



CITY/COUNTY MANAGERS TECHNICAL ADVISORY COMMITTEE

THURSDAY, September 1, 2016

10:00 AM

LOCATION:

***SANBAG
Board Room - First Floor Lobby
1170 W. 3rd Street, 2nd Floor, San Bernardino, CA 92410***

Introductions

Council of Governments

- 1. Community Choice Aggregation (CCA) Feasibility Study – Duane Baker, SANBAG and Gary Saleba, EES Consulting (EES)**

SANBAG has been conducting a feasibility study and drafting a business plan for CCA in the Inland Empire. This work is being done in cooperation with the two Council of Governments (COGs) in Riverside County. Gary Saleba, President/CEO of EES, our consulting team conducting the study, will present the initial findings on whether CCA would save money for rate payers and what steps need to be taken if we were to proceed with forming a CCA.

- 2. Status update of SANBAG's 2015/2016 Legislative Platforms and 2017/2018 Legislative Platforms Call for Comment - Otis Greer, SANBAG - (Attachments)**

Receive status of SANBAG's 2015/2016 legislative platforms and provide comments for 2017/2018 updated platforms by September 26, 2016.

Transportation

- 3. Interchange Phasing Program – Tim Byrne, SANBAG - (Attachment)**

The Valley Freeway Interchange Program Policy is being updated to incorporate an interchange phasing program. The draft policy is a culmination of coordination with local jurisdictions, technical analysis and direction provided by the City/County Manager Ad-Hoc Committee. Staff will present an overview of the revised interchange policy to incorporate a phasing program.

Adjournment

Our next scheduled meeting date is Thursday, October 6, 2016

Meeting Procedures and Rules of Conduct

Meeting Procedures - The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Board of Directors and Policy Committees.

Accessibility - The SANBAG meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk's telephone number is (909) 884-8276 and office is located at 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Agendas – All agendas are posted at 1170 W. 3rd Street, 1st Floor, San Bernardino at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed at the SANBAG offices located at 1170 W. 3rd Street, 2nd Floor, San Bernardino and our website: www.sanbag.ca.gov.

Agenda Actions – Items listed on both the “Consent Calendar” and “Discussion” contain recommended actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors or unanimous vote of members present as provided in the Ralph M. Brown Act Government Code Sec. 54954.2(b).

Closed Session Agenda Items – Consideration of closed session items excludes members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.

Public Testimony on an Item – Members of the public are afforded an opportunity to speak on any listed item. Individuals wishing to address the Board of Directors or Policy Committee Members should complete a “Request to Speak” form, provided at the rear of the meeting room, and present it to the Clerk prior to the Board's consideration of the item. A "Request to Speak" form must be completed for each item an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. Members of the public requesting information be distributed to the Board of Directors must provide 40 copies of such information in advance of the meeting, except for noticed public hearings. Information provided as public testimony is not read into the record by the Clerk.

The Consent Calendar is considered a single item, thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.

Agenda Times – The Board is concerned that discussion take place in a timely and efficient manner. Agendas may be prepared with estimated times for categorical areas and certain topics to be discussed. These times may vary according to the length of presentation and amount of resulting discussion on agenda items.

Public Comment – At the end of the agenda, an opportunity is also provided for members of the public to speak on any subject within the Board’s authority. Matters raised under “Public Comment” may not be acted upon at that meeting. “Public Testimony on any Item” still applies.

Disruptive or Prohibited Conduct – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive or prohibited conduct includes without limitation addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, bringing into the meeting any type of object that could be used as a weapon, including without limitation sticks affixed to signs, or otherwise preventing the Board from conducting its meeting in an orderly manner. Your cooperation is appreciated!

SANBAG 2015-2016 Federal Legislative Platform

The legislative platform serves as the basis to proactively engage in policy and legislative initiatives that will enable the San Bernardino Associated Governments (SANBAG) to deliver projects and programs that meet the needs of our region. This document also guides staff recommendations to the SANBAG Board of Directors on federal legislative, regulatory, and administrative matters that are anticipated to be addressed.

SANBAG will continue to partner with public and private sector entities to support common objectives in Washington DC and foster the unity of the Southern California region.

