



ADMINISTRATION & FINANCE COMMITTEE

Thursday, December 16, 2004

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:00 p.m. by Chairperson Williams in Room 106 E, City of San Jose, 801 North First Street, San Jose, California.

ROLL CALL

Members Present

David Casas, Vice Chairperson
Don Gage
Forrest Williams, Chairperson

Members Absent

Bob Livengood

Alternates Present

None

Alternates Absent

Dennis Kennedy
Breene Kerr

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

Chairperson Williams noted the exchange of order with Agenda Item #12 and Agenda Item #13 in the Administration and Finance Committee Agenda Packet. Chairperson Williams noted Agenda Item #12., Authorize the General Manager to execute a contract with the lowest responsible bidder for construction of the River Oaks Bicycle/Pedestrian Bridge Project, a Valley Transportation Plan project, and Agenda Item # 13., Authorize the General Manager to execute various construction contract change orders with RGW Construction for construction of the Route 237/880 Interchange Stage C, Phase II project for a new contract amount of \$27,500,000, an

increase of \$482,911 over the current level of authority delegated to the General Manager.

Chairperson Williams noted staff's request that Agenda Item # 12., Authorize the General Manager to execute a contract with the lowest responsible bidder for construction of the River Oaks Bicycle/Pedestrian Bridge Project, a Valley Transportation Plan project be removed from the Consent Agenda and deferred to the January 20, 2005 Administration and Finance Committee Meeting.

Chairperson Williams noted the following updated memorandum on the Consent Agenda, Agenda Item # 11., Consider adoption of a resolution amending the Policy Advisory Committee bylaws, as indicated, with modifications requested by that committee; adopt a resolution amending the Policy Advisory Committee (PAC) bylaws, as indicated, with minor modifications requested by staff; and amend the VTA Administrative Code, as indicated, to permit the specified modifications to the PAC bylaws.

Chairperson Williams requested that Agenda Item # 11., Consider adoption of a resolution amending the Policy Advisory Committee bylaws, as indicated, with modifications requested by that committee; adopt a resolution amending the Policy Advisory Committee (PAC) bylaws, as indicated, with minor modifications requested by staff; and amend the VTA Administrative Code, as indicated, to permit the specified modifications to the PAC bylaws be removed from the Consent Agenda and placed on the Regular Agenda.

M/S/C (Gage/Casas) to accept the Orders of the Day.

CONSENT AGENDA

4. **Regular Meeting Minutes of October 20, 2004**

M/S/C (Gage/Casas) to approve the Regular Meeting Minutes of October 20, 2004.

5. **Regular Meeting Minutes of November 18, 2004**

M/S/C (Gage/Casas) to approve the Regular Meeting Minutes of November 18, 2004.

6. **Report on Santa Clara Valley Transportation Authority Investments for the Month of October 2004**

M/S/C (Gage/Casas) to receive and file the Report on Santa Clara Valley Transportation Authority Investments for the Month of October 2004.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.

7. **Monthly Legislative Reports**

M/S/C (Gage/Casas) to receive and file the Monthly Legislative Reports.

8. **2004 Year-End Attendance Report**

M/S/C (Gage/Casas) to receive and file the 2004 Year-End Attendance Report.

9. **2005 Administration and Finance (A&F) Committee Meeting Schedule**

M/S/C (Gage/Casas) to approve the 2005 Administration and Finance (A&F) Committee Meeting Schedule.

10. **Citizens Advisory Committee Appointment**

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to appoint Luis Mendez to the Citizens Advisory Committee (CAC) position representing Pedestrians.

11. **(Removed from the Consent Agenda and placed on the Regular Agenda.)**

Consider adoption of a resolution amending the Policy Advisory Committee bylaws, as indicated, with modifications requested by that committee; adopt a resolution amending the Policy Advisory Committee (PAC) bylaws, as indicated, with minor modifications requested by staff; and amend the VTA Administrative Code, as indicated, to permit the specified modifications to the PAC bylaws.

12. **(Removed from the Consent Agenda and deferred to the January 20, 2005 Administration and Finance Committee Meeting.)**

Authorize the General Manager to execute a contract with the lowest responsible bidder for construction of the River Oaks Bicycle/Pedestrian Bridge Project, a Valley Transportation Plan project.

The Agenda was taken out of order.

