an executed PAA for which construction fails to be initiated by January 31, 2009 may be transitioned to an Advance Expenditure Agreement with SANBAG Board Authorization. The reimbursement terms of the AE process will apply in this case.

Policy PA-5: Any public share project costs incurred for Nexus Study projects prior to January 31, 2009 without an executed PAA shall not be reimbursed by SANBAG under the PA process. Eligible expenditures for Nexus Study projects not covered under the PA process shall be covered under the AE process, subject to the provisions below.

Policy PA-6: The project cost included in the PAA shall be the Nexus Study project cost in the most recent Board-approved Development Mitigation Nexus Study or the version of the Nexus Study in force at the time the first project expenditures were incurred, whichever is earlier.

B. Reimbursement

Policy PA-7: SANBAG shall reimburse jurisdictions with approved PAAs eligible expenditures up to the public share of either the Nexus Study project cost or the actual cost as adjusted per Policy VS-30, whichever is less.

Policy PA-8: Reimbursements shall not be made under the Project Advancement process for expenditures incurred prior to April 5, 2006 (the date when the model agreement for the Project Advancement process was adopted by the SANBAG Board of Directors) or prior to the date of approval of a jurisdiction's development mitigation program by SANBAG, whichever is earlier.

Policy PA-9: SANBAG shall reimburse local jurisdictions with PAAs executed under the Valley Major Street and Valley Freeway Interchange Programs with 40% of revenues available to the respective programs on an annual basis. At SANBAG Board discretion, the percentage of program revenue dedicated to reimbursement may be increased to a higher percentage specific to each program if the time between expenditure and reimbursement has become greater than six years or if the other project needs for a fiscal year are less than the remaining 60% of the pertinent program.

Policy PA-10: Local jurisdictions shall provide adequate documentation to substantiate the costs included in invoices submitted for reimbursement under the PA process. At a minimum, the jurisdiction must submit the invoice provided by the contractor/consultant to the agency, which shall include unit costs, quantities, labor rates and other documentation, as appropriate, to substantiate expenses incurred by the contractor/consultant. If jurisdiction in-house staff time is submitted for reimbursement, documentation of hours by individual and salary rate must be provided, with tabulations from the payroll system by project task as backup. Overhead will only be allowed via an approved cost allocation plan or an equitable and auditable distributions of overhead among all departments.

Policy PA-11: SANBAG shall administratively reimburse local jurisdictions with PAAs in the order of expenditure as established by the date of invoice received by the jurisdiction from the contractor/consultant for a PAA project. The order of expenditure shall be considered separately for the Valley Major Street and Valley Freeway Interchange Programs.

Policy PA-12: Reimbursements by SANBAG for eligible expenditures shall be provided on a quarterly basis. Reimbursements shall occur beginning in approximately July 2010 following the quarterly reconciliation of sales tax dollars by the State Board of Equalization. Quarterly reimbursements from the Valley Major Streets and Valley Freeway Interchange Programs shall occur until all local jurisdictions with PAAs are reimbursed.

C. Equitable Share Calculation

Policy PA-13: For the Valley Major Street Program, reimbursement pursuant to PAAs shall be included in the equitable share calculations for the respective local jurisdictions, as specified in Policy 40006, maintained by SANBAG to ensure geographic equity over the life of the Measure.

V. POLICIES FOR THE ADVANCE EXPENDITURE PROCESS

A. General Policies

Policy AE-1: Jurisdictions that deliver Valley Freeway Interchange or Major Stret Program projects may expend local jurisdiction funds with the expectation of later reimbursement of the public share costs by SANBAG, subject to the terms of the Advance Expenditure process. SANBAG's commitment to reimburse the public share cost shall be subject to the project priorities and policies referenced in Policies 40005 and 40006.

Policy AE-2: Only projects included in the current, Board-approved version of the Development Mitigation Nexus Study shall be eligible for the AE Program.

Policy AE-3: Reimbursement for a project under the AE process may take the form of monetary compensation for the public share cost of the project as defined in the Advance Expenditure Agreement (AEA), or credit for the same amount against the development share of one or more subsequent projects within the same Measure I Program.

B. Freeway Interchange Program and Railroad/Highway Grade Separation Sub-program Projects

Policy AE-4: All freeway interchanges and railroad/highway grade separation projects for which jurisdictions desire reimbursement under the AE process shall be included in an AEA with SANBAG. For multi-jurisdictional projects, the AEA shall be between the sponsoring agency and SANBAG.

Policy AE-5: The AEA shall establish agency roles, responsibilities and financial commitments between local jurisdiction(s) and SANBAG and is required to be executed prior to project cost reimbursement or credit under the AE process.

Policy AE-6: Public share project costs incurred for Nexus Study projects in advance of an executed AEA shall not be reimbursed by SANBAG, nor shall they be credited against the development share of a future project.

Policy AE-7: SANBAG shall begin reimbursement for phases of a Freeway Interchange project or a Railroad/Highway Grade Separation project in the first year that funding becomes available to the project based on the reimbursement criteria below and on the prioritization list contained in the Board-adopted version of the Nexus Study in force at the time of the AEA's execution. Subsequent changes in the Interchange and Grade Separation prioritization lists shall not affect the time of reimbursement or availability of credit once the AEA has been executed for the project. The process and criteria for the interchange Program include the following:

- SANBAG may call for applications for local jurisdictions to enter into Advance Expenditure Agreements (AEAs) for projects in the Valley Freeway Interchange Program. Jurisdictions in the Valley may submit applications for AEAs in response to this call, and SANBAG may enter into such agreements at its option and under the following conditions:
    - The request must be made through the call for applications in conjunction with the annual Capital Project Needs Analysis (CPNA) submittal and must include a financial plan that demonstrates the capability of a jurisdiction to fund the entirety of the project through construction without SANBAG's contribution to the public share. The financial plan must show funding sources by phase through completion of the project, including years beyond the five-year CPNA horizon.

- A Project Study Report (PSR), or equivalent, must have been completed and be consistent with current plans for the interchange. Measure I Valley Interchange Funds are not eligible for work on a PSR when applying for an AEA.
- The project must be one of the top 10 interchanges in the most current interchange prioritization list established by the SANBAG Board. This is defined as the group of "Tier 1" interchanges.
- Interchanges in the 11-20 priority range (Tier 2) may be eligible for an AEA on an exception basis, with the required financial plan. Reimbursement for Tier 2 interchanges shall be based on the chronological order of expenditure, following reimbursement for all active Tier 1 interchanges. An "active" interchange project is defined as one that has progressed through the PSR (or equivalent) stage, has identified subsequent phases and funding sources in the most current CPNA, and is demonstrating progress in accomplishing those phases. Any interchange in the Tier 1 list that is not active following full reimbursement of other interchanges in Tier 1 shall be incorporated into the chronological reimbursement process that applies to Tier 2 interchanges. Interchanges of priority 21 or lower (Tier 3) shall not be eligible for an AEA.
- The jurisdiction does not undertake loans of Measure I funds from SANBAG for the development share on any project in any program.
- The jurisdiction assumes all risk associated with the timing of reimbursement of the public share of funds for the project.

- Once an AEA is executed, the ranking for purposes of AEA reimbursment shall be no lower than the ranking of the project at the time of AEA execution, even if traffic study and cost updates indicate a lower ranking. A higher ranking may accelerate the reimbursement for a Tier 1 interchange, based on the project's new position on the priority list. The updated ranking will not affect reimbursement for Tier 2 interchanges.
- The SANBAG Board has the sole discretion to approve or deny applications for AEAs based on the criteria and on project and financial conditions that exist at the time of the request. These financial conditions may include, but are not limited to, any indication that reimbursement of the public share of project cost would likely exceed SANBAG's funding capacity over the term of Measure I 2010-2040. SANBAG shall consider anticipated reimbursements of Measure I 2010-2040 funds for AEA projects in the annual apportionment and allocation process.

Policy AE-8: In general, SANBAG will complete reimbursement for a Freeway Interchange or Grade Separation project in its entirety prior to allocation of funds to construction of a project of lower priority on the Freeway Interchange or Grade Separation prioritization list. This will be balanced with the need to maintain commitments to other interchange or grade separation projects on which project development activity has been initiated.

Policy AE-9: SANBAG shall only reimburse or provide credit to jurisdictions with approved AE projects up to the public share of the project cost in the Board adopted Nexus Study in effect at the time the AEA was executed, or the public share of the actual project cost, which ever is less.

