

# **Measure I 2010-2040 Strategic Plan**

**April 2009**

*San Bernardino Associated  
Governments  
1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor  
San Bernardino, CA 92410*



## **PREFACE TO THE MEASURE I 2010-2040 STRATEGIC PLAN**

Development of the Measure I 2010-2040 Strategic Plan was initiated in 2005 to define the policy framework for delivery of the projects and programs referenced in the new Measure. The Strategic Plan is the policy manual for delivery of the Measure I programs by SANBAG and its member agencies and was approved by the SANBAG Board of Directors on April 1, 2009.

The report is presented in two parts. Part 1 provides an overview of Measure I 2010-2040, describes the scope of each Measure I program, presents financial information, and provides an overview of the policy structure for each program. Part 2 presents the specific policies by which each Measure I program will be administered. The policies are referenced by a policy number and a program acronym. The acronym corresponds to the name of the program. If there are any differences in the language between Part 1 and the policies in Part 2, the specific policy language in Part 2 shall apply. The Strategic Plan and its policies may be accessed on the SANBAG website at [www.sanbag.ca.gov](http://www.sanbag.ca.gov).

The Strategic Plan is intended to be updated periodically to reflect changes in project costs, revenues, economic conditions, and project priorities that will undoubtedly occur over the 30-year life of the Measure. Changes in Strategic Plan policies can be considered at any time deemed appropriate by the SANBAG Board of Directors. The most current policies will always be available on the SANBAG website. Questions on the Strategic Plan should be directed to Ty Schuiling, Director of Planning and Programming at (909)884-8276 or [tschuiling@sanbag.ca.gov](mailto:tschuiling@sanbag.ca.gov).

# TABLE OF CONTENTS

## Part 1 – Measure I 2010-2040 Implementation Strategy and Program Description

I. Introduction.....	I-1
I.A. Measure I Half-Cent Sales Tax – History and Background .....	I-1
I.B. Purpose of the Measure I Strategic Plan.....	I-1
I.C. Approach to the Measure I Strategic Plan .....	I-2
I.D. Measure I 2010-2040 Strategic Plan Organization .....	I-3
II. Overview of the Measure I 2010-2040 Expenditure Plan.....	II-1
II.A. Measure I 2010-2040 Subarea and Program Overview .....	II-1
II.B. Measure I Revenue Estimates .....	II-9
II.C. Development Mitigation Program Requirements.....	II-10
II.D. Independent Taxpayer Oversight Committee.....	II-14
II.E. Strategic Plan Updates and Amendments.....	II-15
III. Overview of the Measure I 2010-2040 Expenditure Plan.....	III-1
III.A. Overarching Principles .....	III-1
III.B. Overview of Implementation Strategy.....	III-1
IV. Measure I Subarea Programs.....	IV-1
IV.A. Cajon Pass Expenditure Plan.....	IV-2
IV.B. San Bernardino Valley Programs.....	IV-5
IV.B.1. Valley Apportionment, Allocation and Expenditure Process .....	IV-5
IV.B.2. Valley Project Advancement/Advance Expenditure Process .....	IV-11
IV.B.3. Valley Local Street Program .....	IV-16
IV.B.4. Valley Freeway Program.....	IV-18
IV.B.5. Valley Freeway Interchange Program .....	IV-26
IV.B.6. Valley Major Street Program.....	IV-31
IV.B.7. Valley Metrolink/Rail Program.....	IV-39
IV.B.8. Valley Express Bus/Bus Rapid Transit Program.....	IV-44
IV.B.9. Valley Senior and Disabled Transit Program .....	IV-48
IV.B.10. Valley Traffic Management Systems Program .....	IV-50
IV.C. Victor Valley Subarea Programs.....	IV-51
IV.C.1. Victor Valley Local Street Program .....	IV-51
IV.C.2. Victor Valley Major Local Highways Program.....	IV-54
IV.C.3. Victor Valley Senior and Disabled Transit Program .....	IV-63
IV.C.4. Victor Valley Project Dvlp and Traffic Mgmt Systems Program .....	IV-65
IV.D. Rural Mountain/Desert Subarea Programs .....	IV-67
IV.D.1. Rural Mountain/Desert Local Street Program .....	IV-67
IV.D.2. Rural Mountain/Desert Major Local Highways Program .....	IV-70
IV.D.3. Rural Mountain/Desert Senior and Disabled Transit Program .....	IV-73
IV.D.4. Rural Mountain/Desert Project Dvlp and Traffic Mgmt Systems Prgm .....	IV-75

Part 2 - Measure I 2010-2040 Policies (see separate table of contents at beginning of Part 2)

## Glossary

Appendix A – Measure I 2010-2040 Ordinance No. 04-01 and Expenditure Plan

Appendix B – Overview of State and Federal Funding for Transportation Projects

Appendix C – State and Federal Funding Assumptions for the Valley Freeway Program

## Acronym List

AB	Assembly Bill
ACE	Alameda Corridor East
ACT	Association for Commuter Transportation
ADA	Americans with Disabilities Act
AE	Advance Expenditure
AEA	Advance Expenditure Agreement
APTA	American Public Transportation Association
AQMP	Air Quality Management Plan
ATMIS	Advanced Transportation Management Information Systems
BAT	Barstow Area Transit
BRT	Bus Rapid Transit
CAC	Call Answering Center
CALACT	California Association for Coordination Transportation
CALCOG	California Association of Councils of Governments
CALSAFE	California Committee for Service Authorities for Freeway Emergencies
CALTRANS	California Department of Transportation
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CHP	California Highway Patrol
CMA	Congestion Management Agency
CMAQ	Congestion Mitigation and Air Quality
CMIA	Corridors Mobility Improvement Account
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CPNA	Capital Projects Needs Analysis
CSAC	California State Association of Counties
CTA	California Transit Association
CTAA	Community Transportation Association of America
CTSA	Consolidated Transportation Services Agency
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
DAAS	Department of Aging and Adult Services
DIF	Development Impact Fee
DMO	Data Management Office
DOT	Department of Transportation
E&H	Elderly and Handicapped
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EPA	United States Environmental Protection Agency
ETC	Employee Transportation Coordinator
FEIS	Final Environmental Impact Statement
FHWA	Federal Highway Administration
FSP	Freeway Service Patrol
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HOT	High-Occupancy Toll
HOV	High-Occupancy Vehicle
ICMA	International City/County Management Association
ICTC	Interstate Clean Transportation Corridor

## Acronym List

IEEP	Inland Empire Economic Partnership
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
ITOC	Independent Taxpayer Oversight Committee
IIP/ITIP	Interregional Transportation Improvement Program
ITS	Intelligent Transportation Systems
IVDA	Inland Valley Development Agency
JARC	Job Access Reverse Commute
LACMTA	Los Angeles County Metropolitan Transportation Authority
LAIF	Local Agency Investment Fund
LNG	Liquefied Natural Gas
LRTP	Long Range Transit Plan
LTF	Local Transportation Funds
MAGLEV	Magnetic Levitation
MARTA	Mountain Area Regional Transportation Authority
MBTA	Morongo Basin Transit Authority
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
MDLS	Mountain/Desert Local Street
MDMLH	Mountain/Desert Major Local Highway
MDSDT	Mountain/Desert Senior and Disabled Transit
MIS	Major Investment Study
MLH	Major Local Highway
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MSRC	Mobile Source Air Pollution Reduction Review Committee
MTP	Metropolitan Transportation Plan
NAT	Needles Area Transit
OA	Obligation Authority
OCTA	Orange County Transportation Authority
OWP	Overall Work Program
PA	Project Advancement
PAA	Project Advancement Agreement
PA&ED	Project Approval and Environmental Document
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PAYG	Pay-As-You-Go
PDT	Project Development Team
PPM	Planning, Programming and Monitoring Funds
PSR	Project Study Report
PTA	Public Transportation Account
PTMISEA	Public Transportation, Modernization, Improvement and Surface Enhancement Account
PUC	Public Utilities Commission
PVEA	Petroleum Violation Escrow Account
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RFP	Request for Proposal
RIP	Regional Improvement Program
ROD	Record of Decision
RTAC	Regional Transportation Agencies' Coalition
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SB	Senate Bill
SAFE	Service Authority for Freeway Emergencies
SANBAG	San Bernardino Associated Governments

## Acronym List

SCAB	South Coast Air Basin
SCAG	Southern California Association of Governments
SCAQMD	South Coast Air Quality Management District
SCRRA	Southern California Regional Rail Authority
SED	Socioeconomic Data
SHA	State Highway Account
SHOPP	State Highway Operations and Protection Program
SOV	Single-Occupant Vehicle
SRTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TCIF	Trade Corridors Improvement Funds
TCM	Transportation Control Measure
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEA-21	Transportation Equity Act for the 21 <sup>st</sup> Century
TIA	Traffic Impact Analysis
TMC	Transportation Management Center
TMEE	Traffic Management and Environmental Enhancement
TOC	Traffic Operations Center
TOPRS	Transit Operator Performance Reporting System
TREP	Transportation Reimbursement Escort Program
TSM	Transportation Systems Management
USFWS	United States Fish and Wildlife Service
UZAs	Urbanized Areas
VCTC	Ventura County Transportation Commission
VEB	Valley Express Bus
VF	Valley Freeway
VFI	Valley Freeway Interchange
VHD	Vehicle Hours of Delay
VLS	Valley Local Street
VMPR	Valley Metrolink/Passenger Rail
VMS	Valley Major Street
VMT	Vehicle-Miles of Travel
VS	Valley Subarea
VSDT	Valley Senior and Disabled Transit
VTMS	Valley Traffic Management Systems
VVMLH	Victor Valley Major Local Highway
VVLS	Victor Valley Local Streets
VVPDTMS	Victor Valley Project Development Traffic Management System
VVSDT	Victor Valley Senior and Disabled Transit
VVTA	Victor Valley Transit Authority
WRCOG	Western Riverside Council of Governments

---

# **Measure I 2010-2040 Strategic Plan**

**– Part 1 –**

## **Measure I 2010-2040 Implementation Strategy and Program Description**

---

# I. Introduction

## I.A. Measure I Half-Cent Sales Tax – History and Background

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing the San Bernardino County Transportation Authority to impose a half cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. San Bernardino Associated Governments (SANBAG), acting as the Authority, was authorized to administer the programs described in the Measure. The SANBAG Board serves as the Authority Board of Directors. Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan set forth in Ordinance No. 89-1.

By March 2010, Measure I will have generated approximately \$1.8 billion in nominal dollars of revenue for transportation projects throughout San Bernardino County over the 20-year life of the Measure. The list of accomplishments is extensive and includes initiation of Metrolink commuter rail service, construction of the SR-71 and SR-210 freeways; widening of I-10, SR-60, and I-215, the widening and maintenance of various arterial roadways and local streets throughout San Bernardino County, and support for transit operators throughout the County.

Early in the second decade of Measure I, it became apparent that continuation of the half-cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SANBAG member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed resoundingly, with just over 80% of the vote. The new Measure I extends the half-cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I.

## I.B. Purpose of the Measure I 2010-2040 Strategic Plan

In August 2005, the SANBAG Board of Directors approved a Strategic Plan Scope of Work to address significant policy, fiscal, and institutional issues associated with administration and implementation of Measure I 2010-2040. The approved Scope noted that the magnitude of Measure I 2010-2040 rivals the transportation budgets of some states. It was also noted that the policy, fiscal, and institutional issues associated with administration of Measure I 2010-2040 are complex and interrelated, and that they differ among the Valley, Mountain, and Desert areas of the County. By approving preparation of this Strategic Plan, SANBAG demonstrated its intent to address these issues and set a course for implementation through a measured, comprehensive, strategic planning process.

Consistent with the approved Scope of Work, the Strategic Plan is the official guide and reference for the allocation and administration of the combination of local transportation sales tax, state and federal transportation revenues, and private fair-share contributions to regional transportation facilities from new development needed to fund delivery of the Measure I 2010-2040 transportation program. It also establishes the policies, procedures and institutional processes needed to manage the implementation and on-going administration of Measure I 2010-2040.

The administrative policies and procedures described herein are products of more than three years of analysis of fiscal and procedural alternatives, discussion and direction provided through technical and policy committees, and approval by the SANBAG Board of Directors. The Strategic Plan includes specific actions and policies to be implemented in the near-term, and broader, more conceptual guidance for the out-years of the Measure. As noted in Section II.E, the Strategic Plan will be updated periodically to reflect the changes in costs, revenues, conditions, and priorities that will undoubtedly occur over the life of Measure I 2010-2040.

#### I.C. Approach to the Measure I 2010-2040 Strategic Plan

The Strategic Plan is intended to structure Measure I 2010-2040 programs so that they:

- Fulfill commitments made to the voters
- Are financially feasible and scaled to the revenue projected to be available
- Are implemented with policies and procedures that provide financial accountability, treat each of SANBAG's member jurisdictions equitably, and provide predictable access to Measure I revenues
- Can be managed with the resources available to SANBAG

The Strategic Plan has been developed based on the best available information of projected Measure I 2010-2040 revenues and program costs. History has shown that projections of up to 30 years into the future are extremely uncertain. For example, the predictions by regional demographers in 1978 of the San Bernardino County population in year 2000 were 50% low over just that 20-year span. Projections of funding, which depend on forecasts of population growth and other variables, should be viewed as order-of-magnitude. Funding availability can vary significantly, even dramatically, from one year to the next. Forecasts of federal and state revenues must be made over 30 years of congressional and legislative cycles with highly unpredictable outcomes. The federal and state revenues are dependent not only on the willingness of these bodies to renew and fund programs, but on their willingness to modify revenue sources to keep pace with needs.

In summary, although SANBAG intends to be realistic in terms of revenue and cost projections, reality could vary significantly from these assumptions. The Strategic Plan policies and procedures have been prepared so that project delivery can adapt to these uncertainties. Scope adjustments have already been made to some of the programs in light of information generated during the Strategic Plan development process. Several programs have been structured based on

the prioritization of projects, thereby controlling commitments made to Measure I dollars. Updates to the Strategic Plan to better reflect future conditions will occur as indicated in Section II.E.

#### I.D Measure I 2010-2040 Strategic Plan Organization

The remainder of the Strategic Plan is organized into two parts:

- Part 1 – Measure I 2010-2040 Implementation Strategy and Program Description
- Part 2 – Measure I 2010-2040 Policies

Part 1 describes the strategy for implementation of Measure I at the countywide level as well as for the individual programs within each geographic subarea. Part 2 contains the specific policies that govern each of the programs, describing the rules and procedures by which SANBAG manages Measure I projects and interacts with local jurisdictions in funding projects and facilitating project delivery.

Part 1 consists of the following sections:

- Section I. Measure I 2010-2040 Strategic Plan Introduction – Provides a brief overview of the approach and structure of the Strategic Plan.
- Section II. Measure I 2010-2040 Expenditure Plan – Provides a description of how the Measure is organized into geographic subareas and programs, defines eligible projects, and specifies funding percentages for programs within each subarea.
- Section III. Measure I 2010-2040 Strategic Plan Framework – States the Board-adopted Strategic Plan principles and provides an overview of the countywide implementation strategy.
- Section IV. Measure I 2010-2040 Subarea Programs – Presents the scope, financial analysis, and implementation actions for each subarea and program. The comprehensive list of policies pertaining to each specific Measure I program are provided in Part 2.

---

## **II. Overview of the Measure I 2010-2040 Expenditure Plan**

### II.A. Measure I 2010-2040 Subarea and Program Overview

#### II.A.1. Background

The voters of San Bernardino County approved San Bernardino County Transportation Authority Ordinance 04-01 on November 4, 2004. The Ordinance is referred to in the Strategic Plan as Measure I 2010-2040 to distinguish it from the 20-year half-cent sales tax measure that took effect in April 1990. A complete copy of the Ordinance, including the Expenditure Plan, is provided in Appendix A. The financial data in the Expenditure Plan was updated for this Strategic Plan.

The Measure I retail transactions and use tax is statutorily dedicated for transportation purposes only in San Bernardino County and cannot be used for other governmental purposes or programs. There are specific safeguards in the Ordinance to ensure that funding is used in accordance with the specified voter-approved transportation project improvements and programs.

The Measure I Ordinance contains maintenance-of-effort provisions that state that funds provided to government agencies by Measure I are to supplement, and not replace, existing local revenues being used for transportation purposes. In addition, Measure I 2010-2040 revenues are not to replace requirements for new development to provide for its own road needs. The Ordinance further states that Measure I funding priorities should be given to addressing current road needs, easing congestion, and improving roadway safety.

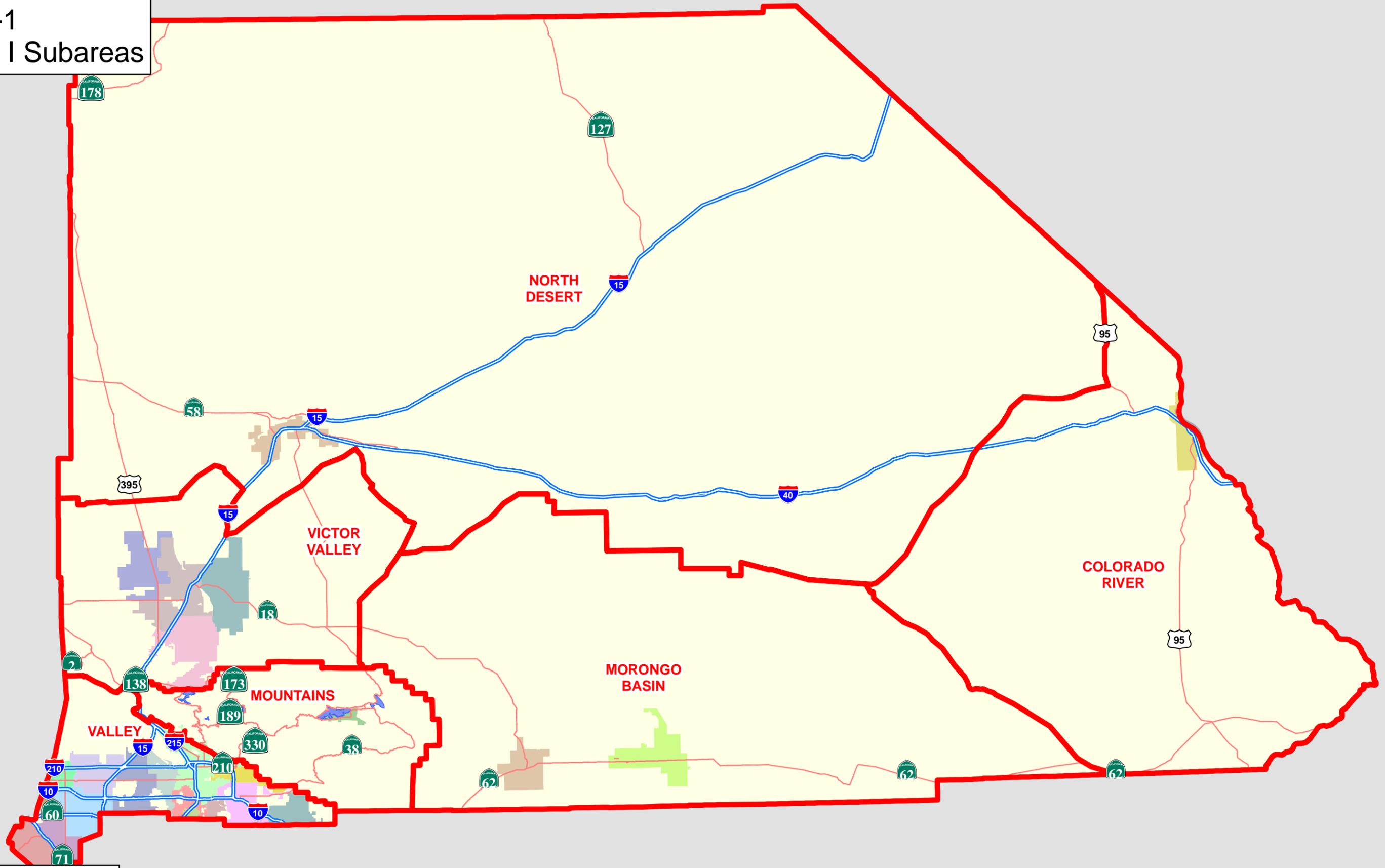
Eligible expenditures include those for planning, environmental reviews, engineering and design costs, related right-of-way acquisition, and construction. Eligible expenditures also include, but are not limited to, debt service on bonds and expenses in connection with issuance of bonds.

#### II.A.2. Subarea and Program Structure

Measure I 2010-2040 is organized into the following subareas as shown in Figure II-1:

- Colorado River
- Morongo Basin
- Mountains
- North Desert
- San Bernardino Valley
- Victor Valley

Figure II-1  
Measure I Subareas



**Legend**

 Subarea Boundary



Additionally, the Ordinance establishes a Cajon Pass Expenditure Plan, which includes portions of both the San Bernardino Valley and Victor Valley Subareas. It is funded by 3% of the revenue generated by the San Bernardino Valley and Victor Valley Subareas.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed “programs” in this Strategic Plan.

Decisions on how revenues are expended within the subareas are made by the SANBAG Board of Directors, based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected State and federal transportation funds is to be reserved for use solely within the Valley Subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) Subareas.

In the San Bernardino Valley Subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert Subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

Project eligibility and Measure I funding distribution for each of the programs are delineated in Section II.A.4.

---

### II.A.3. Contributions from New Development

Section VIII of the Measure I ordinance states specific development mitigation requirements:

*“SECTION VIII. CONTRIBUTIONS FROM NEW DEVELOPMENT. No revenue generated from the tax shall be used to replace the fair share contributions required from new development. Each local jurisdiction identified in the Development Mitigation Program must adopt a development financing mechanism within 24 months of voter approval of the Measure ‘I’ that would:*

*“1) Require all future development to pay its fair share for needed transportation facilities as a result of the development, pursuant to California Government Code 66000 et seq. and as determined by the Congestion Management Agency.*

*“2) Comply with the Land Use/Transportation Analysis and Deficiency Plan provisions of the Congestion Management Program pursuant to California Government Code Section 65089.*

*“The Congestion Management Agency shall require fair share mitigation for regional transportation facilities through a Congestion Management Program update to be approved within 12 months of voter approval of Measure ‘I.’”*

SANBAG serves as the Congestion Management Agency for San Bernardino County. The SANBAG Board approved modifications to the Congestion Management Program (CMP) to incorporate these provisions for the urbanized areas of the County (including the incorporated jurisdictions of the Valley and Victor Valley and their unincorporated spheres of influence) in November, 2005. The SANBAG Development Mitigation Program adopted into the CMP includes the Land Use/Transportation Analysis Program, Development Mitigation Nexus Study and the development mitigation implementation language: Chapter 4, Appendix K and Appendix J of the CMP, respectively. Jurisdictions in the Valley and Victor Valley subsequently approved the creation or update of development impact fee (DIF) programs that include mitigation for improvements to freeway interchanges, rail/highway grade separations, and arterial streets on the regional network.

### II.A.4. Revenue Distribution and Eligible Projects by Subarea and Program

As indicated above, Measure I funds shall be allocated to subareas based on return-to-source of the actual revenue generated. The Cajon Pass Expenditure Plan will receive 3% of the revenue generated in the San Bernardino Valley Subarea and the Victor Valley Subarea. This revenue will be reserved in an account for funding of projects, such as, the I-15/I-215 Interchange in Devore, I-15 widening through Cajon Pass, and truck lane development. The programs for the San Bernardino Valley and Mountain/Desert Subareas are explained below:

---

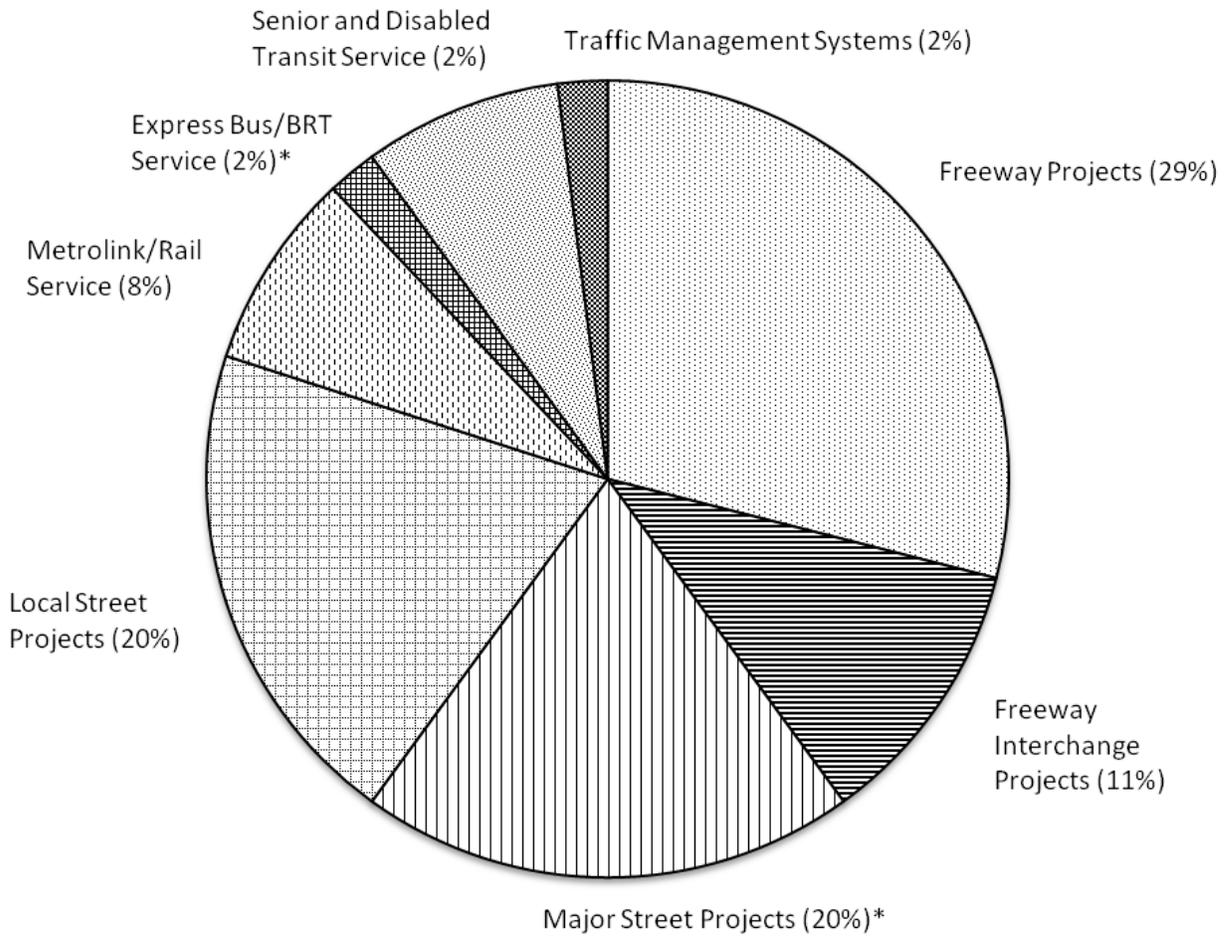
San Bernardino Valley Subarea

- Freeway Program
  - Receives 29% of revenues collected in the Valley Subarea.
  - Eligible projects include: I-10 widening from I-15 to Riverside County Line, I-15 widening from Riverside County Line to I-215, I-215 widening from Riverside County Line to I-10, I-215 widening from SR-210 to I-15, SR-210 widening from I-215 to I-10, and carpool lane connectors.
- Freeway Interchange Program
  - Receives 11% of revenues collected in the Valley Subarea.
  - Eligible projects include various interchanges on I-10, I-15, SR-60, I-215, and SR-210. The SANBAG Nexus Study contains the list of freeway interchanges in the Valley that are eligible for these funds.
- Major Street Program
  - Upon initial collection of revenue, the Major Street Program will receive 20% of revenue collected in the Valley Subarea. Effective ten years following initial collection of revenue, the Major Street Program allocation shall be reduced to no more than 17% but to not less than 12% upon approval by the Authority Board of Directors and the Express Bus/Bus Rapid Transit Service allocation shall be increased by a like amount. Equitable geographic distribution of projects shall be taken into account over the life of the program.
  - The SANBAG Nexus Study and CMP requirements have established projects that are eligible for funding under this program. Both rail/highway grade separations and arterial roadway improvements on the regional Nexus Study Network are eligible. The regional network is identified in the Nexus Study.
- Local Street Program
  - Receives 20% of revenue collected in the Valley Subarea. This revenue is distributed to local jurisdictions monthly for local street projects. Allocations to jurisdictions shall be on a per capita basis using the most recent State Department of Finance population estimates for January 1.
  - Local street projects are defined as local street and road construction, repair, maintenance and other eligible local transportation priorities. Expenditure of funds shall be based on a Five Year Plan adopted annually by the governing body of each jurisdiction. Funds are passed by SANBAG directly through to the local jurisdictions.
- Metrolink/Rail Program
  - Receives 8% of revenue collected in the Valley Subarea.
  - Eligible expenditures include, in part, purchase of additional Metrolink commuter rail passenger cars and locomotives, construction of additional track capacity, construction of additional parking spaces at Metrolink stations, new passenger rail service between San Bernardino and Redlands, and extension of the Gold Line light rail to Montclair.
- Senior and Disabled Transit Service
  - Receives 8% of revenue collected in the Valley Subarea.

- This is a continuation of the subsidy to transit operators to reduce fares for senior and disabled citizens and provides an additional 2% for the formation of a Consolidated Transportation Services Agency.
- Express Bus/Bus Rapid Transit Service
  - Upon initial collection of revenue, the Express Bus/Bus Rapid Transit Service category will receive 2% of revenue collected in the Valley Subarea. Effective ten years following initial collection of revenue, the Express Bus/Bus Rapid Transit Service category shall be increased to at least 5%, but no more than 10% upon approval by the Authority Board of Directors. The Major Street Projects category shall be reduced by a like amount.
  - Funds in this category shall be expended for the development, implementation, and operation of express bus and bus rapid transit (BRT) service, to be jointly developed by SANBAG and transit service agencies serving the Valley Subarea.
- Traffic Management Systems
  - Receives 2% of revenue collected in the Valley Subarea.
  - Eligible projects include signal synchronization, systems to improve traffic flow, commuter assistance programs, freeway service patrol, and projects which contribute to environmental enhancement associated with transportation facilities.

Figure II-2 summarizes the percentage distribution for Valley programs.

**Figure II-2**  
**Distribution of Measure I Revenue for Valley Programs**



\* Upon initial collection of revenue, the Major Street Program will receive 20% of revenue collected in the Valley. Effective ten years following initial collection of revenue, the Major Street Program allocation shall be reduced to no more than 17% but to not less than 12% upon approval by the Authority Board of Directors and the Express Bus/Bus Rapid Transit Service allocation shall be increased by a like amount.

