



SAN JOAQUIN COUNCIL OF GOVERNMENTS  
Executive Committee  
555 East Weber Avenue  
Stockton 95202

Friday, January 21, 2022  
12:00 p.m.

<https://sjcog.zoom.us/j/85147159543?pwd=R2pidWJRUnRWW83bkdXV0h2THdYZz09>

**Meeting ID: 851 4715 9543**  
**Passcode: 422213**

*Note: If you do not have access to a smart device or a computer with a webcam & a mic, you can dial in using the teleconference number and meeting ID above.*

***Attention Callers: Please mute the call unless speaking***

**NOTICE**  
**Coronavirus COVID-19**

***In accordance with the Ralph M. Brown Act (Cal. Gov. Code § 54950 et seq.), as amended by Assembly Bill 361 (2021), The San Joaquin Council of Governments and staff will be participating in this meeting via teleconference. Members of the public may participate in the meeting electronically using the Zoom link. When participating using Zoom, please use the “raise hand” or chat feature to be recognized to speak.***

**We have also provided a call-in number, as identified on this Agenda, and encourage you to attend by telephone. To be recognized to speak, press \*9 which will signal the moderator.**

The San Joaquin Council of Governments is in compliance with the Americans with Disabilities Act and will make all reasonable accommodations for the disabled to participate in employment, programs, and facilities. Persons requiring assistance or auxiliary aid in order to participate should contact Rebecca Calija at (209) 235-0600 at least 24 hours prior to the meeting.

**A G E N D A**

1. Call to order and Roll Call:
2. Public Comments:
3. Approve Minutes of November 12, 2021, December 10, 2021, and January 5, 2022:  
Additional Material: Minutes of November 12, 2021, December 10, 2021, and January 5, 2022  
Recommended Action: Action
4. Teleconference Meeting During Proclaimed State of Emergency (Diane Nguyen)  
Additional Material: Staff Report  
Recommended Action: Action

5. San Joaquin Regional Rail Commission Appointment (Diane Nguyen)  
Additional Material: Staff Report  
Recommended Action: Action
  
6. Caltrans approval of additional funding for SR 99/120 (Ryan Niblock)  
Additional Material: Staff Report  
Recommended Action: Information
  
7. Proposal to Construct Tenant Improvements on SJCOG Building 3<sup>rd</sup> Floor (Steve Dial)  
Additional Material: Staff Report  
Recommended Action: Discussion
  
8. Executive Director's Report: (Diane Nguyen)
  
9. Adjournment:  
Adjourn the meeting to Friday, February 18, 2022.

*“SJCOG fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to file a Title VI related complaint see <http://www.sjcog.org> or call (209) 235-0600.”*

# AGENDA ITEM **3**



SAN JOAQUIN COUNCIL OF GOVERNMENTS  
Executive Committee  
ZOOM Meeting and In Person  
Friday, Nov. 12, 2021

**MINUTES**

1. The meeting was called to order by Chair Leo Zuber at noon.

Present

Teleconference:

Councilmember David Bellinger, Escalon; Councilmember Sol Jobrack, Stockton; Councilmember Doug Kuehne, Lodi; Supervisor Robert Rickman, San Joaquin County; Kim Anderson, SJCOG Deputy Director, Planning; Tim Kohaya, SJCOG Senior Regional Planner; Rod Attebery, Counsel; Allison Felkins, Counsel.

In-Person

Councilmember Leo Zuber, Ripon; Diane Nguyen, SJCOG Executive Director; Steve Dial, SJCOG Deputy Executive Director/CFO; Vik Sharma, SJCOG IT Manager; Ryan Niblock, SJCOG Deputy Director of Programming and Project Delivery; Rosie Gutierrez, SJCOG Office Administrator; Ariana Talosig, SJCOG Administrative Technician.

2. Public Comments:

None.

3. Approve Minutes of Oct. 15, 2021:

It was moved/seconded (Bellinger/Rickman) to approve the minutes of Oct. 15, 2021. Motion passed unanimously by roll call.

4. Teleconference Meetings During a Proclaimed State of Emergency:

Rod Attebery presented this report and stated the recommendation is to adopt R-22-24 to continue to meet using teleconferencing and allow for flexibility as long as there is a state of emergency.

It was moved/seconded (Jobrack/Bellinger) to approve resolution R-22-24. Motion passed 3-1 by roll call with Supervisor Rickman casting a no vote.