I. Funding

- a) Seek the highest level of federal transportation dollars to California and San Bernardino County for SANBAG projects and programs including, but not limited to: interstate highways; transit capital and operations in order to help to meet federal environmental goals; intercity commuter, and higher speed rail; goods movement; intelligent transportation systems and new technologies that maximize existing infrastructure; safety, maintenance, and operations funding for all modes; and regional airport ground access and development needs.
- b) Support extending and expanding the federal Surface Transportation bill, Moving Ahead for Progress in the 21st Century (MAP-21).
- c) Support regional consensus building efforts for potential new funding strategies for transportation.
- d) Oppose efforts to eliminate or erode contract authority for the Highway Trust Fund without identifying a new dedicated, sustainable revenue source of an equal or greater amount.
- e) Support efforts to maintain the principle that transportation-based revenue should be reserved only for transportation purposes.
- f) Oppose any reduction in transportation programs in order to meet deficit reduction goals or fund other projects and programs. If funding is reduced, it should occur concurrently with reductions in federal regulatory and oversight provisions.
- g) Support the Transportation Infrastructure Finance and Innovation Act program which provides Federal credit assistance in the form of direct Treasury loans, loan guarantees, and lines of credit to finance highway, rail, and green energy projects of national and regional significance.
- h) Support Build America Bonds and America Fast Forward programs to help states and localities pursue needed capital for infrastructure.
- i) Advocate for the protection of current transportation revenues, additional flexibility for existing revenues, and an accelerated national investment in infrastructure.
- j) Support the implementation of MAP-21 at established funding levels with respect for the roles and responsibilities in existence in each region for project selection and discretion in allocation decisions. Additionally ensure that any extension of MAP-21 or any new reauthorization effort align programs with traditional roles and responsibilities for each region with respect to project selection and allocation decisions, as appropriate.
- k) Ensure that the streamlining provisions of MAP-21 are implemented in a timely manner and in a manner that provides the maximum benefits to project delivery schedules. Seek to include provisions in the next surface transportation bill to ensure that as MAP-21 rulemaking continues, a mechanism exists to evaluate the implementation efforts and suggest modifications as needed.

II. Council of Governments

- a) Support efforts for Council of Government development and funding.
- b) SANBAG will work with the Congressional delegation and local stakeholders to aggressively advocate for legislation, budget actions or proposals that transfer Ontario International Airport to local control in recognition of the benefits of its goods movement and passenger travel to San Bernardino County and the State of California.
- c) Support legislation and administrative actions that enable the implementation of the Property Assessed Clean Energy (PACE) program in San Bernardino County.
- d) Support the rescission of Federal Housing Financing Authority guidance regarding Fannie Mae and Freddie Mac's discontinuation of mortgage guarantees in order to grow and sustain the PACE program in San Bernardino County.
- e) Support initiatives, legislation, and regulatory actions that incentivize the attraction, retention, and growth of businesses and employment in San Bernardino County.
- f) Support efforts to ensure that any legislation creating a National Recreation Area (NRA) in the San Gabriel and San Bernardino Mountains and surrounding urban areas should include a governance structure with representatives from at least the impacted cities, as well as the County and/or the San Bernardino Associated Governments; the protection of existing land use authorities, private property rights, water rights, transportation needs, and ability to develop future infrastructure as needed; and fully evaluates the potential impacts of including any additional elements such as a Wilderness or Wild and Scenic designation before these new layers are included in legislation.

III. Goods Movement

- a) SANBAG will advocate for federal investment in goods movement infrastructure, and policies that properly recognize Southern California and San Bernardino County's role as the nation's premier containerized freight gateway.
- b) Support targeted funding for goods movement projects of national significance that are beyond the funding capacity of local and state transportation programs and budgets (e.g. dedicated exclusive clean truck lanes).
- c) Advocate that any federal goods movement program is funded at a level that is commensurate with national needs and ensure that such funds are protected from diversion for other uses through the designation of a trust fund.
- d) Ensure that revenues generated by any fee that is levied on freight be specifically designated to fund projects that mitigate congestion, air quality, and community impacts directly associated with the movement of freight, and a clear causal relationship should exist between the freight system on which fees are levied and the impacts to be mitigated.
- e) Ensure that revenue collected on freight be administered in partnership with local and regional elected officials and entities impacted by freight movement. SANBAG should be included in any governance structure dealing with revenue collected from freight moved through San Bernardino County.
- f) Support development of a national/regional freight movement plan with clearly defined ports and corridors and inland improvement needs to provide for timely, reliable freight transport, timely implementation of freight-related strategies needed for attainment of federal health-based air quality standards and mitigation of freight-related impacts in communities.
- g) Ensure that federal goods movement legislation imposes no unfunded mandates for administration or oversight regarding new revenue mechanisms and to retain control over project implementation at the local level.

- h) Support the expansion and update of the Primary Freight Network to allow for a fully connected system that accurately reflects the path and nature of goods movement travel in our region.
- i) Oppose legislation that allows triple trailers in urbanized areas of San Bernardino County because of safety concerns with the exception of border cities and/or bump stations, or dedicated truck lanes (e.g. Barstow/Needles).
- j) Support legislation to reduce road damage from heavy trucks by reduced axle loading rather than an exclusive focus on gross vehicle weight.
- k) Participate in national dialogue on freight policy and its focus on improving the performance of the freight network and advocate for improving Southern California's freight strategy.
- l) As part of defining the national freight network, seek recognition of the unique network of parallel corridors in Southern California and recognize the entire corridor as part of the national network rather than focusing on centerlane miles of individual facilities.
- m) Support recognition of the importance of inland ports to overall goods movement systems as part of any investment plan.