Policy AE-10: Reimbursement for project development phases of a project under the AEA shall be limited to the estimated cost of the phase for which funds have been allocated, as included in the current Board-approved version of the Nexus Study or to the actual cost, whichever is less.

Policy AE-11: The AEA shall be amended by phase to incorporate the project cost information included in the current Board-adopted version of the Nexus Study.

Policy AE-12: Local jurisdictions shall provide adequate documentation to substantiate the costs included in the invoice. At a minimum, the jurisdiction must submit the invoice provided by the contractor/consultant to the agency, which shall include unit costs, quantities, labor rates and other documentation, as appropriate, to substantiate expenses incurred by the contractorconsultant. If jurisdiction in-house staff time is submitted for reimbursement, documentation of hours by individual and salary rate must be provided, with tabulations from the payroll system by project task as backup.

Overhead will only be allowed via an approved cost allocation plan or an equitable and auditable distributions of overhead among all departments.

C. Valley Arterial Sub-program Projects

Policy AE-13: The following types of projects in the Valley Major Street Arterial Sub-program are eligible for reimbursement of public share costs under the AE process:

- Nexus Study project costs that are:
  1. Incurred prior to the the commencement of Measure I 2010-2040
  2. Not covered under the PA process mentioned above.
  3. Not incurred prior to either April 5, 2006 or prior to the date of approval of a jurisdiction's development mitigation program by SANBAG, whichever is earlier.
- Nexus Study projects included in the Jurisdiction Master Agreement that have incurred additional costs for project delivery beyond the total amount of funding allocated to a jurisdiction in a fiscal year.
- Nexus Study projects for which an allocation of funding was not approved in the current fiscal year but will be available in future years, subject to a jurisidictions cumulative equitable share calculations.

Policy AE-14: Projects delivered through the AE process in the Valley Arterial Sub-program are not required to execute an AEA prior to the expenditure of funds on eligible projects (as defined by Policy AE-13 above)

Policy AE-15:Prior to receiving reimbursement or credit under the AE process, jurisdictions shall specifically designate the project(s) in their Capital Project Needs Analysis and receive an allocation of funding by the SANBAG Board for the project, documented through the Jurisdiction Master Agreement.

Policy AE-16: In the annually submitted CPNA, a local jurisdiction with an eligible AE project shall specifically designate whether it elects to receive reimbursement or credit under the AE process for the project. The decision to receive credit or reimbursement will be reflected in the Jurisdiction Master Agreement.

Policy AE-17: Advance Expenditure projects shall be included in the Jurisdiction Master Agreement. Following approval of the agreement, the local jurisdiction may submit invoices for reimbursement or receive credit toward the development share of future project cost.

Policy AE-18:Jurisdictions shall not receive immediate reimbursement or credit for Advance Expenditure in excess of the jurisdiction's five-year equitable share of Valley Arterial Sub-program funds. Jurisdictions that reach the cap on reimbursement or credit may submit eligible projects for reimbursement as additional allocations become available under the jurisdiction's five-year equitable share cap.

D. Equitable Share Calculation

Policy AE-19: For the Valley Major Street Program, reimbursement pursuant to AEAs shall be included in the equitable share calculations for the respective local jurisdictions, as specified in Policy 40006, maintained by SANBAG to ensure geographic equity over the life of the Measure.

VI. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	04/01/2009
1	Deleted language no longer applicable in Policy AE-6. Expanded Policy AE-7, establishing criteria for execution of Advance Expenditure Agreements for valley freeway interchange projects.	11/03/2010

ATTACHMENT 3

San Bernardino Associated Governments	**Policy**	**40005**
Adopted by the Board of Directors April 1, 2009	Revised	11/3/10
Valley Freeway Interchange (VFI) Program Measure I 2010-2040 Strategic Plan	Revision No.	1

Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SANBAG website.

Table of Contents

I. PURPOSE

The purpose of this policy is to delineate the requirements for administration of the Valley Freeway Interchange Program for Measure I 2010-2040. The policy establishes the funding allocation process, reimbursement mechanisms, project eligibility and prioritization, limitations on eligible expenditures, the role of SANBAG in project delivery, and cost overrun responsibilities.

II. REFERENCES

Ordinance No. 04-01 of the San Bernardino County Transportation Authority, Exhibit A – Transportation Expenditure Plan

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III. DEFINITIONS

Capital Projects Need Analysis (CPNA) – A five-year plan of capital project needs for each program included in the San Bernardino Valley Expenditure Plan. The CPNA includes estimates of project costs to be incurred by funding type, fiscal year, and phase for the five year period following the beginning of the subsequent fiscal year.

Development Share– The percentage share of total project cost assigned as the development contribution percentage as listed in the SANBAG Nexus Study.

Public Share – The share of project cost calculated as the total cost of the project minus the developer share.

Sponsoring Agency – The jurisdiction with the majority share development mitigation responsibility for projects included in the SANBAG Development Mitigation Nexus Study.

IV. POLICIES FOR THE VALLEY FREEWAY INTERCHANGE PROGRAM

A. Allocation of Measure I 2010-2040 Funding

Policy VFI-1: Initiation of project development work on freeway interchange projects shall be the responsibility of local jurisdictions, with the exception that project development work on interchange improvements required to enable the construction of freeway mainline projects may be initiated by SANBAG at the discretion of the Board of Directors.

Policy VFI-2: The SANBAG Board of Directors shall allocate funding to specific Valley Freeway Interchange projects as nominated by sponsoring member agencies through their five-year Capital Projects Need Analysis (CPNA). If nominations exceed the available funding, SANBAG shall allocate funds to sponsors of the nominated projects in order of project priority assigned through a prioritization methodology approved by SANBAG as documented in the Strategic Plan. Fund allocation shall anticipate the Measure I public share costs for subsequent years of a project so that the intent of Policy VFI-3 can be achieved. Funding for initial phases of projects of lesser priority may be deferred depending on the outcome of the annual cash flow analysis. Full funding of the higher priority projects

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through construction shall be given priority, even if the nominations are less than available funding for any given year.

Policy VFI-3: Allocations to a Valley Freeway Interchange project shall be limited to the current phase of the project. However, an allocation of funds to the Project Approval and Environmental Documentation (PA&ED) phase or to a subsequent phase prior to construction shall represent a commitment by SANBAG to timely funding of the public share of the project through construction, subject to the availability of Measure I, State, and federal funds.

B. Cost Reimbursement

Policy VFI-4: The Valley Freeway Interchange Program shall be administered as a cost reimbursement program. Sponsoring agencies shall enter into Project Funding Agreements with SANBAG, as specified in Policy 40001, prior to receiving authorization from SANBAG to expend funds. Following the authorization to expend funds, the sponsoring agency may incur expenses for the components of the project identified in the scope of work included in the Project Funding Agreement.

Policy VFI-5: On an exception basis and subject to SANBAG Board approval, the advanced reimbursement of anticipated expenses may be permissible. Only the right-of-way and construction phases are eligible and are subject to the conditions stated below.

- Right-of-way: Only right-of-way transactions in excess of $500,000 shall be considered for advance reimbursement. The advanced reimbursement shall be based on an accepted written appraisal or sales contract. Adjustments to this estimate based on actual costs shall be reconciled with SANBAG within 30 days of close of escrow and subject to the provisions governing right-of-way purchase established in Policy VFI-30.
- Construction: The advanced reimbursement shall be based on an awarded construction contract in excess of $10,000,000. The amount to be advanced to the local jurisdiction shall not be greater than 10% of the public share of total project cost or of three months estimated peak burn rate for the project, whichever is less. The advanced reimbursement shall be used to help provide liquidity to the local jurisdiction for payment to the contractor and shall be reconciled at the end of the construction phase of the project. SANBAG shall reimburse jurisdiction invoices, in addition to the advanced reimbursement amount, until the public share amount remaining in the contract is equivalent to the advanced reimbursement, after which the advanced reimbursement shall satisfy SANBAG reimbursement requirements.

C. Sponsoring Agency Reimbursement Invoices

Policy VFI-6: Sponsoring agencies shall submit invoices to SANBAG for actual expenditures incurred for components of an interchange project as identified in the scope of work included in the Project Funding Agreement. Invoices may be submitted to SANBAG as frequently as monthly.