---

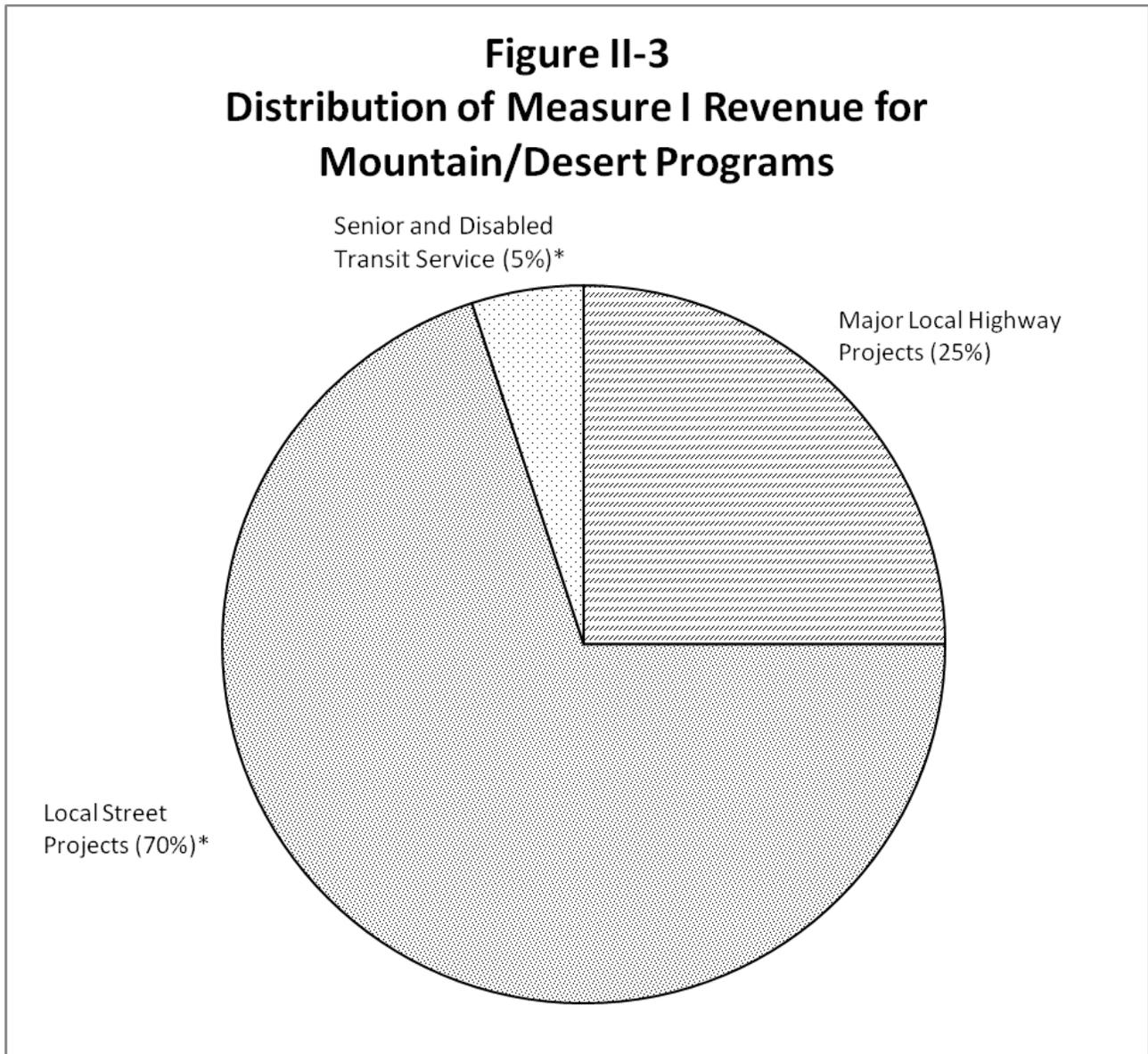
Mountain/Desert Subareas

The following Expenditure Plan requirements apply to each of the Mountain/Desert Subareas, including the Victor Valley, North Desert, Mountains, Morongo Basin, and Colorado River Subareas:

- Local Street Program
  - 70% of revenue collected within each subarea shall be apportioned for Local Street Projects within each subarea. 2% of revenue collected within each subarea shall be reserved in a special account to be expended on Project Development and Traffic Management Systems.
  - After reservation of 2% collected in each subarea for Project Development and Traffic Management Systems, the remaining amount of funds shall be allocated to local jurisdictions based on population (50%) and tax generation (50%).
  - Local street projects are defined as street and road construction, repair, maintenance and other eligible transportation priorities established by local jurisdictions. Expenditure of funds shall be based on a Five Year Plan adopted annually by the governing body of each jurisdiction. Funds are passed by SANBAG directly through to the local jurisdictions.
- Major Local Highway Program
  - 25% of revenue collected within each subarea shall be reserved in a special account to be expended on Major Local Highway Projects of benefit to the subarea.
  - Major Local Highway Projects are defined as major streets and highways serving as primary routes of travel within the subarea, which may include State highways and freeways, where appropriate. Major Local Highway Projects funds can be utilized to leverage other state and federal funds for transportation projects and to perform advance planning/project reports.
- Senior and Disabled Transit Program
  - 5% of revenue collected within each subarea shall be reserved in an account for Senior and Disabled Transit Service. Senior and Disabled Transit funding is defined as contributions to transit operators for fare subsidies for senior citizens and persons with disabilities or enhancements to transit service provided to seniors and persons with disabilities.
  - In the Victor Valley Subarea, the percentage for Senior and Disabled Transit Service shall increase by .5% in 2015 with additional increases of .5% every five years thereafter to a maximum of 7.5%.
  - In the North Desert, Colorado River, Morongo Basin, and Mountain Subareas, local representatives may provide additional funding beyond 5% upon a finding that such increase is required to address unmet transit needs of senior and disabled transit services. All increases above the 5% initial revenue collected for Senior and Disabled Transit Service shall come from the general Local Street Projects category of the subarea.

- SANBAG’s Mountain-Desert Committee shall remain in effect and provide oversight to implementation of the Mountain/Desert Expenditure Plan.

Figure II-3 summarizes the percentage distribution for each of the Mountain/Desert Subarea programs.



\* In the Victor Valley Subarea, the percentage for Senior and Disabled Transit Service shall increase by .5% in 2015 with additional increases of .5% every five years thereafter to a maximum of 7.5%.

---

## II.B. Measure I Revenue Estimates

### II.B.1. Background

The November 2004 Expenditure Plan for Measure I 2010-2040 estimated that \$6 billion would be generated by the half-cent sales tax over 30 years. Estimates of revenue for each subarea and program were derived from this overall revenue forecast. Estimates were in 2004 dollars and stated to be not binding or controlling. The expectation was that the revenue estimates would be periodically updated.

In April 2006, Dr. John Husing prepared a revised Measure I revenue forecast of \$8.35 billion in 2005 dollars. The upward revision to the revenue forecast was developed by revising several key assumptions that had previously been used during the preparation of the original Expenditure Plan. At its August 2006 meeting, the SANBAG Board adopted a slightly more conservative revenue estimate of \$8.0 billion for purposes of initiating work on the Measure I 2010-2040 Strategic Plan.

Modifications to the revenue assumptions by Dr. Husing in early 2008 lowered the 30-year non-inflated Measure I revenue estimates to \$7.25 billion in 2008 dollars. The SANBAG Board approved the estimates for use in the Strategic Plan at its April 2008 meeting. Although the economy in early 2008 appears to be on a path to a steeper decline than may have been projected by Dr. Husing in early 2008, the Strategic Plan has been based on the \$7.25 billion estimate of 30-year revenue countywide. The Strategic Plan assumptions will be revisited periodically, and the current estimate has proved to be sufficient to help scale each of the programs to the appropriate level.

### II.B.2 Measure I Subarea Revenue Estimates

The Measure I revenue forecast prepared by Dr. Husing was at the countywide level. Following the approval of the \$8 billion revenue forecast for Measure I 2010-2040, SANBAG staff began to develop subarea revenue estimates for strategic planning purposes. The challenge involved developing a methodology for disaggregating Measure I revenue to subarea levels in a way that reflects projected growth patterns.

Each Measure I subarea receives its funds based on a return-to-source calculation. SANBAG staff has information for the current subarea revenue distribution; however, each of the Measure I subareas will continue to grow at different rates. For instance, the Victor Valley, with an abundance of vacant land and a developing retail sector, will continue to grow at a faster rate than the San Bernardino Valley, which is nearing buildout in many areas. A methodology was approved by the SANBAG Board in January 2007 that considered both historical per capita revenue growth and population growth.

Currently, San Bernardino Valley receives approximately 80.3% of the Measure I revenue and the Victor Valley Subarea currently receives approximately 10.3%. The Valley generates the

bulk of the revenue because of the large population and the more mature retail sector, when compared to the other Measure I subareas. Over the 30-year life of the Measure, however, the relative percent share for the San Bernardino Valley Subarea is projected to be 75.6% and the relative share for the Victor Valley is projected as 14.9%. The change in the percent share of Measure I is the product of the faster growing communities, the expansion of retail opportunities and retail capture rate of the Victor Valley during the next 30 years. The final prediction of Measure I subarea shares approved for strategic planning purposes by the SANBAG Board is shown in Table II-1.

It is important to note that both the countywide revenue forecast and the forecast distribution to subareas are projections that extend 30 years into the future. The forecasts have been generated to assist in scaling the programs and projected expenditures to these expectations of revenue. As stated in the Measure I ordinance, the revenue estimates are not binding or controlling. They are a planning tool, and the actual distribution of revenue will occur according to the specifications in the ordinance.

The projected subarea shares were based on annual estimates of revenue, summed over the 30-year life of the Measure. The annual estimates have been used to conduct cash-flow analyses for several of the programs. The annual revenue stream is important in understanding the extent to which early project delivery may be possible through bonding against the Measure I revenue stream. Additional information on revenue projections is provided in the sections discussing individual programs.

**Table II-1  
 Projected Shares of Measure I 2010-2040 by Subarea  
 For Strategic Planning Purposes**

S.B. Valley	Col. River	Mor. Basin	Mountains	No. Desert	V. Valley
75.6%	0.14%	2.4%	2.1%	2.1%	14.9%

Note: Totals do not add to 100%. The Cajon Pass Expenditure Plan is projected to receive approximately 2.8%, in addition to the figures listed above.

II.C. Development Mitigation Program Requirements

II.C.1. Background

The Development Mitigation Program was initiated in response to specific language that was included in the Measure I 2010-2040 Ordinance. The development contribution requirements of Measure I 2010-2040 are included in Section VIII of the ordinance, which was referenced in Section II.A.3.

The SANBAG Development Mitigation Program was approved by SANBAG, acting as the San Bernardino County Congestion Management Agency (CMA), on October 5, 2005 and revised based on amendments approved by the SANBAG Board on July 5, 2006, October 4, 2006, November 1, 2006, January 10, 2007, March 7, 2007 and November 7, 2007. The Development Mitigation Program is comprised of three documents, all of which are included as components of the San Bernardino County Congestion Management Program — Chapter 4 of the CMP (“Land Use/Transportation Analysis Program”), Appendix K of the CMP (“Development Mitigation Nexus Study) and Appendix J of the CMP (Development Mitigation Program Implementation Language).

### II.C.2. Urban and Rural Development Mitigation Requirements

The San Bernardino County CMP implements the Land Use/Transportation Analysis Program and development mitigation requirements with two distinct approaches, depending on geographic location within the County. The first approach addresses the incorporated jurisdictions and the spheres of influence in the San Bernardino Valley and Victor Valley. The second approach applies to all other areas of the County. These two approaches are summarized below:

1. For San Bernardino Valley and Victor Valley cities and sphere areas: local jurisdictions implement development mitigation programs that generate development contributions for regional transportation improvements equal to or greater than fair share contributions determined through the SANBAG Development Mitigation Nexus Study (Appendix K of the CMP). Regional transportation facilities addressed by the Nexus Study include freeway interchanges, railroad grade separations, and regional arterial highways on the Nexus Study Network. Local jurisdiction development mitigation programs must comply with the implementation requirements established in Appendix J of the CMP. As of January 2007, each local jurisdiction adopted a compliant development mitigation program based on the requirements established by the SANBAG Development Mitigation Program. The local jurisdictions required to participate in the Development Mitigation Program are: Adelanto, Apple Valley, Chino, Chino Hills, Colton, Fontana, Grand Terrace, Hesperia, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, Victorville, Yucaipa and the County of San Bernardino for spheres of influence. The development contributions are collected and allocated by local jurisdictions based on policies included in the Valley Freeway Interchange, Valley Major Street and Victor Valley Major Local Highway Programs contained in this strategic plan. Development contributions are not held by SANBAG.
2. For areas outside the San Bernardino Valley and Victor Valley cities and spheres: local jurisdictions must prepare Traffic Impact Analysis (TIA) reports for proposed development projects exceeding specified thresholds of trip generation. This is a continuation of a requirement established when the CMP was originally approved by the

---

SANBAG Board in 1992. TIA reports must comply with requirements contained in Appendix C of the CMP. Local jurisdictions required to participate in the TIA program are: Barstow, Big Bear Lake, Needles, Twentynine Palms, Yucca Valley and the County of San Bernardino for other un-incorporated areas in the Mountain/Desert Subareas.

At their discretion, jurisdictions outside the urbanized Valley and Victor Valley may adopt Approach 1, in coordination with and subject to the approval of the SANBAG Board. However, an amendment to the Nexus Study is required for this to occur. Estimates of revenue that may be generated by the development mitigation program are referenced in the Financial Analysis sections of this Strategic Plan for the relevant Valley and Victor Valley programs. Appendices J and K of the CMP should be referenced for policies governing structure of the development mitigation program and its associated policies.

The 2007 update of the Nexus Study estimates that \$1.2 billion in development contributions in the San Bernardino Valley could be available to interchanges, rail/highway grade separations, and arterial projects on the regional network to supplement Measure I resources. The Nexus Study estimates that approximately \$460 million in development contributions could be available for such projects in the Victor Valley. Most jurisdictions have additional development-based fees and mitigation for local street projects that are not part of the regional network. Development contributions will likely be part of the funding picture for other Mountain/Desert Subareas as well, but these will occur on a project-by-project basis in accordance with site-specific traffic studies and mitigation requirements.

#### II.D. Other Sources of Revenue

The purpose of this section is to provide an overview of State and federal funding for transportation, as related to the delivery of Measure I projects. A basic understanding of state and federal funding processes and trends is important to establish sound policy direction.

State and federal funding continues to be an important component of project delivery in the Measure I Expenditure Plan. However, the availability of State and federal funding has been steadily declining over the past 20 years. Through the mid-1990s in California, State and federal transportation revenues accounted for almost 75% of total transportation funding, and local agencies contributed approximately 25%. The local share is now approximately 51%, only a little over 10 years later. California has not raised its fuel tax since 1990, and virtually all of the gas tax available to the State is being used for maintenance of the existing system. Figure II-2 shows a comparison of the increase in State gas tax revenue, on an inflation-adjusted basis, with the increase in travel within California in vehicle miles.

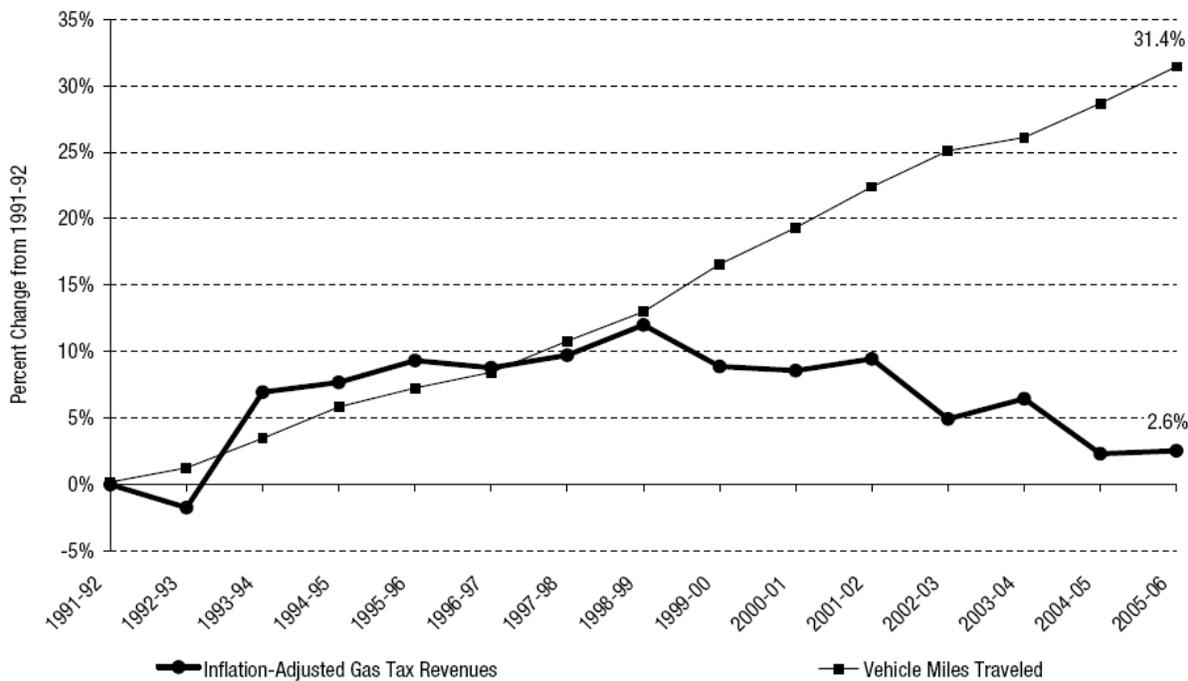
Additionally, the federal highway trust fund is in serious trouble, with indications that the fund will be completely exhausted in late summer 2009. It would have been exhausted in Fall 2008, were it not for an emergency infusion of \$8 billion by Congress. An effort is being made in Congress to address the problem in advance of the reauthorization of the Federal Transportation

Act, but it is a very difficult issue, considering the unpopular prospect of an increase to the federal gas tax.

Absent local option sales tax measures, few resources would be available for expansion of the transportation system in California. In total, as of 2007, 19 counties in California have adopted local option sales tax measures to fund transportation improvements. San Bernardino County's local option sales tax, Measure I, was initially approved in 1989 and reauthorized in 2004. Revenue from the initial Measure is projected to total \$1.8 billion. Were it not for Measure I, the substantial improvements to the regional highway system would not have been possible.

**Figure II-4**

**Increase in Inflation-Adjusted  
State Gas Tax Revenue vs. Vehicle Miles of Travel**



Source: Legislative Analyst's Office

The continuity and sustainability of State and federal funding is uncertain, at best. It is against this backdrop that financial planning for the Measure I 2010-2040 Strategic Plan has been conducted. Appendix C provides a more thorough overview of the sources and uses of State and federal transportation funding as they are known at this time.

---

## II.E. Independent Taxpayer Oversight Committee

Beginning on April 1, 2010 the Independent Taxpayer Oversight Committee (ITOC) shall be established by SANBAG. The ITOC shall provide citizen review to ensure that all Measure I funds are spent by the SANBAG in accordance with provisions of the Expenditure Plan and Ordinance No. 04-01. Given the thirty-year duration of the tax extension, the ITOC shall be appointed 180 days after the effective date of the tax extension (April 1, 2010) and continue as long as Measure I revenues are collected. The SANBAG Board of Directors and staff shall fully cooperate with and provide necessary support to ensure the ITOC successfully carries out its duties and obligations.

The ITOC shall review the annual audits of SANBAG; report findings based on the audits to SANBAG; and recommend any additional audits for consideration which the ITOC believes may improve the financial operation and integrity of program implementation. SANBAG shall hold a publicly noticed meeting, which may or may not be included on the agenda of a regularly scheduled Board meeting, with the participation of the ITOC to consider the findings and recommendations of the audits.

SANBAG shall have an open process to select five committee members, which shall include solicitation of trade and other organizations to suggest potential nominees to the committee. The committee members shall possess the following credentials:

- One member who is a professional in the field of municipal audit, finance and/or budgeting with a minimum of five years in a relevant and senior decision-making position in the public or private sector.
- One member who is a licensed civil engineer or trained transportation planner with at least five years of demonstrated experience in the fields of transportation and/or urban design in government and/or the private sector. No member shall be a recipient or sub-recipient of Measure “I” funding.
- One member who is a current or retired manager of a major publicly financed development or construction project, who by training and experience would understand the complexity, costs and implementation issues in building large scale transportation improvements.
- One member who is a current or retired manager of a major privately financed development or construction project, who by training and experience would understand the complexity, costs and implementation issues in building large scale transportation improvements.
- One public member, who possesses the knowledge and skills which will be helpful to the work of the ITOC.
- The Chair and the Executive Director of the Authority shall serve as ex-officio members of the ITOC.

---

Listed below are additional requirements established in the Measure I Ordinance with regards to the ITOC.

- Committee members shall serve staggered four-year terms.
- In no case shall any voting committee member serve more than eight years on the ITOC.
- Committee members shall serve without compensation, except they shall be reimbursed for authorized travel and other expenses directly related to the work of the ITOC.
- Committee members cannot be a current local elected official in the county or a full time staff member of any city, the county government, local transit operator, or state transportation agency.
- Non-voting ex-officio committee members shall serve only as long as they remain incumbents in their respective positions and shall be automatically replaced by their successors in those positions.
- If and when vacancies on the ITOC occur on the part of voting committee members, either due to expiration of term, death or resignation the nominating body for that committee shall nominate an appropriate replacement within 90 days of the vacancy to fill the remainder of the term.

ITOC voting members shall have no legal action pending against SANBAG and are prohibited from acting in any commercial activity directly or indirectly involving SANBAG, such as being a consultant during their tenure on the ITOC. ITOC voting members shall not have direct commercial interest or employment with any public or private entity, which receives the transportation tax funds authorized by the voters in this Ordinance.

#### II.F. Strategic Plan Updates and Amendments

This Measure I 2010-2040 Strategic Plan is intended to be updated periodically to reflect changes in project costs, revenues, economic conditions, and project priorities that will undoubtedly occur over the 30-year life of the Measure. Section XIV (1) of the San Bernardino County Transportation Authority Ordinance No. 04-01 states, “Beginning in 2015, and at least every ten years thereafter, the Authority shall review, and where necessary, propose revision to the Expenditure Plan.” It is expected that Expenditure Plan revisions such as those contemplated by Ordinance 04-01 would trigger reconsideration of the Strategic Plan as well. However, changes in Strategic Plan policy to reflect marked changes in fiscal conditions and transportation priorities can be considered at any time deemed appropriate by a majority of the SANBAG Board of Directors.

---

## **III. Measure I Strategic Plan Framework**

Section III articulates the overall framework for implementation of Measure I 2010-2040. The implementation framework contains strategies that are uniform in application across the county and strategies that are program-specific. Section III covers countywide strategies. Program-level strategies are addressed in Section IV. Section III.A covers the overarching principles adopted by the SANBAG Board to guide the development of the Strategic Plan. Section III.B provides an overview of the implementation strategy, focusing on activities that are countywide in nature.

### III.A. Overarching Principles

In January 2007, the SANBAG Board endorsed a set of principles that provide overall guidance and direction to the Strategic Plan. They are the foundation upon which specific program policies are based and include:

1. Deliver all Expenditure Plan projects at the earliest possible date.
2. Seek additional and supplemental funds as needed for completion of all Expenditure Plan projects.
3. Maximize leveraging of State, federal, local, and private dollars.
4. Ensure use of federal funds on otherwise federalized projects.
5. Sequence projects to maximize benefit, minimize impact to the traveling public, and support efficient delivery.
6. Provide for geographic equity over the life of the Measure.
7. Recognize that initiation of project development work on arterial, most interchange, and railroad crossing projects is the responsibility of local jurisdictions. Initiation of project development work on freeway mainline projects and interchange improvements required for the mainline projects is the responsibility of SANBAG.
8. Work proactively with agency partners to minimize the time and cost of project delivery.
9. Structure SANBAG to effectively deliver the Measure projects.
10. Exercise environmental stewardship in delivering the Measure projects.
11. Periodically update the Strategic Plan through the life of the Measure.
12. Utilize debt financing when and where appropriate.

### III.B. Overview of the Implementation Strategy

The implementation strategies for each individual Measure I program are addressed in Section IV. However, some elements of the strategy are applicable to all Measure I programs throughout the county. The countywide implementation strategies are designed to effectively deliver the transportation projects for which Measure I was approved by the voters. Implementation strategies common to all Measure I programs include:

- Strategy 1: Maximize revenue
- Strategy 2: Control project and program cost
- Strategy 3: Accelerate project delivery through borrowing, where appropriate
- Strategy 4: Remove obstacles to timely project development

Each is discussed in the sections below.

### III.B.1. Strategy 1: Maximize Revenue

SANBAG and most other state and local transportation agencies continue to face transportation funding challenges. Measure I and other local sources of transportation funding were originally intended to augment State and federal transportation revenues, but now comprise more than half of total available funding for transportation. As construction costs continue to rise and State and federal funding levels become increasingly uncertain, SANBAG must focus on strategies that maximize revenue with the goal of efficiently delivering priority projects.

Sales tax revenue historically has been a stable source of funding. The current Measure I did not experience significant volatility in revenue generation for the majority of the Measure's history. It was not until fiscal year 2007/2008 that Measure I first experienced a contraction of sales tax revenue. Ultimately, growth in Measure I revenue is dependent on growth of taxable sales, which is linked in turn to demographic and economic growth, and the maturation of San Bernardino County's wholesale and retail sectors. These are not areas that SANBAG has the ability to directly influence.

Consequently, SANBAG's revenue maximization strategy is focused principally on ways the agency can increase its share of State and federal resources to supplement Measure I funding. The revenue maximization strategy is comprised of two elements—delivering additional State and federal transportation resources to the county and maximizing the efficient use of State and federal funds that SANBAG already has been allocated. Section III.B.1.a provides SANBAG's legislative advocacy approach to delivering more State and federal resources to the agency. Section III.B.1.b and III.B.1.c examine opportunities for SANBAG to maximize the efficient use of the State and federal funding already allocated.

#### III.B.1.a. Legislative Advocacy

Annually, the SANBAG Board adopts a legislative advocacy plan to clearly articulate the agency's needs and intergovernmental strategies. The SANBAG advocacy plan includes a set of strategies to communicate SANBAG priorities, to inform members of the Legislature and Congress, and to collaborate with stakeholders with the purpose of advancing the agency's goals. SANBAG's legislative advocacy involves three groups of participants—the SANBAG Board of Directors, SANBAG staff, and lobbyists.

As part of the strategy, SANBAG engages members of the Board of Directors to advocate at the State and federal level. Advocacy may involve initiating or taking positions on legislation and

federal/State rule-making, or supporting specific projects. The SANBAG advocacy plan draws on the strengths of the SANBAG Board. The intent of this advocacy plan is to harness the professional relationships and skills of each Board member. The existing SANBAG structure provides opportunities for each member agency to participate in the decision-making process and to confer on the programs that impact San Bernardino County.

SANBAG staff's role in State and federal advocacy is focused primarily on identification and analysis of policy positions to support the SANBAG Board of Directors' policy determinations and advocacy efforts. As such, SANBAG staff is integrally involved in reviewing, analyzing, and crafting recommended policy positions on proposed legislation and in developing materials needed by the Board of Directors to inform their decisions on matters related to San Bernardino County transportation needs.

Finally, SANBAG employs both State and federal advocates to assist its legislative advocacy efforts. The responsibility of the State and federal advocates is to act as a conduit between the agency and Sacramento and Washington D.C. The State and federal advocates use SANBAG's legislative advocacy plan to gauge SANBAG priorities and identify pending legislation or issues that could impact the agency and communicate this information to SANBAG. The State and federal lobbyists also facilitate SANBAG's direct lobbying efforts. They use their contacts within the State and federal governments to provide access to policy makers who can assist the agency's advocacy efforts. Finally, the State and federal advocates assist on development of a legislative advocacy plan that is appropriate and realistic based on their knowledge of the political climate at both the State and federal levels.

The advocacy plan, and the priorities embodied within it, may change from year to year. However, principles that are considered from year-to-year in crafting the advocacy plan include:

- Work with stakeholders and elected officials in Sacramento and Washington to apprise them of the County's transportation infrastructure needs and the importance of the County's transportation system to the State and national economies.
- Support legislation and rule-making that will result in greater stability of transportation revenue streams.
- Support legislation and rule-making that simplify transportation project development and reduce its costs.
- Support legislation and rule-making that allow for greater flexibility in project delivery.
- Advocate for projects that are in keeping with the priorities of Measure I and the Strategic Plan.

#### III.B.1.b. Strategy for Maximizing SANBAG Access to Federal Funds:

The strategies discussed in this section and Section III.B.1.c are based on the current structure of State and federal transportation programs. These strategies may be revised or updated as State and federal transportation programs change.

At present, California receives approximately a 92% return of the State's contribution to the Federal Highway Trust Fund in aggregate. This translates into California receiving an annual share of federal transportation funds in the approximate amount of \$3.4 billion. SANBAG has programming authority over a small amount of these funds in the form of both apportionments and allocations as described below. It is important to understand both apportionments and allocations:

- Apportionments are distributed on a formula basis by population, air basins, or lane miles and specific purposes (such as high priority projects). The majority of federal funds distributed to the regions are apportionments. Examples are Congestion Mitigation and Air Quality (CMAQ) funds and Regional Surface Transportation Program (RSTP) funds. Many of the apportionments have a federally-imposed four year time limitation but can be carried over from year to year within that time limitation if not spent. The state also imposes a time limitation on the use of federal funds, commonly known as "use it or lose it" provisions, to ensure that no federal funds are lost to the state.
- Allocations are distributed without a mandated distribution formula. Examples of allocated funds are those in the federal High Priority Projects Program, certain Interstate Maintenance Discretionary (IMD) funds, and other discretionary programs. Unlike apportionments, federal allocations typically have no time limitation

Apportionments to SANBAG are also subject to set limits of annual obligation authority (OA), which is defined as the amount of allowable reimbursement for federal funds expended by an agency. The OA limits the actual federal dollars that the State can receive each year, and is distributed by formula to agencies with programming authority over federal apportionments. In contrast, federal allocations usually come with their own OA at the time of distribution.

