

## **Revised Material for Agenda Item No. 5**

### **City/County Manager's Technical Advisory Committee**

**November 3, 2016**  
**10:00 a.m.**

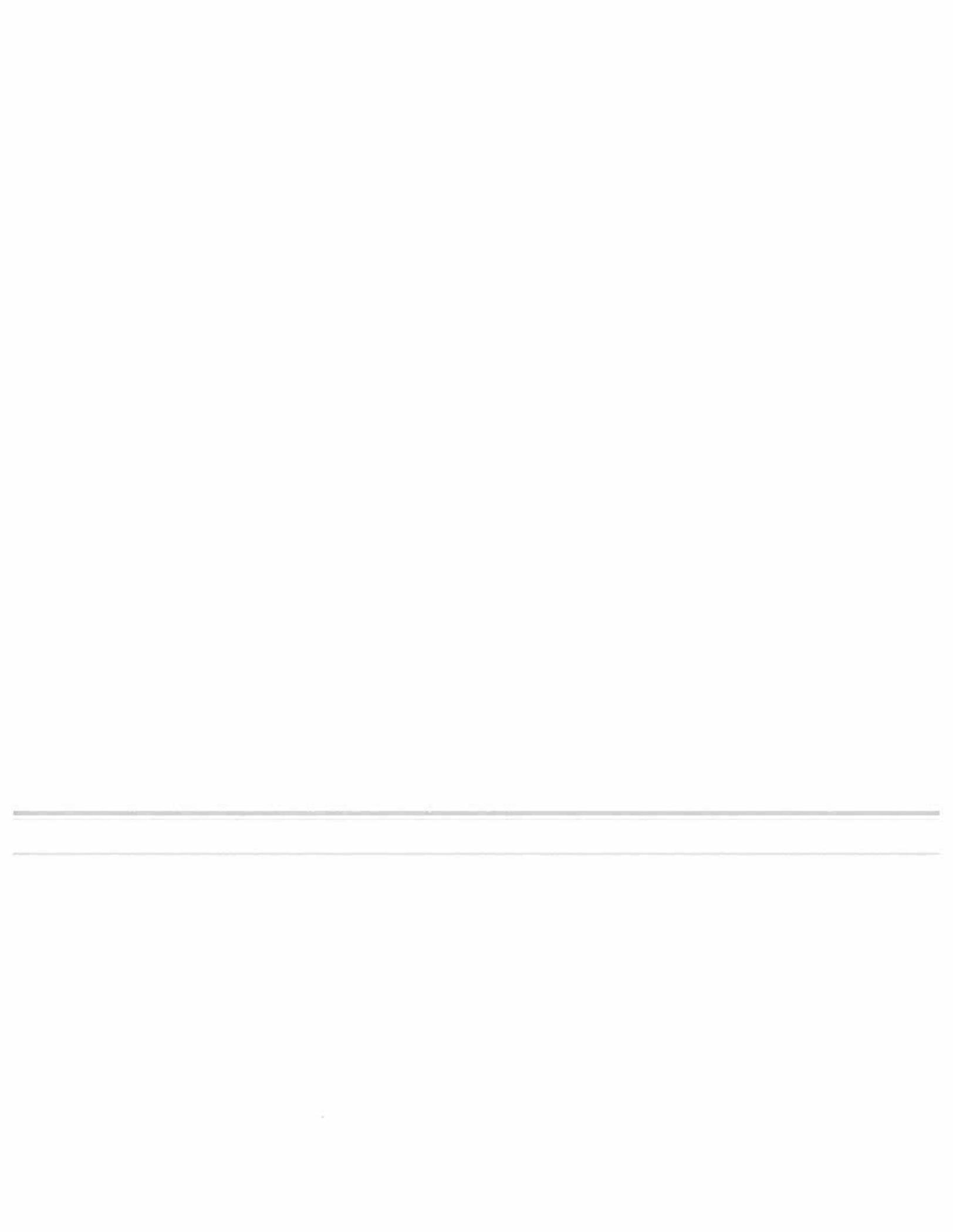
**Location:**  
**SANBAG**  
*First Floor Lobby*  
Santa Fe Depot, 1170 W. 3<sup>rd</sup> Street  
San Bernardino, CA

