

**SAN BENITO COUNTY
COUNCIL OF GOVERNMENTS
REGULAR MEETING**

August 21, 2014, 3:00 P.M.

FINAL MINUTES

MEMBERS PRESENT:

Chair Gomez, Director Boch, Director Botelho, Director Muenzer, and Director Valdivia

STAFF PRESENT:

Deputy County Counsel, Shirley Murphy; Interim Executive Director, Mary Gilbert; Administrative Services Specialist, Kathy Postigo; Transportation Planner, Veronica Lezama; Secretary, Monica Gomez

OTHERS PRESENT:

Brandy Rider, Mark McCumsey, Caltrans District 5; Joseph Horwedel, Arman Nazemi, San Benito County Public Works; Mary Paxton, City of Hollister Planning Department; Heather Adamson, Association of Monterey Bay Area Governments (AMBAG)

CALL TO ORDER:

Chair Gomez called the meeting to order at 3:00 P.M.

A. PLEDGE OF ALLEGIANCE

B. CERTIFICATE OF POSTING

Upon a motion duly made by Director Muenzer, and seconded by Director Valdivia, the Directors acknowledged the Certificate of Posting. Vote: 5/0 motion passes.

C. PUBLIC COMMENT: None

D. EXECUTIVE DIRECTOR'S REPORT: Gilbert

Mary Gilbert stated that she was disappointed to report that the grant for the Active Transportation Program funding that was put together by COG staff and the City of Hollister staff, was not recommended for funding in the recommendations that went to the California Transportation Commission this week. The grant would have provided funding for some improvements to the West Gateway of Hollister. Ms. Gilbert stated that staff will continue to work together with City staff to identify funding for this very important project.

Ms. Gilbert reported that she attended a joint meeting between the California Transportation Commission and the Washington State Transportation Commission in San Jose. They discussed alternative and innovative financing for transportation projects. Ms. Gilbert mentioned that Director Gomez was in attendance as well.

E. CALTRANS DISTRICT 5 REPORT: Gubbins

Brandy Rider announced that on September 2, 2014 Caltrans will be releasing a call for applications for

the newly revised Transportation Planning Grants. She mentioned that they have changed the types of grant program overall. Caltrans encouraged agencies to take a look at the grant program when it comes out. Caltrans will be hosting a workshop on September 4, 2014 in San Luis Obispo

Ms. Rider mentioned that the District 5 report has changed. Caltrans use to submit a monthly report which provided a brief overview of what was happening in the State and it was also meant to help supplement at the Board meetings. The report will be changing from a monthly format to a quarterly format. The report will provide a county spotlight, looking at the various counties in the district so that the Board will be aware of what is going on in the other four counties within the district.

F. BOARD OF DIRECTORS REPORTS:

Director Muenzer reported that the Monterey Bay Air Pollution Control District met earlier in the week. Staff went over the AB2766 grant, in which COG has a request in for a new rideshare van and it is on the staff list of recommended projects to be approved at their Board meeting next month.

Chair Gomez reported that he also attended the Joint California Transportation Commission meeting in San Jose earlier this week. He stated that it was a good meeting and it was interesting to see other states work on alternative funding methods for transportation improvements.

CONSENT AGENDA:

1. **APPROVE** Council of Governments Draft Meeting Minutes Dated July 17, 2014 – Gomez
2. **APPROVE** Council of Governments Draft Special Meeting Minutes Dated July 17, 2014 – Gomez
3. **APPROVE** Council of Governments Transaction Report (Financial Claims) Dated July 2014 – Postigo
4. **RECEIVE** Construction Projects Report – Caltrans District 5
5. **APPROVE** Contract with Apex Strategies for an Amount Not to Exceed \$55,000 – Gilbert
6. **Fiscal Year 2014/2015 Unmet Transit Needs** – Lezama
 - a. **ACCEPT** 2014 Unmet Transit Needs Report.
 - b. **ADOPT** Resolution 14-09 Concerning Unmet Public Transportation Needs Funding and Implementation of the Program for Fiscal Year 2014/2015.
7. **ADOPT** Resolution 14-10, Approving Documents for the Right of Way Acquisition for the Highway 25 Bypass Project – Gilbert

Upon a motion duly made by Director Boch, and seconded by Director Muenzer, the Directors approved Items 1-7 from the Consent Agenda, with an abstention from Director Valdivia on Items 1 and 2. Vote: 4/0/1 motion passes.

REGULAR AGENDA

TRANSPORTATION ITEMS:

8. **RECEIVE** Update on the City of Hollister Complete Streets Corridor Improvement Plan – Gilbert

Ms. Gilbert provided a Power-Point presentation on the City of Hollister Complete Streets Corridor Improvement Plan, which is also available for review on the City of Hollister's homepage of their website. She mentioned that Mary Paxton from the City of Hollister was present to answer any questions.