SANBAG is responsible for managing formula-based apportionments and annual obligation authority, and has adopted policies to manage CMAQ and RSTP to ensure the San Bernardino County fully utilizes all apportionments. The Strategic Plan includes a policy on OA management to maximize OA SANBAG receives. It is important to remember that OA determines the actual level of reimbursement that a region receives. The State cannot carry OA over from one year to another, but management of OA among Caltrans and the regional transportation agencies should make it possible to effectively "bank" OA to support periodic delivery of large, costly projects. Strategies are included in the Strategic Plan to maximize access to federal funds, such as:

- Focus on OA management for all apportionment programs. The goal is to deliver over 100% of the annual OA delivery target. OA is distributed at the beginning of each year, and once distributed, if not used within the year, states/regions lose the balance of the OA. To minimize such loss, both federal and State governments have set obligation timelines to ensure that OA is expended by the end of each fiscal year. In California, if a metropolitan planning organization (MPO) or regional transportation planning agency (RTPA) has an unexpended OA balance on June 1, the balance goes back to the statewide OA pool and is given to regions on a first come first served basis; at the federal level, if a

state has an OA balance on August 1, OA will be distributed to other states on a first come first served basis. This is known as the “August redistribution.” The Strategic Plan includes an OA management policy to address the risk of losing OA because of project delay and to improve project delivery to ensure that San Bernardino County delivers at 100% of OA prior to June 1 of each year. This policy requires SANBAG to establish a project delivery plan that includes specific project schedules for all projects authorized in any given year. The plan will also allow SANBAG to manage delivery schedules to have projects shelf-ready at both the State and federal levels between June and August of each year. Failure to deliver 100% OA for projects is tantamount to leaving money on the table.

- Focus on timely applications for funding from available grant programs. SANBAG maintains regular communication with FHWA and Caltrans to ensure that SANBAG is able to compete for any available transportation funds that will be awarded throughout the year. As the County’s Transportation Commission, SANBAG is also a facilitator to ensure that funds allocated within the County are expended in a timely manner even when the funds are distributed to agencies other than SANBAG.
- In general, void obtaining federal earmarks for smaller-scale projects and exchange federal funds for local funds, where appropriate, to expedite project delivery and reduce project development cost.

#### III.B.1.c. Strategy for Maximizing SANBAG Access to State Funds:

Although the passage of Proposition 1A in 2006 provides a level of protection for gasoline sales tax funds in the State Highway Account, State transportation funding is still significantly less than what is needed to address current transportation deficiencies. To maximize the efficient use of State funding, the following strategies are utilized by SANBAG:

- Establish strategic project development partnerships with Caltrans to deliver projects in the most cost effective manner possible. For example, if Caltrans desires a Measure I Major Project to address safety or operational deficiencies in addition to the capacity improvement, Caltrans should fund the additional scope of the project.
- Focus on available State grant programs. Establish regular communications with Caltrans program coordinators to ensure that SANBAG receives timely notification of funding opportunities and has a thorough understanding of program expectations.
- Focus on accountability in delivering programs with time sensitive funding restrictions. Many programs in Proposition 1B have timeline limitations and strict amendment requirements. It is critical to deliver projects with time sensitive funding within the program guidelines to minimize the risk of losing these funds.
- Develop a pool of shelf-ready transportation projects to position SANBAG to take advantage of the opportunities in the event that additional Proposition 1B funds or funding from other State programs become available.

---

III.B.2. Strategy 2: Control Project and Program Cost

Delivery of transportation projects is facilitated not only by maximizing revenue, as discussed in Section III.B.1, but also by the effective management of project and program costs. Increased project costs have been significant impediments to project delivery in the past, and cost escalation continues to pose a threat to delivering the full complement of Measure I 2010-2040 projects. The Strategic Plan delineates a multi-pronged strategy for containing costs based on the following principles:

1. Each Measure I 2010-2040 program must live within the Measure I revenue projected for that program.
2. Project scopes should be tailored to create a balanced, cost-effective transportation system.
3. Programs should be structured so that both SANBAG and local jurisdictions can effectively manage cash-flows and deliver projects in a timely way.
4. Institutional processes should reinforce disciplined project management within SANBAG, Caltrans, and at the local level.
5. SANBAG should pursue legislative initiatives that encourage efficient and effective project delivery.

Each is explained further below.

1. Each Measure I 2010-2040 program must live within the Measure I revenue projected for that program.

Each Measure I program will be able to deliver projects in accordance with its revenue stream identified in the Measure I Expenditure Plan. In the Valley, year-to-year variation may be allowed in the percentage of revenue that is apportioned to each program, excluding the Local Streets Program, which involves direct distribution to jurisdictions. However, the total revenue that flows to each program over the life of the Measure will be as stated in the Expenditure Plan and adjusted for the time-value of money.

No Measure I 2010-2040 program can expect that its delivery will be rescued by revenue from another program. To the extent that a Measure I program is able to deliver projects cost-effectively, more revenue will be available to the program for additional projects of a similar nature. The inverse is also true. Programs unable to effectively manage costs run the risk of minimizing the number of transportation improvements that can be delivered. The expectation that each program will live within its percent share of the total Measure I revenue reinforces a discipline of cost management, with the goal of maximizing the delivery of congestion relief to the voters of San Bernardino County.

The importance of this principle is evidenced in the financial analyses conducted in 2008, which illustrated the gravity of cost and scope impacts on delivery of the entire Measure I program. The cash-flow analyses, in some cases, resulted in a rethinking of project scopes

and in other cases resulted in recognition of a need for cost control measures. The Valley Freeway Program is an example of a Measure I program tailored to assure delivery within its means. In that case, project scopes were reduced and alternative financing studies were initiated. These preemptive measures were initiated to counter the impact of the significant escalation in project cost experienced between 2004 and 2006.

The principle of each program living within its means has also helped shape the framework for controlling obligations of funds from the new Measure. Examples include the development of the Valley Freeway Interchange prioritization methodology, which directs funding to the most cost-beneficial interchange improvements first. Additionally, the Valley Major Street Program has instituted an equitable share process. The process guarantees each jurisdiction a set percentage allocation of Major Street funds. The structure of the program ensures that cost overruns incurred by one jurisdiction do not limit the ability of another jurisdiction to deliver its projects. At the same time, the program enables cost conscious jurisdictions to maximize the number of projects delivered by managing project scope and cost.

2. Project scopes should be tailored to create a balanced, cost-effective transportation system

The transportation system functions well when the system is balanced in terms of routes, modes, and traffic flows. Improvements to the transportation system should be designed to reduce overall delay, not merely shift the location of bottlenecks. It is inefficient and even wasteful to build more capacity than necessary in one part of the system and leave other parts of the system highly constrained. This includes consideration of projects under development in adjacent counties. A capacity increase in San Bernardino County may have limited benefit if a nearby bottleneck in an adjacent county is not addressed. Consequently, SANBAG engages neighboring agencies in a regional transportation planning dialogue that seeks to develop and maintain a regionally balanced transportation system.

The Caltrans Highway Design Manual states that “the design standards used for any project should equal or exceed the minimum given in the Manual to the maximum extent feasible, taking into account costs (initial and life-cycle), traffic volumes, traffic and safety benefits, right of way, socio-economic and environmental impacts, maintenance, etc.” Accordingly, multiple factors must be considered to ensure that the public’s tax dollars yield the greatest benefit in operations and safety of our facilities. SANBAG, Caltrans, and local jurisdictions must work closely to invest those dollars in an optimal way. Individual project decisions must therefore consider the overall objectives and financial constraints of the Strategic Plan. The programs contained in this version of the Strategic Plan have anticipated the currently known objectives and financial constraints. However, as financial, physical, and technological conditions evolve, the Strategic Plan will need to address these through Strategic Plan updates and individual project decisions. Options for design exceptions on a project-by-project basis should be discussed. Each decision should be made in light of operational and safety issues as well as balancing project scopes system-wide.

3. Management of cash flow to maximize delivery of shelf ready projects.

Each Measure I program will benefit by delivery of projects as soon as possible, both because the benefits of the project are made available at the earliest time, and because project delays commonly result in increased project costs. In the Valley Subarea, for example, the fund allocation process (i.e. consisting of needs assessment, apportionment, and allocation) is designed to provide funding to projects that are ready to be delivered within the fiscal year, irrespective of program, with protections for program equity over the life of the Measure. At the same time, the allocation process also identifies project needs in future years, which will allow the Board to make decisions on how to best manage the agency's cash flow.

Making these provisions operational requires attention to detail on the part of both SANBAG and local jurisdictions so that project delivery is promoted without compromising the integrity of each program and fairness to each member jurisdiction. In addition, SANBAG assistance may be needed to facilitate local jurisdiction project development efforts and the navigation of complex federal, State, and regional regulatory framework to maintain a set of projects that are ready to be delivered. Section III.B.4 discusses the ways in which the project delivery process can be made most efficient and effective.

4. Institutional processes should reinforce disciplined project management within SANBAG, Caltrans, and at the local level.

Cost containment rests on effective project management; however, SANBAG cannot deliver the Measure I program on its own. SANBAG and Caltrans manage Measure I projects that are larger and regional in nature, such as freeway mainline projects, while local jurisdictions may partner with Caltrans to deliver other State highway improvements. SANBAG, Caltrans and local jurisdictions must maintain a successful partnership on Measure I projects on the State highway system to ensure disciplined project management and accountability for effective project delivery.

While SANBAG's primary project delivery role is on the State highway system, local jurisdictions are responsible for initiation of manage arterial roadway, grade separation and freeway interchange projects. Freeway interchanges and railroad grade separation projects, however, can be managed by SANBAG, depending on factors described in Sections IV.B.5 and IV.B.6.

Disciplined management from project development through construction is essential to effective cost containment. SANBAG will monitor and provide advisory assistance to locally managed interchange and grade separation projects, both through participation on Project Development Teams and through inter-agency consultation. Advisory assistance can be provided on project development/environmental decisions, modeling and traffic operational analysis, conceptual design, value analysis, and selection of a preferred alternative.

SANBAG can participate on large arterial projects, but only at the invitation of a local jurisdiction.

Finally, SANBAG will initiate a program control system designed to link planning, programming, project delivery and project expenditures together in one database. The structured database allows project managers to make informed decisions that can improve project delivery. A program control system also allows effective and consistent communication on project development and funding so that the agency is able to consistently convey the same message to partner agencies, minimizing any confusion during project and program implementation.

5. SANBAG should pursue legislative initiatives that encourage efficient and effective project delivery.

Much can be done within the authority of existing legislation to facilitate project delivery and thereby contain program costs. In some cases, however, legislation is needed to allow for more effective ways of delivering projects. SANBAG's advocacy plans identify legislative initiatives that SANBAG believes to be a priority to deliver Measure I projects most effectively, as described in Section III.B.1.a.

### III.B.3. Strategy 3: Accelerate Project Delivery Through Borrowing, Where Appropriate

One of the overarching principles listed in Section III.A is "utilize debt financing when and where appropriate." The principal reason for considering borrowing against any of SANBAG's Measure I revenue streams is to accelerate project delivery. Possible reasons to consider debt financing include:

- Results in earlier implementation of projects, increasing benefit to the public. The public accrues direct benefit through earlier project completion.
- Allows for access to State or federal funding sources that would otherwise be unavailable. For example, the opportunity to compete for Proposition 1B Trade Corridors Improvement Funds (TCIF) became available in FY 2007/2008. However, projects must be in construction by 2013 to be eligible. The benefit of access to TCIF funds will require borrowing against Measure I 2010-2040 to meet this project delivery timeline, but the benefits of access to this additional \$239 million in State funds was viewed to be worth the anticipated borrowing costs. Other such opportunities may arise.
- Provides a hedge against project cost increases. The transportation project costs dramatically increased from 2004 through 2006. Should periods of rapid cost escalation occur in the future, accelerating project delivery through borrowing could be a way of limiting the impact of that escalation on SANBAG's ability to deliver projects. Unfortunately, periods of higher escalation are not readily predictable, and periods of de-escalation also occur. Therefore, there is a risk that the borrowing strategy could represent a greater cost than anticipated. Historically, cost escalation has been at the

level of 5% annually. To the extent that interest rates are on par with cost escalation, the costs of borrowing are limited, and the public derives a benefit from delivering the projects earlier.

Borrowing also presents some potential disadvantages:

- Bonding will result in a decrease in the revenue stream available for other projects.
- Bonding comes with a set of overhead costs associated with arranging and managing the issuance of bonds. The magnitude of those costs varies with the size of the bond issue. The costs as a percentage of the bond issue typically declines as the size of the bond issue increases.
- Borrowing can be ineffective and costly if not timed carefully with the project expenditures being supported by the borrowing.

In light of the advantages and disadvantages cited above, borrowing against Measure I 2010-2040 revenue streams shall be guided by the following general principles:

- Clear advantages of borrowing must be demonstrated to the delivery of specific projects if SANBAG is to bond against future Measure I revenue streams. Bond financing may be appropriate:
  - When the scope and timing of the planned expenditures makes pay-as-you-go financing unfeasible (ref. Public Utilities Code 180200)
  - Where an opportunity exists to leverage significant levels of State, federal, or private funding that would otherwise be unavailable if borrowing were not to occur
  - Where seed money is needed to support development or construction of a facility financed with tolls or other fee-based revenue sources.
- Utilize cash-flow borrowing among Measure I programs to limit the need for bonding against Measure I revenues, where possible, while ensuring that each program receives its share of Measure I revenue as specified in the Expenditure Plan.
- Each Measure I program must be able to support debt service for its projects with the revenue stream forecast to be available to that program. The SANBAG Board may allow exceptions to this principle when significant potential benefits exist to the delivery of Measure I projects.
- Bond issues should be pooled across programs, where possible, to limit the overhead costs associated with borrowing. The costs of bond issuance and debt service associated with a pooled bond issue shall be distributed across the Measure I programs proportional to the use of the borrowed funds by each program.
- Borrowing should occur so as to limit the time between bond receipts and the expenditure of bond funds. Strong evidence of project-readiness must be presented for SANBAG to commit Measure I revenue streams to bonding against specific projects.

---

#### III.B.4. Strategy 4: Remove Obstacles to Timely Project Development

SANBAG must seek to expedite project delivery both at the program level, to ensure timely use of all fund sources, and at the project level to ensure the agency delivers on transportation project commitments. The program-level approach focuses on the overall transportation benefit to SANBAG, Caltrans, and local jurisdiction partners and their collective ability to maximize state and federal funding opportunity as well as advance local project delivery. The agencies should also focus on strategies that can generate shelf-ready projects.

##### Program-Level Strategies:

- Use non-federal funds during environmental and design phases when possible. Using non-federal funding during these phases minimizes the time impact and the cost associated with participating in the federal aid process. This does not eliminate the need to obtain federal environmental clearance for projects that will use federal funds for construction.
- Limit the use of federal funds to large-scale freeway or interchange projects for which National Environmental Policy Act (NEPA) clearance is already required. Collaborate among jurisdictions in receipt of federal dollars to trade the federal funds with local Measure I funds, when and where possible. Such a strategy can expedite local arterial projects because these can be processed through CEQA and avoid the federal environmental process, saving time and cost.
- Improve the federal project delivery rate to reach 100% prior to June 1 of each year. Such a strategy will cut the risk for SANBAG and its local partners from becoming “donor” agencies under the current obligation authority (OA) policy and allowing the region to deliver shelf-ready projects under the first-come first-served rule. Such a strategy will also eliminate the risk of SANBAG losing annual OA as outlined in AB 1012. Federal funds and State funds usually are apportioned on an annual basis. The current OA policy by Caltrans allows the agencies to borrow/loan OA to other agencies within three years of the Federal STIP. When the agencies have shelf-ready projects by June 1 of the current year, the agency can deliver more than their annual share of OA on a first-come first-served basis. It is SANBAG’s goal to obtain 100% delivery status prior to June of each year to maximize the county’s delivery opportunity.
- Establish short-range programmatic delivery plans for each Measure I program that can manage and track the performance of the programs. Periodic review of the short-range programmatic delivery plans would allow staff and policy makers to review the successes and failures of each program and revise the program accordingly. The goal of the short-range programmatic delivery plans is to maximize the project delivery of each Measure I program.
- A comprehensive program management database will be established to allow decision makers to have fast access to project data to make informed program-level decisions at any given time. The database should include all projects receiving federal, State and Measure I funds.

---

## Project-Level Strategies

Project-level strategies should streamline project development and fully implement effective project management concepts to proactively manage each phase and task of a project. Successful project delivery involves a good planning document, a well defined scope and a project schedule that is supported by major decision makers. Streamlined project delivery usually involves a strategic collaboration among project decision makers and the management of project risks by the Project Manager through the Project Development Team.

### Strategies for Expediting Project Development:

- Select the most qualified Project Managers for high priority projects.
- Collaborate among major decision makers and involve them in the process as early as possible.
- Utilize MOUs or Project Charters to reach consensus among major project decision makers as early as possible. Such documents should also address project deliverables, schedule, scope and a dispute resolution process.
- Set strict limits on changing decisions once made.
- Provide assistance to local jurisdiction staff on forms and procedures required as part of the Caltrans project development process.
- Provide pre-submittal reviews by SANBAG staff prior to major local jurisdiction submittals to Caltrans, if requested by the local jurisdiction.
- Whenever possible, perform concurrent process/project review throughout project development.
- Implement “risk design” approach when appropriate.
- Encourage efficient environmental clearance by coordinating with State and federal resource agencies
- Utilize risk management to minimize potential schedule delays and cost increases where appropriate.
- Increase proactive communication among all agencies involved with the project.
- Develop staff level partnerships among agencies, such as holding periodic partnership meetings with project reviewers to share lessons learned and to increase productivity.
- Apply innovative solutions at all levels that could accelerate project delivery, including contracting innovations when appropriate.

It is a SANBAG goal to facilitate local project delivery, not just SANBAG’s own projects. Expeditious project delivery will put Measure I dollars to work faster and will result in economies that allow Measure dollars to deliver more projects.

## IV. Measure I Subarea Programs

Section IV presents the details of the programs for each Measure I 2010-2040 subarea. The programs are discussed in the following order:

- Cajon Pass Expenditure Plan
- Valley Subarea
  - Valley Apportionment, Allocation and Expenditure Process
  - Valley Project Advancement/Advance Expenditure Process
  - Local Street Program
  - Freeway Program
  - Freeway Interchange Program
  - Major Street Program
  - Metrolink/Rail Program
  - Express Bus/Bus Rapid Transit Program
  - Senior and Disabled Transit Program
  - Traffic Management Systems Program
- Victor Valley Subarea
  - Local Street Program
  - Major/Local Highways Program
  - Senior and Disabled Transit Program
  - Project Development and Traffic Management Systems Program
- Rural Mountain/Desert Subareas
  - Local Street Program
  - Major/Local Highways Program
  - Senior and Disabled Transit Program
  - Project Development and Traffic Management Systems Program

The following are presented for each program:

- Scope of the program
- Financial analysis of the program
- Program policies
- Implementation actions

The discussion of program scope provides an overview of the operation of each program. The program policies represent the specific rules and procedures by which the program will operate. The policies for all programs are presented together in Part 2 of the Strategic Plan so that they can be easily referenced, but the policy discussion is integral to the description of each program. Implementation actions identify the activities that need to be undertaken once the Strategic Plan is approved. The discussion of each program begins on a new page to make it easier for the reader to find the starting point for each program.

---

## **IV.A. Cajon Pass Expenditure Plan**

### IV.A.1. Scope of the Program

The Measure I Ordinance approved by the voters in 2004 includes contributions from both the San Bernardino Valley and Victor Valley Subareas to fund an Expenditure Plan for the Cajon Pass. The Cajon Pass Expenditure Plan is funded by 3% of the revenue generated in the Valley and Victor Valley Subareas. The 3% is reserved in advance of other allocations specified in the Measure I Expenditure Plan in an account for funding of highway projects in the Cajon Pass. The Cajon Pass Expenditure Plan is jointly funded by the Valley and Victor Valley Subareas because the Pass serves as the major transportation corridor connecting the two urbanized areas within San Bernardino County. Improvements listed in the Cajon Pass Expenditure Plan include the I-15/I-215 Interchange in Devore, I-15 widening through Cajon Pass, and truck lane development.

The groundwork for improvements in the Cajon Pass was laid in the I-15 Comprehensive Corridor Study, completed in December 2005. The SANBAG Board approved the study recommendations in February, 2006. The Board endorsed two alternatives for further consideration: dedicated truck lanes and reversible managed lanes. Further consideration of the dedicated truck lanes was also dependent on the outcome of the analysis of regional dedicated truck lanes in the Multi-County Goods Movement Action Plan, but the need for and feasibility of regional dedicated truck lanes remains unresolved at this time. Improvement of the I-15/I-215 (Devore) interchange was identified by the Board as the highest priority for the I-15 corridor.

In early 2007, SANBAG and Caltrans were faced with needing to give local jurisdictions guidance regarding the mainline cross-sections that should be assumed for several I-15 local-access interchanges that were in project development. In April 2007, the SANBAG Board adopted the reversible managed lane alternative for purposes of near-term project development guidance for interchanges along Interstate 15. Reasons for this decision were documented in the April 2007 Board agenda item. If dedicated truck lanes are later determined to be financially feasible, the lead agency(ies) developing that project will need to determine how to integrate the truck lanes into the I-15 cross-section that will exist at that time for each of the I-15 interchanges.

The Valley Freeway Program portion of the Strategic Plan (see Section IV.B.4) calls for the addition of two High Occupancy/Toll (HOT) lanes in each direction between the Riverside County line and I-215. The Valley Freeway Program HOT lanes will connect to the Riverside County HOT lanes currently in project development to the south and the reversible managed lanes adopted as the cross-section within the Cajon Pass to the north. The ultimate configuration of the tolled lanes will be determined as part of the Alternative Financing Study scheduled for completion in late 2009.

An Alternative Financing Study was initiated by SANBAG in 2008 to evaluate the feasibility of HOT lanes on several freeways in San Bernardino County. The following option is being evaluated for I-15 between SR-210 and SR-395:

- Two reversible HOT lanes from SR-210 to I-215 (part of the Valley program)
- Three reversible HOT lanes from I-215 to SR-138
- Two reversible HOT lanes from SR-138 to SR-395

An assessment of the revenue generation potential of these sections and development of a financing strategy will be complete in mid-to-late 2009. The I-15/I-215 interchange is being redesigned allowing ample room in the center median for both the reversible configurations as well as potential dedicated truck lanes or other HOT lane cross-sections. Based on revenue forecast to be available to the Cajon Pass Expenditure Plan, future mainline widening projects in the Cajon Pass will be almost entirely dependent on user-financed scenarios or a large infusion of additional State and federal funds. Any additional Measure resources beyond the Devore Interchange will be funds anticipated to leverage additional federal, State and private funding in the corridor. SANBAG needs to continue engaging key stakeholders in California, Nevada and the federal government to articulate the Cajon Pass' vital role as a trade and recreation corridor.

#### IV.A.2. Financial Analysis

The Measure I Expenditure Plan commits 3% of the revenue generated in the Valley and Victor Valley subareas to the Cajon Pass. This is estimated as 2.8 percent of total Valley Measure I revenue or approximately \$200 million in 2008 dollars. The greatest challenge for developing a financially feasible program was the large increase in construction costs that occurred between 2004 and 2006, an increase of over 80 percent during that period. Currently, construction costs have stabilized and are following more historical trends.

The cost for I-15 widening in the Cajon Pass was estimated at approximately \$270 million in 2006, but this included only an HOV lane in each direction, not the reversible HOT lane concept. Cost estimates for the HOT lane configuration will be provided through the Alternative Financing Study but are expected to be considerably higher. The operating costs of toll collection and enforcement will also be added.

Costs for the I-15/I-215 interchange reconstruction were estimated at approximately \$200 million in the 2006 SANBAG cost update. However, this update was performed prior to the more detailed conceptual engineering conducted for the interchange Project Study Report in 2008. Costs for the interchange now range up to \$368 million. The interchange has been designated to receive \$118 million in Proposition 1B Trade Corridor Improvement Funds (TCIF), the receipt of which requires start of construction by 2013. Although the preferred alternative for the interchange has not been determined, the range of costs for alternatives under consideration is at a level that will commit the entire Cajon Pass Measure I revenue stream. In addition, the Cajon Pass revenue stream is not sufficient, in itself, to support bonding at the level to begin project construction by 2013. Bonding capacity from both the Valley and Victor Valley Subareas may be required, in addition to that of the Cajon Pass Program, to ensure delivery of the Devore interchange project on schedule.

The Devore interchange is a candidate for additional State and federal funds, in addition to the TCIF funds already received. In addition, financial participation on I-15 projects by the State of

Nevada has occurred in the past and this possibility exists for I-15 projects in the future as well. The Devore interchange is also high on the priority list in requesting funding under the federal reauthorization process. However, no specific commitments of State and federal funds have been assumed in the Strategic Plan for the Devore interchange project other than the TCIF funds. An infusion of additional State/federal funding would allow for Measure I dollars to be used as seed money for HOT lanes on the I-15 mainline in the Cajon Pass.

Based on the assessment of the future revenue stream, and SANBAG's commitment to construction of the I-15/I-215 interchange, it is expected that nearly 100 percent of the construction and operating cost of the HOT lanes in the Cajon Pass would need to be toll funded. If the Alternative Financing Study indicates that less than 100 percent of the needed revenue may be generated by tolls, additional outside funding will need to be sought to arrive at a financially feasible solution.

#### IV.A.3. Expenditure Plan Policies

The policies for the Cajon Pass Expenditure Plan are provided in Part 2 of the Strategic Plan.

#### IV.A.4. Implementation Actions

The following actions need to be taken to implement the projects in the Cajon Pass Expenditure Plan:

- For the I-15/I-215 interchange, complete scoping documents (Project Study Report), Project Approval and Environmental Documents (PA&ED), right-of-way acquisition, and final design so that construction may begin by the end of calendar year 2013. Obtain Caltrans and FHWA approval of the documents, as needed.
- For I-15 widening, establish the extent to which toll financing will pay for construction and operation of the proposed Cajon Pass HOT lanes through the Alternative Financing Study. Seek additional outside funding, and scope the improvements to match the revenue stream that is projected to be available.
- Upgrade the project control system to track the project schedules, budget, and scope. Integrate the system with the SANBAG financial system.

## IV.B. San Bernardino Valley Programs

### IV.B.1. San Bernardino Valley Apportionment, Allocation and Expenditure Process

#### IV.B.1.a. Overview of the Process

This section provides an overview of the process for conveyance of Measure I 2010-2040 funds to the programs of the San Bernardino Valley Subarea as identified in the Measure I Expenditure Plan. The process entails four steps, including the identification of needs, fund apportionment, fund allocation and fund expenditure. Figure IV-1 provides additional information on the four-step process, and more specific details are included in Section IV.B.1.2.

#### **Figure IV-1: Valley Subarea Process Overview**

**Identification of Needs** – Local jurisdictions and SANBAG provide information on the potential call on Measure I revenue from each of the Valley Programs. Step 1 is to be complete by September 30 of each year.



**Fund Apportionment** – SANBAG Board directs funding to a Measure I 2010-2040 San Bernardino Valley Program. Step 2 is to be complete by the February Board meeting each year.



**Fund Allocation** – SANBAG Board assignment of apportioned funds to projects funded by a San Bernardino Valley Program. Step 3 is to be complete by the March Board meeting each year.



**Fund Expenditure** – SANBAG and local jurisdictions expend Measure I 2010-2040 funds on specific projects throughout the following fiscal year.

#### IV.B.1.b. Four Step Process

##### Step 1: Identification of Needs

The first step in the administration of all Measure I 2010-2040 Valley programs is the annual identification of the projected cash demand for each program and estimation of the revenue

expected to be available from all sources that may contribute to project or program funding. The principal tool that is used to determine project and program funding needs is the Capital Project Needs Analysis (CPNA).

***Capital Project Needs Analysis:*** By September 30 of each year, SANBAG and local jurisdictions submit a five-year CPNA for each program contained in the San Bernardino Valley Expenditure Plan. The CPNAs cover a five year prospective period that commences the following State fiscal year. The needs analysis documents project or program need by fiscal year and includes anticipated funding sources, funding amounts and project phasing where appropriate. The needs analysis also demonstrates the availability of the development mitigation fair share funds for the Valley Freeway Interchange and Valley Major Street Programs. Approval of a jurisdiction's CPNA by the City Council/Board of Supervisors is required prior to the September 30 submittal date.

To facilitate the preparation of CPNAs, SANBAG staff provides preliminary revenue projections for all public share dollars considered in the San Bernardino Valley Expenditure Plan. The revenue projections include Measure I, State, and federal funds over which SANBAG has administrative authority and are provided to local jurisdictions at the same time the request for CPNAs is distributed. Distribution of the request for CPNAs occurs by July 1 of each year, and preparation of CPNAs proceeds at the same time as local jurisdiction preparation of the Development Mitigation Annual Report for the Valley Major Street Program and the Valley Freeway Interchange Program and preparation of the five-year Capital Improvement Plan required as part of the Valley Local Street Program. During preparation of the annual cash flow analysis, SANBAG staff reconciles development mitigation information contained in the CPNAs with the development mitigation annual reports. Any expected intra-jurisdictional loans to development mitigation accounts should be identified to assist in this reconciliation process.

***Parties Responsible for Preparation of CPNAs:*** SANBAG staff prepares CPNAs to document project readiness and funding information for the Freeway, Metrolink/Rail, Express Bus/Bus Rapid Transit, Senior and Disabled Transit and Traffic Management Systems programs, all of which are programs administered by SANBAG. Local jurisdiction staff prepares CPNAs documenting project readiness information and funding information for projects included in the Valley Major Street and Valley Freeway Interchange Programs because projects in these programs are initiated by local jurisdictions, as a general rule. The information that is provided for the Major Street Program by local jurisdictions is used as the basis for the adoption of a five-year capital program by the SANBAG Board, as required by the Measure I 2010-2040 Expenditure Plan. For additional information on the Valley Major Street Program and the CPNA process, refer to Section IV.B.6 of the Strategic Plan.

## Step 2: Fund Apportionment

The second step in the administration of the Valley Measure I 2010-2040 Program is the annual apportionment of Measure I, State and federal revenue to each Valley Program by the SANBAG Board. The fund apportionment process has two components, the preparation of an annual cash flow analysis and the preparation of a fund apportionment recommendation.

**Cash Flow Analysis:** Annually, SANBAG prepares a cash flow analysis that compares projected revenues and expenses for all Measure I 2010-2040 Valley Programs to inform the SANBAG Board during the fund apportionment process. The cash flow analysis includes the information contained in the CPNAs prepared for each Valley Measure I program and projected funding sources anticipated to be available within a five year planning horizon. All projected State, federal and private funds are included in the annual cash flow analysis. The State and federal funds included in the cash flow analysis are directed to Measure I programs in accordance with the State and federal funding policies contained in the Valley Program Process Overview policies.

The goal of the cash flow analysis is to match revenue projections and program cash demands over the five year period, with the emphasis placed on the first year of the five year planning horizon. For situations where cash demand exceeds revenue projections, the cash flow analysis will serve as the basis for evaluation of agency bonding needs.

