



June 26, 2019

Mr. Hasan Ikhata
Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Ikhata:

On behalf of the undersigned Chambers of Commerce and Economic Development Organizations, we are writing to express our strong opposition to any changes to the funding commitments laid out in the 2004 Transnet renewal ordinance. We believe such changes would hurt North County's competitiveness, would break faith with voters who supported the 2004 measure and are extremely premature given SANDAG's analysis of future Transnet revenues.

As you are aware, in November of 2004 voters in San Diego barely mustered a 2/3rd affirmative vote to extend the one-half cent sales tax known as Transnet. North County did its part, with more than 69% of voters in the eight incorporated cities in North County supporting the measure. Since passage, Transnet has enabled the region to make several BILLION dollars of investment in a variety of projects, enhance the operating budgets of San Diego's two transit operators and purchase several thousand acres of open space as part of the environmental mitigation fund.

Perhaps the key to Transnet's passage was the development of a detailed project list. A feature of nearly every successful self-help sales tax measure passed in California, the project list provided voters assurances that if they supported the measure investments and improvements would be made in their communities. The centrality of the project list to the passage of self-help measures is true not only in San Diego but also with similar propositions such as Measure R in Los Angeles. Voters view project lists a promise and a commitment that all areas of the county will benefit from the tax.

In North County key improvements were promised on SR78. This corridor moves more than 140,000 commuters, on average, every day and enables the movement of goods from businesses along the corridor to Interstates that connect North County with distribution centers in the Inland Empire and trade infrastructure in Los Angeles. SR78 also supports North County tourism, linking sites on the beaches with attractions in the inland part of the county. The highway is highly congested during peak periods, costing workers time and businesses productivity. Transit improvements, which would be decades in the making, do not solve the issue the highway currently deals with every day and are located, in many instances, too far distant to serve key job centers and significant housing developments.

We recognize that revenues from Transnet's renewal may fall short of required levels and some adjustments in the project list will be required. However, we categorically reject that the agency has made the case that the "Major Corridor" program is somehow insolvent or, to use a term you have used in public and the press, "broke." Indeed, in the February 22, 2019 item 16 staff report

(https://www.sandag.org/uploads/meetingid/meetingid_5038_25367.pdf) on slide 18 SANDAG's staff estimated that the program would collect \$6.0 billion in current dollars between now and 2048 for major corridor improvements. While some of that revenue is likely required to finish on-going projects and finance debt obligations SANDAG took on to build transit improvements like the Coaster double tracking or the Mid-Coast trolley, that still, in our opinion, leaves resources to build some of the projects promised voters. That is why we believe reprogramming at this point is very premature. There may be a day for removing some projects from the list. We categorically reject that day is now.

Moreover, shifting revenues from the existing project list to initiate planning and engineering efforts on more speculative projects would be a pyrrhic victory. Building these projects, as you know, will require new resources and likely voter approval of additional taxes. To us, it seems highly unlikely that you and others could convince voters in North County that a future project list would be worth more than the paper printed on since SANDAG will have convincingly demonstrated a proclivity to treat projects lists as only suggestions. Nor will passage be likely if staff continues to not listen to North County elected officials who are articulating the passionate views of their constituents. This is not some manufactured crisis but rather a real and long-standing North County concern – that faced with hard choices agencies located to the South will shift promised investments away from our communities.

San Diego's greatest strength is a culture of cooperation, collaboration, and consensus-building. We respectfully suggest that leveraging that culture will be critical to future success. We look forward to working with you and SANDAG staff and board members to successfully implement the existing project list to keep our region moving.

For these reasons, our organizations are opposed to any reprogramming of the Major Corridor project list as promised to the voters in 2004.

Sincerely,



W. Erik Bruvold
CEO
San Diego North Economic
Development Council



Scott Ashton
CEO
Oceanside Chamber of
Commerce



Rick Rungaitis
CEO
San Marcos Chamber of
Commerce



Bret Schanzenbach
CEO
Carlsbad Chamber of Commerce



Rachel Beld
CEO
Vista Chamber of Commerce



James Rowten, Jr.
CEO
Escondido Chamber of
Commerce

CC:

Mayor Steve Vaus, Chairman, San Diego Association of Governments

Mayor Catherine Blakespear, Chairwoman, Transportation Committee SANDAG; Mayor of City of Encinitas

Mayor Peter Weiss, City of Oceanside

Mayor Judy Ritter, City of Vista

Mayor Rebecca Jones, City of San Marcos

Mayor Paul "Mac" McNamera, City of Escondido

Supervisor Kristin Gaspar

Supervisor Jim Desmond