Chair Gomez thanked COG and City staff for all of the work and community outreach that was done on this project. He stated that one of his biggest concerns is being able to address the northern access points of Nash Road between Ladd Lane and Rancho Drive. He wanted to ensure that staff continues to work with the multiple property owners along the northern portion of the roadway to try to find a way to somehow combine some of those driveways if possible.

There was no public comment.

9. APPROVE Contract with Kimley-Horn Associates, Inc. for the San Benito County Traffic Impact Mitigation Fee Study for an Amount Not to Exceed \$83,560 – Gilbert

Ms. Gilbert reported that COG staff did not have a contract ready for the Board's approval at this time. Staff had not received a signed contract by Kimley-Horn and Associates, Inc. in time for this meeting. However, Ms. Gilbert noted that the Board could still have discussion and provide comments on the draft contract that was included in the agenda packet.

Ms. Gilbert reported that staff put together a scope of work that was previously reviewed by the COG Board. At the direction of the Board, COG staff solicited proposals from firms listed on COG's approved list of qualified on-call consulting firms. Staff received three proposals. Review of the proposals by COG, City, and County staff, resulted in a preference for the services of Kimley-Horn and Associates, Inc.

Chair Gomez stated that he had some questions that he would discuss off-line, since the consultant was not present. However, he did comment that Director Botelho made a good point when he stated that the movement of the County's General Plan needed to be consistent with the Traffic Impact Mitigation Fee Study moving forward.

Director Botelho stated that it was also important to have an understanding of the existing shortfall in impact fees with current road projects, such as the Highway 156 project, and how to meet those obligations moving forward.

Ms. Gilbert mentioned that part of the scope for staff is that they will have a working group of City and County staff that will meet biweekly with the consultant team to ensure that they are on track with the County General Plan and any City concerns. Ms. Gilbert noted that it is the Cities and County's plan essentially. COG's role is more of a coordinator and facilitator in this effort.

PUBLIC COMMENT:

**Michael J. Groves, President
EMC Planning Group Inc.**

Mr. Groves stated that he is the General Plan Consultant for San Benito County. Mr. Groves stated that there were a couple of missing pieces in the contract under Task 3.2 and Task 3.3. He stated that under Task 3.2, we don't have the AMBAG model yet. He stated that it would be nice to be able to see the AMBAG model and make sure that the consultant who is going to do the work understands what is in the model and how the model works. He stated that one of his concerns with the Metropolitan Transit Plan is that AMBAG left out some of the already approved development from the mapping, which was Santana Ranch. That will cause a problem in terms of allocating eventual Impact fees and the nexus that goes along with that. He stated that he wants to make sure that both the mapping and modeling that we get from AMBAG matches up with what's going on in the County land use scenarios. He stated that under Task 3.3 Deficiency Analysis it is important to note the level of service on the current roadways and whether they will be classified under a level of service C, D, or E. He stated that it will make a big difference in terms of overall cost of impact fees and how they are allocated. He recommended doing a level of D and E service, in terms of the State highways for impact fee analysis, versus doing C and D. He stated that it is a technical discussion that should occur between COG staff, the consultant, and the working group, to make some determinations.

Director Botelho stated that in the current County General Plan revision they have the roadways at a level of service D. He asked if it would automatically carry over to the state roads or if it is only for County roads.

Mr. Groves stated that he believed it was only for County roads. He stated that the discussion that has occurred at a COG staff level, County Board, and as the General Plan consultant, is to start bringing all of the pieces of the puzzle together, AMBAG's work, COG's work, Board of Supervisors work and the City's work, into alignment so that everyone is on the same page with this.

Brandy Rider provided comments with regard to the contract. She stated that Caltrans recommended that additional language be incorporated into the contract to ensure that there is continued coordination with Caltrans to find the correct performance measures to evaluate the roadway system. She stated that one of the key items of a mitigation program for regional and interregional movements is that there is concurrence with Caltrans and ensuring that the coordination is tightly linked. She stated that they wouldn't want to create a mitigation fee schedule that won't meet the CEQA requirements.

Director Botelho stated that the Board is going to have to see some flexibility from Caltrans as they move forward, especially with regards to the next item on the agenda. He stated that the Highway 25 Widening project is unaffordable no matter what kind of growth occurs in this County. He stated that it will still remain a small county with limited resources and revenue to pick up not just the growth share of the project but the deficiency portion as well. He stated that there is going to have to be some flexibility from the state for road improvements that can be achieved.

Brandy Rider stated that with regard to the AMBAG model there was a comment made that some information was left out as far as the development is concerned. She mentioned that Caltrans has had the opportunity to begin reviewing the model and provide comments back to AMBAG and they are making the necessary changes. She stated that as they continue in this partnership, she would strongly recommend that AMBAG be a part of this as well. She stated that it is going to be essential that in order to move forward as they go through the federal funding processes in the future, that all of the agencies that are involved with the model and with a variety of other things, are participating in this technical working group. She stated that Caltrans has staff within her division as well as traffic operations that are committed to participating in this effort to try to find achievable solutions.

