

CORONADO TUNNEL COMMISSION REGULAR MEETING

Thursday, September 4, 2003
Police Facility, Community Meeting Room

MINUTES

1. ROLL CALL:

Attendees: Sut Clark, Bill Huck, Steve Clarey, Betsy Gill, Al Ovrom and Casey Tanaka
(City Council representative)

Absent: Al Hollingsworth and Art Osborne

City Staff: Jim Benson, Gail Brydges and Ed Walton

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

2. MINUTES: Mr. Clarey pointed out an error in the June 5, 2003 minutes. On page 4, under A.5., third line from the bottom of the paragraph, "\$800 billion" should be "\$80 billion." The minutes were approved as corrected.

3. ORAL COMMUNICATIONS: None.

4. DISCUSSION ITEMS:

A. Update

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

- Task 5 Final Summary Report: Mr. Pearson said he had hoped to have this report for today's meeting, but it is not finalized. It will be finalized next week and he will have copies for the Commission's next meeting.
- Task 7 Draft Project Study Report (PSR): Mr. Pearson reported that the Caltrans representative has comments from several groups reviewing it. The representative will collect all of the comments and make a final report. Mr. Benson commented that with Caltrans' financial problems and "brain drain" (layoffs and retirees not being replaced), he has been very impressed that they've done as much as they have.
- Task 8 Draft Financial Strategies: Ms. Brydges said that she would like to acknowledge Commission member Bill Huck's participation as a member of the Tunnel Financing Strategy Team. He has been a very important resource. Ms. Greene said she would second that statement.

Ms. Greene said a strategy does not have to be selected until 2007; the project is at the consensus building stage right now. She said we should get support for moving the project ahead and then start developing shares. She says the focus has moved away from specificities and instead is looking at rationale and alternatives. They looked at the range of federal, state, regional and local participation that can be expected. The first section of the financial report looks at building the case for federal, state, regional and local participation. It is revisiting the Purpose and Need Statement in that this is a state and federal issue, not just Coronado's. There is a shared responsibility for solving a shared problem.

She said that Section 2 of the report revisits funding sources. They also looked at how similar projects were funded, but there are not a lot of comparables that one can draw from. Figures 1 and 2 show what share of projects was funded by federal, state, regional and local funds. When you look at the projects and ask what role local funding plays, you can see it's very little. Any claim that this project should have a large share of local funds is not comparable treatment. This is a background of reasonableness for how the project should be funded. She then discussed various potential federal, state, regional and local funding sources.

Mr. Tanaka said he was concerned that a bond measure might not pass and the report should look at the lowest City contribution of 5% as opposed to 25%. He thinks we can only ask residents to contribute if other funding is hammered down. Mr. Clark asked if local participation needs to be shown to obtain other funding and Ms. Greene responded yes. Mr. Clark then said the City can go to the voters saying that a bond would only happen if other funding is in place. Mr. Tanaka felt if it were more clear to the public that this would be contingent on obtaining other funding, it might go over better.

Mr. Huck said the residents should be informed that if they're not willing to dig into their own pockets, there's not much chance of getting this project built. In response to Mr. Tanaka's comment about the City's contribution, Ms. Greene said that her feeling is that the range would be somewhere between the extremes. If other projects in the region are getting 80% federal funds, we would want that for this project, but there's no assurance that will happen.

Ms. Greene then explained that she reviewed Coronado's Transient Occupancy Tax (TOT) in relation to how it compares to other cities in the region, peer cities and other cities in the state with an 8% TOT. This is covered in the report.

She then referred to Figure 13, "Revenue from a Refund of Tax Allocation Bonds Relative to Total Local Funding Required." Mr. Huck said this needs to be locked in by November 2005. Mr. Clarey asked if this would lock the City in if other opportunities arise in the future and Ms. Brydges said no, this is a dynamic document.

Mr. Pearson said that Council will be asked to accept this report as the basis for future financial consideration. He says the only deadline we're

looking at is the Record of Decision (ROD) that FHWA has to sign and financing must be in place by that time. Ms. Brydges felt that it might be helpful to have a foreword in the front of the document that spells out its purpose. Mr. Huck wants to make sure it's clear what the costs of this project are to remediate the problem and that it does not come free. Mr. Ovrom suggested this be on a Council agenda where there aren't other controversial items. Ms. Brydges said that September 16 will represent the conclusion of the MIS and that FHWA representatives will be here then and can comment to Council on this. Mr. Clarey pointed out that the only action is to receive the report and no decision is being asked for. Mr. Tanaka advised getting the document to Council as soon as possible and Mr. Pearson said he would try to have the report FedEx'd Wednesday evening for delivery to Council on Thursday.

- Task 9 Public Outreach – Newsletter: Mr. Pearson said that the final product will be the fourth newsletter. Ms. Brydges distributed the draft newsletter and said the plan is not to just talk about what's been done, but what the next steps are. Then what has been accomplished will be addressed and there will be a briefing on financial considerations, a little bit on the voter opinion survey and public involvement. Comments on the newsletter should be sent to Ms. Brydges by Monday, September 8.
- Status on Other Outstanding Issues: Mr. Pearson said that the final summary report and the Task 8 Draft Financial Strategy will be presented to the City Council on September 16. The only remaining task is to produce a CD of all the documents.

2. \$750,000 Federal STP Grant FY 03 - Authorized: Mr. Benson confirmed that \$750,000 is now authorized.

3. 2004 Transportation Bill & Reauthorization Bill Pending: Mr. Benson said this is still pending. There probably won't be a SAFETEA this year.

4. Request for Qualifications (RFQ) for Project Report & Environmental Documents (PR/ED): Mr. Benson said that an extensive solicitation was done for this RFQ. Seventeen people representing 10 firms attended the preproposal meeting, but there was only one submittal. It was from Parsons Brinckerhoff (PB). The City pursued why no other submittals had been made and found that it was a conscious decision by major firms not to submit. Some could not commit a project manager and many knew that PB is working with the City, is on schedule and proceeding. Some of these firms wanted to partner with PB. Now, instead of an interview process on September 16, the City will use the time for a scoping meeting. FHWA will be here to participate.

Mr. Pearson said there are two critical steps: (1) gain authorization from Caltrans; and (2) get a lead agency MOU from Caltrans and FHWA; this is a formal agreement from FHWA to be the lead agency for the federal document with Caltrans as a cooperating agency. An agreement from the Navy to review and comment on the document will also be needed. Mr. Ovrom offered that he or

Mr. Clarey could talk to Admiral Betancourt. Mr. Pearson said that as the City moves into the next phase there's an order of magnitude change on how to proceed. It's a huge leap forward and will obligate certain agencies to things like funding. One key issue will be getting the appropriate person from Caltrans, a quality project manager, assigned to the project. Caltrans is highly impacted, personnel-wise now with a hiring freeze and retirees not being replaced.

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

1. Voter Opinion Survey: Mr. Benson said the survey shows strong support for the tunnel. The principal of the opinion research firm said he'd never seen such unanimity of people on an open-ended question and that is that traffic is the biggest problem in the community.

Mr. Tanaka shared that the Council is very pleased with the outcome of the voter opinion survey. They had an idea that the community supported the tunnel and this survey shows it's pretty irrefutable. The survey shows that everything done so far is working. There is a second campaign about financing and the next public opinion survey should test the waters on this. A lot of education needs to be done on what the financial obligation of residents will be. If we do it right, we should be able to build support like we have so far. He expressed that residents will be sensitive about perceived obligation. In response to that, Mr. Clarey suggested it be stated that local contribution would be developed by the Council in conjunction with the citizens.

Mr. Tanaka felt that it would be helpful to have a summary table just for local contribution and the general consensus was that it would really be helpful.

2. Major Traffic Study: Mr. Benson said the traffic counting is being completed and verification of data is ongoing. Traffic modeling is being worked on. The City did not have as big a traffic summer this year as last year when all the carriers were in port.

3. Semi-Diverters: This goes to court tomorrow. The City is working independently of this on the environmental study. Data from the Major Traffic Study will feed into the evaluation of the semi-diverters.

4. Third Street Gate: The Navy is working on the design of this project. Mr. Ovrom said the MAAC is continuing to work with Senator Feinstein to get the money for the Third Street Gate construction.

C. Future Meeting Schedule: October 2, 2003 at 4:00 p.m. in the Police Facility Community Meeting Room.

5. ADJOURNMENT: The meeting adjourned at 6:10 p.m.

Approved:

Jackson S. Clark, Chairman