



TRANSIT PLANNING & OPERATIONS COMMITTEE

Wednesday, November 15, 2006

MINUTES

1. CALLED TO ORDER

The Regular Meeting of the Transit Planning and Operations (TP&O) Committee was called to order at 3:36 p.m. by Chairperson Sandoval in Conference Room B-104, Valley Transportation Authority, 3331 North First Street, San Jose, California.

ROLL CALL

Members Present

Dean Chu, Vice Chairperson
Greg Perry
Dolores Sandoval, Chairperson

Members Absent

David Cortese

Alternates Present

None

Alternates Absent

Norman Kline
Jamie Matthews
Ken Yeager

*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

There were no Orders of the Day.

CONSENT AGENDA

4. Minutes of October 18, 2006

M/S/C (Chu/Perry) to approve the Minutes of October 18, 2006.

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

5. **2007 Transit Planning and Operations Committee Meeting Schedule**

M/S/C (Chu/Perry) to review the 2007 Transit Planning & Operations Committee Meeting Schedule.

6. **Monthly Ridership and Fare Revenue Performance**

M/S/C (Chu/Perry) to receive a report on Monthly Ridership and Fare Revenue Performance.

7. **Fiscal Year To Date (FYTD) 2007 First Quarter Transit Operations Performance Report (July 1, 2006 – September 30, 2006)**

M/S/C (Chu/Perry) to review the FYTD 2007 First Quarter Transit Operations Performance Report (July 1, 2006 – September 30, 2006).

REGULAR

8. **Report from November 8, 2006 Committee for Transit Accessibility (CTA)**

Aaron Morrow, Committee for Transit Accessibility (CTA) Chairperson, provided a report on the November 8, 2006 CTA meeting, highlighting: 1) CTA received an update on the Translink Program; 2) CTA accepted nominations for Chairperson, First Vice Chairperson, and Second Vice Chairperson for 2007; and 3) CTA will develop its Work Plan in December 2006.

On order of Chairperson Sandoval, there being no objection, a report regarding the November 8, 2006 CTA Meeting was received.

9. **Advancing 2000 Measure A Transit Improvement Program**

Jack J. Collins, Chief Construction Officer, reported that there are a number of items going to both the TPO and the Administration and Finance Committee Meetings that will advance projects that are part of the 2000 Measure A Transit Improvement Program.

Mr. Collins provided a brief report on the progress of 2000 Measure A, highlighting: 1) VTA has completed the purchase of low floor light rail vehicles; 2) VTA has implemented the 522 Rapid Bus service and will begin studying other Bus Rapid Transit (BRT) improvements in the Measure A corridors; 3) VTA is in the second year of the Zero Emission Bus (ZEB) Demonstration Project; 4) VTA has completed final design on half of the Caltrain Double tracking project to Gilroy; 5) VTA is wrapping up Preliminary Engineering (P.E.) on the BART extension to Silicon Valley; 6) VTA has begun final design on Capitol Expressway Light Rail to Eastridge; 7) VTA has developed and

reviewed a draft Measure A Program Cost Report with the Citizens Advisory Committee (CAC) acting as the 2000 Measure A Watchdog Committee, which VTA staff plans to issue to the Committee on a quarterly basis; 8) VTA staff is working with a Subcommittee of the Policy Advisory Committee (PAC) to prepare a list of priorities for Caltrain Capital needs and will request Board action at the February 2007 meeting; and 9) Board of Directors re-established the Project Advisory Committee at the November 2, 2006 Board Meeting to advise the Board on funding issues, cash flow, potential hold points and 'No New Revenue' scenarios.

Mr. Collins reported that the following consultant design contract amendments for the Caltrain and BART Projects will be forwarded to the TP&O and A&F Committees for review in November 2006 and to the full Board for approval at their December 14, 2006 Board of Directors Meeting:

A&F Committee

2000 Measure A & Highway Programs:

- Execute an agreement with South Bay Transportation Associates for Program and Construction Management services to help VTA manage the 2000 Measure A Transit Improvement and VTA Highway Programs.

Silicon Valley Rapid Transit (SVRT):

- Amend an existing cooperative agreement with the Alameda County Transportation Authority (ACTA) for final engineering services for the combined I-880/Mission Boulevard Interchange Project in the City of Fremont.
- Execute a cooperative agreement with the Santa Clara Valley Water District (SCVWD) for design services for a new Berryessa Creek flood channel box culvert that will support UP and future SVRT tracks.
- Amend the 2000 Measure A Capital Budget for fiscal year 2007 for expenditures related to UP Rail relocation (\$31 million) and VTA labor and other direct costs (\$11 million).

