



**BOARD OF DIRECTORS  
MAY 25, 2018**

**ACTION REQUESTED: INFORMATION**

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**SAN DIEGO FORWARD: THE 2019-2050 REGIONAL PLAN –  
PROJECT COST ESTIMATES, FUNDING SCENARIOS, AND  
TRANSPORTATION NETWORK DEVELOPMENT**

File Number 3102000

**Introduction**

This report provides an update on the development of San Diego Forward: The 2019-2050 Regional Plan (2019 Regional Plan), including next steps and an update on project cost estimates and potential funding scenarios.

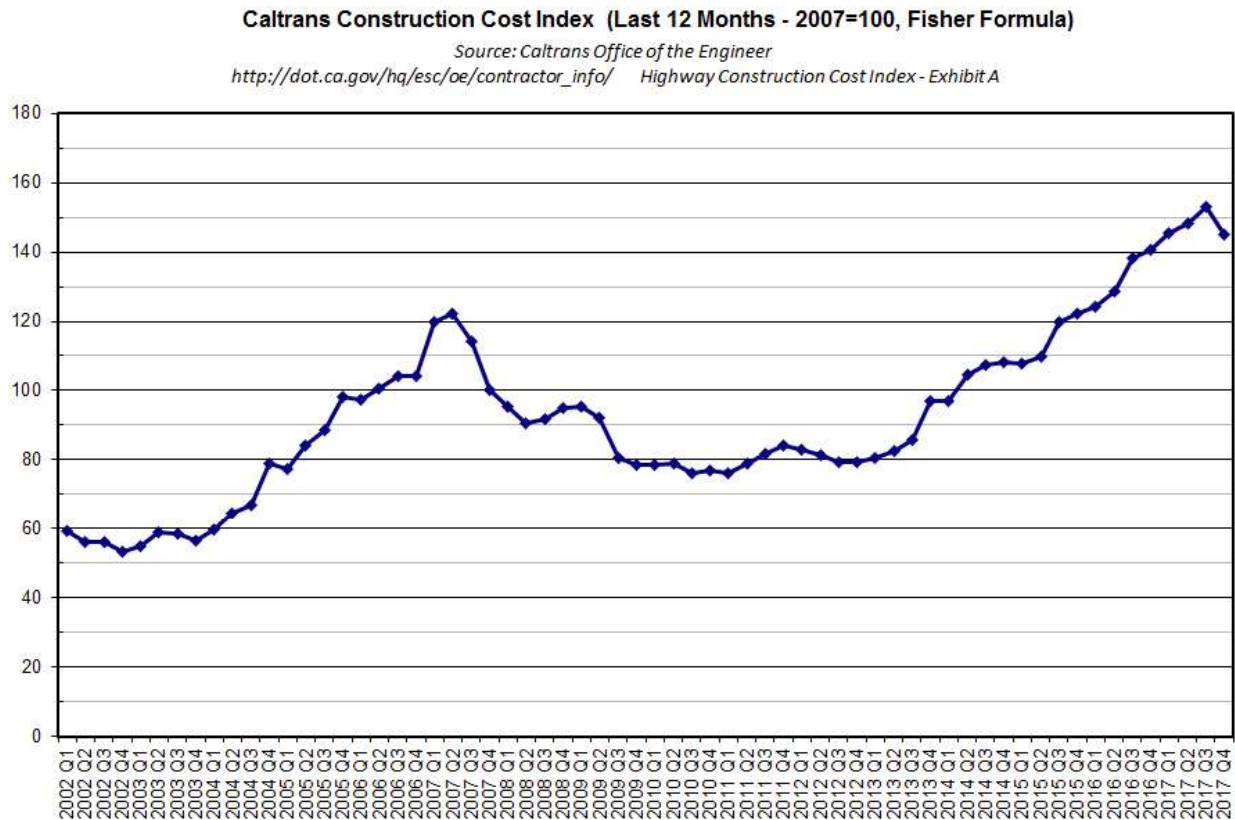
**Discussion**

At its February 23, 2018, meeting, the Board of Directors discussed three potential funding scenarios that could be used to develop the 2019 Regional Plan. In order to move on to the development of distinct transportation network scenarios, a preferred funding scenario will need to be selected that sets the funding level for the various networks. Once the preferred transportation network scenario is approved by the Board, the draft 2019 Regional Plan and its draft Environmental Impact Report would be prepared.

***Project Cost Estimates***

Each time the Regional Plan is updated, the cost estimates for the projects within it are updated using current cost data, and then escalated to the projected year of construction. In preparation for the 2019 Regional Plan, the cost of the projects and programs in the 2015 Regional Plan have been updated to 2018 cost estimates. Current market volatility has led to substantial upward pressure on construction prices and has created significant risk of increasing costs to the overall capital project development program. This is illustrated in Figure 1 below, which shows the annual changes in the Caltrans Construction Cost Index over the past several years. This index tracks costs across the State of California for projects very similar to those contained in the Regional Plan and is consistent with other cost indices that are showing upward trends as well.