REGULAR AGENDA

11. **Amendment of Policy Advisory Committee Bylaws and VTA Administrative Code**

Chairperson Williams queried about the Policy Advisory Committee (PAC) Bylaws and a majority vote of a quorum. Suzanne B. Gifford, General Counsel, responded that

originally all of the VTA Advisory Committees required a quorum to pass an item; however, at the request of PAC it was changed to the majority of the Members present provided that there was a quorum present at the meeting. Ms. Gifford added that this change occurred because some of the Advisory Committees and PAC in particular, there were times when it was difficult to establish a quorum; therefore, the Advisory Committee was not able to move items forward to the Board of Directors for consideration. The Board of Directors then approved the change of the majority of a quorum at the request of PAC in order to facilitate the Advisory Committees in conducting committee business. Ms. Gifford noted that at this time the vote does not reflect the number of ayes or noes when a majority vote of a quorum is forwarded to the Board of Directors for consideration; however, added that it can be reflected in the minutes.

Chairperson Williams noted his support of the majority vote of a quorum. Member Gage concurred with Chairperson Williams regarding the majority vote of a quorum.

Chairperson Williams noted his concern regarding the lack of a quorum at the Advisory Committee Meetings. Member Gage noted a quorum is required in order to conduct committee business. Vice Chairperson Casas noted if a Committee of the Whole is declared then the Committee may forward the item to the Board of Directors for consideration without a recommendation. Ms. Gifford responded yes and added that the Committees exist to advise the Board of Directors.

Chairperson Williams stressed the importance of the Advisory Committees and their input to the Board of Directors. He encouraged all the VTA Advisory Committees to focus on items the Board will consider rather than items the Board has acted on.

Chairperson Williams noted the Boards' recommendation that the Board of Directors approve the PAC workplan. Member Gage added that the Board of Directors have not received input from PAC regarding the PAC workplan; therefore, the Board of Directors does not understand what PAC would like to review. Member Gage added that PAC should provide the Board with items that PAC would like to review to allow the Board of Directors to decide if this is what the Board would like PAC to do.

Member Gage noted that both he and Vice Chairperson Pirzynski sent a letter to the Members of PAC regarding the importance of a quorum at the Committee Meetings and what the Board of Directors expect from the Members of the Advisory Committees.

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to consider adoption of a resolution amending the Policy Advisory Committee bylaws, as indicated, with modifications requested by that committee; adopt a resolution amending the Policy Advisory Committee (PAC) bylaws, as indicated, with minor modifications requested by staff; and amend the VTA Administrative Code, as indicated, to permit the specified modifications to the PAC bylaws.

12. **Valley Transportation Plan – River Oaks Bicycle/Pedestrian Bridge Project Construction Contract Award**

Jack J. Collins, Chief Construction Officer, provided a brief overview on the Valley Transportation Plan – River Oaks Bicycle/Pedestrian Bridge Project Construction Contract Award. Mr. Collins noted staff received seven fairly competitive bids on the project; however, noted additional costs, which creates a budget issue.

Mr. Collins noted that the pedestrian bridge structure expands over the Guadalupe River to provide a safe and efficient pedestrian and bicycle connection across the Guadalupe River at River Oaks Drive. Mr. Collins continued that the project is funded in part by the City of San Jose, City of Santa Clara, Metropolitan Transportation Commission (MTC) – Transportation for Livable Communities (TLC) grant, and Congestion Management Program (CMP) Bicycle Expenditure Program. Mr. Collins noted that staff has contacted the cities of San Jose and Santa Clara regarding the additional funds necessary for the project and both cities have indicated their commitment to allocate the additional funds for the project. However, both cities require time to forward the request to their city councils. Mr. Collins noted that staff is able to hold the contract bids for a maximum of 120 days; therefore, staff recommends deferring the item to the January 20, 2005 Administration and Finance Committee and forward the item to the February 3, 2005 VTA Board of Directors Regular Meeting. Therefore, allowing staff to respond to the project budget issue and whether both cities are able to commit the additional funds required to award the project contract.

Member Gage noted a schedule conflict, which will prevent his attendance and participation at the January 20, 2005 Administration and Finance Committee Meeting; therefore, suggested that the Committee ensure a quorum is present for the Committee Meeting.