TP&O Committee

Caltrain:

- Amend an existing design contract with DMJM+Harris to complete an additional 8 miles of Caltrain double tracking between Morgan Hill and Gilroy.
- Execute an agreement with MCI/Verizon to begin relocating 8.5 miles of fiber optic line in the Caltrain Corridor to allow double tracking.

SVRT:

- Amend six existing design contracts for the BART extension to continue design development to a 65 percent level of completion in accordance with new guidance from the Federal Transit Administration (FTA), encouraging New Starts project sponsors to perform more design work in parallel with the environmental clearance and the New Starts evaluation process. This additional design work will take two years and will be completed concurrent with an anticipated Record of Decision from the FTA by December 2008.

Mr. Collins indicated that VTA is proceeding with an “affordability structure.” VTA will regularly update the Board on the financial status of Measure A and provide clearly defined hold points to the Board to keep expenditures in line with income.

Mr. Collins directed attention to the presentation entitled, “Why Continue Design to 65%? BART Extension to Milpitas, San Jose and Santa Clara,” and provided an overview, highlighting: 1) Board Direction; 2) Key Decision Point for Project; 3) FTA Implications; 4) FTA Encourages More Design; 5) Cost-Benefit of Proceeding; 6) SVRT Funding Plan to June 2009; 7) Impact of Delaying Project; 8) Shelf Life of Design; and 9) Next Major Milestones.

Member Perry referred to Slide 7, “Cost-Benefit of Proceeding,” second bullet point item, “VTA is looking to State Traffic Congestion Relief Program (TCRP) to fund a share of 65 percent design consistent with Letter of No Prejudice (LONP) for Preliminary Engineering”, and asked what is a LONP legally. Kurt M. Evans, Government Affairs Manager, indicated that it puts the State under an obligation to provide the funds. In essence, when the TCRP money was being loaned to the General Fund to deal with General Fund deficits, a number of TCRP project sponsors, including VTA, went to the California Transportation Commission (CTC) and asked to enter into a LONP; under which VTA would advance its own local money to keep its projects moving. Once VTA finished that phase of project work, the CTC would then reimburse VTA with State cash. The arrangement allows the opportunity to use local money to keep a project moving forward rather than putting the project on hold, because of the lack of availability of State money. Mr. Evans indicated that under a LONP, which the CTC approved for the BART Project, if one advanced its local money for the project and used it for eligible expenditures, then the State is under an obligation to reimburse the money once that phase of the project is completed.

Member Perry referred to Slide 9, “Impact of Delaying Project,” first bullet point item, “Today’s project at \$4.7 billion (2005 \$) will escalate to \$6 billion over next 10 years,” and expressed concern regarding the escalation figures. Jim Lawson, Government Affairs Manager, noted that for decision-making purposes, it is important to show the escalation figures, because the funds that are coming from the State and Federal Government are likely to stay the same. So, it is important to consider that inflation does have an impact.

Michael T. Burns, General Manager, referred to the affordability issue and noted that VTA is taking it very seriously. Part of the reason for this recommendation at this time is that VTA had a series of open questions with the FTA and State overall for the funding of the BART Project, which is about \$1.1 billion outstanding. VTA needs to continue this work in order to position itself to answer the questions. At the same time, VTA needs to be in a position to make recommendations to the Board if VTA is not successful in terms of answering the questions. Mr. Burns indicated that the Hay Group is conducting an exhaustive financial review on not just the project, but the whole Measure A Program. The Hay Group is expected to provide recommendations regarding the Expenditure Plan Model, including the assumptions in the first quarter of 2007. Mr. Burns noted that the design contract amendments for the BART extension have the flexibility to be slowed down, stopped, and/or accelerated. He indicated that he does not think that stopping at this time is going to help get to any better answers for those questions.

Member Perry asked what is the purpose of spending \$185 million on the BART extension to continue design development to a 65 percent level of completion if there is not enough money to build the project. Mr. Burns indicated that from staff's perspective, VTA has to move forward in spending some of this money to see if it has a project that can be funded, and the answer depends on what this is and who knows what that might be or what it might look like. He indicated that he does not know if the question can be answered without knowing what is the alternative or option.

Member Perry queried if the \$172 million spent on Preliminary Engineering is useful for anything else. Mr. Collins indicated that a corridor has been cleared and other modes could be put in the corridor.

Mr. Collins directed attention to the chart entitled, "Silicon Valley Rapid Transit Project," and provided an overview of the six (6) SVRT major design consultant contracts, noting that they are Agenda Items 10-15: 1) D200 - Line Segment Design Consultant, Firm: HNTB Corporation; 2) D300 - Tunnel Segment Design Consultant, Firm: Hatch Mott MacDonald/Bechtel Infrastructure; 3) Yard & Shops Design Consultant, Firm: STV, Inc.; 4) D-425 - Passenger Station Engineering Consultant, Firm: Earth Tech, Inc.; 5) D500 - System Design Consultant, Firm: Wong/PB Joint Venture; and 6) P100 - Design Integration Consultant, Firm: Booz Allen Hamilton, Inc.