Policy VFI-7:The sponsoring agency shall provide adequate documentation to substantiate the costs included in the invoice. At a minimum, the sponsoring agency must submit the invoice provided by the contractor/consultant to the agency, which shall include unit costs, quantities, labor rates and adequate documentation of any other expenses incurred by the contractor/consultant.

Policy VFI-8: The sponsoring agency shall be reimbursed for the actual project costs minus the development share documented in the SANBAG Development Mitigation Nexus Study.

D. Local Lead Agency Reimbursement Schedule

Policy VFI-9: SANBAG shall reimburse the local lead agency for eligible expenditures within 30 days of receiving a complete and satisfactory invoice package, which shall include all backup and support materials required to substantiate the invoice as identified in Policy VFI-7.

E. Valley Freeway Interchange Program Eligible Projects

Policy VFI-10: Valley freeway interchanges included within the SANBAG Development Mitigation Nexus Study, as periodically updated, are the only freeway interchange projects eligible to be funded by the Valley Freeway Interchange Program.

Policy VFI-11: The SANBAG Development Mitigation Nexus Study shall calculate and document the public and development share costs for each eligible interchange as well as the local jurisdiction responsibility for development share costs.

Policy VFI-12: No new project shall be added to the Valley Freeway Interchange Project List included in the Nexus Study unless the sponsoring agency can provide a comparable reduction in the public share cost, either by eliminating another interchange of comparable cost or increasing the local jurisdiction's development share contribution so as to avoid a net increase in public share cost. Written agreement to withdraw the interchange shall be obtained from the elected body for any minority share jurisdiction and shall be presented to SANBAG prior to Board action.

F. Valley Freeway Interchange Prioritization

Policy VFI-13: Within the Valley Freeway Interchange Program, projects needed to facilitate delivery of the San Bernardino Valley Freeway Program shall receive prioritiy over the other eligible freeway interchange projects and may be initiated at the discretion of SANBAG. Initiation of an interchange project by SANBAG shall not waive any requirements for local jurisdictions to provide the development share of the project cost. However, SANBAG shall work with the responsible jurisdiction(s) on such projects to transact a loan for the fair share amount or negotiate other payment terms that will allow for reimbursement of the fair share amount to SANBAG over a mutually agreeable timeframe.

Policy VFI-14: Following allocations to interchanges pursuant to Policy VFI-13, Valley Freeway Interchange Program funding shall be allocated to projects nominated by sponsoring agencies according to a prioritization list approved by the SANBAG Board, and included for reference in Section IV.B.5 of the Strategic Plan.

Policy VFI-15: The Valley Freeway Interchange Program prioritization shall be based on a benefit/cost methodology and may also include consideration of congestion on the freeway mainline caused by deficiencies at the interchange. The prioritization list shall be considered for updates n conjunction with the reviews of the Expenditure Plan required in Section XIV. EXPENDITURE PLAN AMENDMENTS of the Measure I 2010-2040 ordinance. However, the SANBAG Board of Directors may request a re-evaluation of the prioritization list at any time.

Policy VFI-16: Project initiation shall be the responsibility of a local sponsoring jurisdiction, unless otherwise directed by the SANBAG Board pursuant to Policy VFI-13. Nominations by sponsoring jurisdictions occur through inclusion of the candidate project in the sponsor's CPNA for the year of the requested allocation.

Policy VFI-17: A sponsoring jurisdiction may begin expenditure of funds following the execution of a Project Funding Agreement, which shall include the scope of work for a project or project phase and a commitment to provide the development share of the funding through all the phases of the project, pursuant to the Development Mitigation Cooperative Agreement required by Policy VFI-21. The Project Funding Agreement shall be executed by the sponsoring agency and SANBAG prior to to the expenditure of funds on any phase of the project. Sponsoring agencies shall not be reimbursed for any costs incurred prior to the execution of the Project Funding Agreement.

Policy VFI-18: Sponsoring agencies that desire to deliver a Valley Freeway Interchange Program project to which funds cannot be allocated in a given year shall be eligible for reimbursement through the Advance Expenditure process outlined in Policy 40002.

G. Development Mitigation Fair Share Contributions

Policy VFI-19: Funds allocated by SANBAG to any phase of a Valley Freeway Interchange project shall be matched by development contributions in accordance with the minimum development contribution percentages identified in the SANBAG Nexus Study.

Policy VFI-20: The sponsoring agency is responsible for coordination of all minority share development mitigation contributions identified in the SANBAG Development Mitigation Nexus Study.

Policy VFI-21: No allocation of funding by SANBAG to a Valley Freeway Interchange project shall occur prior to execution of the Development Mitigation Cooperative Agreement among all development mitigation contributors identified in the SANBAG Nexus Study or commitment by the sponsoring agency to provide the minimum development share.

Policy VFI-22: A Development Mitigation Cooperative Agreement shall be approved by all jurisdictions with funding responsibility for an interchange project as identified in the Nexus Study. The Development Mitigation Cooperative Agreement provides a guarantee of the development mitigation contributions required by the Nexus Study. The cooperative agreement shall be submitted with the sponsoring agency's five-year CPNA for any Valley Freeway Interchange project included in the first year (year 1) of the CPNA. These agreements shall be approved by each jurisdiction's city council and, where applicable, the County Board of Supervisors. Where SANBAG initiates project development on an interchange project, SANBAG shall be responsible for coordinating the execution of the Development Mitigation Cooperative Agreement.

H. Development Mitigation Fair Share Loans and Loan Repayment

Policy VFI-23: On an exception basis, project sponsors and other participating local jurisdictions may request loans from SANBAG for the development contribution to facilitate project delivery. Any such loan is subject to approval by the SANBAG Board of Directors. Approved loans of Measure I to cover a development mitigation fair share requirement for either a sponsoring agency or another contributing jurisdiction, shall be subject to the following terms to minimize disadvantage to other jurisdictions:

- Repayment shall include interest equivalent to the annual yield for the most recent fiscal year for the Local Agency Investment Fund (LAIF).
- The repayment term shall be based on a fixed-term repayment schedule established within the loan agreement. No loan shall be granted a repayment period greater than 10 years.
- Failure to make payments consistent with the terms of the loan agreement will result in the jurisdiction's loss of access to new allocations of Measure I 2010-2040 Valley Major Streets and Valley Freeway Interchange Program funds until payments are brought back to a level consistent with the terms of the loan agreement.
- If annexation of an unincorporated area within the Nexus Study interchange traffic shed as established by the Nexus Study occurs, any loan commitments related to that interchange will be reapportioned to the annexing city based on the adjusted fair share for the interchange project and will be included in any considerations by the Local Agency Formation Commission.
- SANBAG reserves the right to audit local jurisdiction development mitigation accounts to verify development fee collections used as the basis of loan repayment.
- Loans that are the result of initiation of a project by SANBAG, pursuant to Policy VFI-13, shall be negotiated on a case-by-case basis with terms that may vary from those above.

Policy VFI-24: Jurisdictions may borrow from other internal accounts (i.e. within their own jurisdictions) to fund the required development share for projects. The internal accounts shall be reimbursed by development mitigation as development occurs.

I. Development Mitigation Fair Share Credit Agreements

Policy VFI-25: Local jurisdictions and developers shall be allowed to enter into credit agreements or other arrangements for developer provision of roadway improvements approved by the City Council/Board of Supervisors. Such agreements will be strictly between the local jurisdiction and the developer.

Policy VFI-26: A copy of the credit agreement or other developer credit docmentation and invoices to substantiate quantities and unit costs for developer work on a Nexus Study project shall be provided when a local jurisdiction submits an invoice for reimbursement.

Policy VFI-27: Local jurisdictions that submit an invoice involving a credit agreement or other arrangement for developer provision of roadway improvements shall separate the development mitigation portion of construction costs from any non-development mitigation portion of the development project in a verifiable fashion.

Policy VFI-28: Reimbursement shall occur for only the public share of the Nexus Study project costs.

J. Eligible Valley Freeway Interchange Program Expenditures

Policy VFI-29: Eligible Valley Freeway Interchange Program expenditures shall include the costs for project phases of any Valley Freeway Interchange improvement included in the SANBAG Nexus Study.