5. 2022 Regional Transportation Improvement Program:

Ryan Niblock informed committee members that this item is a continuation from the past few months. SJCOG staff identified additional funding sources, which are unrelated to the STIP process, but were released at the same time and are available for programming to projects. These fund sources include:

- \$4,449,000 in Local Partnership Program (LPP) funds.
- \$1,330,162 in Highway Infrastructure Program (HIP) funds.
- \$3,300,215 in state-administered Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds.
- \$3,244,451 in federally administered CRRSAA funds.

Based on feedback received from committees and the SJCOG Board, staff has prepared a comprehensive funding strategy that utilizes the funds available for the highest priority needs in the region, while keeping strategic opportunities open to leverage other funds. He gave a recap on the inventory of project funding needs and shortfalls.

Boardmember Doug Kuehne joined the meeting during this discussion item.

SJCOG staff noted that the urgency for funding a shortfall on the I-205 Managed Lanes design phase is not as pressing when compared to the SR 99/120 Connector project which is moving into construction next year. Mr. Niblock gave an overview on the shortfalls on Measure K projects from the cities of Lodi, Tracy, and Stockton.

Mr. Niblock gave a recap on feedback from the committees and board.

Mr. Niblock stated the programming recommendations are listed in Table 1.

Boardmember Rickman asked if Caltrans helps with the funding of highway projects. Ms. Nguyen stated the board has been clear that Caltrans needs to pay its fair share of state highway improvements. It continues to be a challenge for SJCOG to leverage visibility on the state highway side from Caltrans to bring dollars for any state highway project including SR 99/120. Ms. Nguyen said SJCOG staff is pressing Caltrans to be more diligent and to come to the table in a stronger partnership to bring needed funding for state highway projects. SJCOG staff will continue the conversation with Caltrans District 10 Director Dennis Agar.

Boardmember Rickman suggested sending a clearer message to Caltrans District 10 Director Agar. Boardmember Kuehne concurred. Ms. Nguyen said staff will work on putting something together.

Mr. Niblock commented on the California Transportation Commission (CTC) and stated that the commissioners are directing CTC staff to help develop legislation that seeks to access funds from the State budget surplus to make them available for the Active Transportation Program (ATP) and the State Transportation Improvement Program (STIP). The \$5.2 million in STIP funds assigned to San Joaquin County is inadequate to meet the region's needs. Mr. Niblock said he will update the board as more information becomes available. As of right now, there is no firm legislation from CTC staff to share.

Ms. Nguyen commented on a conversation with Caltrans District 10 Director Dennis Agar. He is committed to working with SJCOG staff to explore other strategies to leverage and be more effective at the Caltrans Headquarters level to bring dollars to this county.

Boardmember Rickman expressed that he has questions regarding the Linne Road and Corral Hollow project in Tracy. He indicated part of this in in the County.

It was moved/seconded (Kuehne/Jobrack) to approve the 2022 Regional Transportation Improvement Program and other funding recommendations as shown in Table 1. Motion passed 4-1 by roll call with Boardmember Rickman casting a no vote because he has questions.

6. Regional Transportation Impact Fee (RTIF) Third-Party Cost Estimate for FY 21-22:  
Tim Kohaya gave a PowerPoint presentation on the Regional Transportation Impact Program (RTIF). He said each individual agency collects RTIF fees from new development. SJCOG bills each individual agency for its portion of the third-party costs. The Fiscal Year 21-22 estimated third-party costs are outlined in Table 1 totaling \$138,000. SJCOG currently has a balance of about \$6,000 of these funds and the billable third-party costs this fiscal year is \$132,201.

It was moved/seconded (Jobrack/Kuehne) to recommend approval of the RTIF third-party costs estimate for FY 21-22. Motion passed unanimously 5-0 by roll call.

7. Executive Director's Report:

Diane Nguyen thanked Boardmember Rickman for expressing his concerns about Caltrans and their fair share commitment on the state highway program in San Joaquin County. She expressed her commitment to inventorying state highway improvements in the region and determining how much of those were funded by Caltrans vs. Measure K and SJCOG funding programs. She will prepare a resolution detailing SJCOG analysis and recommendation for the board's consideration.

Ms. Nguyen commented on the Infrastructure Investment and Jobs Act that is going to be signed by President Joe Biden on Monday, Nov. 15. She said this is a significant and historic event and is the largest long-term investment in our infrastructure in nearly a century. She continued to read some points that the White House staff has relayed to SJCOG about what it means for California.