Chairperson Williams asked about the Request for Proposal (RFP) and queried about the wide range between the estimated project amount and requirement for the additional funds. Mr. Collins responded that all seven bids track close to the engineers estimate; however, the one item that was higher than the engineers estimate in or around \$200,000 is the cost for the foundations on each end of the bridge. Mr. Collins noted that the additional cost for the foundations is a reasonable cost and the engineer should have allowed a higher allowance on that particular item. Mr. Collins noted that staff needs to address and resolve the budget issue in terms of the increase in additional funds in the project contract costs.

On order of Chairperson Williams, there being no objection, the Committee approved deferring the item to the January 20, 2005 Administration and Finance Committee Meeting to: Authorize the General Manager to execute a contract with the lowest responsible bidder for construction of the River Oaks Bicycle/Pedestrian Bridge Project, a Valley Transportation Plan project.

13. 1996 Measure B Transportation Improvement Program (MBTIP) – Augment Route 237/880 Interchange Stage C, Phase II Construction Contract Award

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute various construction contract change orders with RGW Construction for construction of the Route 237/880 Interchange Stage C, Phase II project for a new contract amount of \$27,500,000, an increase of \$482,911 over the current level of authority delegated to the General Manager.

14. 2005 Federal Legislative Program

Kurt Evans, Government Affairs Manager, provided a brief overview on the 2005 Federal Legislative Program. Mr. Evans commented that VTA annually adopts a Federal Legislative Program to provide direction for its legislative and policy activities in Washington, D.C. Mr. Evans noted that the 2005 Federal Legislative Program is divided into the following eight sections: 1) Transportation Equity Act for the 21st Century (TEA-21) Reauthorization, 2) Federal Transportation Appropriations, 3) Public Transit Security, 4) New Starts Program Reforms, 5) High Occupancy Toll (HOT) Lanes, 6) Railroad Access and Freight Issues, 7) Amtrak, and 8) High-Speed Rail.

Mr. Evans noted that for the straight third year Congress is put in the position of trying to enact the annual appropriations bill for transportation and at the same time trying to finalize work on the Reauthorization of TEA-21 bill for federal service transportation programs. Mr. Evans added that the current authorization bill for highways and transit, TEA-21, actually expired on October 1, 2003; however, Congress has not been able to adopt a multi-year reauthorization bill for highways and transit; therefore, TEA-21 has existed through the passage of a series of short-term extensions. Mr. Evans noted that the most recent extension keeps TEA-21 in effect through May 31, 2005.

Mr. Evans added that VTA's recommended 2005 Federal Legislative Program devotes a lot of attention to TEA-21 and the three major general advocacy principles are the following: 1) protecting the budgetary "firewalls" and the concept of guaranteed spending established in the TEA-21 and support a minimum appropriations level for federal surface transportation programs from other general funds, 2) protect the guaranteed spending levels for highways and public transit and to ensure that the transportation funding is spent on transportation improvement, and 3) preserve the basic program structure of TEA-21, which consists of a core highway program that is formula based, core transit program that is both formula and needs based, and flexible funding programs that allow regions and localities to determine the allocation of federal surface transportation funding that best meets and addresses their needs.

Mr. Evans noted that public transit security funding should be allocated to transit operators based upon risk assessments and added that a portion of it should be allocated by formula because every transit operator has security needs and should have the ability to access federal funding to assist them to meet those needs.

Mr. Evans noted that the 2005 Federal Legislative Program reflects the notion that if the Department of Homeland Security issues security directives for public transit operators then there has to be funding to back those security directives to allow transit operators to comply. Mr. Evans continued and noted that the American Public Transit Association (APTA) has been positioning if any public transit security funding provided should be allocated directly to the transit operator and not be passed through a state administering agency.

Mr. Evans commented on the New Starts Program and VTA has historically been an active participant in the New Starts working group, which is a coalition of New Starts projects sponsors from around the County that advocates back in Washington, D. C. Mr. Evans noted that the New Starts Program working group has raised a number of concerns relating to how the Federal Transit Administration (FTA) has been managing the New Starts Program; therefore, the New Starts Program working group believes that these concerns should be addressed through separate legislation or in the Reauthorization of TEA-21.