Policy VFI-30: The following costs are ineligible for reimbursement from the Valley Freeway Interchange Program:

- Additional environmental or architectural enhancement not required as part of the mitigation pursuant to the approved environmental document(s) for the project.
- Project oversight costs, with the exception of construction support costs.
- Property acquired through the right-of-way acquisition process that is not required for the actual construction of a project. SANBAG will either:
    1. Reimburse the jurisdiction for the public share of the portion of the property acquisition required for the project, with the "project portion" calculated as the sales price times times the percentage of the acreage actually required for the project, or
    2. At the request of the jurisdiction, reimburse based on the difference between the total sales price of the parcel and the residual value of the excess land not needed for the construction of the project, as determined by a qualified appraisal.
- Additional project scope not included in the Project Funding Agreement between the sponsoring agency and SANBAG, except when SANBAG and the local agency mutually agree to a project scope change and amend the Project Funding Agreement.

K. Construction Cost Overruns

Policy VFI-31: Jurisdictions shall bear full responsibility for construction cost overruns, which are defined as any amount in excess of the total cost of the accepted bid and contingencies up to 10% of the construction bid. On an exception basis, SANBAG and the lead agency may agree to the modification of the project scope, and the jurisdiction may be reimbursed for the public share of the additional costs pursuant to an amendment to the Project Funding Agreement. Jurisdictions shall share construction cost overrun expenses in proportion to the shares of development mitigation responsibility specified in the Nexus Study. The private share of any cost overrun or project cost increment associated with a project shall be shared by all jurisdictions responsible for the project at the rates identified in the Nexus Study.

L. SANBAG Project Management for Valley Freeway Interchange Program Projects

Policy VFI-32: Management of projects in the Valley Freeway Interchange Program shall be the responsibility of local jurisdictions. However, SANBAG, at the option of the Board of Directors, may assume project management responsibilities for a Valley Freeway Interchange project under one or more of the following conditions:

- The public share percentage of the project is greater than 50%.
- Where federal or State funds with delivery time constraints have been secured for the project, where the funds would be withdrawn if the time constraints are not met, and where the withdrawal of funds would increase the amount of other public share funds needed to fund the project. Alternatively, a local jurisdiction may assume the lead if it agrees to be responsible for the loss of any federal or State funds withdrawn as a result of not meeting the time constraints.
- Where SANBAG staff has identified reconstruction of an interchange as necessary prior to or as part of the construction of a San Bernardino Valley Freeway Program project.

The existence of any of the above conditions shall not obligate SANBAG to manage the project.

Policy VFI-33: For projects subject to SANBAG project management pursuant to Policy VFI-32, project management costs will be included as part of the project cost and the costs will be distributed per the public and private share percentages established by the Nexus Study.

Policy VFI-34: Local jurisdictions may request that SANBAG manage interchange projects for which SANBAG does not opt to assume project management responsibilities under Policy VFI-32. SANBAG may agree to assume management responsibilities under the following conditions:

- The sponsoring agency must provide a written request for SANBAG management of the interchange project.
- SANBAG determines that it has available staff or consultant resources to manage the project.
- The request is approved by the SANBAG Board.

Subject to these conditions, a cooperative agreement specifying management services must be approved by the city council/Board of Supervisors representing the agency sponsoring the project, and the SANBAG Board.

Policy VFI-35: For projects subject to SANBAG project management pursuant to Policy VFI-34, local jurisdictions shall pay 100% of actual SANBAG project management costs, to be estimated in advance by SANBAG.

Policy VFI-36: For projects subject to SANBAG project management, SANBAG will coordinate the collection of development mitigation funds from local jurisdictions and expenditure of those funds as required to complete the project.

V. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	04/01/2009
1	Policy VFI-15: Replaced the last sentence: The prioritization list shall be updated every two years in accordance with the biennial Nexus Study update or as directed by the SANBAG Board of Directors. with: The prioritization list shall be considered for updates n conjunction with the reviews of the Expenditure Plan required in Section XIV. EXPENDITURE PLAN AMENDMENTS of the Measure I 2010-2040 ordinance. However, the SANBAG Board of Directors may request a re-evaluation of the prioritization list at any time.	11/03/2010

ATTACHMENT 3

San Bernardino Associated Governments	**Policy**	**40006**
Adopted by the Board of Directors April 1, 2009	Revised	1/4/12
Valley Major Street (VMS) Program Measure I 2010-2040 Strategic Plan	Revision No.	1

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Table of Contents

I. PURPOSE

The purpose of this policy is to delineate the requirements for administration of the Valley Major Street program for Measure I 2010-2040. The policy establishes the funding apportionment and allocation process, the process for establishing and monitoring equitable shares for individual jurisdictions, project eligibility, reimbursement mechanisms, limitations on eligible expenditures, and the role of SANBAG.

II. REFERENCES

Ordinance No. 04-01 of the San Bernardino County Transportation Authority, Exhibit A – Transportation Expenditure Plan

III. DEFINITIONS

Capital Project Needs Analysis – A five-year plan of capital project needs for each program included in the San Bernardino Valley Expenditure Plan. The CPNA includes estimates of project costs to be incurred by funding type, fiscal year, and phase for the five year period following the beginning of the subsequent State fiscal year.

Equitable Share – The percentage of Measure I Arterial Sub-program funding guaranteed to each Valley jurisdiction over the life of Measure I 2010-2040. The percentage is the ratio of public share costs for each jurisdiction's list of arterial projects to total Valley arterial public share costs in the Development Mitigation Nexus Study approved by the SANBAG Board in November 2007.

Development Share – The percentage share of total project cost assigned as the development contribution percentage as listed in the SANBAG Nexus Study.

Public Share – The share of project cost calculated as the total cost of the project minus the developer share.

Reserved Account – An account of Measure I dollars from the arterial portion of the Valley Major Street Program retained by SANBAG for each jurisdiction that can be accessed by a 1:1 match with development contributions. For each dollar of required development share pursuant to the Development Mitigation Nexus Study, one dollar is retained in the reserved account until matching funds are available.

Unreserved Account – An account representing a jurisdiction's equitable share of the arterial portion of the Valley Major Street funds minus the dollars in the reserved account. Jurisdictions may access the unreserved account with no development contribution match.

IV. POLICIES FOR THE VALLEY MAJOR STREET PROGRAM – CREATION OF SUB-PROGRAMS

Policy VMS-1: The Valley Major Street Program shall be divided into two sub-programs: 1) a Rail-Highway grade separation sub-program, and 2) an arterial sub-program.

Policy VMS-2: The SANBAG Board may vary the apportionments to each of the sub-programs from year to year. In FY 10/11 and FY 11/12, the Rail-Highway grade separation subprogram shall receive 20% of Measure I funds available in the Major Street Program.

From FY 12/13 to FY 19/20, the Rail-Highway grade separation subprogram shall receive 33% of Measure I funds available in the Major Street Program. From FY 20/21 to FY 29/30, the Rail-Highway grade separation subprogram shall receive 30% of Measure I funds available in the Major Street Program. In FY 30/31 – FY39/40, the Rail-Highway grade separation subprogram shall receive 22% of Measure I funds available in the Major Street Program.

Adjustments shall be made for the time-value of money to ensure that both sub-programs receive their equitable share of Valley Major Street Program funds over the life of the Measure, regardless of when projects are constructed.

Policy VMS-3: If it is apparent that fewer Measure I dollars are required for grade separations than the percentage allocation referenced above, all or a portion of the projected excess may be transferred to the arterial subprogram by action of the SANBAG Board of Directors.

V. POLICIES FOR THE VALLEY MAJOR STREET PROGRAM – RAIL-HIGHWAY GRADE SEPARATION SUB-PROGRAM

A. Rail-Highway Grade Separation Sub-program - Allocation of Measure I 2010-2040 Funding

Policy VMS-4: The SANBAG Board of Directors shall allocate funding to specific Valley Rail-Highway Grade Separation projects as nominated by local jurisdictions through their five-year Capital Project Needs Analysis. If nominations exceed the available funding, SANBAG shall allocate funds to sponsors of the nominated projects in order of project priority pursuant to the grade separation prioritization table in the most recent version of the Development Mitigation Nexus Study. (Note: table to be provided in the Spring 2009 update of the Nexus Study.) Fund allocation shall anticipate the Measure I public share costs in subsequent years for a project so that the intent of Policy VMS-5 below can be achieved. Funding for initial phases of projects lower on the prioritized list may be deferred depending on the outcome of the annual cash flow analysis. Timely funding through construction of projects that have already received initial allocations shall receive highest priority, even if the nominations are less than available funding for any given year.