Chair Gomez stated that we need to ensure that Caltrans and all of the key partners are a part of this working group as we move forward.

Upon a motion duly made by Director Valdivia, and seconded by Director Botelho, the Directors unanimously continued Item 9 to a future meeting. Vote: 5/0 motion passes.

10. DISCUSS Highway 25 Widening Project and PROVIDE DIRECTION to Staff – Gilbert

Ms. Gilbert provided an update on this item. She reported that staff is still awaiting response from the Federal Highway Administration (FHWA) on the request for an extension to complete the environmental document. Ms. Gilbert mentioned that on August 8, 2014, the San Benito County Board of Supervisors adopted a resolution in support of placing Highway 25 4-Lane Widening on the constrained, or fully funded, project list in the San Benito County 2014 Regional Transportation Plan. On August 18, 2014 the City of Hollister City Council also adopted a resolution making the same request, that COG amends the San Benito County 2014 Regional Transportation Plan to put the Highway 25 4-Lane Widening project on the constrained project list.

Ms. Gilbert stated that there are provisions via state law that allow for the amendment of a Regional Transportation Plan. An amendment action will require that COG follow all Regional Transportation Plan guidelines, including the need to identify full available funding in the timeframe of the plan, which is

through 2035, that shows that we could fully fund the project if we are going to put it through as a 4-lane widening construction project on the constrained list.

Ms. Gilbert stated there are other alternative type scenarios for funding the project, which could include a potential sales tax measure in addition to the Traffic Impact Mitigation Fee.

Director Valdivia asked if all of the key players, including the County's General Plan consultant will be included as part of the resolution in terms of working together on moving this forward.

Ms. Gilbert stated that it has been the vision as discussions started a few months ago, to develop a project development team which would include Caltrans, City, County, and broadening the scope to include all of the stakeholders.

Director Botelho asked if they could go back and evaluate the project design to see if there is a way to begin with a different phase of the project. He stated that an example would be to begin with phase III of the project instead of phase I. He stated that it seems like they are getting out in front of this with funding when they are unsure of a design.

Ms. Gilbert stated that there is an opportunity to look at the phases and potential design of the project. Ms. Gilbert stated that one of the comments that COG made back in 2010 during the public comment process for the environmental document was that they thought that maybe the project could be scaled back a little bit and maybe some more of the existing route could be used for the future 4-Lane Widening. Ms. Gilbert stated that the intent as they come back with a work plan would be to identify that the Board is looking at possibly new phasing and new design alternatives.

Chair Gomez stated that the project was on the constrained list for about 26 years and he asked what had changed between then and now, other than the update of the Traffic Impact Mitigation Fee. He asked why the Board can't just say that they removed it from the list and now they want to add it back in.

Ms. Gilbert stated that removing the project from the Traffic Impact Mitigation Fee list of constrained projects is exactly what changed, as well as the overall funding outlook is not as bright as it was.

Chair Gomez read from the City of Hollister's Resolution No. 2014-171 which stated: that the City of Hollister requests that the Council of San Benito County Governments promptly amend the June 2014 San Benito RTP to restore the widening of Highway 25 to (4) lanes from San Felipe Road to the County line as a project on the constrained list with the knowledge that the City of Hollister intends to increase its own TIMF to help fund the necessary Highway 25 improvements.

Chair Gomez asked that if the understanding is that both City and County jurisdictions adopted a resolution in support of getting the project back on the constrained list, and with the understanding that the TIMF would be increased to fund the project, why is it so difficult to put the project back on the constrained list.

Deputy County Counsel, Shirley Murphy stated that until the legislative bodies go through the legislative process and hold the hearings, it is not a true commitment because it could change. It has to be subject to potential change based on public comment and input.

Chair Gomez stated that they have received letters from the Business Council and the Chamber and other organizations who represent those that will be impacted by the Traffic Impact Fee. They understand that the developers that they represent will have to pay a higher fee and they are saying that they are okay with it. He stated that the developers understand that they are not providing housing for Hollister employees. They are providing housing for San Jose, Silicon Valley employees who can't afford to live in a ½ million dollar, 800 square foot condo, in the Almaden Valley. He stated that there seems to be consensus

from everyone that the Traffic Impact Fee is going to increase and a portion of the necessary funding has to come from an increase of the Traffic Impact Fee.

Director Muenzer stated that he agreed with Chair Gomez' comment, except for the issue that the existing deficiencies that Highway 25 currently has cannot be funded by the Traffic Impact Fees. He stated that this is where they are stumbling to figure out a viable option to fund those deficiencies. Director Muenzer stated that he would recommend that the COG Board direct staff to go back and identify a viable source of funding options to bring back to the COG Board for a vote, whether it is a sales measure tax, toll road, etc.