Mr. Evans noted that when AMTRAK was created in the early 1970s the idea was that it would evolve into a self-sufficient organization; however, this has not happened and AMTRAK requires a significant amount of federal resources. Therefore, there is a possibility that Members of Congress will introduce bills to restructure AMTRAK and the administration has placed a proposal to do this as well. Mr. Evans noted that AMTRAK does not just operate long-haul service it also operates commuter rail and intercity rail service under contract with local entities. In the region, AMTRAK operates the Caltrain Commuter Rail service under contract with the Joint Powers Board (JPB) and Capitol Corridor intercity rail service under contract with the Joint Powers Authority; therefore, any restructuring of AMTRAK needs to respect the relationships and contracts that AMTRAK has with commuter rail and intercity rail operators.

Chairperson Williams asked about High-Speed Rail. Mr. Evans responded that High-Speed Rail is a carry over from last year's program and noted discussion regarding creative funding mechanisms for High-Speed Rail.

Vice Chairperson Casas queried about the New Starts Program and Bus Rapid Transit (BRT). Mr. Evans responded that the issue there is that FTA has identified an arbitrary threshold for cost effectiveness and this is measured by cost by hour of travel timesavings. Mr. Evans noted that the FTA has come up with an arbitrary target of \$25 that they want New Starts projects to sponsor; however, the problem is with the various modes of transit in the New Starts Program, such as, light rail extension projects, BRT projects, Heavy Rail projects and an arbitrary \$25 target does not take into consideration the differences between those various modes. Therefore, the New Starts Program working group believes if thresholds of cost effectiveness are going to be developed then it is important to consider different types of thresholds for different types of New Starts projects.

Vice Chairperson Casas queried about Federal Transportation Appropriations section in the 2005 Federal Legislative Program. Mr. Evans responded that during the last three appropriations cycle staff has had requests for earmarks for the Silicon Valley Rapid Transit Corridor (SVRTC) project under the New Starts Program for Preliminary Engineering (PE); therefore, staff will submit a request for PE under the New Starts Program for the SVRTC project in the appropriations cycle.

Vice Chairperson Casas queried about the federal/local match requirements for major transportation capital improvement projects. Mr. Evans responded that currently a transit project require a local match of 20 percent and a federal match of 80 percent; however, there has been discussion within Congress about changing the match percentages for the New Starts Program in order to sift out the queue. The New Starts Program is over subscribed and the intent is to allow as many projects to get into the program; therefore, if the percentage match was changed from 80/20 to 50/50, the federal match maximum would become 50 percent. Mr. Evans noted that APTA is arguing that this percentage match is not how it is on the highway side; therefore, if the percentage match is changed then the local planning process will be biased.

Chairperson Williams queried if VTA's 2005 Federal Legislative Program is consistent with MTC. Mr. Evans responded yes and added that staff provided additional information since the agency is a multi-modal organization.

Chairperson Williams expressed the importance that transit agencies are all consistently together in regards to the legislative priorities.

M/S/C (Casas/Gage) to approve submitting a recommendation to the Board of Directors to approve the 2005 Federal Legislative Program for the Santa Clara Valley Transportation Authority (VTA).

15. 2005 State Legislative Program

Mr. Evans provided a brief overview on the 2005 State Legislative Program. Mr. Evans noted that the 2005 State Legislative Program is divided into the following 14 sections: 1) Transportation Funding, 2) Local Transportation Sales Taxes, 3) California Performance Review Report, 4) Project Delivery, 5) California Public Utilities Commission, 6) High Occupancy Toll (HOT) Lanes, 7) Toll Bridge Seismic Retrofit Program, 8) State Transportation Improvement Program, 9) Multi-Modalism, 10) Transit Oriented Development (TOD), 11) Transportation and Social Equity, 12) Transportation and the Environment, 13) High Speed Rail, and 14) Transit Operating and Safety Issues.

Mr. Evans noted that the big issue is protecting transportation funding and the Legislative Analysis Office is projecting that the FY 2006 State Budget is going to have a deficit between \$6 – 8 billion; therefore, this deficit may be more challenging for the Legislature and Governor to address than the larger deficits before.

Mr. Evans continued that another suspension of Proposition 42 for FY 2006; therefore, transit agencies are placed in a position of protecting funding and working towards a constitutional amendment to protect transportation sources from being diverted towards non-transportation uses.