Rod Attebery commented on the email that was sent to board members this morning regarding the bid protest on the Freeway Service Patrol request for proposal. The deadline to consider the proposed decision is 5 p.m. November 22, 2021. Please review and comment. Board members with questions can contact counsel or SJCOG Executive Director.

Ms. Nguyen said the Executive Committee will be contacted to see if there needs to be a special meeting in December to continue the hybrid meetings.

8. Adjournment

There being no further business to discuss, the meeting was adjourned at 12:38 pm.

SAN JOAQUIN COUNCIL OF GOVERNMENTS  
Special Executive Committee  
ZOOM Meeting  
Friday, Dec. 10, 2021

**MINUTES**

1. The meeting was called to order by Chair Leo Zuber at 5 p.m.

Present

Teleconference:

Councilmember David Bellinger, Escalon; Councilmember Sol Jobrack, Stockton; Councilmember Doug Kuehne, Lodi; Councilmember Leo Zuber, Ripon; Diane Nguyen, SJCOG Executive Director; Steve Dial, SJCOG Deputy Executive Director/CFO; Rosie Gutierrez, SJCOG Office Administrator; Rod Attebery, Counsel.

2. Public Comments:

None.

3. Teleconference Meetings During a Proclaimed State of Emergency:

Chair Leo Zuber stated the recommendation is to adopt R-22-43 to continue to meet using teleconferencing and allow for flexibility during a state of emergency.

It was moved/seconded (Kuehne/Jobrack) to approve resolution R-22-43. Motion passed 4/0 by roll call.

4. Adjournment

There being no further business to discuss, the meeting was adjourned at 5:01 pm.

SAN JOAQUIN COUNCIL OF GOVERNMENTS  
Special Executive Committee  
ZOOM Meeting  
Wednesday, Jan. 5, 2022

**MINUTES**

1. The meeting was called to order by Chair Leo Zuber at 1 p.m.

**Present**

**Teleconference:**

Councilmember David Bellinger, Escalon; Councilmember Doug Kuehne, Lodi; Supervisor Robert Rickman, San Joaquin County; Councilmember Leo Zuber, Ripon; Diane Nguyen, SJCOG Executive Director; Rosie Gutierrez, SJCOG Office Administrator; Rod Attebery, Counsel.

2. **Public Comments:**

None.

3. **Teleconference Meetings During a Proclaimed State of Emergency:**

Rod Attebery stated that if there are no questions, this item is to continue to meet using teleconferencing during a state of emergency.

It was moved/seconded (Bellinger/Kuehne) to approve resolution R-22-45. Motion passed 4/0 by roll call.

4. **Adjournment**

There being no further business to discuss, the meeting was adjourned at 1:02 p.m.



# AGENDA ITEM 4





Assuming the State of Emergency remains in effect, if the SJCOG Board of Directors (the “Board”) or SJCOG committees wish to continue meeting under the modified rules, then the Board, and each committee that wants to continue to meet using teleconference must each individually adopt an initial resolution within 30 days of the first teleconference meeting, and then must adopt an extension resolution at least every 30 days thereafter. (*Id.* at subd. (e)(3).) The resolutions must contain findings stating that the Board or committee has reconsidered the circumstances of the State of Emergency and either (1) the State of Emergency continues to directly impact the ability of the members to meet safely in person; or (2) State or local officials continue to impose or recommend measures to promote social distancing. (*Id.*)

Where consecutive regular meetings fall outside the 30-day time frame, the Board or committee should hold a special “AB 361” remote meeting within the 30-day window simply to re-authorize the AB 361 exceptions. Without the AB 361 exceptions, the Board or committee will be required to return to normal in-person meetings or provide public access at each remote location under the traditional teleconference rules, as of October 1, 2021. Therefore, if the AB 361 authorization lapses and the Board or a committee wishes to hold a teleconference meeting, it will be required to post agendas and provide public access at each remote location, identify those locations in the agenda, and maintain a quorum of the board within agency boundaries. If a meeting is not held in conformity with AB 361, board members may not teleconference from their residences or other locations which are not open and accessible to the public.

**FISCAL IMPACT:**

None.

