

**CORONADO TUNNEL COMMISSION
REGULAR MEETING
Thursday, August 9, 2007**

**Police Facility, 700 Orange Avenue
Community Meeting Room**

Minutes

1. ROLL CALL:

Attendees: Sut Clark, Art Osborne, Bill Huck and Margaret Pimpo; Al Ovrom (City Council representative)

Absent: Lou Smith, Steve Clarey and Darrell Sarich

City Staff: Jim Benson, Ed Walton and Danielle Spahn

Consultant: Brian Pearson, PB Americas, Inc. (PB)

2. MINUTES: Mr. Osborne moved to approve the July 12, 2007 minutes. The motion was seconded by Mr. Huck and it passed unanimously.

3. ORAL COMMUNICATIONS: Mr. Ovrom wondered if the Commissioners had received copy of the Mayor's letter to Admiral Hering. The Mayor asked the Admiral for a placeholder in the POM 10.

Mr. Huck reported on his progress on the toll funding report. He has collected some raw data. He will also call Greg Hulsizer, project manager for the South Bay Expressway and chat with him in an unofficial position (as a resident).

4. DISCUSSION ITEMS:

A. Update:

1. Project Report and Environmental Document (PR/ED):

- Status of Draft Project Report and Draft EIS/EIR – Mr. Pearson passed around copies of the draft PR and draft ED and asked for the City's comments on them. The PR contains the most current project costs. Costs are also included in the ED. With respect to Alternative 5A they are at odds with the estimate in the Finance Strategy Report (FSR). 5A has dropped considerably, from \$755 million in the FSR to \$508 million in 2007 dollars and \$577 million for escalated costs. Mr. Pearson prefers to see the 2007 numbers; escalated costs will continue to vary widely depending on what escalation policy SANDAG adopts. SANDAG is taking another look at escalation rates and they may adopt another escalation policy. This number will move around, so in terms of what people can understand, PB suggests using the 2007

numbers. Mr. Benson observed that if you use a high inflation rate you run the risk of eliminating projects that might be possible to do.

- Draft Newsletter – Mr. Pearson distributed a draft of the pending newsletter and solicited comments from the Commissioners. (There were no graphics in this draft.) Mrs. Pimpo suggested not capitalizing “reader-friendly” in the body of the newsletter; that is not part of the document’s title. She also suggested not confusing the 2007 cost estimate numbers with the escalated numbers since the escalated numbers might not be accurate. The Commissioners agreed that it is a good idea to use the 2007 numbers, mentioning that costs will rise, but the escalation rate is not known at this time.

Mr. Osborne suggested moving Alternative 3 ahead of Tunnel Alternatives in the “City Finalizes Project Alternatives” section. In the last paragraph under “Project Financing,” Mr. Osborne suggested that “many options” be changed to “several options” or, alternately, “The Finance Team is looking at . . .” rather than “many options to fund the tunnel . . .” Mr. Clark proposed “Although there are many potential sources that could be part of the funding mix . . .”

Mr. Ovrom proposed and the other Commissioners agreed that the wording “toll revenue” should be changed to “user fees.” Mr. Ovrom noted that the wording “On June 19, 2007 the City Council went on record opposing a toll financing option” was inaccurate as that was not the only time they have expressed opposition. It was felt that other wording would be more accurate and it was proposed to say something to the effect of “the City Council went on record reaffirming their opposition to . . .” Nancy Reynolds will email the relevant minutes from the June 19 meeting to Mr. Pearson.

For the section titled “Letter to be inserted,” Mr. Huck asked if the Navy is aware that BJ Penn’s letter is to be published in the newsletter; it would be a courtesy to let them know. Mr. Osborne noted that the Penn letter is not the first letter of its kind; there have been a succession of people in Washington, D.C. being supportive. It was also suggested that Mr. Penn’s title be included under his name.

Mrs. Pimpo would like to see the section titled “Tunnels Are Becoming a More Viable Traffic Solution” earlier in the newsletter and Mr. Ovrom warned that we should be careful about seeming to promote one alternative; we don’t have a preferred alternative yet.

Mr. Walton commented that the section titled “SR 75/282 Bulb-Outs Project Update” is not strictly related to the SR 75/282 Transportation Corridor Project, but it will calm traffic, and he likes the opportunity of the newsletter to get the word out regarding a September 25 meeting on the bulb-outs.

- Agency Coordination – Navy/Caltrans – There will be a meeting on August 30 on the west portal. Mr. Pearson said that currently this is the only communication we’re having with the Navy on the project.

2. Funding:

- Final Financial Strategy Report – (Also see discussion under 4.A.1.) Mr. Pearson said there are two milestones. The first is when we go to the public with the draft reports. PB and the City will agree with SANDAG and Caltrans regarding what escalation rate to use. The second milestone will be at the conclusion of the review

of the drafts and the approval process, when the City may adopt a preferred alternative and would need to lock down the escalated price for the financial plan. This will happen in spring 2009.

Mr. Pearson distributed a Project Cost Estimate Comparison sheet that indicated the difference between the numbers in the PR escalated costs vs. the Finance Strategy Report escalated costs. He commented that the 2007 numbers probably better show the difference in the costs between the alternatives. Mr. Huck agreed that we should encourage talking about 2007 dollars, but remind people that when we pay for it it will be in 2014 dollars. He doesn't want people to lose confidence in the competence of the professionals. We need to remind people that the numbers will go up, like the price of a cup of coffee or a house in Coronado. Mr. Pearson said that the final Finance Strategy Report has been released, so the public can see it if they want to.

B. Reports and Discussion from Commission Members or Staff on Current Issues:

1. Status of Third Street Gate Project: The Admiral Stockdale Gate will be dedicated on Thursday, August 30 at 11:00 a.m. Senator McCain and maybe the governor and Senator Feinstein will attend. The Navy is expecting 500 people or more. They will be standing down the Reagan that day to keep traffic down and have only a skeleton crew. The gate will be closed the evening of August 29 so traffic will be routed down First Street and Alameda between Third and First Streets will be changed to one-way for the duration.

Mr. Clark commented that the new gate is decidedly not pedestrian friendly. There are no sidewalks or crosswalks. You have to walk in the lane with cars going to the commissary. Mr. Osborne agreed with this comment. Mr. Walton said the Navy is aware of the circuitous route pedestrians take and they have additional work to do on this.

2. Congestion Relief Working Group (CRWG) Project: There will be a public meeting on the bulb-outs on September 25. Comments on the signals at Third and Fourth Streets at Alameda were sent to Caltrans for incorporation. The signals are still probably nine months away from construction. The project will also take care of the big dip at Alameda and Third.

3. Senior Management Analyst Hired – Rhonda Cruz will be replacing Gail Brydges. Her first day is August 13.

4. General Information Update: None.

C. Future Meeting Schedule: The next meeting will be Thursday, September 13, 2007 at 4:00 p.m. in the Police Department Community Room.

5. ADJOURNMENT: The meeting concluded at 5:20 p.m.

Approved:

Jackson S. Clark, Chairman