Mr. Evans noted the California Performance Review (CPR) is a major initiative on the part of the Governor to restructure State Government and the report released contains more than 1200 recommendations involving 278 different issue areas; therefore, it is mammoth. Mr. Evans noted that the CPR has a number of good things within it that staff is recommending supporting, such as greater flexibility in terms of the type of contracting methods in terms of transportation capital improvement projects and recommends transferring public rail transit safety requirements from the California Public Utilities Commission (CPUC) to Caltrans, which is consistent with other states. Mr. Evans noted that the California Transit Association (CTA) is going to sponsor a bill to do this given the problems with transit operators have had with the CPUC. Mr. Evans noted the Bay Area Toll Bridge Seismic Retrofit Program and the problems regarding the cost overruns on the bay bridge and added that the cost overruns should not come at the expense of State Transportation Improvement Program (STIP) or the expense of voter approved projects through the Regional Measures One and Two Programs.

Mr. Evans commented on High-Speed Rail and noted that the intention is to acknowledge support for a southern gateway alignment into the Bay Area. However, noted that the alignment should be environmentally sensitive meaning it should not negatively impact Henry Coe State Park or sensitive wetland areas.

Vice Chairperson Casas expressed his concern regarding sales tax increase legislation supported in the 2005 State Legislative Program Transportation Funding section. Mr. Evans noted that last year the CTA supported a bill that would allow the counties to double their Transportation Development Act (TDA) sales tax and this legislation would allow the counties to increase the sales tax. Mr. Evans continued that transportation operators all over the state are having trouble with operating budgets and there was a need to provide an opportunity for transit operators to seek revenues to fix operating budget problems; therefore, the TDA sales tax would be one way of generating additional operating revenues.

Vice Chairperson Casas queried about the increase in sales taxes. Mr. Evans responded that it is not an increase in the rate it is a different way to generate sales tax revenues by including other services into the mix.

Mr. Evans added that this is an idea that was discussed in the Ad-Hoc Financial Stability Committee, which was included in the recommendations the Board of Directors approved from the Ad-Hoc Financial Stability Committee.

Vice Chairperson Casas asked about the local transportation sales tax. Peter M. Cipolla, General Manager, noted for clarification that this was a continuation of sales tax efforts not an introduction.

Vice Chairperson Casas expressed his concern and noted that he would not support the recommendation as it stands and noted his concern regarding the southern alignment into the Bay Area for the State's proposed High-Speed Rail System.

Mr. Evans noted that the vehicle registration surcharge was successful and added that there is precedence for this type of legislative being successful as opposed to other taxation legislation areas.

Vice Chairperson Casas noted that the organization should focus efforts on what will be successful in the 2005 State Legislative Program. Mr. Cipolla noted for clarification that one of the legislative items is Board Policy since the Board of Directors adopted the Ad-Hoc Financial Stability Committee recommendations.

Chairperson Williams noted that the legislative items are opportunities which allows the organization to be flexible with efforts and provides flexibility for the agency to pursue different options.

Member Gage suggested forwarding the item to the Board of Directors for further discussion and consideration. Chairperson Williams expressed his belief that the item should be forwarded to the Board of Directors for further discussion and consideration and allow the Board of Directors the opportunity to explore options.

Chairperson Williams expressed his concern and noted that he would not support removing any item from the recommendation and suggested forwarding the item to the Board of Directors for further discussion and consideration to allow the Members the opportunity to offer and explore options.

Member Gage noted that Vice Chairperson Casas's concerns should be brought to the attention of the Board of Directors. Mr. Cipolla noted that staff will provide a revised memo that reflects the issues raised by Vice Chairperson Casas and forward the information to the Board of Directors.

Vice Chairperson Casas expressed his appreciation for the follow-up information that will be provided.

Chairperson Williams noted San Jose's strong support of High-Speed Rail and the importance for the future in terms of growth for the region.

On order of Chairperson Williams, there being no objection, the Committee approved forwarding the recommendation for further discussion and consideration with a revised memorandum reflecting the concerns and issues raised to the January 6, 2005 VTA Board of Directors Regular Meeting to: Approve the 2005 State Legislative Program for the Santa Clara Valley Transportation Authority (VTA).