**ATTACHMENT:**

Resolution R-22-49

*Prepared by: Rod A. Attebery, General Counsel*



**RESOLUTION  
SAN JOAQUIN COUNCIL OF GOVERNMENTS  
EXECUTIVE COMMITTEE**

**R-22-49**

**A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE SAN JOAQUIN  
COUNCIL OF GOVERNMENTS (SJCOG) DETERMINING TO CONDUCT  
MEETINGS OF THE SJCOG EXECUTIVE COMMITTEE USING  
TELECONFERENCING PURSUANT TO GOVERNMENT CODE 54953 AS AMENDED  
BY AB 361 FOR THE PERIOD FEBRUARY 8, 2022 THROUGH MARCH 10, 2022**

WHEREAS, the San Joaquin Council of Governments is committed to preserving and nurturing public access and participation in meetings of the Executive Committee; and

WHEREAS, all meetings San Joaquin Council of Governments' legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), as amended by AB 361 (2021), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on March 4, 2020, the Governor proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS, Cal-OSHA adopted emergency regulations (Section 3205) imposing requirements on California employers, including measures to promote social distancing; and

WHEREAS, an Order of the San Joaquin County Public Health Officer acknowledges that close contact to other persons increases the risk of transmission of COVID-19; and

WHEREAS, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations, therefore, meeting in person would present imminent risks to the health or safety of attendees.

NOW, THEREFORE, BE IT RESOLVED, that the SJCOG Executive Committee approves:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Finding of Imminent Risk to Health or Safety of Attendees. SJCOG Executive Committee does hereby find that the current dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations has caused, and will continue to cause, conditions of peril to the safety of persons, thereby presenting an imminent risk to health and/or safety to SJCOG's employees and attendees of SJCOG's legislative bodies' public meetings; and

Section 3. Teleconference Meetings. The SJCOG Executive Committee does hereby determine as a result of the State of Emergency proclaimed by the Governor, and the recommended measures to promote social distancing made by State and local officials that the SJCOG Executive Committee may conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e)(1)(A) and (B) of section 54953, and shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

Section 4. Direction to Staff. The Executive Director and SJCOG staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED this 21st day of January 2022, by the following votes of the San Joaquin Council of Governments, to wit;

AYES:

NOES:

ABSENT:

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LEO M. ZUBER, Chairman

# AGENDA ITEM **5**



January 2022  
Exec

# STAFF REPORT

**SUBJECT:** San Joaquin Regional Rail Commission  
Appointment

**RECOMMENDED ACTION:** Recommend SJCOG Board Appoint Mayor Ben Cantu, City of Manteca, to replace Councilmember Jose Nuno and serve his remaining term (through November 2022) on the Rail Commission

## DISCUSSION:

### SUMMARY:

The San Joaquin Regional Rail Commission's Joint Powers Authority requires the San Joaquin Council of Governments to appoint Rail Commissioners from San Joaquin County. Commissioners can only be locally elected officials presently serving on a city council of the Board of Supervisors.

Councilmember Jose Nuno (City of Manteca) has stepped down from his position as a commissioner on the San Joaquin Regional Rail Commission due to many time conflicts with other obligations. His term on the SJRRC expires November 2022. The Manteca council has submitted the name of Mayor Ben Cantu for SJCOG's consideration to serve the remaining term of Councilmember Nuno's seat.

### RECOMMENDATION:

Recommend SJCOG Board appoint Mayor Ben Cantu, City of Manteca, to replace Councilmember Jose Nuno and serve his remaining term (through November 2022) on the Rail Commission.

### FISCAL IMPACT:

None

### BACKGROUND:

The San Joaquin Regional Rail Commission (SJRRC) is the owner and operator of the Altamont Corridor Express (ACE®) train service. In 1998 ACE began operations to meet the needs of commuters from the San Joaquin Valley, Tri-Valley, and Silicon Valley regions. In 2013, SJRRC became the managing agency of the San Joaquin Joint Powers Authority (SJJPA), which is the



manger and administer of Amtrak San Joaquins. Amtrak San Joaquins operates 7 daily roundtrips from Bakersfield to Sacramento/Oakland and an extensive Thruway Bus service that reaches over 135 destinations in California and Nevada.

SJRRC is strategically aligned with ACE and the San Joaquins to bring transformational improvements to commuter and intercity passenger rail service in the San Joaquin Valley and the Northern California Megaregion. Its Valley Rail Program is over a billion dollar expansion that will connect new communities and increase existing service to increase its role in offering alternative transportation options to its service areas.