Figure 1



The 2018 cost estimates are in the process of being finalized, but the likely impact to the current update of the Regional Plan is that on average, the estimated cost for projects included in the 2015 Regional Plan will increase substantially based on updated cost information from recently completed projects and those underway. Therefore, not only will the level of revenues assumed for each scenario impact the number of projects contained within the Regional Plan, but the increased cost estimates will limit the number and timing of projects as well.

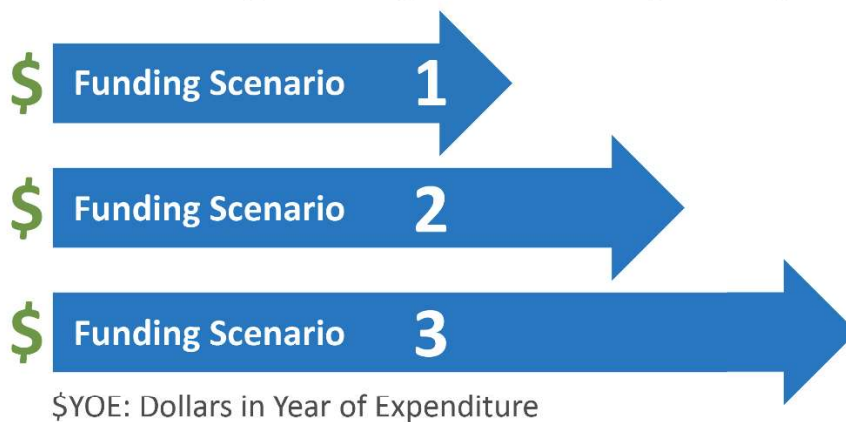
**Funding Scenarios**

Funding scenarios determine how much funding is reasonably expected to be available to support the projects and programs in the Regional Plan. Staff updated the potential funding scenarios to incorporate feedback from the Board of Directors at its February 23, 2018, meeting, as shown in Attachment 1. In general, Funding Scenarios 2 and 3 now include a potential sales tax measure for Metropolitan Transit System (MTS) projects and operations and new federal revenue leveraged with the MTS sales tax. A new regional funding measure also was added to Funding Scenario 3. Each of the three scenarios would be considered reasonable and appropriate by the Federal Highway Administration and Federal Transit Administration for use in the 2019 Regional Plan.

To provide information to help the Board of Directors select one funding scenario, staff will use the current 2015 Regional Plan network and priorities to provide information on the order of magnitude impacts or trade-offs that conservative, mid-level, and optimistic funding assumptions would have on the scale of investments on projects and programs that could be accomplished in the 2019 Regional Plan. As illustrated in Figure 2, the most conservative funding scenario would allow inclusion of the least investment in projects and programs while the most optimistic funding scenario would include the largest investment in projects and programs.

*Figure 2*

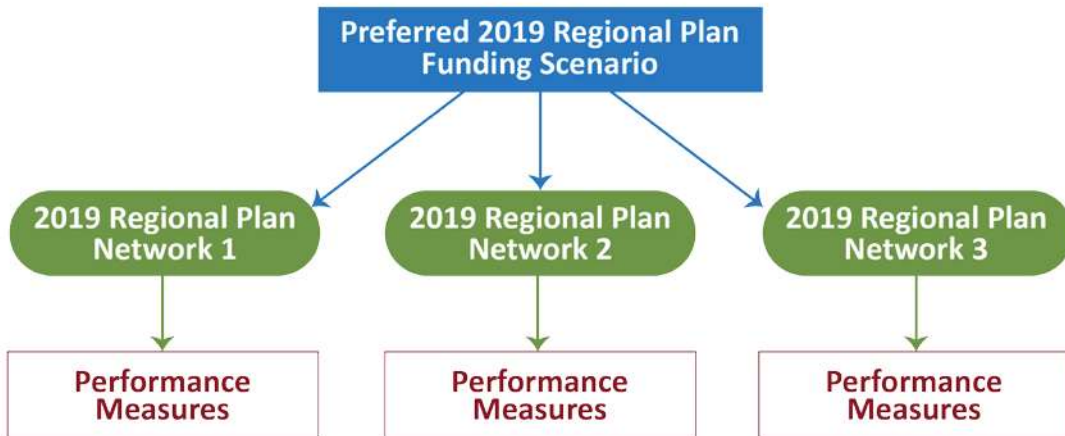
- Low revenue (\$115–\$135 billion) in \$YOE
  - Continuation of existing sources only
- Medium revenue (\$155–\$190 billion) in \$YOE
  - Plus SB 1, fuel tax and VMT fees, local sales tax (MTS)
- High revenue (\$175–\$215 billion) in \$YOE
  - Plus future regional funding measure and leveraged funding



### ***Distinct Transportation Network Scenarios***

Following the selection of a funding scenario, staff will develop a range of distinct transportation network scenarios based on input from the Board, the Transportation and Regional Planning Committees, and the public. These draft network scenarios would each emphasize considerations such as efficient mobility, sustainability, etc. The Board-approved performance measures would then be applied to each network scenario to help compare and contrast the draft network scenarios.