16. Federal Fiscal Year 2005 Federal Transit Administration Grant Applications

Ms. Gonot provided a brief overview on the Federal Fiscal Year 2005 Federal Transit Administration (FTA) Grant Applications. Ms. Gonot noted that staff typically requests the Board of Directors authorize submittal of VTA's annual FTA Grant Applications after grant program amounts are published in the Federal Register; however, in an effort to meet the Board deadlines and expedite grant approvals staff is requesting authorization to execute the grant agreements with FTA as soon as possible. Ms. Gonot continued that the program amounts are recent estimates provided by the MTC; however, added that the final apportionments for the programs may differ and adjustments will be made once the actual appropriations are published in the Federal Register.

Member Gage queried about the \$2.4 million and what the funding was going to be used for. Ms. Gonot responded that it was earmarked for the SVRTC Preliminary Engineering (PE).

M/S/C (Casas/Gage) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to submit federal Fiscal Year (FFY) 2005 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula and Congestion Mitigation Air Quality (CMAQ) funds; Section 5309 Fixed Guideway, Bus/Bus Facility, and New Rail Starts funds; and Section 3037 Job Access Reverse Commute (JARC) Program Funds.

OTHER ITEMS

17. Joint Development Policy and Developer Selection Process

Ms. Gonot noted that VTA currently does not have a Joint Development Policy and added that the item was presented to the CMPP Committee and the CMPP Committee requested that the information be presented to both the Administration and Finance Committee and Transit Planning and Operations Committee. Ms. Gonot added that the CMPP Committee recommended forwarding the item for consideration to the January 6, 2005 VTA Board of Directors Regular Meeting.

Ms. Gonot introduced David Miller, Commercial Development Manager, who provided a brief overview on the Joint Development Policy and Developer Selection Process.

Mr. Miller referenced Exhibit A – Joint Development Policy (JDP), noting the purpose of the program is designed to secure the most appropriate private and public sector development of VTA-owned property at and adjacent to transit stations and corridors. Mr. Miller noted that the JDP provides a framework for creating and pursuing the highest and best opportunities for development around station areas and along the corridors. Mr. Miller added that the policy is intended to establish guidelines and procedures for identifying opportunities to optimize return on investment to VTA.

Mr. Miller continued that the goal of the program is 1) plan and develop the highest and best housing, office and retail uses around station sites and along transit corridors, 2) increase transportation system capacity by increasing transit use, and 3) generate long-term source of revenue for VTA and allow VTA to participate in the increase in the value of its real property assets over-time.

Mr. Miller noted the following eight policies in the JDP: 1) create a long-term source of revenue for VTA and allow VTA to participate in the increase in the value of its assets over-time, 2) encourage increased transit utilization and ridership, 3) exhibit high urban design standards and quality, 4) be consistent with local jurisdiction land use goals and develop a public participation process that respects community concerns, 5) provide efficient and safe vehicle and pedestrian circulation and adequate parking to serve both the private and public demand, 6) implement the concepts, principles, practices outlined in VTA's Community Design and Transportation (CDT) Program and include the elements of Transit-Oriented Design (TOD), 7) enhance and maintain existing or future transportation systems, operations, and infrastructure, and 8) address community needs in joint development consistent with VTA policy encouraging revenue generation and implementing TOD design principles.

Mr. Miller continued that the JDP focuses on creating a long-term revenue source for VTA and added that the key objective is use of VTA land assets to create a long-term source of revenue at a rate of return that is competitive in the market. Mr. Miller noted with the development of housing or commercial uses can command the highest viable rents to enable VTA to achieve effective revenue while providing a profit incentive to developers.

Mr. Miller noted that the JDP provides guidance to developers by outlining performance standards and design criteria required for successful TOD. The JDP reflects support for the Community Design and Transportation Manual as a handbook for successful TOD development. Mr. Miller continued with successful application of the JDP to transit area project it will result in the highest quality urban development at transit stations and generate great revenues to VTA. Mr. Miller added with attention to aesthetics and urban design standards it will encourage community support of TOD project developments.

Mr. Miller commented on the Developer Selection Process and noted that the JDP provides guidance to indicate how VTA's properties for joint development should be implemented. Mr. Miller referenced Exhibit B – Developer Selection Process, which outlines a process for selecting developers and evaluating proposals. Mr. Miller noted that staff is proposing a two-phased process to select developers for VTA's joint development sites. The process is designed to minimize the time and complication needed to solicit developer development in two to three years.