Chair Gomez stated that the additional funding that would be increased through the Traffic Impact Fee program would not be for existing deficiencies. He stated that the consensus is that they understand they are considering future growth of the City of Hollister. They don't have the money identified for existing deficiencies, but it doesn't mean that they shouldn't set out a plan to address future deficiencies on the Highway. He stated that Director Muenzer brought up a good point of identifying viable sources of revenues which is going to be important. He stated that having a working group that includes a member from each jurisdiction to represent each agency to work specifically on finding a viable funding option and making a recommendation to the COG Board is important.

PUBLIC COMMENT:

**Michael J. Groves, President
EMC Planning Group Inc.**

Mr. Groves stated that the Board of Supervisors dropped the impact fees as a way to try to stimulate the economy. He stated that one of the keys is to do the nexus study and increase the traffic impact fee (TIF). He stated that as the General Plan consultant he advocated that the Board has a population growth projection that they are putting in the General Plan until 2035, they have housing that they are including in the General Plan, they have a circulation element that shows circulation improvements over that period of time to 2035, the City of Hollister has the same thing in their General Plan. He stated that in order to meet the mandates of those General Plan policies that they are setting out, they have to put in implementation steps. The implementation steps include, increasing the TIF and there are other reasonable funding sources that need to be looked at as a group. He stated that not having the Highway 25 Widening project on the constrained list is a huge mistake. He stated that it is a long process, but he highly encouraged the Board to put it on the constrained list and ask for it to happen through the COG Board, the RTP, and the amendment of the Metropolitan Transit Plan as well as some of the quality analysis that went on with regard to AMBAG's work. He stated that there are alternative solutions, such as taking the existing lanes of Highway 25 and using that as a one-way and building two new lanes for the distance that you're talking about in your County. He stated that it is a huge difference, half the cost of the main widening project. He stated that if the impact fees are done based on that change, they would be able to pay for about 87% of that roadway with impact fees, leaving only 13% that has to be funded with other resources. Mr. Groves stated that the last piece is a toll road. He stated that if they have an end user that is going to pay a fee to use a road the financing could be available in the next 30 days however, the issue is that there is not an environmental impact report completed.

There was discussion about the idea of using the two existing lanes and adding two new lanes on Highway 25.

Brandy Rider with Caltrans stated that what they are essentially doing is identifying a transportation corridor. The idea is that the environmental document is the federal action that the Board is taking to identify this plan line and what happens within the plan line at a later date when you start to identify what types of projects you want to do, is where you start having next types of documents. What happens within the plan line will have to be coordinated with Caltrans to make sure that it meets standards. However, she stated that you would have flexibility now because you are identifying this corridor that

you will be looking at in the future. She stated that if there is a deviation of that plan line, you would have to come back and have a dialogue about it and get it environmentally cleared.

Chair Gomez stated that back in February, he and Lisa Rheinheimer met with Richard Rosales at the Caltrans District 5 office in San Luis Obispo to discuss an alternative design idea. He stated that Caltrans staff was very receptive of the alternative design options.

Director Boch stated that as far as the idea of making Highway 25 a toll road, all it would do is make everyone come down Highway 156 to come across, so they should make both Highway 156 and Highway 25 toll roads.

After some discussion, there was consensus from the Board to direct staff to develop a project team made up of a working group from COG staff, County, City, and Caltrans staff, business community to come up with more realistic funding solutions for the Highway 25 Widening project.

Director Valdivia stated that she had a few words that she wanted to read for recommendation to be included in a form of a resolution which stated: that the San Benito Council of Governments directs staff to take all necessary actions to amend the 2035 On the Move Regional Transportation Plan to include the Highway 25 Widening project in the RTP's constrained list of projects and to work with the County's General Plan consultant, and the Ad Hoc Intergovernmental Committee on the update to the Transportation Impact Mitigation Fee handout as part of this resolution.

Chair Gomez stated that the project development team and County consultant should also be included in the resolution.

Director Muenzer stated that he was not ready to support a resolution at this time, until the Board has given staff time to come back with some viable options and then perhaps they could draft a resolution.

Ms. Gilbert stated that per the Board's direction staff would come back to the Board with an array of options and a work program for moving forward with the intent of pursuing an amendment to the Regional Transportation Plan.

Director Botelho requested that once the working group is established, staff should provide a monthly update of their progress to the COG Board.

Upon a motion duly made by Director Botelho, and seconded by Director Valdivia, the Directors unanimously adjourned the COG meeting at 4:32 p.m. Vote:5/0 motion passes.

ADJOURN TO COG MEETING SEPTEMBER 18, 2014.