Policy VMS-5: Allocations to a Valley rail-highway grade separation project shall be limited to the current phase of the project. However, an allocation of funds to the Project Approval and Environmental Documentation (PA&ED) phase or to a subsequent phase prior to construction shall represent a commitment by SANBAG to timely funding of the public share of the project through construction, subject to the availability of Measure I, State, and federal funds.

B. Rail-Highway Grade Separation Sub-program - Cost Reimbursement

Policy VMS-6: The Valley Rail-Highway Grade Separation Sub-program shall be administered as a cost reimbursement program. Sponsoring agencies shall enter into Project Funding Agreements with SANBAG, as specified in Policy 40001, prior to receiving authorization from SANBAG to expend funds. Following the authorization to expend funds, the sponsoring agency may incur expenses for the components of the project identified in the scope of work included in the Funding Agreement.

Policy VMS-7: On an exception basis and subject to SANBAG Board approval, the advanced reimbursement of anticipated expenses may be permissible. Only the right-of-way and construction phases are eligible and are subject to the conditions stated below.

- Right-of-way: Only right-of-way transactions in excess of $500,000 shall be considered for advance reimbursement. The advanced reimbursement shall be based on an accepted written appraisal or sales contract. Adjustments to this estimate based on actual costs shall be reconciled with SANBAG within 30 days of close of escrow and subject to the provisions governing right-of-way purchase established in Policy VMS-25.
- Construction: The advanced reimbursement shall be based on an awarded construction contract in excess of $10,000,000. The amount to be advanced to the local jurisdiction shall not be greater than 10% of the public share of total project cost or of three months estimated peak burn rate for the project, whichever is less. The advanced reimbursement shall be used to help provide liquidity to the local jurisdiction for payment to the contractor and shall be reconciled at the end of the construction phase of the project. SANBAG shall reimburse jurisdiction invoices, in addition to the advanced reimbursement amount, until the public share amount remaining in the contract is

equivalent to the advanced reimbursement, after which the advanced reimbursement shall satisfy SANBAG reimbursement requirements.

C. Rail-Highway Grade Separation Sub-program – Local Jurisdiction Invoices
Policy VMS-8: Local jurisdictions shall submit invoices to SANBAG for actual expenditures incurred for components of a grade separation project as identified in the scope of work included in the Funding Agreement. Invoices may be submitted to SANBAG as frequently as monthly.

Policy VMS-9: Local jurisdictions shall provide adequate documentation to substantiate the costs included in the invoice. At a minimum, the jurisdiction must submit the invoice provided by the contractor to the agency, which shall include unit costs, quantities, labor rates and other documentation, as appropriate, to substantiate expenses incurred by the contractor.

Policy VMS-10: The sponsoring agency shall be reimbursed for the actual project costs minus the development share documented in the SANBAG Development Mitigation Nexus Study.

D. Rail-Highway Grade Separation Sub-program - Local Jurisdiction Reimbursement Schedule
Policy VMS-11: SANBAG shall reimburse the local jurisdiction for eligible expenditures within 30 days of receiving a complete and satisfactory invoice package as described in Policy VMS-9.

E. Rail-Highway Grade Separation Sub-program Eligible Projects
Policy VMS-12: Valley rail-highway grade separation projects included within the SANBAG Development Mitigation Nexus Study, as periodically updated, are the only projects eligible to be funded by the Valley Rail-Highway Grade Separation Sub-program.

Policy VMS-13: No new project shall be added to the Valley Rail-Highway Grade Separation Project List included in the Nexus Study unless the sponsoring agency can provide a comparable reduction in the public share cost, either by eliminating another grade separation project of comparable cost or increasing the fair share collection so as to avoid a net increase in public share cost, as adjusted for inflation.

F. Rail-Highway Grade Separation Sub-program - Prioritization
Policy VMS-14: Valley Rail-Highway Grade Separation Sub-program funding, if available, shall be allocated to projects nominated by local jurisdiction sponsors and in accordance with the prioritization list included in the most recent version of the Development Mitigation Nexus Study. (Note: table to be provided in the Spring 2009 update of the Nexus Study.) . Nominations by sponsoring agencies occur through inclusion of the candidate project in the sponsor's five-year CPNA for the year of the requested allocation.

Policy VMS-15: The Valley Rail-Highway Grade Separation Sub-program prioritization list shall be updated every two years, in conjuction with updates of the Nexus Study.

Policy VMS-16: A local jurisdiction may begin expenditure of funds following the execution of a Project Funding Agreement, which shall include the scope of work of a project or project phase and a commitment to provide the development share of the funding through all the phases of the project. The Funding Agreement shall be executed by the local jurisdiction and SANBAG prior to the expenditure of funding on any phase of the project. Local jurisdictions shall not be reimbursed for any costs incurred prior to the execution of the Funding Agreement.

Policy VMS-17: Local jurisdictions that desire to deliver a Valley Rail-Highway Grade Separation Sub-program project to which funds cannot be allocated in a given year shall be eligible for reimbursement through the Advanced Expenditure process outlined in Policy 40002.

G. Rail-Highway Grade Separation Sub-program - Development Mitigation Fair Share Loans and Loan Repayment
Policy VMS-18: On an exception basis, project sponsors may request loans from SANBAG for the development share to facilitate project delivery. Any such loan is subject to approval by the SANBAG Board of Directors. Approved loans of Measure I to cover a development mitigation fair share requirement shall be subject to the following terms to avoid disadvantage to other jurisdictions:

- Repayment shall include interest equivalent to the annual yield for the most recent fiscal year for the Local Agency Investment Fund (LAIF).
- The repayment term shall be based on a fixed-term repayment schedule established within the loan agreement. No loan shall be granted a repayment period greater than 10 years.

- Failure to make payments consistent with the terms of the loan agreement will result in the jurisdiction's loss of access to new allocations of Measure I 2010-2040 Valley Major Street and Valley Freeway Interchange Program funds until payments are brought back to a level consistent with the terms of the loan agreement.
- SANBAG reserves the right to audit local jurisdiction development mitigation accounts to verify development fee collections used as the basis of loan repayment.

Policy VMS-19: Jurisdictions may borrow from other internal accounts (i.e. within their own jurisdictions) to fund the development share for projects. The internal accounts shall be reimbursed by development mitigation as development occurs.

H. Rail-Highway Grade Separation Sub-program - Development Mitigation Fair Share Credit Agreements

Policy VMS-20: Local jurisdictions and developers shall be allowed to enter into credit agreements or other arrangements for developer provision of roadway improvements approved by the City Council/Board of Supervisors. Such agreements shall be strictly between the local jurisdiction and the developer. Jurisdictions are advised to provide for SANBAG review of credit agreements or other arrangement to ensure they are structured in a way that will adequately document private share costs for which the jurisdiction desires credit.

Policy VMS-21: A copy of the credit agreement or other developer credit documentation and invoices to substantiate quantities and unit costs for developer work on a Nexus Study project shall be provided when a local jurisdiction submits an invoice for reimbursement.

Policy VMS-22: Local jurisdictions that submit an invoice involving a credit agreement or other arrangement for developer provision of roadway improvements shall separate the development mitigation portion of construction costs from any non-development mitigation portion of the development project in a verifiable fashion.

Policy VMS-23: Reimbursement shall occur for only the public share of the Nexus Study project costs.

I. Rail-Highway Grade Separation Sub-program - Eligible Expenditures

Policy VMS-24: Eligible Valley Rail-Highway Grade Separation Sub-program expenditures shall include the costs for project phases of any Valley grade separation project included in the SANBAG Nexus Study and as specifically documented in the Funding Agreement.

Policy VMS-25: The following costs are ineligible for reimbursement from the Valley Rail-Highway Grade Separation Sub-program:

- Additional environmental or architectural enhancement not required as part of the mitigation pursuant to the approved environmental document(s) for the project.
- Project oversight costs, with the exception of construction support costs.
- Property acquired through the right-of-way acquisition process that is not required for the actual construction of a project. SANBAG will either:
    1. Reimburse the jurisdiction for the public share of the portion of the property acquisition required for the project, with the "project portion" calculated as the sales price times times the percentage of the acreage actually required for the project, or
    2. At the request of the jurisdiction, reimburse based on the difference between the total sales price of the parcel and the residual value of the excess land not needed for the construction of the project, as determined by a qualified appraisal.
- Additional project scope not included in the Funding Agreement between the sponsoring agency and SANBAG, except when SANBAG and the local agency mutually agree to a project scope change and amend the Project Funding Agreement.