IV. Project Delivery & Innovation

- a) Advocate for reforms that will accelerate project procurement, promote flexibility and innovation in financing, and respect local control.
- b) Support the expanded use of design-build project delivery for federally funded highway and surface transportation projects.
- c) Support the streamlining of federal reporting/monitoring requirements to reduce project delivery times without eliminating critical oversight mechanisms.
- d) Support authority for regional transportation entities to implement pricing measures on federal-aid highways if desired for that region.
- e) Support local options to privatize various aspects of transportation that would maximize available federal funding (e.g. P3s).
- f) Support measures that would provide regional flexibility in meeting the operational requirements for high occupancy vehicle lanes.
- g) Advocate for the implementation and further inclusion of recommendations for project streamlining initiatives as included in the Orange County Transportation Authority's Breaking Down Barriers report.
- h) Support the resolution of outstanding Buy America implementation issues to ensure that projects are able to move forward without unreasonable delays and cost increases.

V. Energy, Air Quality, & the Environment

- a) Advocate that any federal revenue generated from taxes or fees on energy products used for transportation are utilized for transportation purposes.
- b) Support utility planning and upgrades of electrical infrastructure to support fleet conversion and possible rail electrification programs.
- c) Monitor national Cap and Trade policies as they relate to infrastructure impacts.
- d) Monitor the use of National Environmental Policy Act (NEPA) oversight authority delegated to the California Department of Transportation to ensure that local and state projects are receiving equal benefits and reduced project review times.
- e) Protect funding sources for congestion relief and pollution reduction related to the transportation sector.

- f) Support efforts to secure funds to facilitate the conversion of public sector fleets to alternative fuels to meet local, state and federal fleet conversion mandates, and provide for the replacement of aging alternative fuel fleets.
- g) Support tax benefits and/or incentives for private sector transportation demand management programs and alternative fuel programs.
- h) Ensure that federal goods movement legislation considers and underscores federal responsibilities for facilitation of international trade and interstate commerce, and regulation of interstate commerce in ways consistent with attainment of federal air quality standards and NEPA.
- i) Support efforts to increase the amount and proportion of Congestion Mitigation and Air Quality (CMAQ) funds received by the State of California and ensure that the funds flow to county transportation commissions such as SANBAG for the appropriate South Coast and Mojave Desert Air Basin areas.
- j) Support streamlined environmental revisions that remove duplication of state and federal processes when state regulations and environmental protections exceed federal requirements.
- k) Participate in the development of livability and sustainability programs for the citizens of San Bernardino County.
- l) Oppose additional review and process requirements that delay projects and increase costs while achieving little to no additional environmental benefits.
- m) Monitor federal regulatory efforts to ensure that any new environmental requirements placed on local agencies are accompanied by the funding necessary for implementation.
- n) Support the postponement of federal air quality standard deadlines in the South Coast Basin in order to allow for a more realistic implementation timeframe given the current forecast of available technology and funding options.

VI. Transit & Commuter Rail

- a) Advocate for policies that keep our rail systems safe and increase federal investment in commuter rail services.
- b) Advocate that federal funding programs for Positive Train Control (PTC) and rail safety programs include eligibility to seek reimbursements for past expenditures on systems in operation.
- c) Ensure that various technologies for PTC are compatible across the nation.
- d) Advocate that the appropriate local or regional entity, such as SANBAG, be partners in on-going federal policy discussions to alter the liability cap for commuter rail accidents.
- e) Support legislation to change and/or exempt level boarding access requirements for existing commuter rail systems.
- f) Support policies that recognize the importance and fund commuter rail and transit connectivity to High Speed Rail.
- g) Support the inclusion of San Bernardino County projects in the New and Small Starts programs.
- h) Work to secure the greatest commuter tax benefits possible to incentivize the use of transit options.
- i) Expand eligible uses for federal transit funds to provide maximum flexibility to local agencies to fund capital and operations needs.

SANBAG 2015-2016 State Legislative Platform

The legislative platform serves as the basis to proactively engage in policy and legislative initiatives that will enable the San Bernardino Associated Governments (SANBAG) to deliver projects and programs that meet the needs of our region. This document also guides staff recommendations to the SANBAG Board of Directors on state legislative, regulatory, and administrative matters that are anticipated to be addressed in the coming legislative session.