**Apportionment Recommendation:** The SANBAG Board retains the full discretion over the apportionment of Measure I 2010-2040 revenue between San Bernardino Valley Programs to maximize project delivery and to pursue public policy objectives. Therefore, on a year-by-year basis individual programs may not receive the percentage share of Measure I revenue identified in the San Bernardino Valley Expenditure Plan. However, over the life of the Measure, the apportionment process ensures that all programs are funded in amounts consistent with the provisions of Measure I 2010-2040. The assurance is provided by monitoring program expenditures and making adjustments based on the time-value of money. The time-value of money calculation guarantees that programs with heavy draws on cash in the early years of the Measure will not be advantaged over programs with cash demands later in the Measure.

The information contained in the cash flow analysis contains the information used as the basis for SANBAG staff's apportionment recommendation. The apportionment recommendation begins with a presentation of a draft recommendation to policy committees for review by December each year. At a minimum, the cash flow analysis and apportionment recommendation shall consider the following:

- All Measure I 2010-2040 San Bernardino Valley Program needs
- Project Advancement and Advance Expenditure Agreements
- Bond or other debt service obligations
- Revenue committed to projects or programs in previous apportionment cycles
- Ability to leverage additional State, federal and private funding sources

The SANBAG Board approves the fund apportionment for the Valley programs by February of each year. Approval of the fund apportionment by February is necessary to ensure the timely preparation and delivery of the annual SANBAG Budget, which is based in part on the annual fund apportionment decision. In addition, local jurisdictions need this information for their own budgeting purposes.

---

### Step 3: Fund Allocation

The third step in the administration of the Valley Measure I 2010-2040 Program is the allocation of funding to projects within the separate Measure I programs. Either concurrently with the fund apportionment approval or no later than March of each year, the Board approves the list of projects to be funded with the apportioned amounts of Measure I revenue provided to the program. The fund apportionment process sizes the recommended apportionment amounts based on actual projects contained in the CPNAs. To the extent that all of the projects submitted for funding in the CPNAs can be allocated funding, the fund apportionment and the fund allocation decisions occur concurrently. If the fund apportionment decision made by the SANBAG Board cannot fund all projects submitted in the CPNAs, SANBAG staff and local jurisdiction staff work to develop a project list that is financially constrained within the apportioned amounts of funding. The project list approved by the Board each year serves as the fund allocation decision and constitutes the agency's annual project delivery plan.

Local jurisdictions that wish to deliver projects in excess of the resources allocated to the jurisdiction in the fund allocation decision may deliver projects in accordance with the provisions in the Advance Expenditure Process contained in Section IV.B.2. The Measure I funds allocated to Measure I projects are used in Step 4 to prepare agreements with local jurisdictions and to incorporate within the SANBAG Budget, with both sets of documents governing the expenditure of Measure I funds.

### Step 4: Expenditure

The fourth step in the Measure I 2010-2040 Valley Program process is the expenditure of funds. The expenditure of funds does not occur until the SANBAG Board has apportioned funds and allocated funds to programs and projects as outlined in steps 1 through 3 above. The expenditure of Measure I funds is different for the SANBAG and local jurisdiction programs. Each approach to the expenditure of Measure I funds is discussed in greater detail below.

***SANBAG Programs:*** Expenditure of funds occurs following the adoption of the annual SANBAG Budget. Following the approval of budgetary authority to expend Measure I funds on specific projects, each project is required to complete the procurement process. Standard approvals by the SANBAG Board are for expenditure of funding by a SANBAG managed Valley Measure I program.

***Local Jurisdiction Programs:*** Two types of agreements between SANBAG and local jurisdictions are required to be executed before the reimbursable expenditure of funds can occur. For project specific expenditure of funds, such as interchange or rail/highway grade separation projects, local jurisdictions and SANBAG execute Project Funding Agreements. For the Major Street Program, local jurisdictions and SANBAG execute a Jurisdiction Master Agreement. SANBAG will prepare both new Project Funding Agreements and Jurisdiction Master Agreements, or their amendments as required, prior to July 1 each fiscal year for approval by

local jurisdiction Council/Board of Supervisors and the SANBAG Board. Each type of agreement is discussed in greater detail below.

- ***Project Funding Agreement:*** The Project Funding Agreement is a cooperative agreement between SANBAG and the agency sponsoring an interchange or a rail/highway grade separation project. The Project Funding Agreement establishes roles, responsibilities and financial commitments for each agency involved in the agreement. One agreement is executed between SANBAG and the sponsoring agency for the entire interchange or grade separation project. Each agreement contains the scope, public share commitment and development mitigation commitment for the phase of the project in receipt of an allocation of funding. As future phases of the project are awarded public share funding, the agreement is amended to specify project scope, public share and development mitigation commitments. Both the City Council/Board of Supervisors representing the sponsoring agency and SANBAG must approve the Project Funding Agreement and each subsequent amendment.

For projects with multiple local jurisdictions involved, the sponsoring agency is required to provide a copy of a fully executed Development Mitigation Cooperative Agreement to be included with the Project Funding Agreement. The Development Mitigation Cooperative Agreement provides guarantees by the sponsoring agency prior to any expenditure of Measure I funds on a project that the requisite amount of development mitigation is available from all contributing agencies as outlined in the Nexus Study. Each City Council/Board of Supervisors representing a contributing agency will be required to participate in the Development Mitigation Cooperative Agreement prior to the approval of the Project Funding Agreement. SANBAG staff may be requested to assist sponsoring agencies in discussions with other participating local jurisdictions over development contributions.

- ***Jurisdiction Master Agreement:*** The Jurisdiction Master Agreement is a cooperative agreement between SANBAG and each local agency receiving Valley Major Street Funds. The agreement establishes roles, responsibilities and financial commitments. The agreement contains the projects and the project limits eligible for expenditure of funding during the fiscal year. The agreement also establishes the available reserved and unreserved Major Street Program share amounts a jurisdiction can expend during the fiscal year. For additional information on the Major Street Program and provisions on the reserved and unreserved shares refer to Section IV.B.6. Jurisdictions that wish to exceed the amounts contained in the Jurisdiction Master Agreement may expend additional funding on Nexus Study projects subject to the provisions governing the Advance Expenditure Process contained in IV.B.2. Each year, the Jurisdiction Master Agreement is amended to provide updated projects and funding allocations to a jurisdiction under the Major Street Program. Both the City Council/Board of Supervisors representing the sponsoring agency and SANBAG must approve the Jurisdiction Master Agreement and each subsequent amendment to the updated project information contained in the agreement.

Following execution of a Project Funding Agreement or the Jurisdiction Master Agreement by SANBAG and local jurisdiction City Council/Board of Supervisors, local jurisdictions may begin the expenditure of Measure I funds. The allocated amounts of funding are expended on projects in accordance with the provisions specified in the executed agreement(s). Both the Valley Freeway Interchange and Valley Major Street Programs are administered as cost reimbursement programs. Reimbursements by SANBAG occur for projects up to the public share amount identified in the Project Funding and Jurisdiction Master Agreements. Amounts of public share submitted for reimbursement in excess of the amount identified in the allocation agreements may be eligible for reimbursement through the Advance Expenditure process contained in Section IV.B.2 subject to Board approval. Reimbursement will not occur for increased or expanded scope of work, unless prior approval has been obtained from the SANBAG Board, or for projects not contained in the funding agreements.

For cases in which SANBAG manages an interchange or grade separation project for a local jurisdiction, a separate cooperative agreement is executed between SANBAG and the jurisdiction delineating the terms and conditions of that management structure. Typically, a separate Project Funding Agreement is executed addressing only the funding side of the arrangement, given that the jurisdiction's project is receiving an allocation of Measure I funding. However, the development share is conveyed to SANBAG in this case, and the Funding Agreement must address the terms of this arrangement.

#### IV.B.1.c. Valley-wide Program Policies

Policies that implement the overall program framework are listed together with other Measure I 2010-2040 policies in Part 2 of the Strategic Plan. Policies pertaining to the entire Valley are presented first, followed by policies for individual programs.

#### IV.B.1.d. Implementation Actions

- Further develop the Capital Project Needs Analysis process
- Develop the Model Project Funding Agreement
- Develop the Model Jurisdiction Master Agreement
- Develop the Development Mitigation Cooperative Agreement
- Develop the revenue and expenditure tracking systems required to monitor the expenditure of Measure I funds and to manage the annual cash-flow analysis

---

## **IV.B.2. Valley Project Advancement/Advance Expenditure Process**

Both the Project Advancement (PA) and Advance Expenditure (AE) processes provide the ability for local jurisdictions to deliver projects prior to the availability of Measure I 2010-2040 revenue, with provisions for reimbursement or credit for public share costs at a later time. To be eligible, projects must be contained in either the Measure I 2010-2040 Expenditure Plan or the SANBAG Nexus Study. The Project Advancement Process was designed to bridge the funding gap between passage of Measure I 2010-2040 and the commencement of revenue flow. The process was structured to enable project delivery while limiting the impact on Measure I 2010-2040 in the absence of a Strategic Plan. Advance Expenditure differs from the Project Advancement process in that the Advance Expenditure process operates concurrent with the flow of Measure I 2010-2040 revenue.

### **IV.B.2.a. Project Advancement Process**

Following the passage of Measure I 2010-2040 in November 2004, several member agencies indicated a desire to advance shelf-ready or near-shelf-ready freeway interchange, overcrossing, or arterial projects consistent with the new Expenditure Plan. After considerable deliberation, in December 2005 the SANBAG Board approved a strategy to advance SANBAG Nexus Study interchange, arterial, and grade separation projects to construction with local funds prior to 2010, with provision for reimbursement of the public share of the cost from the applicable Measure I 2010-2040 program at a time to be determined through the Strategic Plan. The Board also limited reimbursement funding to no more than 40 percent of the revenue apportioned to the applicable Measure I program so as to retain some funding for new projects. A model interagency Project Advancement Agreement (PAA) was approved by the Board in April 2006.

Following approval of the model interagency PAA by the SANBAG Board, Valley jurisdictions were permitted to enter into PAAs with SANBAG. By October 2008, the Board of Directors had approved PAAs for three interchanges totaling \$29 million, fifteen arterials totaling \$56 million, and one grade separation totaling \$14 million in the San Bernardino Valley subarea. Based on the currently approved PAAs, SANBAG staff estimates that repayment of the agreements at the 40 percent level will require 5 years for the Measure I Valley Freeway Interchange Program and 6 years for the Valley Major Street Program after the inception of revenue collection for Measure I 2010-2040 in April 2010. At the same time, the SANBAG Board amended the PA provisions to extend the period in which jurisdictions could execute Project Advancement Agreements for Nexus Study projects to January 31, 2009, to clarify that reimbursement will occur in order of expenditure, and to establish April 5, 2006 as the earliest date of expenditures eligible for reimbursement, or the date of approval of a jurisdiction's development mitigation program by SANBAG, whichever is earlier. Any additional projects approved as part of the Project Advancement process will extend the period of repayment beyond the estimates provided in this section.

The Valley PA process is administered as a reimbursement process. Eligible expenses under the PAA process include any phase of a project included in the Nexus Study. Agencies are reimbursed the public share of the project cost included in the Nexus Study or the public share of

the actual project cost, whichever is less. Reimbursement of executed PAAs begins the second quarter following the commencement of Measure I 2010-2040 revenue receipts. SANBAG funds reimbursement of PAAs at the maximum 40 percent rate identified in the PAA. The 40 percent reimbursement rate is calculated individually for both the Valley Freeway Interchange Program and the Valley Major Street Program.

PAA repayment disbursements occur quarterly in order of the date of expenditure as documented by consultant and contractor invoices reflecting actual project expenditures. Jurisdictions must submit to SANBAG any reimbursable consultant and contractor invoices, or documentation for in-house work performed by local jurisdiction staff, reflecting actual project expenditures. If jurisdiction in-house staff time is submitted for reimbursement, documentation of hours by individual and salary rate must be provided, with tabulations from the payroll system by project task as backup. Overhead will only be allowed via an approved cost allocation plan or an equitable and auditable distributions of overhead among all departments. Only staff time directly contributing to a deliverable of a Nexus Study project are eligible expenditures. Oversight activities, such as attending PDT meetings and management of consultant or contractor progress and invoicing are reimbursable only for Valley arterial projects and are limited to up to 2% of the cumulative invoice amount. Expenditures without the proper documentation required by the PAA are not reimbursed by SANBAG.

#### IV.B.2.b. Advance Expenditure Process

The Advance Expenditure (AE) process is established to provide reimbursement or credit to local jurisdictions that are willing to deliver Nexus Study projects with local resources in advance of an allocation of Measure I funds. Local jurisdictions that wish to take advantage of this option may request to be reimbursed for the public share of an advanced project's cost at such time as Measure I funds are available through the applicable program. Alternatively, the local jurisdiction may request to have the public share cost credited toward an equal development share cost for one or more subsequent projects.

The Valley AE Process applies to the Valley Freeway Interchange and the Valley Major Street Programs as detailed below:

- ***Valley Freeway Interchange Program:*** Public share funding for freeway interchanges is allocated based on the policy framework described in Section IV.B.5 of this Strategic Plan. Jurisdictions that do not receive an allocation of Valley Freeway Interchange Funding when they wish to initiate projects may begin development under the AE Program subject to SANBAG Board approval. Sponsoring agencies that wish to utilize the AE Program for an interchange project must execute an Advance Expenditure Agreement (AEA) with SANBAG prior to the expenditure of funds to be reimbursed or credited pursuant to this AE Program. Any funds expended by a local jurisdiction on a project prior to the execution of the AEA are not eligible for reimbursement or credit.

The AEA establishes agency roles, responsibilities and financial commitments. One agreement is executed between SANBAG and the sponsoring agency for the entire

interchange project. The agreement contains the scope of work, development mitigation commitment and public share of the cost to be reimbursed by SANBAG. As the sponsoring agency begins each subsequent phase of a project, the agreement is amended to update the project scope, development mitigation commitments and public share of the cost to be reimbursed by SANBAG.

As part of the Advance Expenditure Agreement, the sponsoring agency is required to provide a copy of a fully executed Development Mitigation Cooperative Agreement. The Development Mitigation Cooperative Agreement is an agreement between the sponsoring agency and minority share agency(ies), where applicable, to provide the requisite development mitigation funding to the project as outlined in the Nexus Study. Both the City Council/Board of Supervisors of the sponsoring agency and SANBAG must approve the Advance Expenditure Agreement and each subsequent amendment to the project information attachment contained in the agreement. The Agreement must specify whether the jurisdiction is entering into a project credit arrangement or a direct reimbursement arrangement. A credit arrangement for an interchange may apply only to another interchange on the SANBAG priority list.

As noted above, local jurisdictions may request to be reimbursed under the AE process, or may receive credit toward an equal development share cost for one or more subsequent projects. SANBAG begins reimbursement for phases of a project in the first year that Valley Freeway Interchange Program funding becomes available to the project based on its ranking on the interchange prioritization list (see Section IV.B.5). In general, reimbursement of advance expenditures is completed prior to allocations being made to the construction phase of projects of lower priority. This is balanced with the need to maintain commitments to other interchange projects on which project development activity has been initiated. Reimbursement of advance expenditures is considered in the annual apportionment process by the SANBAG Board so that jurisdictions have an estimate of the reimbursement available for budgeting purposes for the coming fiscal year. Credit to be applied to a subsequent interchange project may only be reimbursed when the subsequent project is authorized for activity by the SANBAG Board, in accordance to the interchange priority list. Finally, the reimbursement or credit for Advance Expenditure is determined based on the prioritization list in effect at the time the Advance Expenditure Agreement was executed. Therefore, subsequent changes in the Interchange Prioritization List does not affect the time of reimbursement or availability of credit once the AEA has been executed for the project.

When reimbursement is initiated, jurisdictions must submit to SANBAG any reimbursable consultant and contractor invoices, or documentation for in-house work performed by local jurisdiction staff, reflecting actual project expenditures. If jurisdiction in-house staff time is submitted for reimbursement, documentation of hours by individual and salary rate must be provided, with tabulations from the payroll system by project task as backup. Overhead will only be allowed via an approved cost allocation plan or an equitable and auditable distributions of overhead among all departments. Only staff time directly contributing to a deliverable of a Nexus Study project are eligible expenditures. Oversight activities, such as attending PDT meetings and management of consultant or contractor progress and invoicing

are reimbursable only for Valley arterial projects and only up to 2% of the cumulative invoice amount. Expenditures without the proper documentation required by the AEA are not reimbursed by SANBAG.

- ***Valley Major Street AE Process:***

- ***Valley Major Street Arterial Sub-program:*** Each year, local jurisdictions have access to an equitable share of Valley Major Street Arterial Sub-program funding as described in Section IV.B.6 of this Strategic Plan. The allocated funding as well as the list of eligible projects are documented in the Jurisdiction Master Agreement approved annually by the agency and SANBAG. Local jurisdictions are eligible for reimbursement up to the amount of funding included in the Jurisdiction Master Agreement. The AE process provides for reimbursement of, or credit for, costs incurred by local jurisdictions that choose to complete delivery of projects that cost more than the equitable share revenue available in that year, or additional Nexus Study projects for which equitable share revenues are available in subsequent years. Jurisdictions that expend resources under the AE process are eligible to invoice SANBAG for the incurred expenditures as new allocations of funding become available in future years. Projects completed in full or part under the AE process must be included in the annual Capital Project Needs Analysis (CPNA). All of the terms pertaining to the AE process for the Major Street Arterial Sub-program are included in the Jurisdiction Master Agreement.
- ***Valley Railroad/Highway Grade Separation Sub-Program:*** Public share funding for railroad/highway grade separations is allocated based on the policy framework described in Section IV.B.6 of this Strategic Plan. Jurisdictions that do not receive Valley Railroad/Highway Grade Separation Funding when they wish to initiate projects may begin development under the AE process subject to SANBAG Board approval. Sponsoring agencies that wish to utilize the AE process for a railroad/highway grade separation project must execute an AEA with SANBAG prior to the expenditure of funds to be reimbursed or credited pursuant to this AE process. Any funds expended by a local jurisdiction on a project prior to the execution of the AEA will not be eligible for reimbursement or credit.

The AEA establishes agency roles, responsibilities and financial commitments. One agreement will be executed between SANBAG and the sponsoring agency for the entire project. The agreement contains an attachment that provides the scope of work, development mitigation commitment and public share of the cost to be reimbursed by SANBAG. As the sponsoring agency begins each subsequent phase of a project, the agreement will be amended to update the project scope, development mitigation commitments and public share of the cost to be reimbursed by SANBAG. Both the City Council/Board of Supervisors of the sponsoring agency and SANBAG must approve the AEA and each subsequent amendment to the project information attachment contained in the agreement.

As noted above, local jurisdictions may request to be reimbursed under the AE process, or may receive credit toward an equal development share cost for one or more subsequent projects. SANBAG will begin reimbursement for phases of a project in the first year that Valley Grade Separation Sub-program funding becomes available to the project based on its ranking on the Grade Separation Prioritization list. In general, reimbursement of advance expenditures will be completed prior to allocations being made to the construction phase of projects of lower priority. This balances the need to maintain commitments to other grade separation projects on which project development activity has been initiated and for reimbursement of AEAs. Reimbursement of advance expenditures will be considered in the annual apportionment process by the SANBAG Board so that jurisdictions will have an estimate of the reimbursement available for budgeting purposes for the coming fiscal year. Credit to be applied to a subsequent grade separation project may only be reimbursed when the subsequent project is authorized for activity by the SANBAG Board, in accordance with the grade separation priority list. Finally, the reimbursement or credit for Advance Expenditure will be determined based on the prioritization list in effect at the time the AEA was executed. Therefore, subsequent changes in the Grade Separation Prioritization List will not affect the time of reimbursement or availability of credit once the AEA has been executed for the project.

When reimbursement is initiated, jurisdictions must submit to SANBAG any reimbursable consultant and contractor invoices, or documentation for in-house work performed by local jurisdiction staff, reflecting actual project expenditures. If jurisdiction in-house staff time is submitted for reimbursement, documentation of hours by individual and salary rate must be provided, with tabulations from the payroll system by project task as backup. Overhead will only be allowed via an approved cost allocation plan or an equitable and auditable distributions of overhead among all departments. Only staff time directly contributing to a deliverable of a Nexus Study project are eligible expenditures. Oversight activities, such as attending PDT meetings and management of consultant or contractor progress and invoicing are reimbursable only for Valley arterial projects and only up to 2% of the cumulative invoice amount. Expenditures without the proper documentation required by the AEA are not reimbursed by SANBAG.

---

### **IV.B.3. Valley Local Streets Program**

#### **IV.B.3.a. Scope of the Program**

The Valley Local Streets Program is funded by 20% of the total Valley Measure I 2010-2040 revenue collected in the San Bernardino Valley Subarea. This program will be used by local jurisdictions to fund eligible Local Street Projects.

Local Street Projects are defined as street and road construction, repair, maintenance and other eligible local transportation priorities. Local Street Project funds can be used flexibly for any eligible transportation purpose determined to be a local priority, including local streets, major highways, state highway improvements, transit, and other improvements/programs to maximize use of transportation facilities. Expenditure of Local Street Project funds shall be based upon a Five Year Capital Improvement Plan adopted annually by the governing body of each jurisdiction after being made available for public review and comment. Local Street Project funds shall be disbursed to local jurisdictions monthly upon receipt of the annually adopted Local Street Five Year Plan. The adopted Five Year Plan shall be consistent with local, regional, and State transportation plans.

#### **IV.B.3.b. Financial Analysis of Program**

The Local Streets program will receive 20% of the revenue collected in the San Bernardino Valley Subarea. That amount is currently estimated at \$904 million in 2008 dollars. Allocations to local jurisdictions shall be on a per capita basis using the most recent State Department of Finance population estimates for January 1, with the County's portion based upon unincorporated population in the Valley Subarea. Estimates of unincorporated population within the Valley Subarea shall be determined by the County Planning Department, reconciled with the State Department of Finance population estimate for January 1 of each year.

#### **IV.B.3.c. Program Policies**

The Valley Local Streets program policies provide requirements for the administration of the Local Streets program. The policies establish the funding allocation process and the requirements for the related five year plan required of each jurisdiction. The detailed policies are listed in Part 2 of the draft Strategic Plan.

#### **IV.B.3.d. Implementation Actions**

The following actions need to be taken to implement the Valley Local Streets Program based on the Local Street Program policies listed at the end of Section 4:

- Annually, SANBAG will approve the population figures for each City in the Valley Subarea based on the State Department of Finance population estimate as of January 1 of that year.

- 
- Annually, SANBAG will approve the population figure for the unincorporated population in the Valley Subarea based upon figures provided by the County Planning Department as reconciled with the State Department of Finance population estimate as of January 1 of that year.
  - Annually, each jurisdiction in the Valley Subarea will develop a Five Year Capital Improvement Plan for Local Street Projects that is consistent with local, regional, and State transportation plans. This annual update of the Five Year Plan will be available for review and comment by the public and will be formally adopted by the governing body of the jurisdiction.

---

## **IV.B.4. Valley Freeway Program**

### IV.B.4.a. Scope of the Program

The Measure I Ordinance approved by the voters in 2004 included six freeway mainline projects. The six projects are as listed below and shown in Figure IV-2.

- I-10 Widening from I-15 to Riverside County Line
- I-15 Widening from Riverside County Line to I-215
- I-215 Widening from Riverside County Line to I-10
- I-215 Widening from SR-210 (formerly SR-30) to I-15
- SR-210 Widening from I-215 to I-10
- Carpool Lane Connectors

The challenge is the development of a realistic program that delivers the six freeway projects in a timely fashion. This requires balancing of four elements—project scopes, costs, schedules, and financing. The recommended Valley Freeway Program achieved balance through an iterative process that considered the need for the improvements, the available funds, inflation, financing costs, and earliest start dates unconstrained by funding.

The detailed scopes of the corridor improvements were not described in the Measure I Ordinance. For the purposes of developing a cost for all the improvements it was initially assumed that a lane would be added in each direction for all the corridors with the exception of the I-215 from Riverside County Line to I-10. This project assumed two lanes would be added in each direction. The projects included other ancillary improvements such as auxiliary lanes, interchange replacement, and shoulder reconstruction. For the carpool lane connectors no specific interchange was identified. Rather, a set-aside of \$90M was included. The Measure I Expenditure Plan included a total program cost of \$1.44B.

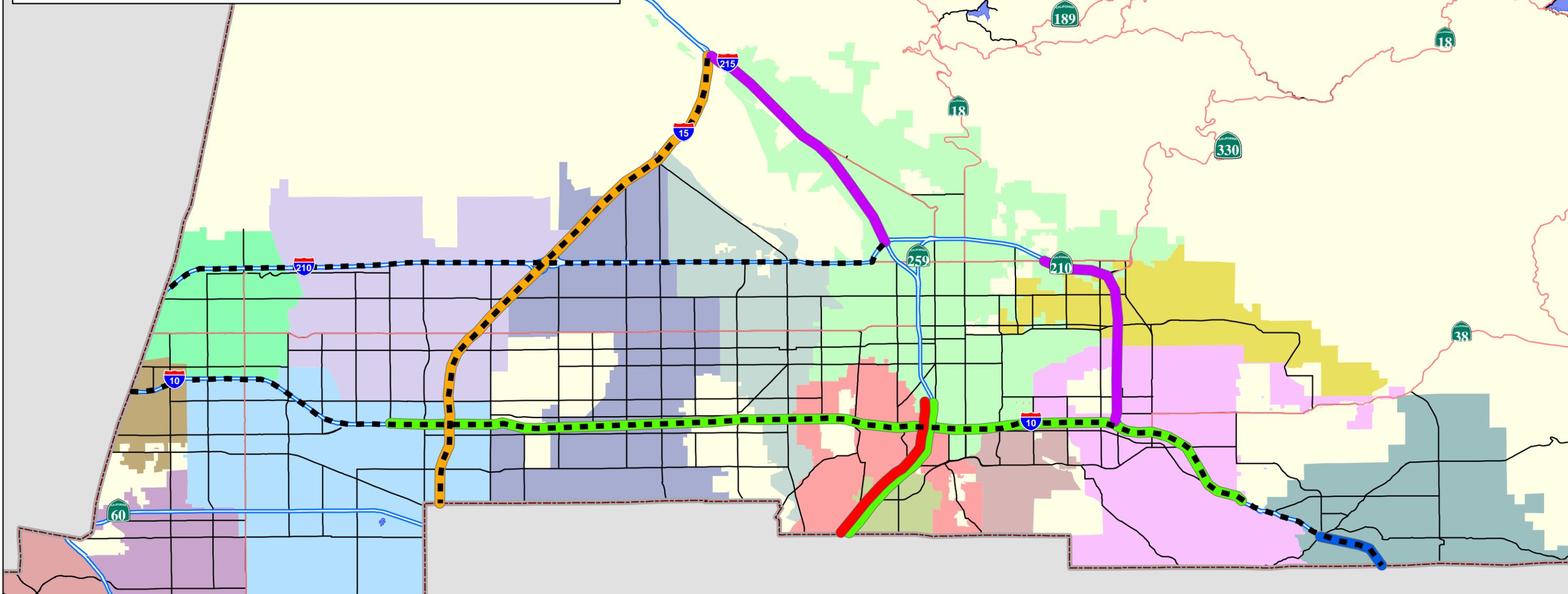
With the rapid increase in construction costs since the adoption of the Measure I Ordinance in November 2004, project scopes, costs, schedules and financing all needed to be reconsidered in order to develop a realistic and deliverable program. This is discussed further in the following section.

### IV.B.4.b. Financial Analysis

In developing the Valley Freeway Program financial plan, numerous variables were taken into account. Variables include the projects costs, project schedules, project priorities, estimated revenue, construction cost index, and bond interest rates. To assist in the analysis, a computer-based cash-flow model was developed.

The greatest challenge for developing a financially feasible Valley Freeway Program was the large increase in construction costs that occurred from 2003 to 2008. Construction costs increased by over 80% between 2003, when the Expenditure Plan project costs were compiled, and 2008. Currently, construction costs have stabilized and are following more historical trends. The updated total Freeway Program cost is \$2.79B.

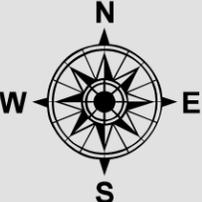
Figure IV-2  
Location of Valley Freeway Projects



**Legend**

**Freeway Projects**

- General Purpose Lane
- HOT Lane
- HOV Lane
- Truck Climbing Lane
- Undetermined
- Alternative Finance Candidate



During this period of rapid construction cost increases, the forecast in Measure I sales tax revenue saw a more modest increase. The Valley Freeway Program, which receives 29% of the Measure I Valley subarea revenue, is estimated to receive \$1.6B over the 30-year period in 2008 dollars. In addition, in the original Expenditure Plan the Valley Freeway Program was assumed to receive 53% of the State and federal funds available for the combination of Valley Freeway, Interchange, and Major Street Programs. This percentage equates to \$ 0.68B. Therefore, the total revenue estimated to be available for the Valley Freeway Program is \$2.48B in 2008 dollars. Thus, the shortfall between total program need and the projected revenue was \$0.5B in 2008 dollars. The funding shortfall, however, is exacerbated over the life of the Measure as sales tax revenue increases and construction cost increases are factored into the financial model.

To address the shortfall, staff developed a scenario that fulfills SANBAG's commitments to the mainline freeway corridor improvements specified in the Measure I Expenditure Plan. It was recognized that, to accomplish this, reduced project scopes may be required, innovative funding sources may be necessary, and a larger share of the State and federal funds would need to be assigned to the Valley Freeway Program. Only the carpool lane connector project is not funded under the recommended Valley Freeway Program. Subsequently, an analysis was conducted of State and federal funds for Valley programs (see Appendix C). A set of policies was also developed to provide direction for allocation of State and federal funds for Valley programs. These policies are documented in Policy 40001 (VS-21 through VS-29) in Part 2 of the Strategic Plan and are generally consistent with the way in which State and federal funds historically have been treated in the Valley. Staff also was directed to explore accelerated project delivery through bonding since a pay-as-you-go approach would result in unacceptable delivery schedules.

#### Project Priority

To assist in establishing the priority ultimately used in the recommended Valley Freeway Program sequencing, staff calculated the existing and forecast congestion levels for the freeway corridor segments. The congestion level was calculated in delay per 1000 vehicle-miles of travel (VMT). Existing congestion was determined by using data from the Caltrans freeway surveillance system and from new travel time runs conducted by Caltrans in the period from February through April 2008. Future congestion was based on growth factors derived from the most recently available SCAG modeling. The delay analysis results are shown in Table IV-1. This quantitative information in conjunction with qualitative factors was used to determine the priority of the projects.