J. Rail-Highway Grade Separation Sub-program - Construction Cost Overruns

Policy VMS-26: Jurisdictions shall bear full responsibility for construction cost overruns, which are defined as any amount in excess of the total cost of the accepted bid and contingencies up to 10% of the construction bid. On an exception basis, SANBAG and the local jurisdiction may agree to the modification of the project scope, and the jurisdiction may be reimbursed for the public share of the additional costs pursuant to an amendment to the Project Funding Agreement. The private share of any cost overrun or project cost increment associated with a project shall be shared by all jurisdictions responsible for the project at the rates identified in the Nexus Study.

K. SANBAG Project Management for Rail-Highway Grade Separation Sub-program Projects
Policy VMS-27: Management of projects in the Rail-Highway Grade Separation Sub-program projects shall be the responsibility of local jurisdictions. However, SANBAG, at the option of the Board of Directors, may assume project management responsibilities for a Rail-Highway Grade Separation project under one or more of the following conditions:

- The public share percentage of the project is greater than 50%.
- Where federal or State funds with delivery time constraints have been secured for the project, where the funds would be withdrawn if the time constraints are not met, and where the withdrawal of funds would increase the amount of other public share funds needed to fund the project. Alternatively, a local jurisdiction may assume the lead if it agrees to be responsible for the loss of any federal or State funds withdrawn as a result of not meeting the time constraints.

The existence of any of the above conditions shall not obligate SANBAG to manage the project.

Policy VMS-28: For projects subject to SANBAG project management pursuant to Policy VMS-27, project management costs shall be included as part of the project cost and the costs will be distributed per the public and private share percentages established by the Nexus Study.

Policy VMS-29: Local jurisdictions may request that SANBAG manage grade separation projects for which SANBAG does not opt to assume project management responsibilities under Policy VMS-27. SANBAG may agree to assume management responsibilities under the following conditions:

- The sponsoring agency must provide a written request for SANBAG management of the grade separation project.
- SANBAG determines that it has available staff or consultant resources to manage the project.
- The request is approved by the SANBAG Board.

Subject to these conditions, a cooperative agreement specifying management services must be approved by the city council/Board of Supervisors representing the agency sponsoring the project, and the SANBAG Board.

Policy VMS-30: For projects subject to SANBAG project management pursuant to Policy VMS-27, local jurisdictions shall pay 100% of actual SANBAG project management costs, to be estimated in advance by SANBAG.

VI. POLICIES FOR THE VALLEY MAJOR STREET PROGRAM – ARTERIAL SUB-PROGRAM
A. Arterial Sub-program - Allocation of Measure I 2010-2040 Funding
Policy VMS-31: An equitable share percentage of Arterial Sub-program funds shall be guaranteed to each jurisdiction over the 30-year life of the Measure, subject to the qualifications stated in the policies below. The equitable share percentages shall be based on the Development Mitigation Nexus Study update approved by the SANBAG Board in November 2007 and provided for reference in Part 1 of the Strategic Plan, Section IV.B.6.

Policy VMS-32: The SANBAG Board shall apportion Measure I dollars to the Arterial Sub-program and to Valley jurisdictions, based on the equitable share percentages for arterial projects in Table IV-4 in Part 1 of the Strategic Plan. SANBAG staff shall maintain a cumulative accounting of jurisdiction apportionments, adding new apportionments to jurisdictions' accounts each year. Measure I funds shall be retained by SANBAG until reimbursed to jurisdictions based on invoices received.

Policy VMS-33: Equitable shares may be adjusted based on annexation of unincorporated areas into a city. SANBAG shall recalculate the equitable shares based on the redistribution of growth between the base year (2004) and the forecast year (2030). The adjustment shall be approved by the SANBAG Board and included in an amendment to the Development Mitigation Nexus Study.

Policy VMS-34: Each annual apportionment of Measure I dollars to a jurisdiction shall be split into reserved and unreserved portions. The reserved portion shall equal the development fair share percentage of the apportioned amount.

Policy VMS-35: SANBAG shall make time-value of money adjustments to ensure that each jurisdiction receives its equitable share of Measure I arterial subprogram funding, regardless of whether it delivers its projects early or later in the 2010-2040 period. The adjustments shall be made in accordance with Policy 40001.

Policy VMS-36: Borrowing may be authorized by the SANBAG Board from the unused portion of jurisdiction accounts to deliver projects in other Valley programs or to reimburse another jurisdiction for early delivery of Major Street Program projects.

- Borrowing to fund projects in another jurisdiction shall be limited such that no jurisdiction gets more than five years ahead of its projected equitable share.
- This cap shall be reduced in the last 10 years of Measure I 2010-2040 to ensure that equitable shares are achieved by 2040.
- SANBAG shall be responsible for ensuring that the borrowing of apportionments does not jeopardize the timely reimbursement of expenditures for any of the Valley jurisdictions that have sufficient apportionments to fund their projects.

B. Arterial Sub-program – Jurisdiction Master Agreement

Policy VMS-37: A Jurisdiction Master Agreement shall be executed between SANBAG and each local jurisdiction in the Valley documenting the procedures to be employed in implementing the Valley Arterial Sub-program. The agreement shall also include information such as project eligibility criteria, apportionment process, equitable share percentages, invoicing procedures, reimbursement commitments, and rights of SANBAG to audit local jurisdiction transactions and accounts associated with the expenditure of Arterial Sub-program funds and development mitigation accounts.

Policy VMS-38: The Jurisdiction Master Agreement shall reference the table of local jurisdiction cumulative apportionments to be approved by the SANBAG Board in approximately January of each year.

C. Arterial Sub-program - Cost Reimbursement

Policy VMS-39: Jurisdictions may access Measure I revenue available in both the reserved and unreserved portions of their account by submitting project expenditure invoices to SANBAG, subject to the Jurisdiction Master Agreement and to the additional policies stated below.

Policy VMS-40: The reserved portion of a jurisdiction's account may be accessed (i.e. reimbursed to a jurisdiction) on a 1:1 basis as development dollars are expended on projects, up to the cumulative apportionment in jurisdiction accounts. Thus, the entire reserved portion of the account may be accessed if an equivalent expenditure occurs from development contributions.

Policy VMS-41: The unreserved portion may be accessed without a development mitigation requirement, up to the current apportionment limit, by submitting invoices for actual project expenditures to SANBAG

Policy VMS-42: SANBAG shall maintain ongoing documentation of cumulative apportionments for reserved and unreserved accounts for each jurisdiction, expenditures that have drawn down those accounts, and current account balances. The information shall be reported annually to the appropriate policy and technical committees and shall be available to jurisdictions on a request basis.

Policy VMS-43: On an exception basis and subject to SANBAG Board approval, the advanced reimbursement of anticipated expenses may be permissible. Only the right-of-way and construction phases are eligible and are subject to the conditions stated below.

- Right-of-way: Only right-of-way transactions in excess of $500,000 shall be considered for advance reimbursement. The advanced reimbursement shall be based on an accepted written appraisal or sales contract. Adjustments to this estimate based on actual costs shall be reconciled with SANBAG within 30 days of close of escrow and subject to the provisions governing right-of-way purchase established in Policy VMS-50.
- Construction: The advanced reimbursement shall be based on an awarded construction contract in excess of $5,000,000. The amount to be advanced to the local jurisdiction shall not be greater than 10% of the public share of total project cost or of three months estimated peak burn rate for the

project, whichever is less. The advanced reimbursement shall be used to help provide liquidity to the local jurisdiction for payment to the contractor and shall be reconciled at the end of the construction phase of the project. SANBAG shall reimburse jurisdiction invoices, in addition to the advanced reimbursement amount, until the public share amount remaining in the contract is equivalent to the advanced reimbursement, after which the advanced reimbursement shall satisfy SANBAG reimbursement requirements.

Policy VMS-44: The advance expenditure process referenced in Policy 40002 allows jurisdictions to expend funds in excess of their cumulative apportionment, with delayed reimbursement. The public share of advance expenditures shall be reimbursed when future apportionments are authorized. Access to unreserved and reserved accounts shall be tracked separately.

