

# South Bay Cities Council of Governments

April 23, 2026

TO: SBCCOG Board of Directors

FROM: SBCCOG Transportation Committee

SUBJECT: Measure R and Measure M Subregional Program Policy Recommendations

## BACKGROUND

For the FY26-27 Measure M Multi-Year Subregional Plan program update process, the SBCCOG initiated a competitive review process and formed a MM Review Subcommittee comprised of Infrastructure Working Group members and SBCCOG staff to evaluate funding requests for existing and new projects. During the discussions on the funding requests, the Review Subcommittee identified and discussed opportunities for integration with the South Bay Fiber Network (SBFN) for both existing and new project requests with broadband nexus. The Review Subcommittee recommended that 1) all Measure R and M broadband projects that plan to install fiber communication conduit be required to allocate sufficient fiber capacity for SBFN communication with access rights, and 2) all future projects with excavation or boring for fiber optic communication in the right-of-way be required to install additional conduit and/or fiber for SBFN communications with right of access

At the April 8 Infrastructure Working Group (IWG) meeting, city public works staff raised additional discussions concerning the potential for cities to generate revenue from Measure R and M-funded projects, such as by becoming Internet Service Providers (i.e. selling fiber capacity to other entities) or via advertising (i.e. digital billboards, advertising on transit rolling stock). The Infrastructure Working Group passed a recommendation to develop a policy for sharing revenue generated through Measure R and M funded projects.

At the April 13 Transportation Committee meeting, Committee members introduced a discussion to establish funding allocation ceilings for Measure R and M projects in an effort to better manage cost overruns. This discussion emerged from the evaluation of funding augmentation requests for existing Measure M projects this year, many of which reported 75% to over 100% increases in total project costs. The Transportation Committee passed a recommendation to have the IWG develop a cost overrun policy to limit funding allocations per project per phase.

## RECOMMENDATION

That the SBCCOG Board approve the following Measure R and Measure M policy changes:

- 1) All Measure R and M broadband projects that plan to install fiber communication conduit will be required to allocate sufficient fiber capacity for SBFN communication with access rights.
- 2) All future projects with excavation or boring for fiber optic communication in the right-of-way will be required to install additional conduit and/or fiber for SBFN communications with right of access.

That the SBCCOG Board direct staff, in conjunction with the IWG, to initiate development of the following Measure R and Measure M policy changes for SBCCOG Board consideration before the next call for Measure R and M projects:

- 1) A policy for sharing revenue generated through Measure R and M funded projects.
- 2) A cost overrun policy that caps funding allocations per project per phase.

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