### **Discussion Calendar**

**1. Interchange Phasing Program – Tim Byrne, SANBAG**

The Valley Freeway Interchange Program draft policy language has been revised to reflect input from the September 1, 2016 CCMTAC meeting. 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 summarize the revisions incorporated into the revised draft interchange policy language to incorporate a phasing program. (Attachment No. 1)

*Policy language changes and a Potential Phasing Improvements Table were made available after the posting of the agenda.*



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

**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.

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#### **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.

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#### **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.

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- 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.

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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 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 VFI-36: 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 including but not limited to local jurisdiction responsibility to fund their development mitigation contribution of phased interchange improvements. 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. 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. The intent of the Phasing Program is to implement geometric or operational improvements, it is not the intent of the program to fund project development phases for full interchanges within the Valley Freeway Interchange Program. Eligibility of phases must satisfy the following criteria:
  - i. Focus on lower-cost projects (i.e. with a total phase cost of less than \$10 million) that address an existing congestion problem such as ramp widening, addition of turn or

through lanes, restriping, signal modifications, and other partial interchange ramp connections and/or provide capacity to accommodate future growth.

~~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 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	<del>Policy VFI-15: Replaced the last sentence:</del> 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 5 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
4	<u>Incorporation of Interchange Phasing Program as VFI-36</u>	<u>09/11/072/16</u>

**Table 1  
Potential Phasing Improvements**

1	2	3	4	5
Phase Code	Phase Cost (\$Million)	2013 Strategic Plan Nexus Study		
		Full Interchange Cost (\$Million)	Fair Share %	Rank
SR-60/Mountain-B	\$0.33	\$15.00	46.20%	14
I-215/Palm-A	\$0.40	\$11.00	15.80%	26
SR-60/Ramona-A	\$0.57	\$30.00	31.30%	15
SR-60/Grove-A	\$0.67	\$51.00	48.30%	11
SR-60/Grove-B	\$0.67	\$51.00	48.30%	11
SR-60/Mountain-A	\$0.67	\$15.00	46.20%	14
SR-60/Euclid-A	\$0.69	\$6.00	44.50%	12
SR-60/Vineyard-A	\$0.76	\$51.00	60.30%	24
SR-60/Vineyard-B	\$0.76	\$51.00	60.30%	24
SR-210/Del Rosa-B	\$0.95	\$36.00	32.80%	20
I-10/California-A	\$0.95	\$45.00	47.80%	27
SR-210/Waterman-C	\$1.05	\$51.00	18.20%	17
I-10/Mountain View-B	\$1.43	\$51.00	37.80%	18
I-215/Palm-B	\$1.43	\$11.00	15.80%	26
SR-210/Waterman-A	\$1.71	\$51.00	18.20%	17
SR-210/5th-A	\$1.71	\$8.00	41.90%	21
I-10/Mountain View-A	\$1.81	\$51.00	37.80%	18
SR-210/Waterman-B	\$1.81	\$51.00	18.20%	17
SR-210/5th-B	\$2.47	\$8.00	41.90%	21
I-10/Euclid-A	\$2.59	\$9.00	17.40%	13
SR-210/Del Rosa-A	\$2.85	\$36.00	32.80%	20
I-10/Wildwood*	\$3.00	\$35.00	50.00%	29
SR-60/Euclid-C	\$4.27	\$6.00	44.50%	12
SR-60/Ramona-B	\$4.37	\$30.00	31.30%	15
SR-60/Euclid-B	\$5.12	\$6.00	44.50%	12
SR-60/Grove-C	\$7.55	\$51.00	48.30%	11
SR-60 Vineyard-C	\$8.08	\$51.00	60.30%	24
<b>Total</b>	<b>\$58.63</b>	<b>\$370</b>		

Note: \* Contingent upon Caltrans and FHWA acceptance for phasing of new interchange  
Order of potential phases shown in table does not constitute implementation priority, ordered based on cost for informational purposes only.