D. Arterial Sub-program – Local Jurisdiction Reimbursement

Policy VMS-45: Local jurisdictions may submit invoices to SANBAG for actual expenditures incurred for components of any arterial project listed within the first two years of their current CPNA. Invoices may be submitted to SANBAG as frequently as monthly.

Policy VMS-46: Local jurisdictions shall provide adequate documentation to substantiate the costs included in the invoice. At a minimum, the jurisdiction must submit the invoice provided by the contractor/consultant, which shall include unit costs, quantities, labor rates, and other documentation, as appropriate, to substantiate expenses incurred by the contractor/consultant.

Policy VMS-47: Local jurisdictions shall be reimbursed for the actual project costs minus the development share documented in the SANBAG Development Mitigation Nexus Study.

Policy VMS-48: SANBAG shall reimburse local jurisdictions for eligible expenditures within 30 days of receiving a complete and satisfactory invoice package, which shall include all backup and support materials required to substantiate the expenditures.

E. Arterial Sub-program - Eligible Expenditures

Policy VMS-49: Eligible Arterial Sub-program expenditures shall include the costs for project phases of any Valley arterial project included in the SANBAG Nexus Study.

Policy VMS-50: The following costs are ineligible for reimbursement from the Arterial Sub-program:

- Additional environmental or architectural enhancement not required as part of the mitigation established in the environmental document(s) prepared for a project.
- Project oversight costs in excess of 2% of the cumulative invoice amount, with the exception of construction support costs. Project oversight costs for in-house or consultant staff must be included in the Nexus Study project costs and be supported by the necessary documentation in the invoice package.
- Property acquired through the right-of-way acquisition process that is not required for the actual construction of a project. SANBAG will either:
    1. Reimburse the jurisdiction for the public share of the portion of the property acquisition required for the project, with the "project portion" calculated as the sales price times times the percentage of the acreage actually required for the project, or
    2. At the request of the jurisdiction, reimburse based on the difference between the total sales price of the parcel and the residual value of the excess land not needed for the construction of the project, as determined by a qualified appraisal.
- Additional project scope not included in the Project Funding Agreement between the sponsoring agency and SANBAG, except when SANBAG and the local agency mutually agree to a project scope change and amend the Project Funding Agreement.

Policy VMS- 51: SANBAG shall not reimburse a jurisdiction for expenditures on projects that are not listed in the Nexus Study or the local jurisdiction development impact fee plan.

Policy VMS-52: SANBAG shall reimburse jurisdictions for the public share of eligible project expenses, including reimbursement requested for costs in excess of prior cost estimates, up to the jurisdiction's current apportionment limit. All expenditures, including any overrun amounts shall be included as part of the equitable share calculation for the responsible jurisdiction.

F. Arterial Sub-program - Development Mitigation Fair Share Loans and Loan Repayment
Policy VMS-53: Jurisdictions may borrow from other internal accounts (i.e. within their own jurisdictions) to fund the development share for projects. The internal accounts shall be reimbursed by development mitigation as development occurs.

Policy VMS-54: Loans for development shares shall not be available from SANBAG for projects in the Arterial Sub-program.

G. Arterial Sub-program - Development Mitigation Fair Share Credit Agreements
Policy VMS-55: Local jurisdictions and developers shall be allowed to enter into credit agreements or other arrangements for developer provision of roadway improvements approved by the City Council/Board of Supervisors. Such agreements shall be strictly between the local jurisdiction and the developer.

Policy VMS-56: A copy of the credit agreement or other developer credit documentation and invoices to substantiate quantities and unit costs for developer work on a Nexus Study project shall be provided when a local jurisdiction submits an invoice for reimbursement.

Policy VMS-57: Local jurisdictions that submit an invoice involving a credit agreement or other arrangement for developer provision of roadway improvements shall separate the development mitigation portion of construction costs from any non-development mitigation portion of the development project in a verifiable fashion.

Policy VMS-58: Reimbursement shall occur for only the public share of the Nexus Study project costs.

VII. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	04/01/2009
1	Par. IV: Revisions to Policy VMS-2 and Policy VMS-3 – revises the apportionments to the Rail-Highway Grade Separation sub-program and the Arterial sub-program.	01/04/2012

ATTACHMENT 3

San Bernardino Associated Governments		Policy	40021
Adopted by the Board of Directors	October 5, 2011	Revised	10/5//11
Short-Term Cash Flow Borrowing Between Measure I Subareas or Programs Measure I 2010-2040 Strategic Plan		Revision No.	0

Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SANBAG Intranet.

Table of Contents

I. PURPOSE
The purpose of this policy is to provide a framework and identify parameters for short-term cash flow borrowing between Measure I 2010-2040 subareas or programs unused portions (based on funds not currently being used in the loaning programs).

II. REFERENCES
Measure I 2010-2040 Strategic Plan, Part I, Section III Measure I Strategic Plan Framework, Subsection IIIB.3 Strategy 3: Accelerate Project Delivery Through Borrowing Where Appropriate

Measure I 2010-2040 Strategic Plan Policy 40006 VMS-36

III. DEFINITION
Cash Flow Borrowing: Short-term loans between certain Measure I Subareas or Programs to expedite project delivery and reduce outside borrowing costs whenever possible.

IV. MEASURE I PROGRAMS
Measure I 2010-2040 cash flow borrowing will be limited to the Valley Freeway, Valley Interchange, Valley Major Streets, Valley Metrolink/Rail, Valley Express Bus/BRT, Valley Traffic Management Systems, Mountain/Desert Project Development and Traffic Management Systems, Mountain/Desert Major Local Highway, and Cajon Pass programs. Cash flow borrowing will not adversely impact funds that would otherwise be available to a Measure I subarea or program.

Cash flow borrowing will also be allowed from Measure I 1990-2010 Valley Major Projects to the aforementioned Measure I 2010-2040 programs. Valley and Mountain/Desert Administration, Elderly and Disabled Transit, and Local Street Projects programs are excluded from cash flow borrowing.

V. IDENTIFYING CASH FLOW BORROWING NEEDS
Cash flow borrowing needs will be identified each year during the preparation of the annual budget. The dollar amount borrowed from one Measure I 2010-2040 program to another will be calculated upon adoption of the budget and recorded as an advance to and/or between the affected programs at the beginning of the new fiscal year. The budget will provide for repayment of loans under Task 0985, Fund Advances.

When budget amendments, which create additional cash flow borrowing, are approved by the Board of Directors, they will be recorded at the beginning of the month that the budget amendment is approved.

VI. INTEREST RATE ON SHORT-TERM CASH FLOW BORROWING
The interest rate to be charged for short-term cash flow borrowing between programs will be the average investment yield of the SANBAG operating reserve investment portfolio from the previous fiscal year. The rate will be simple interest for the entire year and prorated for mid-year cash flow borrowing.

VII. CASH FLOW BORROWING REPAYMENT

Cash flow borrowing between Measure I programs will be repaid at the time the funds are required by the loaning program, not to exceed five years of the initial borrowing.

Extensions are allowed on a need basis with the approval of the Board of Directors. Repayment can be from future Measure I program sales tax revenue, bonded indebtedness, and/or other revenues.

VIII. CASH FLOW BORROWING LIMITATIONS

Cash flow borrowing will be limited by the following:

- The ability of the borrowing program to service the debt on a long-term bond issue.
- The need of the loaning program to be reimbursed.
- Adherence to the Measure I expenditure plan share of funds between programs.

IX. CASH FLOW BORROWING EXCEPTIONS

Exceptions to the cash flow borrowing between Measure I programs will require approval from the Board of Directors.

X. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	10/05/11

Attachment 4

MEASURE I 2010- 2040
Project Advancement Program - Project Status

Valley Freeway Interchange Projects--WITH EXISTING PAA AGREEMENT

Agency	Contract No.	Board Approval	Agenda Item	Project Location	Project Description	Cost Estimate	Measure Share
Yucaipa	C07047	08/02/2006	brd0608a-abz	I-10 at Oak Glen/Live Oak	Interchange Reconstruction	$18,403,246	$6,286,672
Fontana	C07129	12/06/2006	brd0612b-abz	I-15 at Duncan Canyon Rd	Construct New Interchange	$18,000,000	$4,068,000
Rialto	C07170	04/04/2007	brd0704c-abz	I-10 at Riverside Avenue	Interchange Reconstruction	$30,400,000	$17,382,581

TOTAL MEASURE COMMITMENT TO VALLEY FREEWAY INTERCHANGE PROJECTS **$27,737,253**

Valley Major Street Projects --WITH EXISTING PAA AGREEMENT

Agency	Contract No.	Board Approval	Agenda Item	Project Location	Project Description	Cost Estimate	Measure Share
Chino Hills	C07022	07/05/2006	brd0607b-abz	Peyton Dr	Widen from Grand Av to Chino Hills Pkwy	$15,167,000	$8,202,776
					TOTAL MEASURE COMMITMENT TO CHINO HILLS		**$8,202,776**
Fontana	C07058	12/06/2006	brd0612b-abz	Baseline Ave.	Widen from Citrus Ave to 330' East of Mango Ave	$7,550,000	$5,134,000
Fontana	C07059	12/06/2006	brd0612b-abz	Cherry Ave	Widen from Jurupa Ave to Slover Ave	$3,110,000	$2,114,800
Fontana	C07060	12/06/2006	brd0612b-abz	Foothill Ave	Widen from East Ave to Hemlock Ave	$7,400,000	$5,032,000
Fontana	C07061	12/06/2006	brd0612b-abz	Sierra Ave	Widen from Baseline Ave to Walnut Ave	$7,800,000	$5,304,000
Fontana	C07062	12/06/2006	brd0612b-abz	Jurupa Ave	Widen from Etiwanda Ave to Sierra Ave	$12,000,000	$8,160,000
Fontana	C07063	12/06/2006	brd0612b-abz	Citrus Ave	Widen form Baseline Ave to So. Highland Ave	$4,000,000	$2,720,000
Fontana	C07064	12/06/2006	brd0612b-abz	Walnut Ave	Widen from Citrus Ave. to Sierra Ave	$4,200,000	$2,856,000
Fontana	C07065	12/06/2006	brd0612b-abz	So. Highland Ave	Widen from San Sevaine Rd to Citrus Ave	$4,000,000	$2,720,000
Fontana	C07066	01/10/2007	brd0701a-abz	Cypress Ave	Construct Overcrossing at I-10	$20,000,000	$10,245,502
					TOTAL MEASURE COMMITMENT TO FONTANA		**$44,286,302**
Highland	C08016	10/03/2007	brd0710a-abz	Greenspot Rd	Improvements (widening) from SR-30 to Boulder Ave	$2,710,000	$523,416
					TOTAL MEASURE COMMITMENT TO HIGHLAND		**$523,416**
R Cucamonga	C07025	08/02/2006	brd0608b-abz	Haven Ave	Construct Grade Separation	$15,910,000	$13,856,000
					TOTAL MEASURE COMMITMENT TO RANCHO CUCAMONGA		**$13,856,000**
Yucaipa	C07098	10/04/2006	brd0610a-abz	Yucaipa Blvd	Widen South Side from 5th St to 12th St	$2,898,400	$1,224,750
Yucaipa	C07099	10/04/2006	brd0610b-abz	Oak Glen Rd	Widen from 2nd St to Bryant	$500,000	$345,000
Yucaipa	C07100	10/04/2006	brd0610c-abz	Oak Glen Rd	Widen from Yucaipa Bl to Avenue E	$1,800,000	$1,242,000
Yucaipa	C07101	10/04/2006	brd0610d-abz	Wildwood Canyon Rd	Intersection Improvements at 5th St	$551,605	$380,880
					TOTAL MEASURE COMMITMENT TO YUCAIPA		**$3,192,630**

TOTAL MEASURE COMMITMENT TO VALLEY MAJOR STREET PROJECTS **$70,061,124**

Valley Freeway Interchange Projects-- New PAA Agreements

Agency	Contract No.	Board Approval	Agenda Item	Project Location	Project Description	Cost Estimate	Measure Share
SB County	C10092	05/05/2010	brd1005a-pc	I-10 Pepper Ave	I-10 Freeway Interchange	$10,000,000	$6,600,000

TOTAL MEASURE COMMITMENT TO VALLEY FREEWAY INTERCHANGE PROJECTS **$6,600,000**

~~Attachment 4~~

Valley Major Street Projects-- New PAA Agreements

Agency	Contract No.	Board Approval	Agenda Item	Project Location	Project Description	Cost Estimate	Measure Share
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Haven Ave	Widening from Baseline Rd to I-210 Fwy Westside	$6,000,000	$4,260,000
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Church St	Widening from Archibald to Haven 2 to 4 lanes	$1,152,000	$817,920
R Cucamonga	C09182	05/05/2010	brd1005a-pc	4th and Richmond	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	4th and Utica	New traffic signal (50% Ontario)	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	6th and Buffalo	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	6th and Utica	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Archibald and Banyan	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Archibald and San Bernardino	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Archibald and Victoria	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Arrow and Center	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Banyan and Wardman Bullock	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Camelian and Wilson	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Church and Elm	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Day Creek and Madrigal	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Foothill and Cornwall	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Foothill and East Ave	New Traffic signal (50% Fontana)	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Foothill and Malachite	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Haven and Trademark	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Haven and Wilson	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Hermosa and Church	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Wilson and San Sevaine	New traffic signal	$158,000	$112,180
R Cucamonga	C09182	05/05/2010	brd1005a-pc	Wilson and Wardman Bullock	New traffic signal	$158,000	$112,180
					TOTAL MEASURE COMMITMENT TO RANCHO CUCAMONGA		**$7,321,520**
Chino	C09184	05/05/2010	brd1005a-pc	Chino Avenue	Widen from Fern to Euclid (2 to 4 lanes)	$4,565,000	$2,236,850
Chino	C09184	05/05/2010	brd1005a-pc	Kimball Ave	Widen from Euclid to Hellman (2 to 4 lanes)	$6,661,000	$3,263,890
Chino	C09184	05/05/2010	brd1005a-pc	Pine and Mill Creek	New traffic signal	$181,000	$88,690
Chino	C09184	05/05/2010	brd1005a-pc	Pine and West Preserve Loop	New traffic signal	$181,000	$88,690
Chino	C09184	05/05/2010	brd1005a-pc	Fern and Riverside Dr.	New traffic signal	$201,000	$98,490
					TOTAL MEASURE COMMITMENT TO CHINO		**$5,776,610**
Rialto	C09183	05/05/2010	brd1005a-pc	Bloomington Ave and Willow Ave	New traffic signal	$395,000	$237,000
Rialto	C09183	05/05/2010	brd1005a-pc	Merrill Ave and Willow Ave	New traffic signal	$282,000	$169,200
Rialto	C09183	05/05/2010	brd1005a-pc	Cactus Ave and Walnut Ave	New traffic signal	$282,000	$169,200
Rialto	C09183	05/05/2010	brd1005a-pc	Cactus and Randall Ave	New traffic signal	$282,000	$169,200
Rialto	C09183	05/05/2010	brd1005a-pc	Riverside Ave and Alder Ave	New traffic signal	$282,000	$169,200
					TOTAL MEASURE COMMITMENT TO RIALTO		**$913,800**
Highland	C09185	05/05/2010	brd1005a-pc	9th Street	9th Street from Cunningham Street to 192' east of Cunningham Street (South side only)	$26,587	
Highland	C09185	05/05/2010	brd1005a-pc	9th Street	9th Street from 380' east of Cunningham Street to 920' east of Cunningham Street (South side only)	$98,662	
Highland	C09185	05/05/2010	brd1005a-pc	9th Street	9th Street from Elmwood Street to Sterling Avenue (South side only)	$506,424	
					SUB TOTAL	**$631,673**	
					Safe route to school (buydown total cost)	-$317,002	
					TOTAL COST AFTER BUYDOWN (53.6%)	**$314,671**	**$168,664**
					TDA Article 3 (buydown public share)	-75970	
					TOTAL MEASURE COMMITMENT TO HIGHLAND		**$92,694**
					TOTAL MEASURE COMMITMENT TO VALLEY MAJOR STREETS PROJECTS (NEW)		**$14,104,624**
					TOTAL MEASURE COMMITMENT TO VALLEY MAJOR STREETS PROJECTS (ALL PAAs)		**$84,165,748**
					TOTAL MEASURE COMMITMENT TO VALLEY FREEWAY INTERCHANGE PROJECTS (ALL PAAs)		**$34,337,253**