SANBAG will collaborate with regional and statewide stakeholder groups to advance the legislative program including, but not limited to, the Southern California Consensus Group, Mobility 21, California Association of Councils of Governments, the Self-Help Counties Coalition, the California Transit Association, the Southern California Regional Rail Authority, and the High Desert Corridor Joint Powers Authority.

Key Issues

In the coming legislative session, SANBAG anticipates a number of key issues to be considered including initiatives related to Cap and Trade funding distributions and innovative project delivery mechanisms.

Cap and Trade

- a) Support the use of auction revenue from fuels to implement the AB 32 regulatory program and Sustainable Communities Strategies as required under SB 375 to reduce greenhouse gas (GHG) emissions from transportation allowing for local flexibility on project selection, considerations of the cost-effectiveness and technological feasibility, and promote innovation, collaboration, economic development and sustainability.
- b) Continue to advocate that project funding determinations be targeted at the regional, level reflecting each region's transportation funding structures under statewide criteria for evaluating GHG impacts.
- c) Support actions that assist local governments with meeting regional GHG reduction goals including, but not limited to, grants, incentive funding, and economic development tools that support transit oriented development.
- d) Support an implementation program that includes a performance-based approach to maximize regional flexibility with improved modeling and verification systems to ensure effective results.
- e) Advocate that the distribution of funds arising from transportation sources should fund a broad array of projects that are geographically balanced rather than focus exclusively on a single or limited set of specified projects.

Innovative Project Delivery

SANBAG will advocate that innovative financing opportunities remain available for county transportation commissions to leverage local dollars, accelerate construction and job creation, and provide mobility options for the traveling public.

- a) Support the consideration of public-private partnerships (P3s) in the development of transportation improvements.
- b) Work to ensure that existing innovative project delivery methods such as design-build, construction manager/general contractor, and other tools are available and effective for a broad variety of projects including highways, transit, and local streets and roads.

- c) Support measures that expand the use of design-build and P3s, with expanded flexibility, reduced multi-level approval and reporting requirements for projects that are largely locally funded or locally controlled, and an extended timeline for use of the authority.
- d) Advocate for reforms to ensure projects are delivered faster, with increased flexibility and better coordination.
- e) Support legislation and/or administrative reforms to enhance project delivery, including contracting out to the private sector, as appropriate.
- f) Oppose efforts to impose additional mandates, hurdles, and requirements, beyond those already in existence, on lead agencies using alternative project delivery mechanisms.
- g) Projects selected for alternative project delivery mechanisms should be based on locally driven alternatives and needs and should not require state approval when funded primarily with local funds.
- h) Support process and timeline improvements to reduce the overall state review time.
- i) Support efforts to ensure the streamlining provisions of MAP-21 are implemented in a timely manner and in a way that provides the maximum benefit to project delivery schedules.
- j) Oppose efforts to impose state requirements without the consent of the local agency for the expenditure of locally raised revenues, including Measure I and potential toll revenues.
- k) Oppose legislation that seeks to divert local revenues for state purposes.
- l) Support efforts to preserve local flexibility in the administration of toll facilities.
- m) Oppose any requirements to allow specific vehicle classes to have unrestricted access to carpool or toll facilities.

I. State/Local Fiscal Issues

- a) SANBAG will advocate for stable State funding, indexed for population growth, for transportation projects in San Bernardino County.
- b) Oppose unfunded mandates on local governments.
- c) Support priority state funding for projects supported by voter-approved transportation local sales tax measures.
- d) Support efforts to maintain and protect transportation and transit funding as approved under the gas tax swap and as protected under Proposition 22. Oppose the diversion of transportation revenues for non-transportation purposes.
- e) Oppose efforts to link existing transportation funding sources to the achievement of AB 32 objectives. Such priorities should be funded with new or enhanced funding sources rather than the reprioritization of existing, already oversubscribed sources.
- f) Support budget and California Transportation Commission allocations to fully fund projects for San Bernardino County included in the State Transportation Improvement Program, State Highway Operation and Protection Program, bond programs, and the Measure I Expenditure Plan.
- g) Support the implementation of Moving Ahead for Progress in the 21st Century (MAP-21) in an equitable manner at established funding levels with respect for the roles and responsibilities in existence in each region guiding project selection and discretion in allocation decisions.
- h) Support retention of decision making, project selection, and funding authority at the county transportation commission level governing the use of all related funding sources.
- i) Oppose legislative or regulatory actions that rely on regional transportation agencies to raise revenue for transportation or planning purposes.
- j) Support legislation to provide funding for innovative, intelligent/advanced transportation, goods movement, demand management, active transportation, and air quality programs which relieve congestion, improve air quality, and enhance economic development.