**Table IV-1.  
Delay\* Analysis Results for Freeway Segments for  
Existing and Future Conditions**

<i>Segment</i>	<i>% Growth 2006-2030</i>	<i>Existing Delay / 1000 VMT</i>	<i>2030 Delay / 1000 VMT</i>	<i>Rank Based on Existing Delays</i>	<i>Rank Based on Future Delays</i>
I-10					
Haven to Sierra	42%	1.65	2.34	4	5
Sierra to I-215	60%	0.46	0.74	9	9
I-215 to SR-30	50%	3.63	5.43	1	1
SR-30 to Ford	91%	0.84	1.60	7	7
Ford to Live Oak	91%	0	0**	10	10
I-15					
SR-60 to I-10	28%	3.46	4.42	2	2
I-10 to SR-210	55%	2.17	3.35	3	3
SR-210 to Glen Helen	108%	0.99	2.06	6	6
SR-30/210					
I-215 to Highland	88%	0	0**	10	10
Highland to I-10	78%	1.43	2.55	5	4
I-215					
Co. Line to Orange Show	48%	0.75	1.11	8	8
SR-210 to Devore	91%	0	0*	10	10
Carpool Lane Connectors	NA	NA	NA	NA	NA

\* Delay is in vehicle-hours, analysis is for AM and PM peak periods only

\*\*Note: Delays may be greater than zero in the future on these segments, but analysis would require a more sophisticated approach. But it is highly unlikely that another approach would substantially change the ranking of these segments.

### Scope of Projects

The following project scopes are recommended to assist in balancing the project costs with the projected revenue.

- *I-10 Widening from I-15 to Riverside County Line* – This project is defined as the addition of one carpool lane in each direction from Milliken Avenue in the City of Ontario to Ford Street in the City of Redlands. The cross-section would be a reduced standard at isolated locations where the provision of full standard would be very costly. The reduced standards will require approval of the Federal Highway Administration (FHWA) and Caltrans. East of Ford Street the existing eastbound truck climbing lane will be extended to the Riverside County line. The extension of the eastbound truck climbing lane will provide regional connectivity between Riverside and San Bernardino

County, as RCTC plans to construct a truck climbing lane from the County line to the I-10/SR-60 interchange.

- *I-15 Widening from Riverside County Line to I-215* - This project is defined as the addition of two High Occupancy/Toll (HOT) lanes in each direction. The HOT lanes will tie into the planned Riverside County HOT lanes. It is assumed that toll revenue will pay for 75% of the project cost. The potential for HOT lanes will be verified by the on-going Alternative Financing study.
- *I-215 Widening from Riverside County Line to I-10* – This project is an interim widening that adds one carpool lane in each direction from the Riverside County Line to Orange Show Road. The interim project will consist of a reduced cross-section constructed within existing right-of-way. The reduced standards will require approval of FHWA and Caltrans. Also included is the reconstruction of the Washington Street and Barton Road interchanges. The ultimate project consists of the addition of one mixed flow lane in each direction. Bringing the freeway up to full standard will commence late in the Measure. The projects will be done in conjunction with RCTC as they continue to make improvements to SR-91 and I-215 following the reconstruction of the 60/91/215 interchange in downtown Riverside.
- *I-215 Widening from SR-30/210 to I-15* – This project adds one lane in each direction.
- *SR-210 Widening from I-215 to I-10* – This project adds one lane in each direction from Highland Avenue to I-10.
- *Carpool Lane Connectors* - Funding for the carpool connectors has not been identified.

### Revenue

As part of the recommended Valley Freeway Program, 100 percent of the State and federal revenue projected to be available to the San Bernardino Valley roadway programs, aside from existing commitments to certain interchanges and railroad grade separation projects, was assigned to the Valley Freeway Program. The 2007 fiscal year was assumed to be the typical year for State and federal as the basis for the revenue projections. The assignment of the State and federal revenue over which SANBAG has allocation authority is discussed in Appendix C.

In conjunction with the development of the Strategic Plan, an Alternative Financing Study is in process. The purpose of the study is to determine corridors that have potential to generate revenue and where tolls would be an effective traffic demand management tool. The preliminary screening of ten segments on four corridors identified three Measure I 2010-2040 Valley Freeway Program corridors that have the greatest potential for HOT lanes. While other mainline segments may support toll-financing, only the I-15 is identified to include toll-financing in the recommended plan. The inclusion of tolling on I-15 is based on the outcome of preliminary screening that shows the I-15 to have greatest potential for supporting HOT lanes. An assumption was made for the I-15 corridor that toll revenue will fund 75% of the project cost.

Listed below are assumptions made on key variables included in the financial model.

- Annual construction cost escalation rate– 5%

- Annual revenue inflation rate for Measure I dollars– 3.8%
- Annual revenue inflation rate for State and federal dollars– 1.8%
- Bond interest rate – 5.5%

#### Financial Plan/Delivery Sequence

Utilizing the information described above, a balanced financial plan was developed for the Valley Freeway Program. Two other constraints required in the model were a minimum bond debt coverage ratio of 1.5 and a positive cash flow on a cumulative basis. The cumulative Measure I revenues and Measure I expenditure curves prepared as part of the cash flow analysis for the freeway are shown in Figure IV-3. These were based on modifications to project scopes, the use of innovative financing sources, and the use of a larger share of the State and federal funds by the Valley Freeway Program. It should be noted that both the revenue and expenditure streams are in escalated dollars, not 2008 dollars.

The project delivery sequence and design start dates included in the financial model are shown in Table IV-2. The delivery sequence was developed in consideration of the congestion ranking, qualitative criteria, and utilization of available funds as soon as possible to deliver the projects as early as possible. The start dates are controlled by available resources and projects obtaining environmental clearance and are subject to change. Several bond issues were included in the revenue stream to achieve the earliest delivery dates possible while maintaining the minimum debt coverage ratios and positive cash flows.

Based on this information, the SANBAG Major Projects Committee recommended moving forward with the proposed project delivery sequence, recognizing that project delivery dates may need to be adjusted as additional information becomes available. In addition, it was recommended that bonding be used to accelerate delivery of the Freeway Program, with specific bonding proposals to be developed as part of the Measure I Strategic Plan.

A Ten Year Delivery Plan will provide additional detail on the project scopes, cost, schedule, and sequencing. Authorization of specific expenditures on Valley Freeway Program projects will occur through the SANBAG Board approval process. It should be noted that project development has been initiated on all of the Valley Freeway Program projects with the exception of I-215 from SR-210 to I-15 and the carpool connectors.

#### IV.B.4.c. Program Policies

Several policies have been identified to govern SANBAG management of the Freeway Program. These are included in Part 2 of the Strategic Plan.

#### IV.B.4.d. Implementation Actions

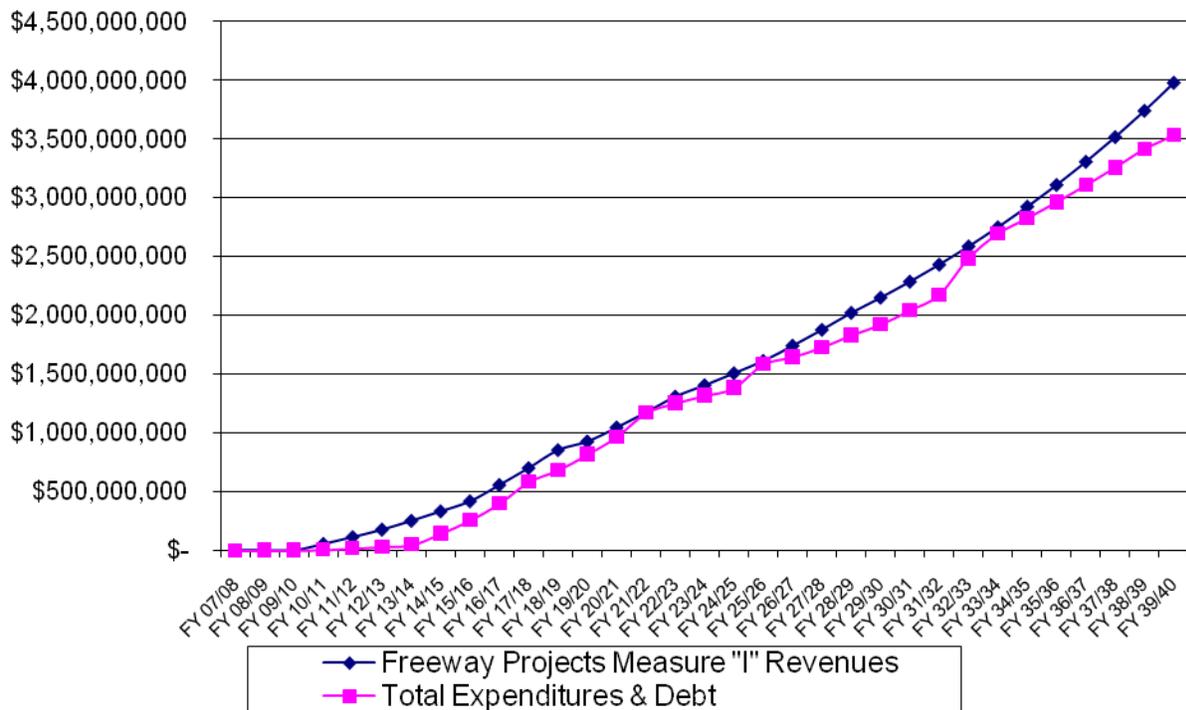
The following actions need to be taken to implement the Valley Freeway program:

- Complete scoping documents (Project Study Reports) for projects that will be in development in the first ten years of the Measure. The documents will define the scope,

cost and schedule. Obtain Caltrans' approval and as needed FHWA's approval of the documents.

- Develop a Ten Year Delivery Plan utilizing the information from the scoping documents.
- Upgrade the project control system to track the project schedules, budget, and scope. Integrate the system with SANBAG financial system.

**Figure IV-3**  
**Fully Funded Bonding Scenario—**  
**Cumulative Revenue and Expenditures in Escalated Dollars**



**Table IV-2.**  
**Projected Project Start Dates (for final design work) for**  
**Valley Freeway Projects under Pay-As-You-Go (PAYG) and Bonding Scenarios**

<i>Segment</i>	<i>Year Design Work Starts with PAYG:</i>	<i>Year Design Work Starts with Bonding:</i>
<b>I-10</b>		
Haven to Sierra	2018	2010
Sierra to I-215	2030	2010
I-215 to SR-30	2012	2010
SR-30 to Ford	2027	2010
EB TCL E. of Live Oak	2030	2030
<b>I-15</b>		
SR-60 to I-10	2020	2014
I-10 to SR-210	2022	2014
SR-210 to Glen Helen	2033	2014
<b>I-215</b>		
Co. line to I-10 interim	2015	2013
Co. line to I-10 ultimate	Partial	Partial
SR-210 to Devore	2031	2012
<b>SR-210</b>		
I-215 to Highland	Excluded	Excluded
Highland to I-10	2024	2013
<b>Carpool Lane Connectors</b>	<b>Excluded</b>	<b>Excluded</b>

---

## **IV.B.5. Valley Freeway Interchange Program**

### IV.B.5.a. Scope of the Program

The Valley Freeway Interchange program is funded by 11% of the Measure I 2010-2040 Valley revenue, contributions from new development, and other State and federal revenues as indicated by the Valley Expenditure Plan. The interchange projects that comprise the Valley Freeway Interchange program were identified through collaboration between local jurisdiction staff and SANBAG staff. Thirty-eight interchanges are identified for improvement in the Valley Freeway Interchange program.

The 38 interchanges included in the Valley Freeway Interchange program are subject to the requirements of the SANBAG Development Mitigation Program included in Chapter 4, Appendix K and Appendix J of the San Bernardino County Congestion Management Program (CMP) initially adopted by the SANBAG Board November 2, 2005 and updated in November 2007. Pursuant to the SANBAG Development Mitigation Program, interchange funding contains both a public share and minimum private development share. For some interchanges, the development share is split among two or more jurisdictions according to the methodology in the Nexus Study. It is anticipated that Measure I, State, and federal funds will fund the public share of the Valley Freeway Interchange program.

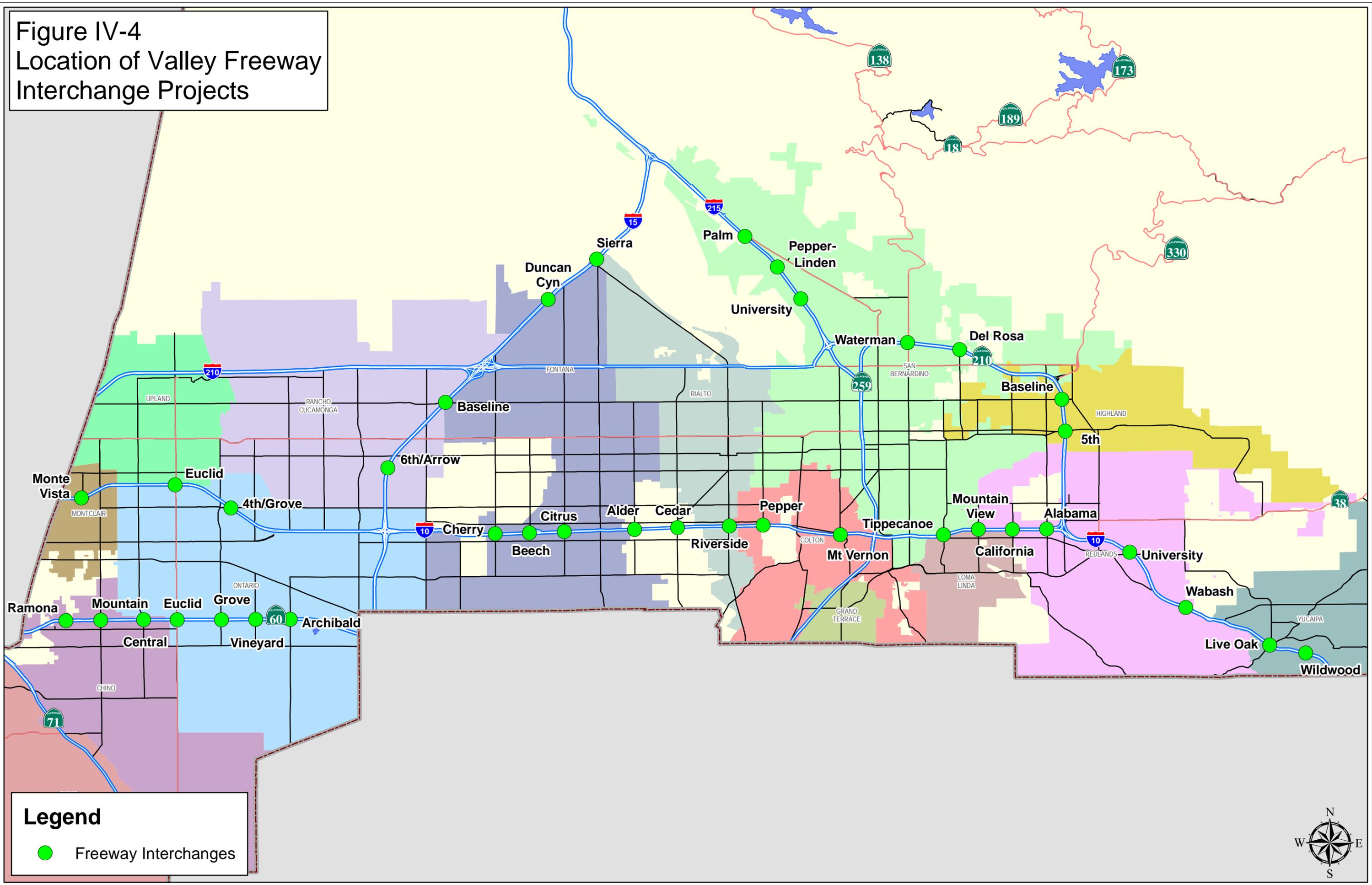
The Valley Freeway Interchange program projects are managed by either local jurisdictions or SANBAG, with SANBAG administering the public funding for the program. SANBAG may manage project development and delivery of these projects under conditions specified in Policy 40005.

SANBAG's annual apportionment of Measure I dollars to the Valley Interchange program occurs in February of each year (see Policy 40001). The apportionment is based on CPNAs, prepared and annually updated by each Valley jurisdiction, that show anticipated expenditures on Valley interchange projects.. Valley Interchange Program funds are then allocated to projects nominated for funding at that time by sponsoring agencies in their CPNAs. If nominations exceed the available funding, funds are allocated in order of priority assigned through the interchange prioritization methodology and subject to conditions stated in the interchange program policies referenced in Policy 40005.

Allocations of funding by SANBAG to initial phases of a project also represent a commitment to timely funding of subsequent project phases, barring a determination by the Board of Directors that exceptional circumstances warrant otherwise.

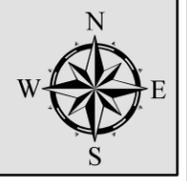
Figure IV-4 is a map of the San Bernardino Valley Freeway Interchange Program projects. Table IV-3 provides the prioritized list of interchanges with the estimated cost, fair share percentages, and interchange ranking.

**Figure IV-4**  
**Location of Valley Freeway**  
**Interchange Projects**



**Legend**

- Freeway Interchanges



**Table IV-3.  
Prioritized Interchanges in the Valley Interchange Program**

<i>Freeway Interchange</i>	<i>Cost (\$Mil)</i>	<i>Fair Share %</i>	<i>Existing VHD Saved</i>	<i>VHD per \$Million</i>	<i>Rank</i>
I-10/Cedar	\$ 34.35	30.0%	556	16.19	1
SR-210/Baseline	\$ 17.83	41.9%	257	14.39	2
SR-60/Central	\$ 26.72	58.8%	350	13.09	3
I-10/University	\$ 5.51	17.9%	68	12.33	4
I-215/University	\$ 29.27	44.1%	292	9.99	5
I-10/Alabama	\$ 26.70	50.5%	239	8.96	6
I-15/Baseline	\$ 31.80	50.0%	261	8.20	7
I-10/Mt. Vernon	\$ 31.81	5.1%	250	7.87	8
SR-60/Archibald	\$ 6.36	66.1%	50	7.86	9
I-10/Monte Vista	\$ 25.45	24.1%	189	7.41	10
SR-60/Grove	\$ 45.00	48.3%	324	7.20	11
SR-60/Euclid	\$ 7.00	44.5%	50	7.14	12
I-10/Euclid	\$ 8.00	17.4%	50	6.25	13
SR-60/Mountain	\$ 34.45	46.2%	167	4.84	14
SR-60/Ramona	\$ 26.72	31.3%	124	4.62	15
I-15/Sierra	\$ 12.70	80.3%	58	4.57	16
SR-210/Waterman	\$ 50.90	18.2%	229	4.50	17
I-10/Mountain View	\$ 50.90	37.8%	222	4.37	18
I-10/Pepper*	\$ 33.85	34.0%	108	3.20	19
SR-210/Del Rosa	\$ 35.62	32.8%	101	2.84	20
SR-210/5 <sup>th</sup>	\$ 17.83	41.9%	49	2.74	21
I-10/Vineyard	\$ 74.00	60.0%	170	2.30	22
I-15/6th-Arrow	\$ 70.00	50.0%	132	1.89	23
SR-60/Vineyard	\$ 45.00	60.3%	81	1.80	24
I-10/4th/Grove	\$ 70.00	17.1%	125	1.78	25
I-215/Palm	\$ 10.92	15.8%	15	1.35	26
I-10/California	\$ 45.00	47.8%	45	1.01	27
I-10/Alder	\$ 99.45	50.0%	100	1.01	28
I-10/Wildwood	\$ 34.19	50.0%	31	0.92	29
I-215/Pepper-Linden	\$ 50.90	50.0%	32	0.63	30
I-15/Duncan Cyn.	\$ 62.90	77.3%	15	0.24	32
I-10/Beech	\$ 112.89	50.0%	30	0.27	31
I-10/Wabash	\$ 26.72	35.8%	6	0.22	33

\*I-10 Pepper interchange still being evaluated

---

#### IV.B.5.b. Financial Analysis

The estimated cost of the 38 interchanges listed in Table IV-3 is \$1.229 billion in 2008 dollars. The expected development contribution to this cost is \$482 million, or about 39 percent of the total. The public share of the total is \$680 million or about 55 percent. Measure I revenue forecast to be available for the Valley Interchange Program is \$603 million. A combination of federal demonstration funds, federal Projects of National and Regional Significance funds, State Interregional Improvement Program funds, and State Transportation Improvement Program funds have also been committed. Proposition 1B Trade Corridor Improvement Fund dollars in the amount of more than \$100 million have also been allocated to the Cherry/I-10, Citrus/I-10, and Riverside/I-10 interchanges.

Based on this information, the program appears to be adequately funded in constant (2008) dollars. However, project cost escalation has historically exceeded revenue escalation by approximately 1.5 percent per year, such that a modest shortfall should be expected over the 30 year life of the Measure I 2010-2040 program absent an infusion of some additional revenue. The Strategic Plan strategy relies on application of nearly all of the Valley share of State and federal formula revenues to the Freeway Program (see Section IV.B.4.b). However, recent history has also shown that almost 50 percent of the funding needed for freeway interchanges has come from non-formula State and federal sources. It is expected that the combined efforts of SANBAG and its member agencies to continue to leverage federal and State appropriations can maintain full funding for this program.

A full cash-flow analysis of the Valley Freeway Interchange Program, as was done for the Valley Freeway Program, is not needed at this time. Bonding will be required to meet the Measure I obligations for the interchanges included in the TCIF program (I-10/Cherry, I-10/Citrus, and I-10/Riverside), but the remainder of the interchanges are anticipated to be built on a pay-as-you-go basis. The interchange prioritization list and allocation process will govern the interchanges that receive allocations of Measure I funds. In addition, opportunities will be sought for the infusion of non-formula State and federal funds as noted above. Further, the Advance Expenditure process (see Policy 40002) allows for jurisdictions to proceed with interchange project development and construction on their own, with reimbursement at a later time.

#### IV.B.5.c. Valley Freeway Interchange Program Policies

The Valley Freeway Interchange Program framework received conceptual approval by the SANBAG Board through two actions. The first, on March 5, 2008, established the general policy framework for administration of the program. The second action, approved August 6, 2008, provided additional policy detail. Minor modifications or additions have occurred to reflect subsequent discussion and direction from with the Board during consideration of other Measure I programs. The Freeway Interchange Program policies are provided in Part 2 of the Strategic Plan.

---

#### IV.B.5.d. Implementation Actions

The following actions need to be taken to implement the Valley Freeway Interchange Program based on the policies referenced above:

- Development of a model Project Funding Agreement
- Development of a model Inter-agency Development Mitigation Cooperative Agreement to document commitment by both the sponsoring agency and any minority share agencies in the funding of the private development share for the project
- Establishment of criteria that may be used as the basis for decisions by SANBAG on loan agreements for fair share amounts to be borrowed by any local jurisdictions
- Development of standard terms and conditions for loan agreements for fair share amounts to be borrowed by any local jurisdictions
- Identification of interchanges that need improvement prior to improvements planned for any of the Valley Freeway projects (i.e. mainline projects)
- Development of planning-level interchange concepts, where none exist, that can be used as the basis for improved interchange cost estimates.
- Development of a process for SANBAG monitoring of interchange scopes and costs to foster cost-containment of the program.
- Development of a tracking system for the Valley Freeway Interchange Program expenditures and revenue, integrated or interfaced with the SANBAG financial system.

---

## **IV.B.6 Valley Major Street Program**

### IV.B.6.a. Scope of the Program

The Measure I 2010-2040 Expenditure Plan defines Valley Major Street projects as “congestion relief and safety improvements to major streets that connect communities, serve major destinations, and provide freeway access.” The Major Street program revenue is expended pursuant to a five-year project list annually adopted by the SANBAG Board after being made available for public review and comment, and takes into account equitable geographic distribution over the life of the Measure.

The Valley Major Street Program is initially funded at 20% of the total Valley Measure I revenue. Effective ten years following initial collection of revenue, the Major Street Projects allocation shall be reduced to no more than 17% but to not less than 12% upon approval by the SANBAG Board. The Express Bus/Bus Rapid Transit Service allocation shall be increased by a like amount. For purposes of revenue estimation in the Strategic Plan, it has been assumed that the Valley Major Street Program allocation would be reduced to 17%. This would result in approximately 18% of the Valley revenue being allocated to the Major Street program over the life of the Measure. The program also anticipates contributions from new development, as well as limited State and federal revenues as indicated by the Valley Expenditure Plan. While the Measure I contribution is a set amount as defined by the expenditure plan, the development mitigation, State and federal resources are significantly more fluid.

Projects in the Major Street Program are subject to the requirements of the SANBAG Development Mitigation Program, which is comprised of Chapter 4, Appendix K and Appendix J of the San Bernardino County Congestion Management Program (CMP). The program was initially adopted by the SANBAG Board on November 2, 2005 and updated in November 2007. Pursuant to the SANBAG Development Mitigation Program, projects to be funded by the program include both a public share and a private share of funding. The public share of funding includes Measure I Valley Major Street Program, State, and federal funds. The private share of funding includes any development based source of revenue as described in the SANBAG Development Mitigation Program. The ability to fully fund the projects included in the Nexus Study is contingent on the availability of Measure I, State, federal and development based revenue.

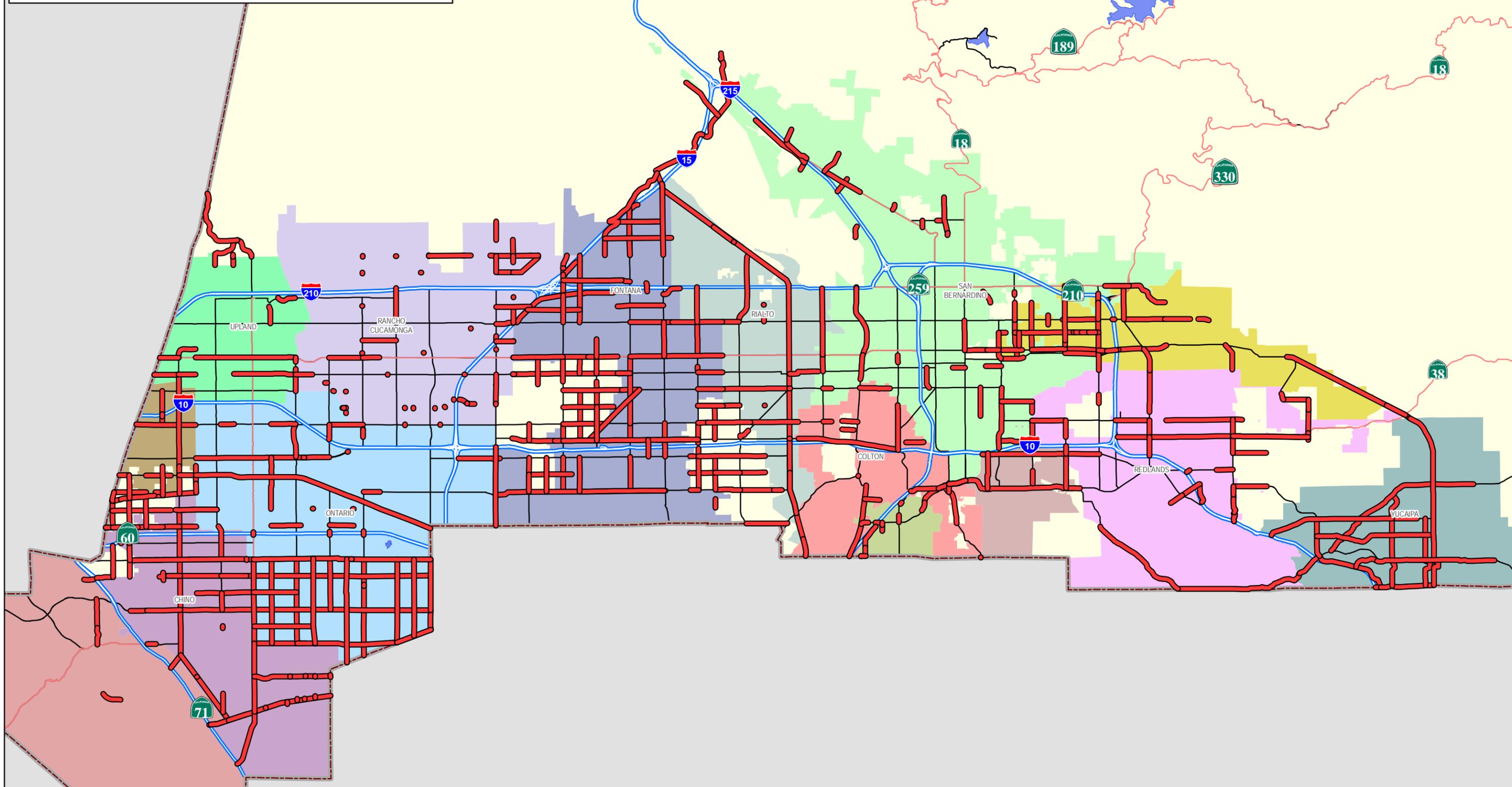
All projects completed through the Major Streets Program are cost-reimbursement projects. Jurisdictions are reimbursed for the public share of eligible expenditures based on invoices submitted to SANBAG. The public share of expenditures is reimbursed by SANBAG within 30 days up to the total amount included in the Jurisdiction Master Agreement. Expenditures in excess of the amount included in the Jurisdiction Master Agreement may be eligible for reimbursement under the Advance Expenditure process outlined in Section IV.B.2.

The Measure I apportionment, allocation and expenditure process is described Section IV.B.1. San Bernardino Valley Subarea Apportionment, Allocation, and Expenditure Process. In general the process for receipt and expenditure of funds is:

- Local jurisdictions submit their Capital Project Needs Analysis (CPNA) by September 30 each year.
- SANBAG staff prepares a cash flow analysis using the CPNAs for each Valley program and makes an apportionment recommendation for Board approval by February each year.
- The Board makes an allocation decision based on apportioned amounts of funding to specific projects by March of each year.
- Between March and June of each year local jurisdictions and SANBAG execute Jurisdiction Master Agreements and Project Funding Agreements prior to the expenditure of funds.
- Following execution of requisite funding agreements, local jurisdictions begin expenditure of funds and submit SANBAG invoices for reimbursement.

Projects eligible to receive allocations of funding from the Valley Major Street Program are limited to the projects listed in the most currently adopted version of the SANBAG Development Mitigation Nexus Study. Additionally, local jurisdictions must have the project included in its development mitigation program to be eligible for Valley Major Street Program funding. Projects included in one but not the other are ineligible for Major Street funding until the inconsistency is resolved and the project is included in both the SANBAG Nexus Study and the local jurisdiction fee program. Project types in the Nexus Study are regional arterial roadways, freeway interchanges and rail/highway grade separations. All of the projects are located on the Nexus Study network, which is the regional network of highway facilities described in the Nexus Study. Figure IV-5 shows a map of the location of the arterial projects. Figure IV-6 shows a map of the location of the grade separation projects.