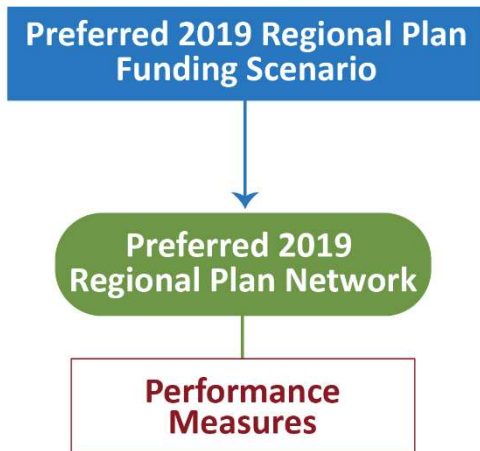
Figure 3



**Preferred Transportation Network Scenario**

Following the process described above, the Board of Directors could choose to select one of the transportation network scenarios as the preferred scenario, or direct staff to develop a hybrid or new network scenario. Once a preferred transportation network scenario is approved by the Board, the draft 2019 Regional Plan and its draft Environmental Impact Report would be prepared (Figure 4).

Figure 4



The process described above to develop transportation network scenarios intends to provide the Board and the public with a range of transportation scenarios and performance results that is comprehensive and at the same time manageable and understandable. Ultimately, this process would lead to the selection of a preferred transportation scenario by the Board in late 2018.

## **Next Steps**

The Board of Directors is scheduled to discuss the three funding scenarios at its meeting on June 8, 2018, and will be asked to select one funding scenario that can be used to develop distinct transportation network scenarios for the Board to consider. This decision is important to ensure that the development of the 2019 Regional Plan remains on schedule. Development and evaluation of the network scenarios, which will incorporate input from public outreach activities, is scheduled to take place over the summer. The goal is for the Board to select a preferred transportation network scenario that would serve as the basis for the draft 2019 Regional Plan and its draft Environmental Impact Report later this year.

KIM KAWADA  
Chief Deputy Executive Director

Attachment: 1. Potential Revenue Scenarios for San Diego Forward: The 2019-2050 Regional Plan

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| Potential Revenue Scenarios for San Diego Forward: The 2019-2050 Regional Plan  |                            |                               |                               |                               |  |
|---|----------------------------|-------------------------------|-------------------------------|-------------------------------|--|
| Revenue Source  | Adopted 2015 Regional Plan | Funding Scenario 1            | Funding Scenario 2            | Funding Scenario 3            |  |
| Existing Federal, State, Local Revenue Sources  | ✓                          | ✓                             | ✓                             | ✓                             |  |
| Continuation, Re-Authorization and Extension of Existing Local, State and Federal Sources Growing at Reasonable Rates | ✓                          | ✓                             | ✓                             | ✓                             |  |
| Future State Revenues for Transportation  | ✓                          |                               | ✓                             | ✓                             |  |
| SB 1  | ✓                          |                               | ✓                             | ✓                             |  |
| Potential Future Federal Fuel Tax Increases (Starting in 2024)  | ✓                          |                               | ✓                             | ✓                             |  |
| Potential Future State VMT Fees   | ✓                          |                               | ✓                             | ✓                             |  |
| MTS Sub-regional Funding Measure @ 0.50%  |                            |                               | ✓                             | ✓                             |  |
| New Federal revenue leveraged with new MTS sub-regional funding measure.  |                            |                               | ✓                             | ✓                             |  |
| New Regional Funding Measure @ 0.25%  | ✓                          |                               |                               | ✓                             |  |
| New Regional Funding Measure @ 0.50%  |                            |                               |                               | ✓                             |  |
| <b>Approximate Total (in year of expenditure)</b>   | <b>\$203.8 billion</b>     | <b>\$115 to \$135 billion</b> | <b>\$155 to \$190 billion</b> | <b>\$175 to \$215 billion</b> |  |

Notes: Revisions from Potential Funding Scenarios presented at the February 23, 2018 Board meeting. Funding Scenario 2 includes a potential funding measure for MTS projects and operations and new federal revenue leveraged with the MTS subregional funding measure. A new regional funding measure was removed from Scenario 2. Funding Scenario 3 includes a potential funding measure for MTS projects and operations and new federal revenue leveraged with the MTS subregional funding measure. It also includes a new regional funding measure and new state and federal revenue leveraged with the regional funds.