- k) Oppose an unreasonable increase in the administrative fees levied by the Board of Equalization for the collection and administration of county transportation sales tax measures and seek relief if necessary.
- l) Support state policies that assure timely allocation of transportation revenue and allow for regions to advance projects with local funds as needed.
- m) Support legislation that will incentivize counties without a voter approved tax measure for transportation to become “self-help” counties and recognizes/rewards the investment in the state’s transportation system made by self-help counties.
- n) Support the resolution of outstanding Buy America implementation issues to ensure that projects are able to move forward without unreasonable delays and cost increases.

II. Council of Governments

- a) Support local control of the Ontario International Airport in recognition of the benefits of goods movement and passenger travel to San Bernardino County and the Inland Empire.
- b) Support efforts for Council of Government development and funding.
- c) Monitor legislation related to incentives for the development of affordable housing and transit-oriented developments
- d) Support legislative and regulatory actions that incentivize the attraction, retention, and growth of businesses and employment in San Bernardino County.

III. Goods Movement

- a) Support the development of the state freight plan, which recognizes the unique needs of San Bernardino County and its significant role in freight movement. The plan should not only recognize the economic benefits of the freight industry but should also include proposals to mitigate the associated congestion, air quality and community impacts and a recognition of the regions parallel transportation systems through a corridor based approach.
- b) Support legislation that reduces freight-related impacts to San Bernardino County, including a particular focus on impacts to disadvantaged communities.
- c) Ensure that goods movement project selection and prioritization authority is maintained at the local level.
- d) Monitor any state container fee legislation to ensure that San Bernardino County goods movement projects are funded and that San Pedro Bay Ports are not placed at a competitive disadvantage that would harm the overall Southern California economy.
- e) Oppose legislation that allows triple trailers in urbanized areas of San Bernardino County because of safety concerns, with the exception of border cities and/or bump stations, or dedicated truck lanes (e.g. Barstow/Needles).
- f) Support legislation to reduce road damage from heavy trucks by reduced axle loading rather than an exclusive focus on gross vehicle weight.
- g) Support recognition of the importance of San Bernardino County to the overall goods movement systems as part of any investment plan.
- h) Support freight-related funding programs similar to the Trade Corridor Improvement Fund, providing such a program would not divert funding from existing transportation programs.

IV. Energy, Air Quality & the Environment

- a) Support incentives to transition to alternative fuels and electric vehicles (EVs), including tax benefits and other incentives.
- b) Support cost effective and technologically feasible conversion and replacement of public transit fleets to alternative fuels and EVs.

- c) Support programs to provide refueling/recharging infrastructure for alternative fuel or electric vehicles.
- d) Support Property Assessed Clean Energy (PACE) program financing.
- e) Support utility planning and upgrades to electrical infrastructure in support of fleet conversion and possible rail electrification programs.
- f) Monitor regional proposals aimed at Cap and Trade and its focus on infrastructure impacts.
- g) Support maximum regional project selection capabilities for Active Transportation Projects.
- h) Continue to support the independence of the Mobile Source Air Pollution Reduction Review Committee, and the protection of AB 2766 funding.
- i) Oppose legislative action that would reduce SANBAG's discretion in allocating Congestion Mitigation and Air Quality (CMAQ) funds.
- j) Work in partnership with the South Coast Air Quality Management District and the Mojave Desert Air Quality Management District to promote job creation and retention, protect the public health, and work to improve the overall quality of life for San Bernardino County residents.
- k) Support legislation to streamline the environmental review and project development process to avoid potentially duplicative and unnecessary steps, while maintaining critical environmental protections.
- l) Partner with key stakeholders to advocate for the postponement of federal air quality standard deadlines in the South Coast Basin in order to allow for a more realistic implementation timeframe given the current forecast of available technology and funding options.
- m) Support revisions to the California Environmental Quality Act (CEQA) that expedite project delivery while maintaining critical environmental protections.
- n) Support a review of existing state and federal environmental and planning laws to reduce unnecessary and duplicative provisions.
- o) Oppose additional CEQA review and process requirements that delay projects and increase costs while achieving little to no additional environmental benefits.
- p) Oppose provisions that allow the CEQA process to be used to achieve non-environmental goals or to slow or delay projects that otherwise meet adopted environmental standards and include required mitigation measures.

V. Highways & Roads

- a) Support current program funding for Freeway Service Patrol, ride-sharing and call boxes, consistent with the level of growth and utilization.
- b) Support equitable funding and resources for San Bernardino County freeway landscaping and maintenance.
- c) Monitor the use of National Environmental Policy Act oversight authority delegated to the California Department of Transportation to ensure that local and state projects are receiving equal benefits and reduced project review times.
- d) Participate in studies of market-based pricing measures to relieve traffic congestion, improve air quality and/or fund transportation alternatives.
- e) Encourage the new State Transportation Agency to develop a mechanism for reporting on the performance of the new agency and the quality of the state and local project delivery programs and services, particularly in light of new requirements to locally fund state services such as oversight, project initiation documents, and other items.
- f) Monitor the implementation of the California Transportation Infrastructure Priorities (CTIP) and State Smart Transportation Initiative (SSTI) programs. Oppose any efforts to shift local funding to interregional and statewide needs, the possible restructuring of the STIP allocation process to shift funds away from local agencies, and any efforts to impede or remove local flexibility and control over local revenues, and project selection/administration authority.