**Table 1, Continued  
Phasing Improvement Codes & Descriptions**

Phase Code	Interchange	Description
1-10EU	I-10/Euclid	Median southbound left turn (& restripe eastbound off-ramp)
2-10CA	I-10/California	Widen eastbound off-ramp
3-10MV-A	I-10/Mountain View	Add S/S single left turn lanes
4-10MV-B	I-10/Mountain View	Widen eastbound off-ramp
5-60RA-A	SR-60/Ramona	Widen eastbound off-ramp
6-60RA-B	SR-60/Ramona	Add northbound left turn at westbound on-ramp
7-60MT-A	SR-60/Mountain	Widen westbound off-ramp
8-60MT-B	SR-60/Mountain	Add southbound right turn lane at westbound ramps
9-60EU-A	SR-60/Euclid	Widen eastbound off-ramp
10-60EU-B	SR-60/Euclid	Add northbound dual left turn at westbound ramps & northbound thru lane at eastbound ramps
11-60EU-C	SR-60/Euclid	Add southbound dual left turn at eastbound ramps
12-60GR-A	SR-60/Grove	Widen eastbound off-ramp
13-60GR-B	SR-60/Grove	Widen westbound off-ramp
14-60GR-C	SR-60/Grove	Northbound & southbound dual left turn lanes
15-60VI-A	SR-60/Vineyard	Widen eastbound off-ramp
16-60VI-B	SR-60/Vineyard	Widen westbound off-ramp
17-60VI-C	SR-60/Vineyard	Northbound & southbound dual left turns
18-2105th-A	SR-210/5th	Widen northbound off-ramp
19-2105th-B	SR-210/5th	Improve westbound between northbound & southbound intersections
20-210WA-A	SR-210/Waterman	Add right turn to eastbound off-ramp
21-210WA-B	SR-210/Waterman	Add 2 <sup>nd</sup> southbound right turn on Waterman approaching 30 <sup>th</sup>
22-210WA-C	SR-210/Waterman	Restripe southbound at eastbound ramp & Widen eastbound ramp
23-210DR-A	SR-210/Del Rosa	Dual northbound left turn & widen westbound on-ramp & widen Del Rosa between Date & eastbound ramps
24-210DR-B	SR-210/Del Rosa	Widen eastbound off-ramp
25-215P-A	I-215/Palm	Widen northbound right turn ramp
26-215P-B	I-215/Palm	Add westbound left turn pocket
27-10WW	I-10/Wildwood	Construct partial interchange, remove rest stop

**Table 1, Continued  
Interchange Analysis: Column Description**

Column	Description
1	See Interchange Analysis Phasing Improvement Codes & Descriptions Table. The Phase Codes were created using a unique number separated by "-" then highway number and intersecting street abbreviation followed by "-" and an alphanumeric representation where more than one phase for the location exists. For example, Phase "3-10MV-A" has a unique ID of 3 for improvements on I-10/Mountain View, option A.
2	Phase cost estimate as provided by Parsons (\$2015)
3	Full interchange improvement cost estimate according to the 2013 Development Mitigation Nexus Study (\$2013) ( <a href="http://www.sanbag.ca.gov/planning2/cmp/cmp11NexusStudy_k.pdf">http://www.sanbag.ca.gov/planning2/cmp/cmp11NexusStudy_k.pdf</a> )
4	Project ranking according to the Development Mitigation Nexus Study
5	Fair share percentage (local share) according to the Development Mitigation Nexus Study