The Rail Commission meets the first Friday of every month at 8 a.m. The current member appointments from SJCOG on the Regional Rail Commission are:

Supervisor Kathy Miller  
Manteca Councilmember – vacant (formerly Jose Nuno)  
Stockton Councilmember Christine Fugazi  
Lodi Councilmember Mike Hothi  
Ripon Councilmember Leo Zuber  
Mayor Nancy Young, City of Tracy

The SJCOG Board can fill the position with any elected official. The general practice is the Executive Committee acts to make recommendations to the full Board based on input from SJCOG staff and SJCOG Chairman.

Rail Commission terms are four years. Due to many conflicts with obligations, Councilmember Jose Nuno stepped down in December 2021. The Manteca council has requested the SJCOG Board consider Mayor Ben Cantu to serve the remainder of Councilmember Nuno's term which ends November 2022.

SJCOG staff has discussed with Stacey Mortensen, SJCOG Executive Director, who is supportive of the replacement. SJCOG staff also supports Mayor Ben Cantu serving the remainder of Councilmember Nuno's term.

*Prepared by: Diane Nguyen, Executive Director*

# AGENDA ITEM **6**



## STAFF REPORT

**SUBJECT:** Caltrans Approval of Additional Funding for State Route 99/120 Connector Project

**RECOMMENDED ACTION:** Information

### SUMMARY:

The State Route 99/120 Connector project is the SJCOG Board's highest priority project and has a construction funding shortfall that, when eliminated, allows the project to go into construction in 2022. Specifically, staff identified a shortfall of \$4.3 million for Phase 1A of the project last December and stated conversations would continue with Caltrans to partner in closing the shortfall. This month, Caltrans identified an additional \$3.3 million in State Highway Operation and Protection Program (SHOPP) funds that can go toward the project. As a result, the remaining shortfall is approximately \$1 million.

### BACKGROUND:

At its December 2021 meeting, the San Joaquin Council of Governments (SJCOG) Board approved a recommendation to assign \$3,244,451 in federally administered Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds and \$1,330,162 in Highway Infrastructure Program (HIP) funds to SR 99/120; however, the Phase 1A segment still had a shortfall of \$4,350,387. Since that time, Caltrans District 10 staff have been working to help identify potential funding solutions for the project.

Caltrans District 10 has built a history of bringing in critical funding that has helped the region create leverage for other funds or to complete funding packages. Some examples include:

- Interstate 5 High-Occupancy Vehicle Lanes – Caltrans was able to secure more than \$42 million in state bond funds.
- SR 99 South Stockton Project – Caltrans secured more than \$100 million in SR 99 bond funds.
- Crosstown Extension Project – Caltrans assigned nearly \$70 million in Trade Corridor Improvement Funds.

For the SR 99/120 Connector project Phase 1A, Caltrans has already committed approximately \$29 million in SHOPP mobility funds to the project, representing about half of the total construction cost. Through recent review of the interchange's additional needs, Caltrans has determined that an additional \$3,343,000 in SHOPP funds can be made available to the project (to help toward the project shortfall). With these funds, the shortfall remaining on SR99/120 is

approximately \$1 million. This figure is subject to change as the project moves closer to its construction bidding date in early summer 2022.

SJCOG staff is continuing to work with Caltrans staff and the consultant team to eliminate the remaining shortfall and move the project to construction as quickly as possible. In addition, finalizing design approvals with Pacific Gas & Electric (PG&E) and the Union Pacific Railroad (UPRR) will impact the project cost estimate and shortfall. When all these milestones are met, the project will be advertised for construction this summer.

**RECOMMENDATION:**

Information only.

**FISCAL IMPACT:**

Caltrans has assigned an additional \$3,343,000 in SHOPP funds to the SR 99/120 Connector project Phase 1A.

**ATTACHMENTS:**

None.

*Prepared by: Ryan Niblock, Deputy Director of Programming and Project Delivery*

# AGENDA ITEM 7



January 2022  
Executive

# STAFF REPORT

**SUBJECT:** Proposal to Construct Tenant Improvements on  
SJCOG Building 3<sup>rd</sup> Floor

**RECOMMENDED ACTION:** Discussion

## **SUMMARY:**

**Overview:** The third floor of the SJCOG building is an unimproved space of 9,600 square feet. A few years ago, an audit by Caltrans disallowed SJCOG from collecting \$135,000 in indirect cost reimbursements for the third floor even though that expense was allowed since the building opened in 2003. Therefore, SJCOG has been covering those costs with local dollars in lieu of federal/state dollars. Rather than continue to lose the ability to recoup costs of the third floor from grant funding, the Executive Director is proposing an investment into improving the space to allow it to (1) become eligible for indirect cost reimbursement and (2) accommodate growing space needs for SJCOG and its partners.