VI. Transit & Commuter Rail

- a) Advocate that transit operations continue to have a strong state funding role as a vital service that improves mobility and helps meet federal and state mandates.
- b) Oppose additional requirements for increased service levels unless they are agreed to by the transit operator or appropriately funded.
- c) Advocate for a safe, appropriately funded, and growing bus and rail system in Southern California with equitable distribution of funds and flexibility in the administration of the programs to meet the needs of each region.
- d) Support state funding for Positive Train Control.
- e) Support legislation and programs that facilitate (or remove obstacles to) transit oriented development near rail and bus rapid transit stations.
- f) Advocate for high speed, and higher speed, rail investment in San Bernardino County and connectivity with local and regional transit.
- g) Support increased funding for higher speed commuter rail and improved transit connectivity as feeder services for High Speed Rail (HSR).
- h) Assure a SANBAG role in the planning for HSR and advocate for the full evaluation of all viable routes serving San Bernardino County before a final alternative is chosen.
- i) Advocate priority for the L.A.-San Diego via the Inland Empire HSR route.
- j) Advocate to secure funding for the completion of all connectivity projects complementary to the development of HSR.
- k) Support incentives for ridesharing and/or reimbursement for transit passes.
- l) Support state funding for commuter rail operations.
- m) Support appropriate funding levels from state sources to support transit operations that help to achieve AB 32 and SB 375 goals. The state should also recognize that, absent a new source of state funding, agencies will be unable to fully fund the level of service required to meet those goals in the future.
- n) Oppose legislation that seeks to mandate that SANBAG fund or operate specific transportation projects in San Bernardino County.
- o) Advocate to preserve SANBAG's decision making authority over transportation projects that are constructed and operated in San Bernardino County.
- p) Oppose all efforts that threaten the viability of SANBAG's Measure I Transit Program by requiring uncontrolled expenditures on an individual project or group of projects.
- q) Ensure that planning efforts for major transit investments in San Bernardino County should be done by or in consultation with SANBAG.
- r) Work with stakeholders to update bus axle weight standards.

VII. General

- a) Oppose legislation that could threaten the timely delivery of projects in the Measure I Expenditure Plan or interferes with the authority to administer any Measure I programs and services.
- b) Oppose legislative and regulatory efforts to reduce SANBAG's ability to efficiently and effectively contract for goods and services, conduct business for the good of the organization, and limit or transfer risk or liability.
- c) Monitor changes to the Brown Act that relate to the use of new technologies for communication with the public and with members of the Board of Directors, as well as changes to legislation related to public records and information requests.

San Bernardino Associated Governments	Policy	40005
Adopted by the Board of Directors April 1, 2009	Revised	2/5/14
Valley Freeway Interchange (VFI) Program Measure I 2010-2040 Strategic Plan	Revision No.	3

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.

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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

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 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 priority 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 in 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 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 on a case-by-case basis after a risk

assessment and a complete analysis of the impact of the proposed loan on the other projects in the Interchange Program. A loan agreement, separate from any other cooperative agreement or funding agreement, shall be approved by the jurisdiction City Council/Board of Supervisors and SANBAG Board of Directors detailing agreement terms. The following set of options for development share loans from SANBAG may be considered by the SANBAG Board:

1. Loans from a jurisdiction's Measure I Local Street Program funds (no bonding) - Allow loans for up to 2/3 of the development share (local share) from a jurisdiction's Measure I Local Street Program "pass-through" funds, with a commitment by the jurisdiction to reimburse the Measure I Local Street Program account with Development Impact Fee (DIF) funds as they are collected or with other legally appropriate non-Measure I funds. Other legally appropriate funds could include proceeds from a Community Facilities District (CFD) or other development-based sources (note: when DIF funds are referenced elsewhere in this policy, this implies other legally appropriate non-Measure I funds as well). This option assumes no bonding is required, i.e. cash flow in the jurisdiction's Local Street Program is sufficient to cover up to 2/3 of local share costs. Conditions for receipt of a loan under this option include:
 - a. Local pass-through funds would be withheld by SANBAG sufficient to pay up to 2/3 of the local share of project invoices immediately after the initiation of work activities on the interchange project. The jurisdiction would need to provide the other 1/3 in cash, as needed for project expenses, from either DIF funds or their own internal loans.
 - b. A maximum 10-year term, beginning at the completion of project construction, would be identified for DIF funds to replenish the local pass-through account. The first annual payment would be no later than the end of construction.
 - c. 100 percent of the jurisdiction's Nexus Study portion of DIF funds not previously committed to projects (or to funding the other 1/3 of the local share) would need to be committed to repayment of the loan.
 - d. No interest would be charged.
 - e. SANBAG would release the withheld pass-through funds as the jurisdiction repays with DIF.
 - f. The jurisdiction would need to show the use of the loan funds and its repayment plan in its 5-Year Measure I Capital Improvement Plan (CIP).
 - g. If the jurisdiction has not repaid the pass-through funds by the end of the term, the term would need to be renegotiated. The jurisdiction would need to continue to repay the loan until it is retired. If full repayment does not occur by the end of Measure I 2010-2040, (i.e. because insufficient DIF funds are collected) the loan obligation will be considered fulfilled.
 - h. In addition to the 2/3 cap on the local share portion to be covered by the loan, a limit on percentage of local pass-through funds may need to be set on a case-by-case basis as a potential hedge against Measure I revenue being lower than forecast.
 - i. Any additional cost of administration of the loan incurred by SANBAG may be included as a cost to be borne by the jurisdiction and may be included in the loan.
2. Loans from a jurisdiction's arterial portion of Measure I Major Street Program funds (no bonding) - Allow loans for up to 2/3 of the local share from a jurisdiction's Measure I Major Street/Arterial Program equitable share with a commitment to reimburse the Major Street/Arterial Program account with DIF funds as they are collected, or other legally appropriate non-Measure I funds. This option assumes that no bonding is required, i.e. cash flow in the jurisdiction's arterial portion of the Major Street Program is sufficient to cover up to 2/3 of local share costs. Conditions for receipt of a loan under this option include:
 - a. Funds from the Major Street/Arterial Program would be withheld by SANBAG sufficient to pay up to 2/3 of the local share of project invoices immediately after the initiation of work activities on the interchange project. The jurisdiction would need to provide the other 1/3 in cash, as needed for project expenses, from either DIF funds or their own internal loans.
 - b. A maximum 10-year term, beginning at the completion of project construction, would be identified for DIF funds to replenish the arterial account. The first annual payment would be no later than the end of construction.

- c. 100 percent of the jurisdiction's Nexus Study portion of DIF funds not previously committed to projects (or to funding the other 1/3 of the local share) would need to be committed to repayment of the loan.
 - d. No interest would be charged.
 - e. SANBAG would release the withheld arterial funds for use on other projects as the jurisdiction repays with DIF.
 - f. If the jurisdiction has not repaid the arterial funds by the end of the term, the term would need to be renegotiated. The jurisdiction would need to continue to repay the loan until it is retired. If it becomes clear that full repayment will not occur by the end of Measure I 2010-2040, (i.e. because insufficient DIF funds are collected) the remainder of the loan obligation would need to be fulfilled using the jurisdiction's Measure I Local Street funds, since Local Street funds can legitimately be used for interchange-related expenditures. This reassignment of funds would be part of the renegotiation of the loan.
 - g. In addition to the 2/3 cap on the local share portion to be covered by the loan, a limit on percentage of arterial funds may need to be set on a case-by-case basis. The reason for this would be as a potential hedge against Measure I revenue being lower than forecast.
 - h. Any additional cost of administration of the loan incurred by SANBAG may be included as a cost to be borne by the jurisdiction and may be included in the loan.
3. Combination of 1 and 2 - Allow a combination of option 1 and option 2 as sources of funding for a local share loan for an interchange project. The terms would be consistent with the terms specified in each of the two options and negotiated on a case-by-case basis.
 4. Short-term cash loan from SANBAG - Allow a short-term cash loan for up to 2/3 of the local share that would be made available from SANBAG, with a fixed term and an interest rate premium (i.e. 5 year maximum term; Local Agency Investment Fund (LAIF) interest rate plus 3%). This would be conditioned on SANBAG having cash flow available and there being no risk of delay to other SANBAG projects. The cash loan could only be utilized for the PA&ED and Design phases of the interchange project. The jurisdiction would be in default if it fails to maintain payments, and SANBAG would be given the authority to invoke the terms of options 1, 2, or 3 to make those payments.
 5. Bonding against a jurisdiction's Local Street Program funds - Allow for a jurisdiction to bond for up to 2/3 of the local share against its Measure I Local Street Program "pass-through" funds, with the debt service to be paid by those funds. DIF funds would reimburse the jurisdiction's Local Street account as they are collected, and the additional Local Street funds could be expended on other projects in the jurisdiction's Measure I Local Street Capital Improvement Plan.
 - a. The bond issue could be:
 - i. Coordinated with another SANBAG bond issue, in which case SANBAG would make debt service payments from the jurisdiction's Local Street account before sending the remaining funds to the jurisdiction. The jurisdiction would then reimburse SANBAG for their Local Street funds with DIF funds as they are collected, and SANBAG would release a comparable amount of Local Street funds back to the jurisdiction for other projects, or
 - ii. Arranged independently by the jurisdiction, with the debt service paid directly by Local Street funds the jurisdiction receives from SANBAG. In this case, the loan would be internal to the jurisdiction. The CIP would document the loan, and auditing of the Local Street account would track the loan repayment.
 - b. If full repayment of the Local Street account does not occur by the end of Measure I 2010-2040, (i.e. insufficient DIF funds are collected) the repayment obligation to the Local Street account will be considered fulfilled. This is considered consistent with Measure I, given that Measure I funds will not have replaced the development contribution if development has not occurred.
 - 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 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 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 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. In the instance where SANBAG assumes project management responsibilities under one or more of the conditions noted above, SANBAG will coordinate the collection of development mitigation funds from local jurisdictions and expenditure of those funds as required to complete 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. The sponsoring agency will continue to be responsible for coordination of all minority share development mitigation contributions as identified in Policy VFI-20.

M. Valley Freeway Interchange Phasing Program

Policy VFI36: Implement Valley Freeway Interchange Phasing Program within the Valley Freeway Interchange Program. Administration of the Phasing Program shall be subject to the Valley Freeway Interchange Program policies. The Phasing Program is also subject to the following:

1. Measure I Valley Freeway Interchange Program funds to be committed to the Phasing Program will be included in the most current version of the Ten-Year Delivery Plan.
2. Funds committed to the Phasing Program may be adjusted through an amendment or update to the Ten-Year Delivery Plan approved by the SANBAG Board.
3. Allocation of Phasing Program funds to qualifying projects will be made on a first-come/first-served basis subject to the conditions below. The list of qualifying projects will be maintained in the Ten-Year Delivery Plan. The eligibility of phased projects is not limited to improvements that are included in the 2016 Ten-Year Delivery Plan. The Ten-Year Delivery Plan may be amended or updated by the SANBAG Board to include additional phased projects or to otherwise modify the list of eligible projects. However, eligibility of phases must satisfy the following criteria:
 - i. Focus on lower-cost projects that address an existing congestion problem and/or provide capacity to accommodate future growth.
 - ii. Phases must be part of an ultimate interchange concept and not result in excessive "throw-away" costs.
4. Local jurisdictions must initiate project development in the Phasing Program through a letter to the SANBAG Executive Director. The request letter must confirm local jurisdiction commitment to fund the local share of improvements and be accompanied by City Council/Board of Supervisor resolution/action expressing interest in moving forward with implementation of the phased interchange project. Each independent interchange project will require its own individual letter request. Formal request letters are necessary so that SANBAG can initiate the required

agreements, identify resources and initiate the budgeting of funds, given that the Phasing Program is structured on a first-come, first-served basis without phasing priorities.

5. Reference Policies VFI-32, VFI-33 and VFI-34 for project management responsibilities for phased projects. The participation letter and council/Board of Supervisor resolution/action noted in #4 should specify the recommended project management lead.
6. SANBAG will initiate the development of a cooperative agreement delineating parties' responsibilities with regard to funding and project delivery.
7. It is recognized that the cost of phased improvements may vary from the planning-level costs in the Ten-Year Delivery Plan. The agreement will contain provisions that if costs for a phased improvement increase significantly, the parties reserve the right to make changes in the scope, delay the project, or reconsider the project. If a phased project is terminated, parties are responsible for their share of incurred costs.
8. The loan provisions as outlined in Section H of Policy 40005 apply to this phasing program.
9. Implementation of a phased improvement will not impact the priority associated with the ultimate interchange improvement until a subsequent evaluation of interchange priority occurs. Policy VFI-15 governs the SANBAG Board consideration of changes to the interchange priority list.

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 in 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
2	Par. IV.H: Revised	12/05/12
3	Policy VFI-36: Eliminated this policy and moved text to last paragraph in VFI-32. The original intent of VFI-36 was to define the responsibility of collecting the development mitigation funds from local jurisdictions when SANBAG exercises its option to assume project management responsibilities of a Valley Freeway Interchange project under the conditions noted in VFI-32. This intent was not explicitly stated in Policy VFI-36. Policy VFI-35: Added clarifying text that the sponsoring agency will continue to be responsible for coordination of all minority share development mitigation contributions even if SANBAG accepts project management responsibilities under Policy VFI-34. Changes approved by Board of Directors on 2/5/14, Agenda Item 10.	02/05/14
<u>4</u>	<u>Incorporation of Interchange Phasing Program as VFI-36</u>	<u>09/07/16</u>