Figure IV-5  
Location of Valley Arterial Projects

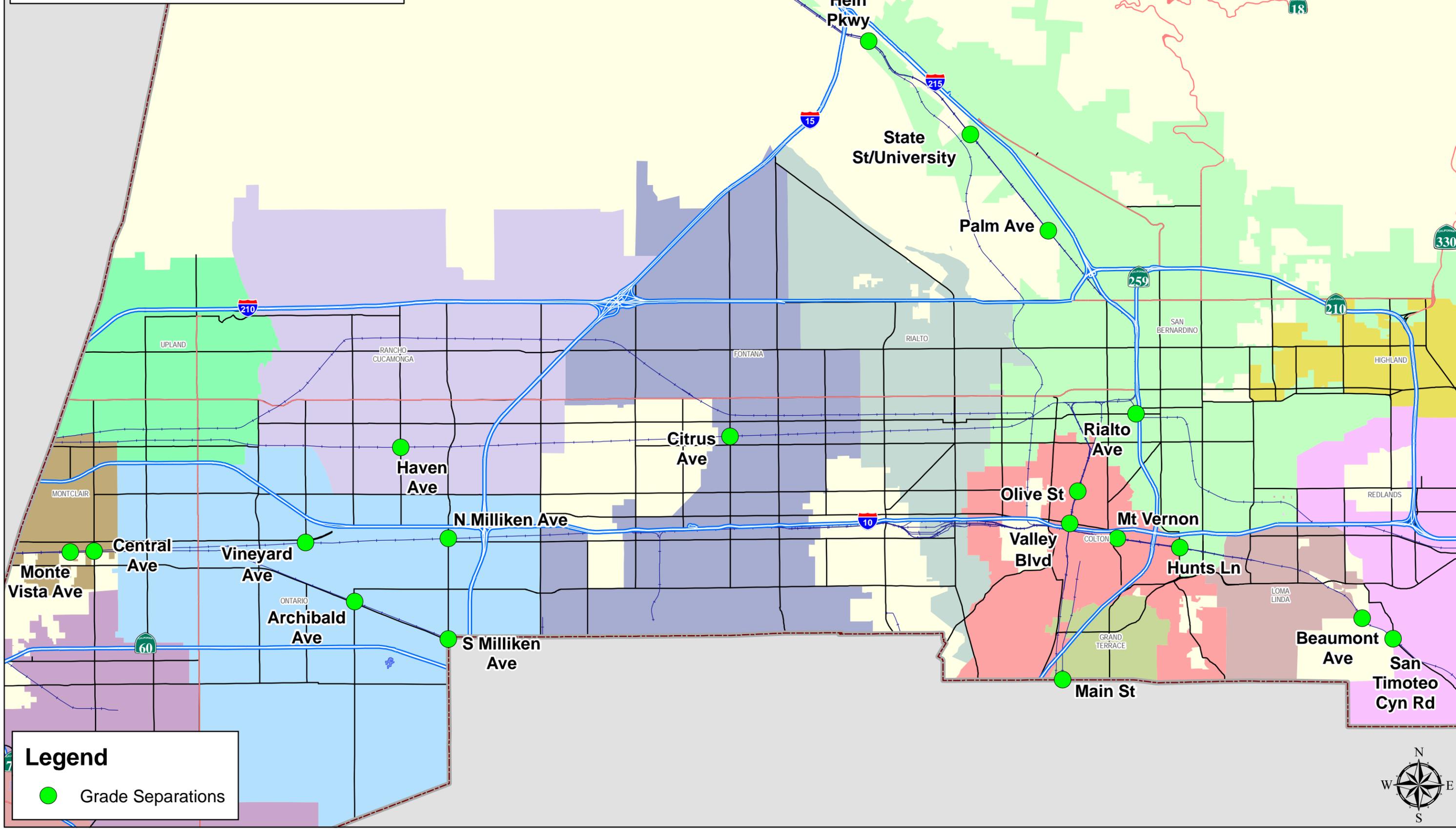


**Legend**

 Arterial Projects



Figure IV-6  
Location of Valley Rail/Highway  
Grade Separation Projects



The Valley Major Street Program is a local jurisdiction driven program. Projects in the Valley Major Street Program are developed and implemented by local jurisdictions, and SANBAG's role is largely limited to the administration of the public funding for the program. Rail/highway grade separation projects are the exception. Local jurisdictions may request SANBAG project oversight for the project, subject to the terms and conditions discussed in greater detail below.

The Valley Major Street Program is divided into two sub-programs: 1) a rail/highway grade separation sub-program, and 2) an arterial sub-program. Apportionments to each sub-program are based on the percentage of public share of costs in the 2007 update of the Nexus Study. The amounts apportioned between the sub-programs may vary from year to year, but over the life of the Measure, the rail/highway grade separation sub-program will receive 20% of Measure I funds available in the Major Street Program based on the public share costs in the Development Mitigation Nexus Study. Adjustments are made for the time-value of money to ensure that both sub-programs received their equitable share of funds over the life of the Measure. If it is clear toward the end of the 30-year Measure that the Rail/Highway Grade Separation Sub-program will not use the full 20% of Major Street Program funds, excess funds may be transferred to the Arterial Sub-program.

#### IV.B.6.a.1. Rail/Highway Grade Separation Sub-program

The Rail/Highway Grade Separation Sub-program contains 19 grade separation projects. The program is administered much like the California Public Utilities Commission (PUC) manages its rail/highway crossing program. In this case, SANBAG maintains a priority list of grade separation projects, modeled after the PUC methodology but tailored to specific conditions in San Bernardino County. Measure I and other public share funds are allocated as they become available, to priority projects first. If the top priority project is not ready to move forward (with development fair shares, local support, etc.), the funding opportunity passes to the next highest priority project, and the top priority project is reconsidered in a subsequent year.

The Valley Rail/Highway Grade Separation project prioritization list is based on a methodology approved by the SANBAG Board and subject to revision every five years or as directed by the Board of Directors. At a minimum the project prioritization methodology will consider any existing State and federal commitments, delay savings and safety benefits.

#### IV.B.6.a.2. Arterial Sub-program

The foundation for the Arterial Sub-program is the guarantee of an equitable share percentage of Major Street Program funds (after allocation of a share to the railroad grade separation sub-program) to each jurisdiction over the 30-year life of the Measure. The equitable share percentage is represented by the ratio of public share costs for each jurisdiction's arterial projects to total Valley arterial public share costs in the Development Mitigation Nexus Study approved by the SANBAG Board in November 2007. Table IV-4 provides the established equitable share percentages. The equitable shares will be guaranteed over the life of the Measure by making adjustments based on the time-value of money. The percentages in Table IV-4 may be modified

only through the annexation of unincorporated areas, which would add to the equitable share percentage for the annexing city and reduce the percentage for the County.

**Table IV-4.  
Development Fair Share Percentages and Equitable Share Percentages for  
the Measure I 2010-2040 Valley Arterial Sub-program**

Jurisdiction	Development Fair Share Pct.	Equitable Share Pct.
Chino	35.2%	7.6%
Chino Hills	13.7%	2.2%
Colton	43.6%	2.5%
Fontana	32.1%	19.5%
Grand Terr.	40.0%	1.4%
Highland	46.4%	6.8%
Loma Linda	38.8%	4.1%
Montclair	18.9%	0.6%
Ontario	44.4%	12.3%
Rancho Cuc.	28.7%	5.1%
Redlands	23.1%	4.9%
Rialto	40.0%	3.9%
San Bern.	32.4%	7.9%
Upland	48.3%	2.3%
Yucaipa	30.9%	6.0%
County	39.6%	12.9%
Total		100.0%

Based on the apportioned amount of funds to the Major Street Program approved in February of each year, local jurisdictions receive their allocation of funding based on the equitable share percentages from the Nexus Study. SANBAG staff maintains a cumulative accounting of jurisdiction apportionments, adding new apportionments to jurisdictions' accounts each year. Each annual apportionment of Measure I dollars is split into reserved and unreserved portions. The reserved portion is equivalent to the minimum development fair share amount. In other words, for each dollar of development fair share, one dollar is retained in the reserved portion of the account. The reserved portion may be accessed (i.e. reimbursed to a jurisdiction) on a 1:1 basis as development dollars are expended on projects, up to the cumulative apportionment in jurisdiction accounts. Thus, the entire reserved portion of the account may be accessed if an equivalent expenditure occurs from development contributions. The unreserved portion may be accessed without a development mitigation contribution.

Borrowing may be authorized by the SANBAG Board from the unused portion of jurisdiction accounts to deliver projects in other Valley programs or to reimburse a jurisdiction for early delivery of Major Street Program projects. Arterial Sub-program policy provides for limits on

borrowing from jurisdiction accounts. Provisions are also made for the pre-payment of large project expenditures on an exception basis.

#### IV.B.6.b. Financial Analysis

There are approximately 400 projects in the Valley Major Street Program, including 19 grade separations, for a total estimated cost of \$1.6 billion. The development contribution calculated in the Nexus Study is \$52 million for the Rail/Highway Grade Separation Sub-program and \$600 million for the Arterial Sub-program. The rail/highway grade separation development contribution was discounted to take into consideration the anticipated growth in train traffic, given that both arterial traffic growth and train growth (length and frequency) contribute to the need for grade separations. The cost allocated to the train growth is \$63 million, or approximately 20% of total cost. SANBAG and local jurisdictions seek to offset the train growth portion through acquisition of railroad, container fee, Public Utilities Commission, State, and federal, and other non-Measure I funds. Thus, the upper bound for the Measure I obligation for the grade separation sub-program is \$200 million in 2007 dollars. Adding the public share for the arterial sub-program of \$1 billion brings the maximum Measure I obligation to \$1.2 billion for the Valley Major Street Program.

Under the policy framework of the Major Street Program, SANBAG allocates Measure funds only to the extent that the expenditure plan percentages allow. The total Measure I revenue estimated to be available for the Major Street Program is approximately \$975 million in 2007 dollars. The \$225 million gap between maximum Measure I obligation and estimated Measure I revenue will grow over time due to the differential between cost escalation and revenue escalation, which has historically been in the range of 1.2 percent per year. Thus, a more realistic assessment of the gap is \$275 million in 2007 dollars.

This gap will need to be bridged through the acquisition of State and federal revenue and higher levels of private participation, where possible. Local jurisdictions, as the project sponsors, will need to pursue these sources in partnership with SANBAG. The potential for non-Measure funds to bridge this gap is likely greatest for the grade separation sub-program, where there is the most potential for supplemental State, federal, railroad, container fee, and PUC funds. The Major Street policies state that if fewer Measure I dollars are required for grade separations than reflected in the 20% equitable share for the sub-program, the excess may be transferred to the arterial sub-program toward the end of the 30-year time period of the Measure. Aggressive pursuit of these additional funds is an important strategy for the Major Street Program, and it should be a SANBAG goal to expend as few Measure I dollars as possible on grade separation projects. For the Arterial Sub-program, Measure I funding is limited to each jurisdiction's equitable share, and local jurisdictions will need to consider strategies for increasing non-Measure I revenue to cover any gap in the public share costs.

Regarding the Rail/Highway Grade Separation Sub-program, it is important to note that the current commitment to TCIF projects may preclude any near-term commitment to additional grade separation projects other than the non-TCIF projects of Valley Blvd./BNSF/UP in Colton and the Main Street BNSF/UP in Grand Terrace which have already received SANBAG funding

commitments for project development. A high priority will continue to be given to identifying supplemental funding sources for grade separation projects.

A full cash-flow analysis of the Valley Major Street Program, as was done for the Valley Freeway Program, is not needed at this time. Bonding will be required to meet the Measure I obligations for the railroad grade separation projects included in the TCIF program, but the remainder of the grade separations are anticipated to be built on a pay-as-you-go basis. The grade separation prioritization list and allocation process governs the projects that receive allocations of Measure I funds. The prioritization list includes consideration of existing State and federal funding commitments, congestion relief and safety benefits. In addition, opportunities will be sought for the infusion of non-formula State and federal funds as noted above. This strategy is delineated in Section III.B.1. Further, the Advance Expenditure Process (see Section IV.B.2) allows for jurisdictions to proceed with grade separation project development and construction on their own, with reimbursement at a later time.

#### IV.B.6.c. Valley Major Street Program Policies

The Valley Major Street Program framework was recommended for conceptual approval by the Major Projects Committee on September 11, 2008. Minor modifications or additions have occurred to reflect subsequent discussion and direction from with the Strategic Plan Ad Hoc Committee and the Major Projects Committee during consideration of other Measure I programs. The policies implementing the Valley Major Street Program are provided in Part 2 of the Strategic Plan.

#### IV.B.6.d. Implementation Actions

The following actions need to be taken to implement the Valley Major Street Program:

- Development of the Rail/Highway Grade Separation Prioritization List
- Development of a model Project Funding Agreement for rail/highway grade separation projects
- Development of a model Jurisdiction Master Agreement between SANBAG and local jurisdictions for the Arterial Sub-program
- Establishment of criteria that may be used as the basis for decisions by SANBAG on loan agreements for fair share amounts to be borrowed by local jurisdictions for rail/highway grade separation projects
- Development of standard terms and conditions for loan agreements for fair share amounts to be borrowed by local jurisdictions for rail/highway grade separation projects
- Development of apportionment and expenditure tracking system for the Valley Major Street Program, integrated or interfaced with the SANBAG financial system.

---

## **IV.B.7 Valley Metrolink and Passenger Rail Program**

### IV.B.7.a. Scope of the Program

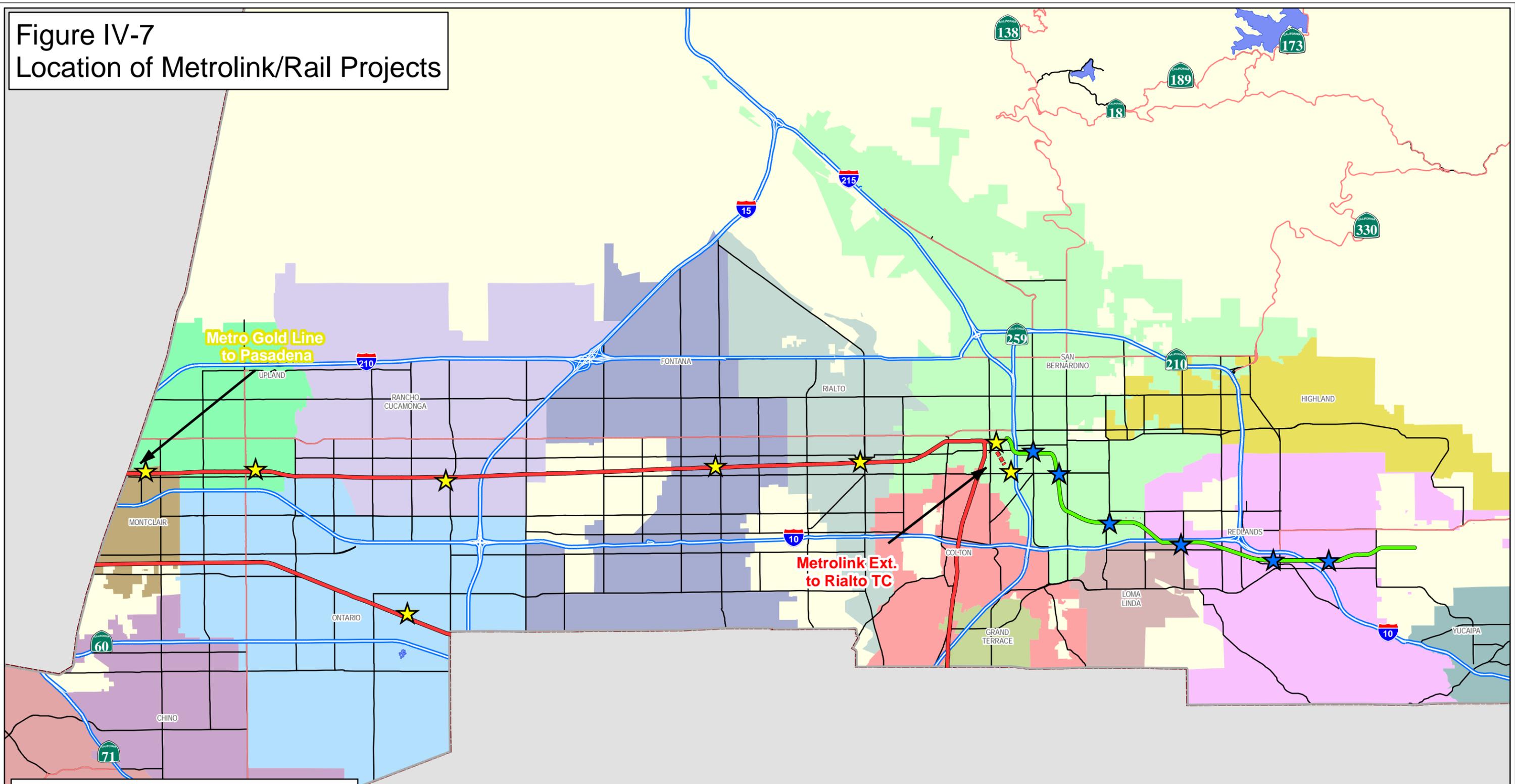
Eight percent (8%) of the revenue collected in the Valley Subarea shall be made available to the Metrolink/Passenger Rail Program. Eligible expenditures include: the purchase of expansion commuter rail passenger cars and locomotives for use on Metrolink lines serving San Bernardino County; construction of additional track capacity necessary to operate more Metrolink passenger trains; construction of Metrolink station expansion parking; provision of local funds to leverage State and Federal funds used to maintain the railroad track, signal systems, and road crossings; construction and operation of a new passenger rail service between the cities of San Bernardino and Redlands; and the construction and operation of an extension of the LA Metro Gold Line to the Montclair Transit Center. Figure IV-7 presents of the rail facilities in the Metrolink/Passenger Rail Program.

### IV.B.7.b. Financial Analysis of Program

The basis for determining the cost of this program included information contained in the 2010-2030 Strategic Assessment prepared by the Southern California Regional Rail Authority (Metrolink). The Strategic Assessment was developed in 2006 and included preliminary cost estimates for the two projects named in the Expenditure Plan (Gold Line Extension and Redlands Passenger Rail). Due to financial constraints, many of the projects contained in the Metrolink plan for 2030 were extended out to 2040. The initial proposed program cost totaled over \$3.1 billion. It is important to note that the proposed program did not include additional capital projects likely to be needed before 2040, such as the replacement of initial acquisition of Metrolink locomotives and passenger cars; the rehabilitation of the Metrolink Central Maintenance and Operations facilities; and the possible extension of the Gold Line to the Los Angeles/Ontario International Airport.

The projection of federal formula funds totaling \$561.8 million (Section 5307 Fixed Guideway and 5309 Rail Modernization) are based on historical trends. A significant amount of CMAQ and STIP funds (totaling \$364.6 million and \$53.4 million) have been identified to support the acquisition of additional passenger rail cars, the construction of additional parking at the Metrolink stations and meet the Board's previous commitment to the Redlands passenger rail project. The use of CMAQ funds for transit purposes is consistent with the previous Board policy (approved April 2, 2003). The revenue forecast includes fifty percent (50%) FTA New Starts match for the Gold Line Extension to Montclair and \$75 million from the FTA Small Starts match for the Redlands passenger rail project. Finally, the amount of LTF and STA included (totaling \$193.5 and \$120.2 respectively) is considered to be a reasonable expectation for rail capital purposes. Other minor funding is to be provided from the State Proposition 1B Public Transportation, Modernization, Improvement, and Surface Enhancement Account (PTMISEA) and the local Rail Asset Fund.

Figure IV-7  
Location of Metrolink/Rail Projects



**Legend**

- ★ Metrolink Station Improvements
- ★ Proposed Redlands Ext. Stations
- Metrolink Line Improvements
- Redlands Extension



The initial forecast of total revenues available was \$2.2 billion, resulting in a shortfall of nearly \$900 million. The shortfall required the consideration of moving project scheduling and the elimination of some projects altogether, such as those involving the Inland Empire Orange County (IEOC) and Riverside Lines because of the inability to add passenger trains under the current agreements with the private railroads over which these two lines operate.

In July 2008 the Commuter Rail Committee provided direction for project scheduling and authorized the exploration of “pay-as-you-go” and financing scenarios. The Committee requested that, since the Gold Line Extension involves an approval of LA Metro that is by no means certain at this time, investment in this project be deferred until the completion of the Redlands passenger rail project. The result of the first scenario was presented to the Commuter Rail Committee in September 2008. This scenario required an unacceptable delay in the scheduled implementation of both the Redlands Passenger Rail and the Gold Line Extension Projects, extended the schedules for several of the Metrolink capital improvement projects, and required the elimination of others altogether. The financing scenario was presented to the Commuter Rail Committee in October 2008. It included the issuance of \$220 million in bonds over four transactions between 2009 and 2019. Even with this scenario, the schedule for the Redlands Passenger Rail and Gold Line Extension were delayed another year and several of the proposed Metrolink capital improvements projects were dropped.

In October the Commuter Rail Committee recommended approving the re-scoping of the passenger rail program and prioritization of capital investments to allow for a financially feasible plan for delivering the Valley Metrolink/Passenger Rail Program. The Committee also recommended the use of bonding to accelerate the delivery of needed passenger rail projects with specific bonding proposals to be developed following the approval of the Measure I 2010-2040 Strategic Plan.

Table IV-5 provides an estimate of the amount of program funds (inflated) that will be made available over the thirty-year period (2010-2040).

**Table IV-5.  
 Estimated Measure I 2010-2040 Revenues for  
 Metrolink/Passenger Rail Program**

<i>San Bernardino Valley</i>	<i>Revenue Estimate</i>
Metrolink/Passenger Rail Program	\$940,000,000

IV.B.7.c. Valley Metrolink/Rail Program Policies

The Valley Metrolink/Passenger Rail Program framework has received conceptual approval by the Commuter Rail Committee. There is the recognition that, unlike the Valley Freeway or Interchange Programs where projects are constructed and then turned over to the State for maintenance, the adequate investment in the rehabilitation and renovation of the existing railroad infrastructure and equipment is a high priority for SANBAG. In addition, since the Metrolink

stations are jointly owned by SANBAG and the cities, the provision of funding for the expansion of parking will be critical to insure continued growth in ridership. Contributions shall be sought from the local jurisdictions should special treatments or landscaping be desired as part of the station improvement project. The annual contribution of non-federal funds into the revenue equipment (locomotives and passenger cars) replacement fund at SCRRA is also important in order to avoid a much larger one-time contribution when the replacement of aging equipment comes up. These types of investments were all considered a priority by the Commuter Rail Committee early during the review of the Program.

As noted above, in October the Commuter Rail Committee recommended the re-scoping of the passenger rail program and the prioritization of capital investments contained in the financing scenario. The following parameters were considered as part of the development of the financing scenario:

- Federal transit formula funds (Sections 5307 Fixed Guideway and 5309 Rail Modernization) would be used primarily to support the Metrolink renovation and rehabilitation program.
- Local Transportation Funds, State Transit Assistance funds and Measure I Rail funds would be used to match federal formula funds.
- Congestion Mitigation Air Quality and State Transportation Improvement Program funds would be used to support the acquisition of new rolling stock (passenger cars and locomotives) and Metrolink/Passenger Rail station parking (new or expansion) as well as fulfilling prior SANBAG Board commitments to the Redlands passenger rail project.
- Bonds, totaling more than \$220 million, would be issued four times over the next ten years.

The Committee also approved the following recommended priority for project delivery:

- Ongoing Rehabilitation and Renovation
- Phased Metrolink Station Improvements
- Ongoing Equipment Replacement Fund
- SCRRA 2010 San Bernardino Line Projects, Sealed Corridor and Extension of Metrolink to “E” Street.
- SCRRA 2015 San Bernardino Line Projects, LAUS Renovation, Eastern Maintenance Facility, Positive Train Control and Sealed Corridor
- Redlands Passenger Rail
- Metro Gold Line Extension to Montclair
- SCRRA 2020 San Bernardino Line Projects, LAUS Renovation, Eastern Maintenance Facility, Bridge over LA River, Shortway Double track, North Riverside Station, and Sealed Corridor
- SCRRA 2030 San Bernardino Line Projects
- SCRRA Rolling Stock 2020 and 2030<sup>1</sup>

---

A critical component to the allocation of funds to Metrolink line specific and system-wide projects will be agreement among the other SCRRA member agencies to participate financially with those projects. The extension of the Metro Gold Line will also require agreement with LA Metro to fund their portion of the extension and operate the service. Specific policies for the Valley Metrolink/Passenger Rail Program are listed in Part 2 of the Strategic Plan.

#### IV.B.7.d. Implementation Actions

The following actions are needed to implement the Valley Metrolink/Passenger Rail Program:

- Establish a monitoring system for the amount and availability non-Measure I revenues anticipated in the passenger rail program.
- Establish a project cost monitoring system to reflect potential changes as project development occurs.
- Develop a tracking system for the Valley Metrolink/Passenger Rail Program expenditures and revenues, integrated or interfaced with the SANBAG financial system.

<sup>1</sup> To be funded with CMAQ and STIP revenues

---

## **IV.B.8. Valley Express Bus/Bus Rapid Transit Program**

### IV.B.8.a. Scope of the Program

Within the first ten years of the Measure, two percent (2%) of the revenue apportioned to the Valley shall be made available for the development, implementation, and operation of express bus and bus rapid transit (BRT) jointly developed by the Authority and transit service agencies serving the Valley Subarea. Eligible projects shall include contributions to operating and capital cost associated with implementing high-speed, express-type bus service in high density corridors. Effective ten years following the initial collection of revenue, funding for this program shall increase to at least five percent (5%), but no more than ten percent (10%) upon approval by the Authority Board. Any additional funding provided for this program shall be drawn from the Valley Major Street Program. Amendments beyond those authorized for this Program shall require a formal amendment as provided by the ordinance.

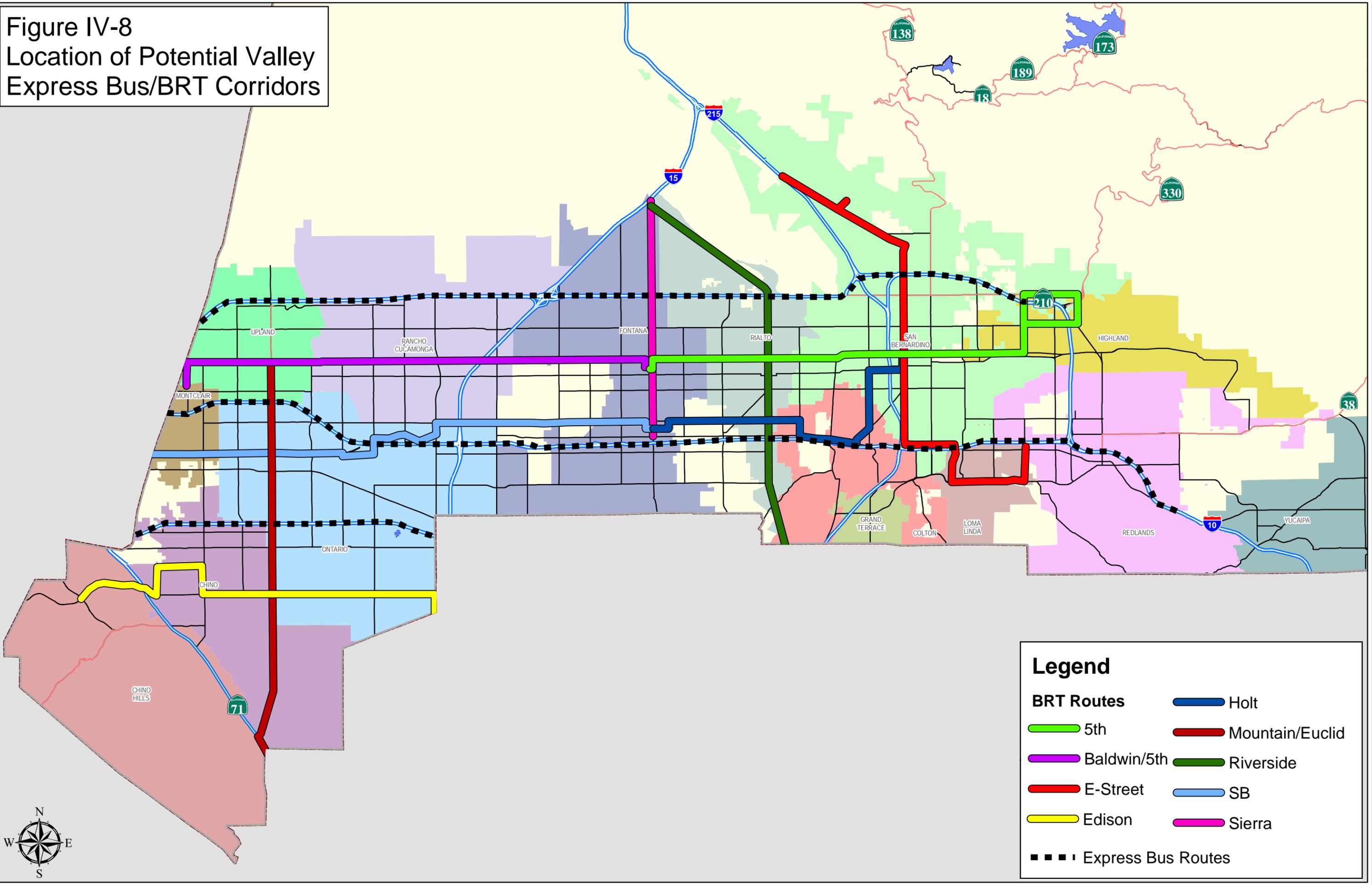
### IV.B.8.b. Financial Analysis

In July 2004 Omnitrans prepared a system-wide transit corridor plan for the San Bernardino Valley. The plan identified seven broad corridors through which a higher level of transit service, known as Bus Rapid Transit (BRT), would be considered. From that plan the “E” Street corridor was selected as the first corridor for which the required federal Alternatives Analysis (AA) phase would be conducted. The completion of the AA phase resulted in the selection of a Locally Preferred Alternative of BRT for the 16-mile corridor stretching from north of Cal State University to the VA Hospital in Loma Linda. Omnitrans submitted a grant application for this project under the Federal Transit Administration’s (FTA) Small Starts Capital Investment Program. The grant was approved and Omnitrans has entered into the Project Development Phase. The preliminary cost estimate for the project is \$163 million (2006 \$’s).

SANBAG is in the process of completing the development of a Long Range Transit Plan (LRTP) for San Bernardino County. The transit network for the San Bernardino Valley has refined the initial seven broad corridors and added two more for a total of nine potential BRT corridors. The LRTP is considering the following corridors for BRT:

- “E” St. (from north of Cal State University to Loma Linda University/VA Hospital)
- Foothill Blvd. East (from Fontana Metrolink Station to Highland)
- Foothill Blvd. West (from the Montclair Metrolink Station to Fontana Metrolink Station)
- Euclid Ave. (from Foothill Blvd. in Upland to the Corona Metrolink Station)
- San Bernardino Ave. (from Fontana Kaiser Hospital to San Bernardino Transit Station)
- Holt Blvd./4<sup>th</sup> S. (from downtown Pomona Metrolink to Fontana Kaiser Hospital)
- Grand/Edison Ave. (from Cal Poly Pomona to Limonite Shopping Center)
- Sierra Ave. (from I-15 to Fontana Kaiser Hospital)
- Riverside Ave. (from Sierra Avenue to downtown Riverside)

**Figure IV-8**  
**Location of Potential Valley**  
**Express Bus/BRT Corridors**



**Legend**

<b>BRT Routes</b>	 Holt
 5th	 Mountain/Euclid
 Baldwin/5th	 Riverside
 E-Street	 SB
 Edison	 Sierra
 Express Bus Routes	

The combined length of the nine corridors is 131 miles. Should all nine corridors be found to be viable corridors, approximately \$1.3 billion in 2006 dollars would be required. The FTA Small Starts grant programs could provide up to \$75 million for each corridor or \$675 million for all nine. Other revenue sources likely to be tapped for BRT projects include: FTA formula bus funds, CMAQ, State Transit Assistance, STIP PTA funds, Proposition 1B - PTMISEA, Local Transportation Funds, Measure I Valley Express Bus/Bus Rapid Transit, Traffic Management Systems, and Local Streets Projects, and private development contributions.

This program can also provide funding for supporting existing and new express bus service operating within or into the San Bernardino Valley. Omnitrans currently operates one express bus connecting the downtowns of San Bernardino and Riverside. However, Omnitrans has entered into several no-cost transit service cooperative agreements with other transit agencies operating into the Valley, such as Foothill Transit, Orange County Transportation Authority, Riverside Transit Agency and Mountain Area Regional Transit Agency. Consideration will be given to whether these agreements should be converted to a cost and revenue sharing agreement, especially if by doing so, the ratio of passenger revenue and local support for Omnitrans would be increased. SANBAG and Omnitrans will also need to confer periodically to determine whether new express bus services that might be established both within and into the Valley should be considered for funding from this Program.

Table IV-6 provides an estimate of the amount of program funds (inflated) that will be made available over the thirty-year period (2010-2040) at the 2%/5% and 2%/10% levels.

**Table IV-6.  
 Estimated Measure I 2010-2040 Revenues for  
 Express Bus/BRT Program**

<i>San Bernardino Valley</i>	<i>Revenue Estimate</i>
Express Bus/BRT @ 2% and 5%	\$530,000,000
Express Bus/BRT @ 2% and 10%	\$1,010,000,000

IV.B.8.c. Valley Express Bus/BRT Program Policies

As this is a new expenditure program under the Measure I Extension, new policies have to be developed. The policies build upon the early considerations that have been made with respect to the implementation of the first BRT project in the Valley – the “E” Street *sbX* project and direction given by the Commuter Rail Committee in July 2008 and the Strategic Plan Ad Hoc Committee during its August 2008 meeting. Principally due to the limited amount of revenues made available during the first ten years, the consensus of both Committees is to initially treat this program as a “pay-as-you-go” program. Once the Board decides the extent of the increase in revenues directed to this program (2020), the consideration of expediting project delivery through possible financing options should be undertaken. With the adoption of the Omnitrans Fiscal Year 2008-2012 Short Range Transit Plan, the Board has committed revenues apportioned

to this Program through Fiscal Year 2011-2012 to the “E” Street sbX project. The policies are included in Part 2 of the Strategic Plan as Policy 40008.

#### IV.B.8.d. Implementation Actions

The following actions will be necessary in order to implement the Valley Express Bus/Bus Rapid Transit Program:

- Within this program, there is no indication of what amount of funding should be made available for express bus or bus rapid transit projects. The Boards of SANBAG and Omnitrans may wish to consider establishing an overall threshold for each type of transit service.
- Currently, Omnitrans provides one express bus route (Route 215) connecting the downtowns of San Bernardino and Riverside. The ability of Omnitrans to implement additional express bus service may be limited because the proposed construction of HOV lanes on the freeway system within the Valley does not include provision of drop lanes (dedicated lanes connecting the HOV lane with significant local arterial streets). The lack of drop lanes means that buses using the HOV lanes would be required to merge across several conventional freeway lanes to exit and enter the HOV lanes – a difficult maneuver and one that would negatively impact service reliability.
- Omnitrans has several no-cost cooperative service agreements with other transit systems that offer express-type service to the Valley residents; such as Foothill Transit, Orange County Transit Authority, Riverside Transit Agency and the Mountain Area Regional Transit Authority. The potential exists to increase the number of transit agencies providing service from outlying areas within San Bernardino County into the Valley over time. The Board and Omnitrans may wish to reconsider the structure of these agreements to include a cost and revenue sharing, especially if an improvement to the Omnitrans farebox recovery ratio would be the result. A decision would need to be made as to whether the cost of providing express bus transit service into the San Bernardino Valley should, through revisions to the Omnitrans cooperative service agreements, be eligible for this funding program.
- Prior to selecting the “E” Street Corridor as the first BRT project, Omnitrans developed a System-wide Transit Corridor Plan for the San Bernardino Valley. The plan identified seven potential BRT corridors for possible future development. The preparation of a Long Range Transit Plan (LRTP), which is currently underway, is further refining the identification of up to nine future BRT corridors. Completion of the LRTP (expected by July 2009) should confirm a number of BRT corridors that would be eligible for funding under this program. There will be a need to periodically review the list of possible BRT corridors and, if necessary, expand the list over time to include newly identified potential corridors.
- The SANBAG Board of Directors and Omnitrans will need to agree upon the criteria to be used in prioritizing the implementation of future *sbX* corridors.

## **IV.B.9. Valley Senior and Disabled Transit Program**

### IV.B.9.a. Scope of the Program

Within the Valley subarea, the amount of Measure I revenue apportioned to this program will be eight percent (8%) of which a minimum of two percent (2%) shall be directed to the creation and operation of a Consolidated Transportation Services Agency (CTSA) that will be responsible for the coordination of social service transportation for elderly individuals, individuals with disabilities and families of limited financial means. The remaining six percent (6%) may be expended to reduce fares and enhance transit service for elderly individuals and individuals with disabilities. The expenditure of this program funding shall be approved by the Authority Board of Directors.

### IV.B.9.b. Financial Analysis of Program

Table IV-7 provides an estimate of the amount of program funds (inflated) that will be available over the thirty-year period (2010-2040).

**Table IV-7.  
 Estimated Measure I 2010-2040 Revenues for Valley Senior and  
 Disabled Transit Program**

<i>San Bernardino Valley</i>	<i>Revenue Estimate</i>
CTSA	\$235,000,000
Fare Subsidy and/or Service Enhancement	\$709,000,000
<b>Total</b>	<b>\$944,000,000</b>

### IV.B.9.c. Program Policies

The policy framework for this program includes the policies previously adopted by the Authority Board of Directors for the 1990–2010 Measure I program. However, because the new program includes a provision for funding a CTSA function, additional policies are needed. The policies are included in Part 2 of the Strategic Plan as Policy 40009.

### IV.B.9.d. Implementation Actions

The following actions will be necessary in order to implement the Valley Senior and Disabled Transit Program:

- The formation of the Valley Consolidated Transportation Services Agency (CTSA) is a critical step that should be completed before the new program begins. The legislative intent authorizing the formation of a CTSA is to improve transportation service required by social service recipients by promoting the consolidation of social service transportation so that the following benefits may accrue: (1) combined purchasing of

necessary equipment; (2) adequate training of vehicle drivers; (3) centralized dispatching of vehicles; (4) centralized maintenance of vehicles; (5) centralized administration of various social service transportation programs; and (6) consolidation of existing financial resources. Pursuant to Section 6680 of the Code of Regulations, the SANBAG Board of Directors, acting as the county transportation commission, shall designate the CTSA. The CTSA may be (a) a public agency, (b) a common carrier (c) a private entity operating under a franchise or license, or (d) a non-profit corporation. A study of possible CTSA options will begin in Fiscal Year 2008/2009.

- Beginning in Fiscal Year 2008/2009, Omnitrans will be required to prepare a five-year Short Range Transit Plan (SRTP) that will identify operations characteristics and capital projects over the planning period of Fiscal Year 2009/2010 through 2013/2014. The SRTP must be a financially constrained plan that anticipates the amount of federal, state and local funds, including Measure I Senior and Disabled Program funds, necessary to support the planned level of transit service and capital improvement program for the five-year period. The SRTP will provide the basis for determining the amount of Measure I Senior and Disabled Program funds that will be available to Omnitrans and for what purpose. The SRTP will be updated every other year. Traditionally, Omnitrans has received funding under this program for fare subsidies and service subsidies for its ADA complementary paratransit service (Access).
- In addition to making these funds available for fare subsidies and enhanced transit services for elderly individuals and individuals with disabilities, a portion of the program funding has been set aside to support education and mediation service and scholarships for attending the biannual Transit and Paratransit Management Certificate Program offered by the University of the Pacific. It is anticipated that these types of support services will continue with the new Measure I program.
- The development of a revenue and expenditure tracking system for this program will be necessary. Financial auditing and compliance requirements will need to apply to any recipient of these funds.

---

## **IV.B.10. Valley Traffic Management Systems Program**

### IV.B.10.a. Scope of the Program

The Measure I 2010-2040 San Bernardino Valley Expenditure Plan states that “2% of revenue collected in the Valley Subarea shall fund traffic management systems.” The Measure specifically defines a non-comprehensive list of eligible projects under this category. The projects include signal synchronization, systems to improve traffic flow, commuter assistance programs, freeway service patrol, and projects which contribute to environmental enhancement associated with transportation facilities. Additional project types that are consistent with traffic management systems and environmental enhancement include corridor greenbelts, HOV inducements, bike and pedestrian trails, open space development, and air quality-related inducements, including alternate fuel programs.

### IV.B.10.b. Financial Analysis of Program

The Traffic Management Systems Program is estimated to have access to \$100 million in Measure I 2010-2040 revenue over the 30-year life of the Measure, in 2008 dollars. The amount is not intended to deliver sizable infrastructure projects. Instead, the Traffic Management Systems Program funds are to provide “seed money” to support transportation planning, creation of transportation management programs, implementation of traffic operational improvements on regional facilities, and environmental enhancements. The Traffic Management System Program funding can be used to strategically leverage State, federal, local and private funding. The allocation of Valley Traffic Management Systems funds will occur on a case-by-case basis as needs are recognized. Allocations will generally occur through recommendations by either the Major Projects or Planning and Programming Committee and approval by the SANBAG Board and/or through the annual SANBAG budgeting process.

### IV.B.10.c. Valley Traffic Management Program Policies

Policies for the Traffic Management Systems Program are provided in Part 2 of the Strategic Plan as Policy 40010.

---

## **IV.C. Victor Valley Subarea Programs**

### **IV.C.1. Victor Valley Local Street Program**

#### **IV.C.1.a. Scope of the Program**

The Local Street Program of the Victor Valley Subarea of the Mountain/Desert is funded by 70% of the Measure I 2010-2040 revenue collected within the subarea. 2% of this revenue shall be reserved in a special account to be expended on Project Development and Traffic Management Systems. The policies and procedures for the Project Development and Traffic Management Systems Program can be found in IV.C.4 of this Strategic Plan.

Projects in the Victor Valley Local Street Program are defined by the Measure I Ordinance “as local street and road construction, repair, maintenance and other eligible local transportation priorities.” Moreover, the Measure specifies that Local Streets Program funds “may be used flexibly for any eligible transportation purpose determined to be a local priority, including local roads, major streets, state highway improvements, transit, including but not limited to, fare subsidies and service enhancements for seniors and persons with disabilities, and other improvements/programs to maximize use of transportation facilities.” Finally, expenditure of Local Streets Program funds shall be based upon a Five Year Capital Improvement Plan adopted annually by action (either by resolution or minutes) of the governing body of each jurisdiction after being made available for public review and comment as part of the publication of the jurisdictions City Council/Board of Supervisors agenda. Local Street Program funds shall be disbursed to local jurisdictions monthly upon receipt of the annually adopted Five Year Capital Improvement Plan, which shall be consistent with other local, regional, and state transportation plans.

The jurisdictions included in the Victor Valley Subarea are: The Cities of Adelanto, Hesperia and Victorville, the Town of Apple Valley, and the County of San Bernardino.

#### **IV.C.1.b. Financial Analysis of Program**

Total tax revenues generated by Ordinance No. 04-01 for the Victor Valley Subarea over a thirty-year period are estimated to be \$1.076 billion. Revenue estimates are not binding or controlling.

Seventy percent of the Measure I revenue in the Victor Valley Subarea shall be apportioned directly to local jurisdictions for local street projects, minus 2% of that revenue, which shall be reserved in a special account to be expended on Project Development and Traffic Management Systems projects. It is estimated that the Local Street Program will generate approximately \$750 million over the thirty-year period of Measure I.

After reservation of 2% for the Victor Valley Project Development and Traffic Management Systems Program, the remainder of the funding in the Local Streets Program shall be allocated to local jurisdictions based upon the jurisdiction's proportional share of the subarea population to the total subarea population (50 percent) and the point of origin of the sales tax generation (50 percent). Population calculations shall be based upon the most current State Department of Finance estimates for January 1 of each year. Estimates of unincorporated population within the subarea shall be determined by the County of San Bernardino Planning Department, reconciled with the State Department of Finance population estimate. Tax generation calculations shall be based upon State Board of Equalization data.

Measure I 2010-2040 requires that "no revenue generated from the tax shall be used to replace the fair share contributions required from new development." Each jurisdiction in the urbanized Victor Valley was required to participate in the SANBAG Development Mitigation Program. The jurisdictions required to participate in the Development Mitigation Program within the urbanized Victor Valley are the Cities of Adelanto, Hesperia, Victorville, Town of Apple Valley their unincorporated spheres of influence. Each jurisdiction was required to adopt a development mitigation financing mechanism within 24 months following approval of the Measure, and each jurisdiction complied with this requirement. The requirements of the SANBAG Development Mitigation Program are contained in Chapter 4 and Appendices J and K of the Congestion Management Program.

As part of the Victor Valley Expenditure Plan prepared for the Measure I 2010-2040 Ordinance, \$281 million of development contributions were anticipated as part of the Victor Valley Local Street Program. The actual amount of development mitigation to be available for leveraging the Victor Valley Local Street Program will vary, however, based on the projects to be delivered by the local jurisdictions throughout the life of the Measure. The requirements of implementation of the development mitigation component of the Victor Valley Local Street Program are contained in Policy 40012 and the SANBAG Congestion Management Program.

#### IV.C.1.c. Program Policies

The Victor Valley Local Street Program policies are designed to provide a framework for administration of the Local Street Program. The policies establish the funding allocation process and the requirements for the related five year plan required of each jurisdiction. The detailed policies are listed in Part 2 of the Strategic Plan under Policy 40012, Victor Valley Local Street Program.

#### IV.C.1.d. Implementation Actions

The following actions need to be taken to implement the Victor Valley Local Street Program based on Policy 40012:

- 
- Annually, SANBAG establishes the population figures for each jurisdiction in the Victor Valley Subarea based on the State Department of Finance population estimate as they become available, retroactive to January 1 of that year.
  - Quarterly, SANBAG establishes the tax generation figure for each jurisdiction based upon figures provided by the State Board of Equalization.
  - Annually, each jurisdiction in the Victor Valley Subarea develops a Five Year Capital Improvement Plan for Local Street Projects that is consistent with local, regional, and state transportation plans.

---

## **IV.C.2. Victor Valley Major Local Highways Program**

### IV.C.2.a. Scope of the Program

The Major Local Highways Program of the Victor Valley Subarea of the Mountain/Desert is funded from 25% of the Measure I 2010-2040 revenue collected within the subarea. This amount “shall be reserved in a special account to be expended on Major Local Highway projects of benefit to the subarea.” In addition, the Measure I Ordinance defines a Major Local Highway projects as “major streets and highways serving as primary routes of travel within the subarea, which may include State highways and freeways, where appropriate.” Finally, Major Local Highway (MLH) Program funds are able to be utilized for leveraging other State and federal funds for transportation projects and to perform advance planning/project reports.

The Victor Valley Subarea representatives and Mountain/Desert Committee have endorsed and the SANBAG Board has approved a list of candidate MLH projects to be funded by Victor Valley MLH Program funds, pursuant to Policy 40013, included in Part 2 of the Strategic Plan. The Victor Valley MLH candidate projects are included in Figure IV.9. The Victor Valley MLH Program will fund an approximately equivalent value of projects for each of the jurisdictions in the Victor Valley Subarea over the life of the Measure. Jurisdictions may exceed their equivalent share during periods of the Measure, but the allocation recommendation by the Victor Valley Subarea representatives and Mountain/Desert Committee shall be made with the objective of providing some degree of access to funding to each jurisdiction during each ten-year period of the Measure.

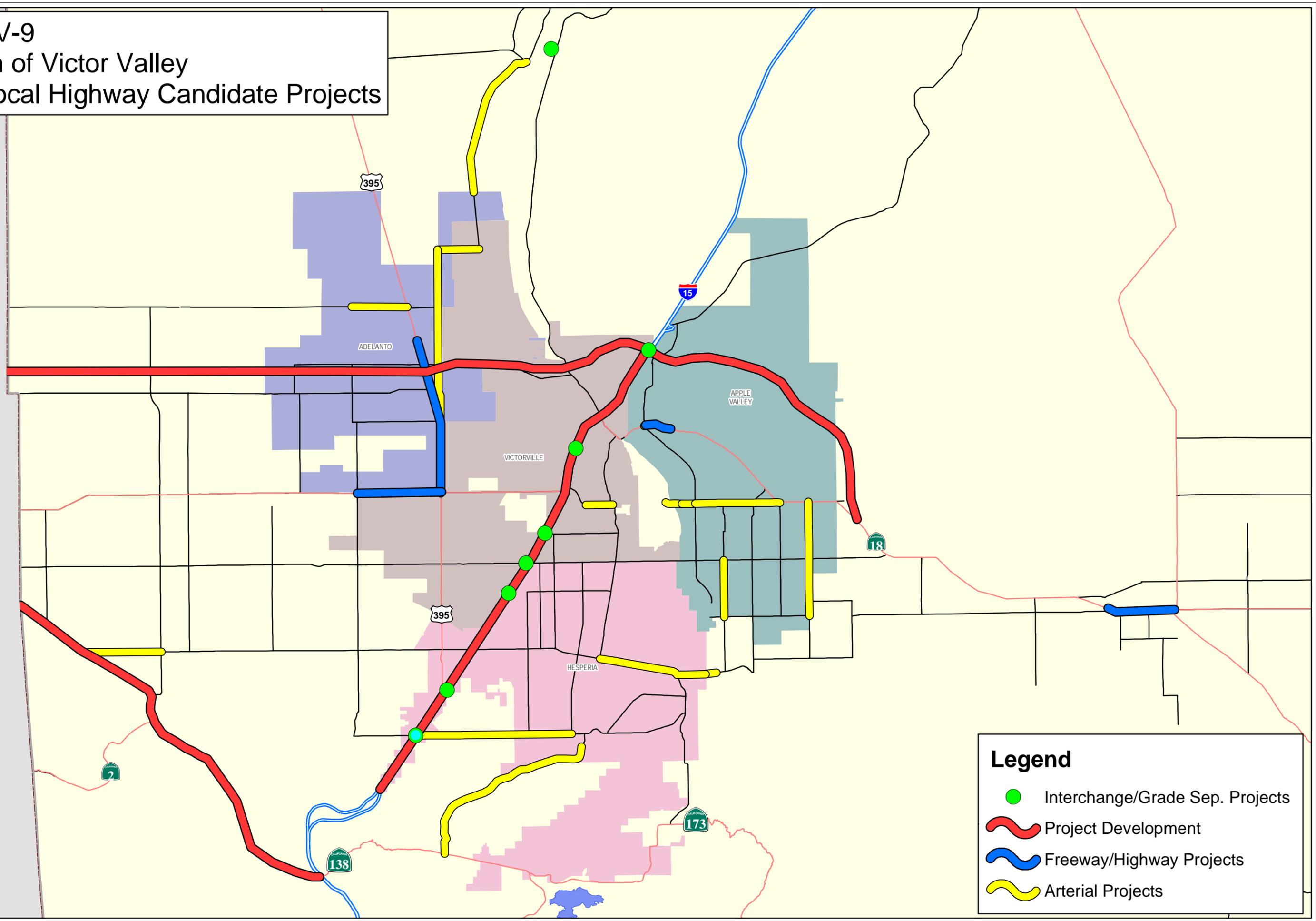
### Needs Analysis, Allocation and Expenditure Process

#### Step 1: Identification of Needs

The first step in the administration of the Measure I 2010-2040 Victor Valley MLH Program is the annual identification of the projected cash demand for the program and estimation of the revenue expected to be available from all sources that may contribute to project funding. The principal tool that is used to determine project and program funding needs is the Capital Projects Needs Analysis (CPNA).

**Capital Projects Needs Analysis:** By September 30 of each year, local jurisdictions submit a five-year CPNA for the Victor Valley MLH Program. The CPNAs cover a five year prospective period that commences the following state fiscal year. The needs analysis for the MLH Program can be prepared in a simple tabular format that documents project need by fiscal year and includes anticipated funding sources, funding amounts and project phasing where appropriate. The CPNA serves as the basis for deliberation by Victor Valley subarea representatives regarding projects for which MLH fund allocations are being requested by the jurisdictions. The needs analysis also demonstrates the availability of the development mitigation fair share funds as required per the SANBAG Development Mitigation Program. Approval of a jurisdiction’s CPNA by the City Council/Board of Supervisors is required prior to the September 30 submittal date.

Figure IV-9  
Location of Victor Valley  
Major Local Highway Candidate Projects



**Legend**

- Interchange/Grade Sep. Projects
- ~ Project Development
- ~ Freeway/Highway Projects
- ~ Arterial Projects



**Figure IV-10**  
**Measure I 2010-2040 Victor Valley Subarea**  
**Major Local Highways Candidate Project List**

<i><b>Interchange Projects</b></i>	<i><b>Sponsoring Agency</b></i>
Ranchero Interchange	Hesperia
Joshua / Muscatel Interchange	Hesperia
Mojave / Smoketree Interchange	Victorville
Eucalyptus Interchange	Hesperia
Bear Valley Interchange	Victorville
La Mesa / Nisqualli Interchange	Victorville
High Desert Corridor Interchange	Victorville

<i><b>Arterial Projects</b></i>	<i><b>Sponsoring Agency</b></i>
Green Tree Extension (Hesperia Rd to Yates Rd)	Victorville
Yates Rd (portion of Yucca Loma Bridge project)	County of San Bernardino
Yucca Loma Bridge & widen Yucca Loma Rd to Apple Valley Rd	Apple Valley
Yucca Loma Rd (Apple Valley Rd to SR-18)	Apple Valley
Apple Valley Rd / SR-18 Realignment	Apple Valley
El Mirage Rd (US-395 to Koala Rd)	Adelanto
Colusa Rd (Adelanto Rd to Helendale Rd)	Adelanto
Adelanto Rd (Colusa Rd to US-395)	Adelanto
Rock Springs Rd Bridge at Mojave River	County of San Bernardino
Rock Springs Rd (Hesperia City Limits to Deep Creek Rd)	County of San Bernardino
Deep Creek Rd (Bear Valley Rd to Tussing Ranch Rd)	Apple Valley
Central Rd (SR-18 to Tussing Ranch Rd)	Apple Valley
Ranchero Rd (7 <sup>th</sup> to Mariposa Rd)	Hesperia
Helendale Rd	County of San Bernardino
Summit Valley Rd	County of San Bernardino
Phelan Rd (Sheep Creek to SR-138)	County of San Bernardino

<i><b>Grade Separation Projects</b></i>	<i><b>Sponsoring Agency</b></i>
Vista Rd Grade Separation	County of San Bernardino

<i><b>Existing State Highway Projects</b></i>	<i><b>Sponsoring Agency</b></i>
SR-138 (project development)	Caltrans
I-15 (project development)	Caltrans
SR-18 (Apple Valley Rd to Tao Rd)	Apple Valley
US-395 (Palmdale Rd to Bartlett Ave)	Caltrans
SR-18 (US-395 to Baldy Mesa Rd)	Caltrans
SR-18 (Lucerne Valley)	County of San Bernardino

<i><b>New Corridors</b></i>	<i><b>Sponsoring Agency</b></i>
High Desert Corridor (East of US-395, right-of-way)	Victorville
High Desert Corridor (West of US-395, project development)	County of San Bernardino

---

## Step 2: Fund Allocation

The second step in the administration of the Victor Valley MLH Program is the annual allocation of Measure I, State and federal revenue to the program. The fund allocation process has two components, the preparation of an annual cash flow analysis and the preparation of a fund allocation recommendation.

**Cash Flow Analysis:** Annually, SANBAG prepares a cash flow analysis that compares projected revenues and expenses for Victor Valley MLH Program to inform the Victor Valley Subarea representatives and the Mountain/Desert Committee during the fund allocation process. The cash flow analysis includes the information contained in the CPNAs prepared for the Victor Valley MLH Program and projected funding sources anticipated to be available within a five year planning horizon. All projected State, federal and private funds are included in the annual cash flow analysis. The State and federal funds included in the cash flow analysis are directed to the Victor Valley MLH Program in accordance with SANBAG policy.

The goal of the cash flow analysis is to match revenue projections and program cash demands over the five year period, with the emphasis placed on the first year of the five year planning horizon. For situations where cash demand exceeds revenue projections, the cash flow analysis serves as the basis for evaluation of agency bonding needs or the reduction of MLH funding requests.

**Allocation Recommendation:** The Victor Valley Subarea representatives, Mountain/Desert Committee and SANBAG Board have full discretion over the allocation of Measure I 2010-2040 revenue to jurisdictions in the Victor Valley MLH Program. Therefore, on a year-by-year basis individual jurisdictions may not have access to their “equivalent share,” but each jurisdiction shall receive approximately equivalent shares of the funding over the life of the Measure, as adjusted for the time-value of money. In addition, allocation decisions shall be made with the objective of providing some degree of access to MLH funds to each jurisdiction during each ten year period of the Measure. The assurance that each jurisdiction will receive an approximately equivalent share of the funding is provided by monitoring program expenditures and making adjustments based on the time-value of money. The time-value of money calculation guarantees that jurisdictions with heavy draws on cash in the early years of the Measure will not be advantaged over jurisdictions with cash demands later in the Measure.

The information contained in the cash flow analysis contains the information used as the basis for SANBAG staff’s MLH Program allocation recommendation. The allocation recommendation begins with a presentation of a draft recommendation to the Victor Valley Subarea representatives for review by December each year. At a minimum, the cash flow analysis and allocation recommendation contains the following considerations:

- All Victor Valley MLH Program needs
- Project Advancement and Advance Expenditure Agreements
- Bond or other debt service obligations

- 
- Revenue committed to projects or programs in previous allocation cycles
  - Ability to leverage additional State, federal and private funding sources
  - Jurisdiction access to MLH funding during each 10 year period of the Measure

The SANBAG Board approves the fund allocation for the Victor Valley programs by March of each year.

Local jurisdictions that wish to deliver projects in excess of the resources allocated to the jurisdiction in the fund allocation decision may deliver projects in accordance with the provisions in the Advance Expenditure Process contained in IV.C.2.b. The Measure I MLH funds allocated to Measure I projects are used in Step 3 to prepare agreements with local jurisdictions governing the expenditure of Measure I funds.

### Step 3: Expenditure

The third step in the Measure I 2010-2040 Victor Valley MLH Program process is the expenditure of funds. The expenditure of funds will not occur until the SANBAG Board has allocated funds to a project as outlined in steps 1 and 2 above.

Each local jurisdiction that receives an allocation of Victor Valley MLH funds is required to execute a Project Funding Agreement before the reimbursable expenditure of funds can occur. The Project Funding Agreement is a cooperative agreement between SANBAG and the agency sponsoring a Victor Valley MLH project. The Project Funding Agreement establishes roles, responsibilities and financial commitments for each agency involved in the agreement. One agreement is executed between SANBAG and the sponsoring agency for the entire project. Each agreement contains the scope, public share commitment and development mitigation commitment for the phase of the project in receipt of an allocation of funding. As future phases of the project are awarded public share funding, subject to the allocation process overseen by the committees and the SANBAG Board, the agreement is amended to specify project scope, public share and development mitigation commitments. Both the City Council/Board of Supervisors representing the sponsoring agency and SANBAG must approve the Project Funding Agreement and each subsequent amendment.

For any projects with more than one local jurisdiction involved, the sponsoring agency is required to provide a copy of a fully executed Development Mitigation Cooperative Agreement to be included in the Project Funding Agreement. The Development Mitigation Cooperative Agreement provides guarantees by the lead agency prior to any expenditure of Measure I MLH funds on a project that the requisite amount of development mitigation is available from all contributing agencies as outlined in the Nexus Study. Each City Council/Board of Supervisors representing a contributing agency is required to participate in the Development Mitigation Cooperative Agreement prior to the approval of the Project Funding Agreement., or the sponsoring agency may provide the entire development mitigation commitment on its own.

Following execution of a Project Funding Agreement by SANBAG and local jurisdiction City Council/Board of Supervisors, local jurisdictions may begin the expenditure of Measure I MLH funds. The allocated amounts of funding are expended on projects in accordance with the

provisions specified in the executed agreement(s). The Victor Valley MLH Program is administered as cost reimbursement programs, subject to the provisions of Policy 40013. Reimbursements by SANBAG occur for projects up to the public share amount identified in the Project Funding Agreement. Amounts of public share submitted for reimbursement in excess of the amount identified in the allocation agreements may be eligible for reimbursement through the Advance Expenditure process described in Section IV.C.2.b. subject to recommendation by the subarea representatives and the Mountain/Desert Committee and to SANBAG Board approval. Reimbursement will not occur for increased or expanded scope of work or projects not contained in the funding agreements.

#### IV.C.2.b. Project Advancement and Advance Expenditure Processes as Applied to the Victor Valley Major Local Highways Program

The Project Advancement (PA) and Advance Expenditure (AE) Processes apply in the Victor Valley only to the Major Local Highways Program. The Project Advancement Process is discussed first, followed by the Advance Expenditure process.

#### Project Advancement Process for the Victor Valley

Following the passage of Measure I 2010-2040 in November 2004, several member agencies indicated a desire to advance shelf-ready or near-shelf-ready freeway interchange, overcrossing, or arterial projects consistent with the new Expenditure Plan. After considerable deliberation, in December 2005 the SANBAG Board approved a strategy to advance SANBAG Nexus Study interchange, arterial, and grade separation projects to construction with local funds prior to 2010, with provision for reimbursement of the public share of the cost from the applicable Measure I 2010-2040 program at a time to be determined through the Strategic Plan. The Board also directed that reimbursement funding would be limited to no more than 40 percent of the revenue apportioned to the applicable Measure I program so as to retain some funding for new projects. A model interagency Project Advancement Agreement (PAA) was approved by the Board in April 2006.

Following the approval of the model interagency PAA by the SANBAG Board, all member agencies were permitted to enter into PAAs with SANBAG. Victor Valley Subarea jurisdictions are permitted to enter into PAAs with SANBAG until July 1, 2009. As of December 2008, one advancement agreement has been executed in the Victor Valley Subarea – the I-15/Ranchero Road interchange in the City of Hesperia – for a total commitment of \$8,598,000. The Ranchero Road Interchange PAA is to be reimbursed from the Victor Valley Major Local Highways Program. Pursuant to the PAA, the City is eligible for reimbursement up to a maximum rate of 40% of the revenue collected in the Victor Valley Major Local Highway (MLH) Program annually. However, the specific reimbursement policy was to be established through the Strategic Plan.

The Victor Valley Subarea has developed a candidate project list for use of Victor Valley MLH funds as part of the Strategic Plan. The candidate project list was developed with an understanding that the five local jurisdictions would receive an approximately equivalent share of Major Local Highway funding over the thirty year life of the Measure. However, the policies

governing the MLH Program also state that the resources are to be pooled to maximize the use of funds. The Victor Valley Subarea has identified several priority projects to be delivered by the MLH Program at the outset of the Measure. Several projects may be bond-funded, and others may be “pay-as-you-go” projects.

Bond financing of projects has an impact on the availability of MLH funds in the Victor Valley. However, the Victor Valley jurisdictions also acknowledge the commitment of funds to the repayment of any PAAs. Policy 40011 commits 20% of the annual revenue from the Victor Valley MLH Program to any jurisdiction holding a PAA until the PAA is reimbursed in full. The policy would commit that percentage to any Victor Valley jurisdictions executing a PAA by July 1, 2009.

#### Advance Expenditure Process for the Victor Valley

The Advance Expenditure process is established to provide reimbursement or credit to local jurisdictions that are willing to deliver Nexus Study projects or projects on the Victor Valley MLH candidate project list with local resources in advance of an allocation of Measure I funds. Local jurisdictions that wish to take advantage of this option may request to be reimbursed for the public share of an advanced project’s cost at such time as Measure I funds are available through the applicable program. Alternatively, the local jurisdiction may request to have the public share cost credited toward an equal development share cost for one or more subsequent projects, so long as the credited funds are from development-based sources.

A jurisdiction that does not receive an allocation of Victor Valley MLH Funding when it wishes to initiate a project may begin development under the AE process subject to a recommendation of the subarea representatives and the Mountain/Desert Committee and to SANBAG Board approval. Sponsoring agencies that wish to utilize the AE process for a project must execute an Advance Expenditure Agreement (AEA) with SANBAG prior to the expenditure of funds to be reimbursed or credited pursuant to this AE process. Any funds expended by a local jurisdiction on a project prior to the execution of the AEA will not be eligible for reimbursement or credit. Repayment of an advanced project must fit within the annual apportionment and allocation plan to be recommended by the subarea representatives and Mountain/Desert Committee and approved by the SANBAG Board.

The AEA establishes agency roles, responsibilities and financial commitments. One agreement will be executed between SANBAG and the sponsoring agency for the entire project. The agreement contains the scope of work, development mitigation commitment and public share of the cost to be reimbursed by SANBAG. Reimbursement of advance expenditures will be considered in the annual apportionment process by the SANBAG Board so that jurisdictions will have an estimate of the reimbursement available for budgeting purposes for the coming fiscal year. Credit to be applied to a subsequent project may only be reimbursed when the subsequent project is authorized for activity by the SANBAG Board, based on a recommendation of priorities specified by the Victor Valley Subarea representatives and the Mountain/Desert Committee.

When reimbursement is initiated, jurisdictions must submit to SANBAG any reimbursable consultant and contractor invoices, or documentation for in-house work performed by local jurisdiction staff, reflecting actual project expenditures. If jurisdiction in-house staff time is submitted for reimbursement, documentation of hours by individual and salary rate must be provided, with tabulations from the payroll system by project task as backup. Overhead will only be allowed via an approved cost allocation plan or an equitable and auditable distributions of overhead among all departments. Only staff time directly contributing to the deliverable of a Nexus Study project are eligible expenditures. Oversight activities, such as attending PDT meetings and management of consultant or contractor progress and invoicing are not reimbursable. Expenditures without the proper documentation required by the AEA are not reimbursed by SANBAG.

#### IV.C.2.c. Financial Analysis of Program

Total tax revenues generated by Ordinance No. 04-01 for the Victor Valley Subarea over a thirty-year period are estimated to be \$1.076 billion. Revenue estimates are not binding or controlling.

Twenty-five percent of the revenue collected within the subarea from Measure I shall be reserved in a special account to be expended on MLH Program of benefit to the subarea.” It is estimated that the Major Local Highways Program will generate \$269.1 million over the thirty-year period of Measure I. Expenditure of MLH Program funds shall be approved by the Authority Board of Directors, based upon a recommendation of subarea representatives and the Mountain/Desert Committee as outlined above. If, after five years of revenue collection and every five years thereafter, the local representatives and the Mountain/Desert Committee make a finding that Major Local Highway Projects funds are not required for improvements of benefit to the subarea, then revenue in the Major Local Highway Projects category may be returned to jurisdictions within the subarea. Such return shall be allocated and expended based upon the formula and requirements established in the general Local Street Projects category.

Measure I 2010-2040 requires that “no revenue generated from the tax shall be used to replace the fair share contributions required from new development.” Each jurisdiction in the urbanized Victor Valley was required to participate in the SANBAG Development Mitigation Program. The jurisdictions required to participate in the Development Mitigation Program within the urbanized Victor Valley are the Cities of Adelanto, Hesperia, Victorville, Town of Apple Valley their unincorporated spheres of influence. Each jurisdiction was required to adopt a development mitigation financing mechanism within 24 months following approval of the Measure, and each jurisdiction complied with this requirement. The requirements of the SANBAG Development Mitigation Program are contained in Chapter 4 and Appendices J and K of the Congestion Management Program.

As part of the Victor Valley Expenditure Plan prepared for the Measure I 2010-2040 Ordinance, \$88 million of development contributions were anticipated as part of the Victor Valley MLH Program. The actual amount of development mitigation to be available for leveraging the Victor Valley MLH Program will vary, however, based on the projects delivered by the local jurisdictions throughout the life of the Measure. The requirements of implementation of the

---

development mitigation component of the Victor Valley MLH Program are contained in Policy 40013 and the SANBAG Congestion Management Program.

#### IV.C.2.d. Program Policies

The Victor Valley MLH Program policies are designed to provide a framework for administration of the program. The policies establish the identification of need, fund allocation and expenditure process. The detailed policies are listed in Part 2 of the Strategic Plan under Policy 40013.

#### IV.C.2.e. Implementation Actions

The following actions need to be taken to implement the Victor Valley Major Local Highways Program based on the attached Policy 40013:

- Development of a model Project Funding Agreement between SANBAG and local jurisdictions for the Victor Valley MLH Program.
- Development of apportionment and expenditure tracking system for the MLH Program expenditures and revenue, integrated or interfaced with the SANBAG financial system.

### **IV.C.3. Victor Valley Senior and Disabled Transit Program**

#### IV.C.3.a. Scope of the Program

Within the Victor Valley, the amount of Measure I revenue apportioned to this program is initially set at five percent (5%), and shall increase by five tenths of a percent (0.5%) every five years thereafter to a maximum of seven and a half percent (7.5%). Such increases shall automatically occur unless each local jurisdiction within the subarea makes a finding that such an increase is not required to address the unmet transit needs of elderly individuals and individuals with disabilities. All increases above the initial five percent (5%) shall come from the general Victor Valley Local Street Program.

Funds made available under this program shall be used to enhance transit services provided to or provide fare subsidies to elderly individuals and individuals with disabilities. The expenditure of this program funding shall be approved by the Authority Board of Directors, based upon the recommendation of the Victor Valley subarea representatives and the Mountain/Desert Committee.

#### IV.C.3.b. Program Financial Analysis

Table IV-8 provides an estimate of the amount of program funds (in 2008 \$'s) that will be available over the thirty-year period (2010 to 2040) by subarea.

**Table IV-8.  
 Estimated Measure I 2010-2040 Revenues for Victor Valley Senior and  
 Disabled Transit Program**

<i>Subarea</i>	<i>Revenue Estimate</i>
Victor Valley	\$71,000,000

#### IV.C.3.c. Program Policies

The policy framework for this program follows the policies previously adopted by the Authority Board of Directors for the Measure I 1990-2010 Senior and Disabled Transit Program. The policies include maintenance of effort requirements and guidelines for the expenditure of the program funds. The policies are included in Part 2 of the Strategic Plan under Policy 40014.

---

IV.C.3.d. Implementation Actions

The following actions are necessary for implementation of the Victor Valley Senior and Disabled Transit Program:

- Beginning in Fiscal Year 2008/2009, the Victor Valley Transit Authority (VVTA) is required to prepare a five-year Short Range Transit Plan (SRTP) that identifies operational characteristics and capital projects over the planning period of Fiscal Year 2009/2010 through 2013/2014. The SRTP must be a financially constrained plan that anticipates the amount of federal, state and local funds, including Measure I Senior and Disabled Program funds, necessary to support planned level of transit service and capital improvement program for the five-year period. The SRTP provides the basis for determining the amount of Measure I Senior and Disabled Program funds that is made available to the VVTA and for what purpose. The SRTP shall be updated every other year.
- In addition to the VVTA, it may be determined that the formation of a Consolidated Transportation Services Agency (CTSA) may be desired to coordinate the delivery of social service transportation within the Victor Valley. In addition, an individual jurisdiction (city, county or town) may desire to use these funds to support non-traditional transit services to elderly individuals and individuals with disabilities. In either case, it is important that such services be coordinated with the VVTA.
- Unlike the 1990-2010 Measure I Program, the 2010-2040 Program will not be apportioning and disbursing the Senior and Disabled Program funds to each jurisdiction. Instead, the funds will be apportioned to the Victor Valley Subarea and the jurisdiction representatives within the subarea as well as the Mountain/Desert Committee and Authority Board of Directors will need to agree on the annual amounts to be expended. It is anticipated that because the subarea jurisdictions are also represented on the VVTA governing board, the adoption of the SRTP will suffice. One area where this is not the case is where the County of San Bernardino is using a portion of its funds to pass through to the Department of Aging and Adult Services (DAAS) for a volunteer mileage reimbursement program, known as Transportation Reimbursement Escort Program (TREP). TREP is offered in some of the more isolated rural communities (Lucerne Valley). In order to ensure that the coordination of social service transportation does not result in a duplication of public transit service, it is recommended that funds for the TREP be funneled through the VVTA.
- The development of revenue and expenditure tracking system for the Victor Valley subarea will be necessary. Should all of these program funds flow through the VVTA or one of the local jurisdictions (city, county or town), the scope of the required annual fiscal and compliance audit should be revised to include the receipt and expenditure of the Measure I Senior and Disabled Program funds. If the County's TREP remains an independent operation or a CTSA is formed, then the audit of the DAAS and/or the CTSA would need to include the receipt and expenditure of the Measure I Senior and Disabled Program funds.

---

## **IV.C.4. Victor Valley Project Development and Traffic Management Systems**

### IV.C.4.a. Scope of the Program

The Project Development and Traffic Management Systems program is funded by 2% of the revenue collected within the Victor Valley Subarea and reserved in this special account. Eligible Project Development and Traffic Management Systems projects may include, at the discretion of local subarea representatives, costs associated with corridor studies and project study reports, projects to improve traffic flow and maximize use of transportation facilities, congestion management, commuter assistance programs, and programs which contribute to environmental enhancement associated with highway facilities.

### IV.C.4.b. Financial Analysis of Program

Total tax revenues generated by Ordinance No. 04-01 for the Victor Valley Subarea over a thirty-year period are estimated to be \$1.076 billion. Revenue estimates are not binding or controlling.

The Project Development and Traffic Management Systems program is funded by 2% of the revenue collected within the Victor Valley Subarea and reserved in this special account. This 2% is reserved from the 70% Local Street Program category. It is estimated that the Project Development and Traffic Management Systems Program will generate \$21.5 million over the thirty year period of Measure I. Expenditure of Project Development and Traffic Management Systems funds shall be approved by the Authority Board of Directors, based upon a recommendation of the Victor Valley Subarea representatives and the Mountain/Desert Committee. If, after five years of revenue collection and every five years thereafter, the local representatives and the Mountain/Desert Committee make a finding that Project Development and Traffic Management Systems funds are not required for improvements of benefit to the subarea, then revenue in the Project Management and Traffic Management Systems category may be returned to the general Local Street Program. Such return shall be allocated and expended based upon the formula and requirements established in the Victor Valley Local Street Program.

As of the preparation of the Strategic Plan, one financial commitment of resources from the Victor Valley PDTMS Program has been made in an amount not to exceed \$250,000 to fund the Victor Valley share of the SANBAG Freeway Corridors Toll Feasibility Study. The Victor Valley share of the Freeway Corridors Toll Feasibility Study is being funded by a loan of Measure I 1990-2010 funds and the loan will be repaid by the Victor Valley Subarea from the PDTMS account as funding is available.

### IV.C.4.c. Program Policies

The Victor Valley Project Development and Traffic Management Systems policies are designed to provide a framework for administration of this category of funds. The policies establish the

---

funding allocation process. The detailed policies are listed in the attached appendix under Policy 40015, Victor Valley Project Development and Traffic Management Systems Program.

IV.C.4.d. Implementation Actions

The following actions need to be taken to implement the Victor Valley Project Development and Traffic Management Systems based on the attached Policy 40015:

- Development of apportionment and expenditure tracking system for the Project Development and Traffic Management Systems projects expenditures and revenue, integrated or interfaced with the SANBAG financial system.

---

## **IV.D. Rural Mountain/Desert Subarea Programs**

### **IV.D.1. Rural Mountain/Desert Local Street Program**

#### IV.D.1.a. Scope of the Program

The Local Street Program of the Colorado River, Morongo Valley, Mountain, and North Desert Subareas of the Mountain/Desert Area is funded by 70% of the Measure I 2010-2040 revenue collected within the subarea. 2% of this revenue shall be reserved in a special account to be expended on Project Development and Traffic Management Systems.

Projects in the Local Street Program are defined by the Measure I Ordinance “as local street and road construction, repair, maintenance and other eligible local transportation priorities.” Moreover, the Measure specifies that Local Streets Program funds “may be used flexibly for any eligible transportation purpose determined to be a local priority, including local roads, major streets, state highway improvements, transit, including but not limited to, fare subsidies and service enhancements for seniors and persons with disabilities, and other improvements/programs to maximize use of transportation facilities.” Finally, expenditure of Local Streets Program funds shall be based upon a Five Year Capital Improvement Plan adopted annually by action (either by resolution or minutes) of the governing body of each jurisdiction after being made available for public review and comment as part of the publication of the jurisdictions City Council/Board of Supervisors agenda. Local Street Program funds shall be disbursed to local jurisdictions monthly upon receipt of the annually adopted Five Year Capital Improvement Plan, which shall be consistent with other local, regional, and state transportation plans.

The jurisdictions included in these subareas are as follows:

- Colorado River Subarea: City of Needles and County of San Bernardino.
- Morongo Valley Subarea: City of Twentynine Palms, Town of Yucca Valley, and County of San Bernardino.
- Mountain Subarea: City of Big Bear Lake and County of San Bernardino.
- North Desert Subarea: City of Barstow and County of San Bernardino.

#### IV.D.1.b. Financial Analysis of Program

Total tax revenues generated by Ordinance No. 04-01 for these subareas over a thirty year period are estimated to be \$488.2 million.

Revenue estimates are not binding or controlling.

70% of the revenue collected within the subareas from Measure I shall be apportioned for the Local Street Program, with 2% of that revenue reserved in a special account to be expended on Project Development and Traffic Management Systems projects. The estimated Measure I Local Street Program funds for each of the rural Mountain/Desert Measure I Subareas are included Table IV-9 below.

**Table IV-9.**  
**Estimated Measure I 2010-2040 Local Street Program**  
**Revenue by Rural Mountain/Desert Subarea**

<i>Subarea</i>	<i>Revenue Estimate</i>
Colorado River	\$7,000,000
Morongo Valley	\$122,000,000
Mountains	\$106,000,000
North Desert	\$106,000,000

After reservation of 2% for Project Development and Traffic Management Systems Program in each rural Mountain/Desert Subarea, the remainder of the funding in the Local Streets Program shall be allocated to local jurisdictions based upon the jurisdiction’s proportional share of the subarea population to the total subarea population (50 percent) and the point of origin of the sales tax generation (50 percent). Population calculations shall be based upon the most current State Department of Finance estimates for January 1 of each year. Estimates of unincorporated population within the subarea shall be determined by the County of San Bernardino Planning Department, reconciled with the State Department of Finance population estimate. Tax generation calculations shall be based upon State Board of Equalization data.

Development contributions are considered a requirement of the Measure in the rural Mountain/Desert subareas, but jurisdictions are not required to participate in the SANBAG Development Mitigation Program, as are jurisdictions in the urbanized Victor Valley. However, it is clear in the Measure that “Measure I revenue is not intended to replace traditional revenues generated through locally-adopted development fees and assessment districts.” It is also clear that the “transactions and use tax revenue shall not be used to replace existing road funding programs or to replace requirements for new development to provide for its own road needs.”

Jurisdictions in the rural Mountain/Desert subareas are meeting and shall continue to meet the requirements for development contributions through preparation of Traffic Impact Analysis (TIA) Reports, conditions of project approvals, fee districts, and other mechanisms as specified in Chapter 4 of the CMP. Most jurisdictions in the rural Mountain/Desert subareas are also considering or have established development mitigation programs separate from the SANBAG Nexus Study. Should rural Mountain/Desert jurisdictions desire to opt into the SANBAG Development Mitigation Program to avoid preparation of CMP TIA Reports, they may do so upon review of the program by SANBAG staff and approval of their participation in the SANBAG Development Mitigation Program by the SANBAG Board.

IV.D.1.c. Program Policies

The Local Street Program policies provide the framework for administration of the Local Street Program. The policies establish the funding allocation process and the requirements for the

---

related five year plan required of each jurisdiction. The detailed policies are listed in Part 2 of the Strategic Plan under Policy 40016.

#### IV.D.1.d. Implementation Actions

The following actions need to be taken to implement the Rural Mountain/Desert Local Street Programs:

- Annually, SANBAG establishes the population figures for each jurisdiction in the rural Mountain/Desert subareas based on the State Department of Finance population estimate as they become available, retroactive to January 1 of that year.
- Quarterly, SANBAG establishes the tax generation figure for each jurisdiction based upon figures provided by the State Board of Equalization.
- Annually, each jurisdiction in the rural Mountain/Desert subareas develop a Five Year Capital Improvement Plan for Local Street projects that is consistent with local, regional, and state transportation plans.

## **IV.D.2. Rural Mountain/Desert Major Local Highways Program**

### IV.D.2.a. Scope of the Program

The Major Local Highways Program of the rural Mountain/Desert subareas is funded from 25% of the Measure I 2010-2040 revenue collected within the subarea. This amount “shall be reserved in a special account to be expended on Major Local Highway projects of benefit to the subarea.” In addition, the Measure I Ordinance defines a Major Local Highway projects as “major streets and highways serving as primary routes of travel within the subarea, which may include State highways and freeways, where appropriate.” Finally, Major Local Highway (MLH) Program funds are able to be utilized for leverage other state and federal funds for transportation projects and to perform advance planning/project reports.

### IV.D.2.b. Financial Analysis of Program

Total tax revenues generated by Ordinance No. 04-01 for the rural Mountain/Desert subareas over a thirty-year period are estimated to be \$488.2 million. Revenue estimates are not binding or controlling.

**Table IV-10.  
Estimated Measure I 2010-2040 Major Local Highway Program  
Revenue by Rural Mountain/Desert Subarea**

<i>Subarea</i>	<i>Revenue Estimate</i>
Colorado River	\$2,600,000
Morongo Valley	\$44,000,000
Mountain	\$38,000,000
North Desert	\$38,000,000

25% of the revenue collected within each subarea from Measure I is in a special account to be expended on Major Local Highway Projects of benefit to each subarea. The estimated amount of revenue projected to be available to each rural Mountain/Desert Subarea MLH Program is detailed above in Table IV-10. Expenditure of Major Local Highways Program funds shall be approved by the Authority Board of Directors, based upon a recommendation of subarea representatives and the Mountain/Desert Committee.

No formal annual process for allocation and expenditure of funding is required for the rural Mountain/Desert subareas. This is due to the size of the Major Local Highway Programs for each subarea. The magnitude of each MLH programs is such that a pay-as-you-go program has been identified as the primary financing mechanism for each rural Mountain/Desert Major Local Highway Program. When a jurisdiction desires funding from a rural Mountain/Desert MLH Program, the jurisdiction shall provide to SANBAG a written request for funding with the project information, including but not limited to the name, scope and requested amount of

funding. Upon receipt of the letter, SANBAG shall convene the subarea representatives from the subarea requesting funding to review the subarea priorities. At a minimum SANBAG shall provide an accounting of existing Major Local Highway funds for the subarea and a revenue projection for the subarea. The information shall be used by the subarea representatives and the Mountain/Desert Committee as the basis for making an allocation recommendation.

Each local jurisdiction that receives an allocation of MLH funds is required to execute a Project Funding Agreement before the reimbursable expenditure of funds can occur. The Project Funding Agreement is a cooperative agreement between SANBAG and the agency sponsoring a MLH project. The Project Funding Agreement establishes roles, responsibilities and financial commitments for each agency involved in the agreement. One agreement is executed between SANBAG and the sponsoring agency for the entire project. Each agreement contains the scope and project funding information for the phase of the project in receipt of an allocation of funding. As future phases of the project are awarded public share funding, the agreement will be amended to specify project scope and funding commitments. Both the City Council/Board of Supervisors representing the sponsoring agency and SANBAG must approve the Project Funding Agreement and each subsequent amendment.

Following execution of a Project Funding Agreement by SANBAG and local jurisdiction City Council/Board of Supervisors, local jurisdictions may begin the expenditure of Measure I funds. The allocated amounts of funding are expended on projects in accordance with the provisions specified in the executed agreement(s). The MLH Programs are administered as cost reimbursement programs, subject to the provisions of Policy 40017. Reimbursements by SANBAG occur for projects up to the amount of funding identified in the Project Funding Agreement. Reimbursement will not occur for increased or expanded scope of work or projects not contained in the funding agreements.

If, after five years of revenue collection and every five years thereafter, the local representatives and the Mountain/Desert Committee make a finding that Major Local Highway Projects funds are not required for improvements of benefit to the subarea, then revenue in the Major Local Highway Projects category may be returned to jurisdictions within the subarea. Such return shall be allocated and expended based upon the formula and requirements established in the general Local Street Projects category.

#### IV.D.2.c. Program Policies

The Major Local Highways program policies are designed to provide a framework for administration of the program. The policies establish the funding allocation process. The detailed policies are listed in Part 2 of the Strategic Plan under Policy 40017 for the Rural Mountain/Desert Major Local Highway Program.

#### IV.D.2.d. Implementation Actions

The following actions need to be taken to implement the Rural Mountain/Desert Major Local Highways Program:

- 
- Development of a model Project Funding Agreement between SANBAG and local jurisdictions for the Major Local Highways Program.
  - Development of apportionment and expenditure tracking system for the Major Local Highways Program expenditures and revenue, integrated or interfaced with the SANBAG financial system.

### IV.D.3. Rural Mountain/Desert Senior and Disabled Transit Program

#### IV.D.3.a. Scope of the Program

The Senior and Disabled Transit Program is funded by five percent (5%) of the Measure I 2010-2040 revenue collected within each Mountain/Desert subarea. Local representatives may provide additional funding beyond the five percent (5%) upon a finding that such an increase is required to address senior and disabled unmet transit needs. All increases above the initial five percent (5%) shall come from the general Local Street Projects Program.

Funds made available under this program shall be used to enhance transit services provided to or provide fare subsidies to elderly individuals and individuals with disabilities. The expenditure of this program funding shall be approved by the Authority Board of Directors, based upon the recommendation of the subarea representatives and the Mountain/Desert Committee.

#### IV.D.3.b. Financial Analysis

Table IV-11 below provides an estimate of the amount of program funds (in 2008 \$'s) that will be available over the thirty-year period (2010 to 2040) by subarea.

**Table IV-11  
Estimate of Senior and Disable Transit Funds  
For each Rural Mountain/Desert Subarea**

<i>Subarea</i>	<i>Revenue Estimate</i>
Colorado River	\$520,000
Morongo Basin	\$8,700,000
Mountains	\$7,600,000
North Desert	\$7,600,000
<b>TOTAL</b>	<b>\$24,420,000</b>

#### IV.D.3.c. Program Policies

The program follows the policies previously adopted by the Authority Board of Directors for the Measure I 1990-2010 Senior and Disabled Transit Program. The policies include maintenance of effort requirements and guidelines for the expenditure of the program funds. The policies for the Rural Mountain/Desert Senior and Disabled Transit Program are listed in Part 2 of the Strategic Plan as Policy 40018.

---

#### IV.D.3.d. Implementation Actions

The following actions will be necessary in order to implement the Mountain/Desert Senior and Disabled Transit Program:

- Beginning in Fiscal Year 2008/2009, each transit system within each subarea will be required to prepare a five-year Short Range Transit Plan (SRTP) that will identify operations characteristics and capital projects over the planning period of Fiscal Year 2009/2010 through 2013/2014. The SRTP must be a financially constrained plan that anticipates the amount of federal, state and local funds, including Measure I Senior and Disabled Program funds, necessary to support planned level of transit service and capital improvement program for the five-year period. The SRTP will provide the basis for determining the amount of Measure I Senior and Disabled Program funds that will be made available to the transit system and for what purpose. The SRTP will be updated every other year.
- It may be determined that a Consolidated Transportation Services Agency (CTSA) may be desired in one or more of the Mountain/Desert subareas to coordinate the delivery of social service transportation. In addition, an individual Jurisdiction (city, county or town) may desire to use these funds to support non-traditional transit services to elderly individuals and individuals with disabilities. In either case, it is important that such services be coordinated with the respective area transit system.
- Unlike the 1990-2010 Measure I Program, the 2010-2040 Program will not be apportioning and disbursing the Senior and Disabled Program funds to each jurisdiction. Instead, the funds will be apportioned to each subarea and the jurisdictions within each subarea as well as the Mountain/Desert Committee and Authority Board of Directors will need to agree on the annual amounts to be expended. It is anticipated that because, in most cases, the subarea jurisdictions are also represented on the respective transit system governing board, the adoption of the SRTP will suffice. One area where this is not the case is where the County of San Bernardino is using a portion of its funds to pass through to the Department of Aging and Adult Services (DAAS) for a volunteer mileage reimbursement program, known as Transportation Reimbursement Escort Program (TREP). TREP is offered in some of the more isolated rural communities. In order to ensure that the coordination of social service transportation does not result in a duplication of public transit service, it is recommended that funds for the TREP be funneled through the subarea transit agency.
- The development of revenue and expenditure tracking system by subarea will be necessary. Should all of these program funds flow through the subarea transit system or local jurisdiction (city, county or town), the scope of the required annual fiscal and compliance audit should be revised to include the receipt and expenditure of the Measure I Senior and Disabled Program funds. If the County's TREP remains an independent operation, then the audit of the DAAS would need to be expanded to include the expenditure of the Measure I Senior and Disabled Program funds.

**IV.D.4. Rural Mountain/Desert Project Development and Traffic Management Systems Program**

IV.D.4.a. Scope of the Program

The Project Development and Traffic Management Systems program is funded by 2% of the revenue collected within each subarea and reserved in this special account. Eligible Project Development and Traffic Management Systems projects may include, at the discretion of local subarea representatives, costs associated with corridor studies and project study reports, projects to improve traffic flow and maximize use of transportation facilities, congestion management, commuter assistance programs, and programs which contribute to environmental enhancement associated with highway facilities.

IV.D.4.b. Financial Analysis of Program

Total tax revenues generated by Ordinance No. 04-01 for the each subarea over a thirty year period are estimated to be \$488.2 million. Revenue estimates are not binding or controlling.

The Project Development and Traffic Management Systems program is funded by 2% of the revenue collected within the each rural Mountain/Desert subarea and reserved in this special account. This 2% is reserved from the 70% Local Street Program category. It is estimated that the Project Development and Traffic Management Systems Program will generate a total of \$9.76 million over the thirty-year period of Measure I. A subarea level estimate of funding is provided in Table IV-12 below.

**Table IV-12.  
Estimated Measure I 2010-2040 Project Development & Traffic Management Systems  
Revenue by Rural Mountain/Desert Subarea**

<i>Subarea</i>	<i>Revenue Estimate</i>
Colorado River	\$206,000
Morongo Valley	\$3,500,000
Mountain	\$3,000,000
North Desert	\$3,000,000

Expenditure of Project Development and Traffic Management Systems funds shall be approved by the Authority Board of Directors, based upon a recommendation of the subarea representatives and the Mountain/Desert Committee. If, after five years of revenue collection and every five years thereafter, the local representatives and the Mountain/Desert Committee make a finding that Project Development and Traffic Management Systems funds are not required for improvements of benefit to the subarea, then revenue in the Project Management and Traffic Management Systems category may be returned to the general Local Street Program.

---

Such return shall be allocated and expended based upon the formula and requirements established in the Victor Valley Local Street Program.

IV.D.4.c. Program Policies

The Project Development and Traffic Management Systems policies are designed to provide a framework for administration of this category of funds. The policies establish the funding allocation process. The detailed policies are listed in Part 2 of the Strategic Plan as Policy 40019.

IV.D.4.d. Implementation Actions

The following actions need to be taken to implement the Project Development and Traffic Management Systems for the Rural Mountain/Desert Project Development and Traffic Management Systems Program.

- Development of apportionment and expenditure tracking system for the Development and Traffic Management Systems projects expenditures and revenue, integrated or interfaced with the SANBAG financial system.