SJCOG Board has authorized the Executive Director to enter into contracts up to \$100,000. The Executive Director would like to discuss a proposal to secure architectural services for the third floor with the Executive Committee. Even though these services are within the Director's delegated authority, it would go toward a capital investment on the third floor. While the investment is under \$1 million to improve the space (all fees and construction) with Measure K dollars, this investment will allow SJCOG to begin collecting indirect cost reimbursements (from grant programs) for the new space afterwards. The Executive Director is seeking input from the committee on this concept before moving forward.

## **Background:**

When the SJCOG building was constructed in 2003, the third floor of the three-story building was left as a cold shell. The formal definition of Cold Shell means an unfinished interior lacking heating, ventilating, and air conditioning (commonly known as HVAC); lighting; plumbing; ceilings; elevators; and interior walls, but that includes connections to the HVAC, plumbing and other building systems. That definition describes the third floor except the building elevator goes to the floor and there are two restrooms. The floor is 9,600 square feet.

SJCOG staff proposes to do improvements that will make the floor occupiable and functional. The improvements would be the minimum including connecting HVAC to the building system including ducting, ceilings, interior walls, lighting, and plumbing connections.

Over the past two years SJCOG has assumed responsibilities that have nearly doubled our general fund operating budget. In response, we have hired two deputy directors, added to our finance staff and expect filling the two vacant (Associate Program Specialist and Senior Regional Planner) positions within a year. We are anticipating holding more meetings and workshops due to these assumed responsibilities and find that our existing workspace is limiting.

To accommodate all the staffing, we have made use of all available space on the first two floors of the SJCOG building. That includes converting one conference room into workstations for two individuals and installing cubicle walls around two open space areas to create additional offices. Completing the tenant improvements on the third floor would allow us to create more workspace for staffing and provide more meeting areas.

SJCOG also receives requests for meeting space from its partners. We have been able to accommodate most requests free of charge, but with the growing usage of conference rooms for SJCOG staff needs, having the third floor available will help with various requests by our partners.

In addition, SJCOG this past summer has provided a lactation room for staff. This was possible by converting a file room into a lactation room. The files, however, were relocated to the third floor and are actively used to by staff for its operations. This is not an ideal solution because the floor is an unimproved space. In fact, in other years, SJCOG has moved boxes of files we need access to the third floor due to lack of storage areas.

## **ESTIMATED COST**

The architectural firm that originally designed the building has provided a rough estimate of \$844,000 plus permit and design fees. Those fees are estimated to be 5% of construction (\$42,200 based upon \$844,000 construction cost).

HVAC for ductwork	\$25/SF
Lighting/Power	\$40/SF
Flooring	\$ 5/SF
Fire Sprinklers	\$5/SF
Ceilings	\$ 4/SF
Painting	\$2/SF
Sheetrock	\$3/SF
Misc	\$4/SF

Rough Total                      \$88/SF @ 9,600 SF = \$844,000  
Plus, Permit Fees/Design Fees/Furniture

**TENANT IMPROVEMENT CONSTRUCTION FUNDING**

Caltrans considers the third floor to be vacant and therefore it cannot be included in our indirect cost plan for reimbursement of items such as utilities, insurance, etc. Therefore, we are losing about \$135,000 a year in indirect cost reimbursements from our grants directly related to the building. **If we were to make the requested improvements and demonstrate the third floor is being used in the course of business, we should be able to include all of those indirect costs for reimbursement.**

SJCOG staff proposes to fund these improvements with a loan from Measure K in an amount of approximately \$1,000,000 with debt service from the indirect costs that will be recovered. SJCOG has provided loans to several of our agencies allowing them to advance projects pursuant to the board-adopted Measure K Loan Policy. Stockton, Port of Stockton, Stockton Metropolitan Airport, and even Caltrans, have been provided Measure K loans.

The loan policy stipulates the cost to the borrower will be SJCOG’s cost of borrowing or lost reinvestment value, whichever is higher, plus an administration fee of .450%. In this case, SJCOG’s borrowing cost is 3.143% and the administration rate of .450% totaling 3.593%

$$\begin{array}{r}
3.143\% \\
\underline{0.450\%} \\
3.593\%
\end{array}$$

Assuming the entire indirect cost reimbursement attributed to making the third floor occupiable, \$135,000, is applied to the loan, there would be eight full payments and a partial payment in the ninth year. The total cost of borrowing \$1,000,000 would be \$183,881.35.