Mr. Miller continued that currently VTA has four development sites that have generated a significant amount of developer interest: Tamien, West San Carlos, Capitol Expressway, and Curtner; therefore, staff would like to establish a list of six to eight qualified developers through a Request for Qualifications (RFQ) process advertising

nationally, statewide, and locally. Mr. Miller noted that the second step in the developer selection process involves interviews of the qualified developer, matching the most qualified developer to each individual site based upon interest, product type, successful developing similar sites, neighborhood issues, and other site-specific concerns.

Mr. Miller commented on the Development Proposal Criteria Phase Two and Development Proposal Evaluation Matrix and noted that the criteria are ranked from one to five with five being the highest score. Mr. Miller noted that criteria are weighted to reflect the priorities of VTA with increased ridership, urban design quality, and both long-term and short-term revenue weighted the highest. Mr. Miller noted that a minimum score of 25 is needed from these three criteria.

In the event that a developer fails to meet the criteria and cannot modify the project or economic conditions of the ground lease fail to meet the requirements of VTA, VTA may reject the developer's proposal and terminate the contract agreement, and select another developer on the list. Mr. Miller noted that once a successful project design and acceptable land disposition terms have been agreed upon, then the developer would proceed to finalize the agreement.

Mr. Miller noted that VTA has been approached several times by developers with unsolicited proposals to develop VTA-owned land. Staff recommends that unsolicited proposals be accepted only when a property has unique characteristics that render the unsolicited proposal the most likely to solve all development problems in order to achieve VTA JDP objectives.

Vice Chairperson Casas queried about city representatives being part of the evaluation process and if it would include or preclude Board Members from VTA from participation in the evaluation process. Mr. Cipolla responded that it would preclude and that technical level representatives for the evaluation process would participate; therefore, staff would ask the city managers to appoint a representative.

Chairperson Williams queried if staff has meet with the cities' local planning department. Mr. Miller responded that the first four projects are all located in San Jose and staff has met extensively with the San Jose Planning Department. Mr. Miller added that staff will continue to work closely with the San Jose Planning Department staff for each project site. Ms. Gonot noted that staff presented this item to the Technical Advisory Committee for there comments and they would like to participate very closely with the City.

On order of Chairperson Williams, there being no objection, the Committee reviewed and commented on the Joint Development Policy and Developer Selection Process.

18. Committee Work Plan

On order of Chairperson Williams, there being no objection, the Committee reviewed the Committee Work Plan.

19. Committee Staff Report

There was no Committee Staff Report.

20. Chairperson's Report

Chairperson Williams thanked and noted his appreciation to staff for their diligent work and response to the demands of this year and for a job well done.

21. Determine Consent Agenda for the January 6, 2005 Board Meeting

CONSENT: Agenda Item # 10., Appoint Luis Mendez to the Citizens Advisory Committee (CAC) position representing Pedestrians; **Agenda Item # 11.**, Consider adoption of a resolution amending the Policy Advisory Committee bylaws, as indicated, with modifications requested by that committee; adopt a resolution amending the Policy Advisory Committee (PAC) bylaws, as indicated, with minor modifications requested by staff; and amend the VTA Administrative Code, as indicated, to permit the specified modifications to the PAC bylaws; **Agenda Item # 13.**, Authorize the General Manager to execute various construction contract change orders with RGW Construction for construction of the Route 237/880 Interchange Stage C, Phase II project for a new contract amount of \$27,500,000, an increase of \$482,911 over the current level of authority delegated to the General Manager; and **Agenda Item # 16.**, Authorize the General Manager to submit federal Fiscal Year (FFY) 2005 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula and Congestion Mitigation Air Quality (CMAQ) funds; Section 5309 Fixed Guideway, Bus/Bus Facility, and New Rail Starts funds; and Section 3037 Job Access Reverse Commute (JARC) Program Funds.

REGULAR: Agenda Item # 14., Approve the 2005 Federal Legislative Program for the Santa Clara Valley Transportation Authority (VTA); and **Agenda Item # 15.**, Approve the 2005 State Legislative Program for the Santa Clara Valley Transportation Authority (VTA).

22. Announcements

There were no Announcements.

23. ADJOURNMENT

On order of Chairperson Williams, there being no objection, the meeting was adjourned at 1:12 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors
