

CORONADO TUNNEL COMMISSION
REGULAR MEETING
Thursday, August 7, 2003
MINUTES

1. ROLL CALL:

Attendees: Sut Clark, Bill Huck, Steve Clarey, Al Hollingsworth, Art Osborne and Al Ovrom

Absent: Betsy Gill and Casey Tanaka

City Staff: Jim Benson, Gail Brydges and Ed Walton

Consultant: Brian Pearson, Parsons Brinckerhoff (PB); Sharon Greene and Ian Jones (Sharon Greene & Associates)

2. MINUTES: The minutes of the June 5, 2003 meeting were approved as written.

3. ORAL COMMUNICATIONS: None.

4. DISCUSSION ITEMS:

A. Update

1. Major Investment Study (MIS) – Review and Discuss

- Task 6 Final Cost Report: Mr. Pearson provided copies of this report.
- Task 7 Draft Project Study Report (PSR): Mr. Pearson did not bring copies of this report because it is in draft form and most of it has been distributed in other previous documents. It is a Caltrans document and once Caltrans approves a PSR it has standing as a project. He gave 25 copies to a Caltrans representative today and is shooting for mid-September to have Caltrans concurrence so PB can produce a final copy.
- Task 8 Draft Financial Strategies – Report and Schedule: Mr. Pearson said that probably the most challenging element in the MIS is how to pay for the project. Ms. Greene said she has been working with the Tunnel Financial Strategy Team which includes Tunnel Commissioner Bill Huck. They're looking at three different levels and what kind of sources are available at each level. The sources are federal, state, regional and local. She distributed some handouts and then reviewed Table 1. At the federal level there is opportunity in three departments. The state has very little money it can program on its own. 75% percent is distributed via

SANDAG. On the regional level, for Transnet to go on the ballot, there must be something that will benefit Coronado. There are a lot of benefits to this project – on the national level, there's a national facility; on the regional level, there are members of four congressional districts using the corridor; and on the local level, there would be traffic relief for residents which would benefit tourists as well. She concluded "if you benefit, we're looking for you."

Mr. Hollingsworth emphasized that this project will get federal employees to their place of work. Ms. Greene said that she will tie the introduction of Task 8 very closely to the Purpose and Need Statement. She said the likelihood of getting federal money will increase if there is a local cash contribution. She believes the federal government would have a higher possibility of participating if it was a toll facility. Mr. Osborne noted that BRAC 2005 is coming down the pipe. That money could be spent for this type of thing. He wondered if there was an opportunity to correct the mistake made when the Navy EIR said there would be "no significant impact" from the addition of carriers to North Island. Ms. Brydges suggested that Ms. Greene contact Bill Berl for more information on the BRAC.

Ms. Greene then shared some interesting information about Coronado's Transient Occupation Tax (TOT). She distributed three different analyses. Coronado's TOT is 8% – the only two cities in this region with a lower TOT are Santee and Lemon Grove. Only one other is the same (Poway), with the others all being higher, most at 10%. Another analysis looked at Coronado relative to peer cities and Coronado's TOT is the lowest. Mr. Benson said that a tax (TOT or parcel) can be structured so that it is only triggered when a federal match is available.

Ms. Greene asked if the Tunnel Commission wanted all five of the preliminary financing strategies brought to the City Council and Mr. Ovrom asked what was expected from the Council. Are we giving them a report of a range of options and looking for policy direction? He felt a range of options should be presented, without a recommendation.

Mr. Pearson mentioned the possibility of a joint powers of authority (JPA). At this point Caltrans has not agreed to take this on as the lead agency. In the next phase, one issue will be to get Caltrans on board in a role not yet defined. Does the Tunnel Commission want to see a JPA put on the table as part of the financial report? Ms. Greene said she thinks you demonstrate a lot more political clout if you create a JPA and when the lobbying is done it creates a regional constituency. She is concerned that a JPA might pick an alternative that is not the City's preferred alternative.

Mr. Huck said some hard questions should be asked before embarking on a \$7 million project. Mr. Pearson said that when Task 8 is presented to the Council he will define the sources, potential range of options and potential issues associated with those ranges and then put together questions for the Council to consider a policy direction. Mr. Huck said he felt the Tunnel Commission should be a lightning rod for the Council and say if they really think the citizens of Coronado would approve increases in property tax and the TOT.

- Status on Other Outstanding Issues: Mr. Pearson said he needs to complete the Task 5 Summary Report. It will go to the City Council on September 16 as the final report on the MIS. It will likely be available at the Tunnel Commission's September meeting. Also, the final newsletter will be produced as one last task of the MIS. Ms. Brydges said that this could be done in September or October and solicited input from the Commissioners on what should be included. Mr. Osborne said he felt people would like to see the financial plan. Mr. Hollingsworth reported that he is hearing fewer statements like "this will never happen" and hearing more "how long will this take?" He would like to see less about the tunnel's technical aspects and instead see answers to "is it feasible?", "what is the schedule?" and "are we making progress?" He is hearing more people accept that this is a long-term deal. Mr. Ovrom felt he had hit it on the nose. Ms. Brydges asked for suggestions for the timing of the newsletter and Mr. Osborne said it made sense to issue it after the Council's approval of the summary report and prior to the award of the PR/ED consultant contract. Mr. Hollingsworth felt that the newsletter should be used as an educational approach – explaining where different sources of funding will come from and emphasizing that this is the way big projects get done. Mr. Pearson said he could bring a mock-up of the final newsletter to the next Tunnel Commission meeting.

2. Preliminary Environmental Study (PES): The PES is attached to the PSR (see Task 7).

3. Field Review Meeting: Mr. Benson said the Field Review meeting took place the same day as the canceled Tunnel Commission meeting. About 30 people attended – four people from FHWA Sacramento, about 15 Caltrans engineers and environmental types, Port engineers and representatives of all the utilities except for Pac Bell/SBC. Cal-American water came prepared – they had read the documents and identified a 6" fire service line at the bridge that will have to be maintained. They met for an hour in the EOC and at 11:30 got on a bus for a tour of the area and immediately got into a traffic jam. They looked at both portals; at the NASNI main gate they observed an ambulance unable to get on base – the "waver" had to get the road cleared. The base let out early that day (it was the day before the Fourth of July), so the peak hour traffic was replicated.

The attendees got a good visual of how bad traffic can get. The meeting was a real success.

4. Feedback from Meeting with Mortimer Downey: Mr. Downey is now a consultant with Parsons Brinckerhoff Consults, but was the former deputy director of the U.S. Department of Transportation. He spoke to staff for about three hours. He talked about the traditional 80/20% share of Federal Aid funds for major transportation projects – where we're going now is somewhere less than 80%. It's closer to 75/35% or 70/30%. He said there's a 50-50 chance there won't be a six-year TEA program authorized this year, but this does not hurt the City.

5. Request for Qualifications (RFQ) for Project Report & Environmental Documents (PR/ED): Mr. Benson reported that about 10 different firms attended a preproposal meeting. There were no earthshaking questions; the only concerns were about seismicity. Moving the Coronado fault from inactive to active may have some implications on design. The responses to the RFQ are due on August 18. Tony Caserta (FHWA) and Jeff Lewis (FHWA Sacramento) will be on the interview panel as well as a local Caltrans representative. We now have about ten times the interest from FHWA/Caltrans than we did. Mr. Clarey said he had breakfast with Congressman Young, the Chairman of the House Transportation Committee. He shared that the average American spends one week a year waiting in traffic which equates to \$80 billion in lost productivity. So it's not residents of Coronado who would be beneficiaries of a tunnel, but those who are waiting in traffic.

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

1. Voter Opinion Survey: Mr. Benson reported that a consultant is conducting a survey with a lot of questions about the tunnel. The information will be useful to the City Council in making decisions. The results of the survey will go to the Council on September 16. The next step may be a second survey with more questions about financing.

2. Major Traffic Study: Not discussed.

3. Semi-Diversers: Mr. Benson reported that this issue is going back to court.

4. Third Street Gate: The Navy has money for design and the City is lobbying Susan Davis and Senator Feinstein for fiscal '05 or '06 dollars for the gate.

C. Future Meeting Schedule: September 4, 2003 at 4:00 p.m. in the Police Facility Emergency Operations Center.

5. ADJOURNMENT: The meeting adjourned at 6:50 p.m.

Approved:

Jackson S. Clark, Chairman