Member Perry asked if staff had any more ideas on where the \$3 billion shortfall in VTA's Expenditure Plan would come from. Mr. Burns indicated that the voters approved the infrastructure bonds in the November 2006 election, and VTA/County anticipates receiving monies from the program at an amount yet to be determined. He noted that BART extensions were part of the marketing campaign.

Member Perry commented that there is no doubt that there is money to design the project, the question is, "Do we have money to build the project?" He commented that \$180 million is being poured down the drain and that he has not heard an acceptable explanation of where the money is coming from.

Vice Chairperson Chu commented that we have to get to a decision point to make the commitment to construct the project. The decision point is not now, the decision point with the information is in two years from now. If we do not say “yes” and invest \$180 million now over the next two years, we will never know what the answer is.

Chairperson Sandoval commented that she wants to have the discussion about where we really are, what kind of a project we really want. She indicated that if we say “no” now, we will never have the discussion. We will never know if the voters would be willing to go out for another tax, we will not know if the Federal Government will give us additional funding or not. Chairperson Sandoval commented that she feels that the money being spent on Preliminary Engineering, consulting, and design costs, etc., is an investment.

Member Perry asked what would happen if the 65 percent design funding was deferred for approximately four months until the discussion happens. Mr. Collins directed attention to Attachment 1 – Summary of 2000 Measure A Contracts and Amendments FY 2007 Capital Budget Adjustments, the six design contracts for the BART extension, and noted that the Board is only authorizing staff to amend the contracts for the balance of FY 2007. Furthermore, each of the Board Memorandums state that as part of the budgeting process that VTA will be going through and forwarding to the Board in May/June 2007, the balance of the funding would be committed at that point in time. VTA may have a better handle on where it is with regards to the State TCRP funding by that time. Mr. Collins indicated that it is important to understand that VTA could still get to the point of deferral in June 2007, but this is not what staff recommends; however, there would be more information on the State TCRP funding at that time.

Member Perry recommended deferring the design contract amendments to March 2007 until VTA has a better idea about the finances or only completing the part of the projects that cannot be deferred, and doing them slowly to minimize the damage. Mr. Burns noted that the problem is that the work needs to be done to continue to work with FTA to resolve the FTA issues.

Mr. Lawson commented that staff tried to come up with a recommendation that gave the most flexibility. He referred to the possibility of delaying the contract extensions for four months and noted that the current contracts are going to expire in December, and the persons who are employed on the project have built up a wealth of knowledge and expertise. He commented that it makes good business sense to continue with the persons who are currently working on the project, so that you do not lose the expertise and background.

Mr. Burns noted that VTA needs to try to address the questions of major funding supporters of the project.

Member Perry commented that there could be a discussion with regards to whether VTA is \$3 billion or \$3.6 billion in the hole, noting that they are both large numbers. He commented that there is definitely a starting and stopping cost and asked how long would it take to get the requested information. Mr. Burns indicated that it would take 12 to 18 months on the bigger question, and four to six months on the budget questions.

At present, the Committee/Board would be authorizing the contracts, but only appropriating money through the end of Fiscal Year 2007.

Member Perry commented that he is worried about Fiscal Year 2009. He expressed concern about the money lost over the 18-month period.

Member Perry asked what is the downside to going slow on the design contract extensions. Mr. Collins noted that VTA is working to get a Record of Decision (ROD) and part of the ROD is going to require a 65 percent level of design effort to have better estimates to submit to the FTA. Part of the downside of going slow is that there is not going to be a complete work product.

Mr. Evans noted that FTA is saying that it wants VTA to do a higher level of design, 65 percent in this particular case, before getting to the point where FTA is going to talk about entering into final design. The FTA wants to have the projects much more well defined, so that once an agency enters into final design and they are negotiating a full-funded grant agreement, there are no major scope changes to the project or major changes in cost estimates.

Member Perry queried if other projects across the country are waiting for 65 percent design before applying for New Starts funds. Mr. Evans referred to the New Starts Program and noted that 92 percent of the money is for final design and construction and eight percent is for preliminary engineering.

Member Perry commented that he would assume that most of the projects in the country have an application before the Federal Government for preliminary engineering. Mr. Evans noted that there are about 40 projects that the FTA considers to be in the pipeline, where they are in preliminary engineering, and can seek New Starts funding for preliminary engineering. In all of those cases, project sponsors have to follow FTA's guidance regarding the New Starts process, which means they all have to reach a higher level of design.

Mr. Evans noted that the issue is how does VTA deal with an Expenditure Plan that has a shortfall. The challenge before the Board is that there is a voter-approved 30-year transportation sales tax program that has a shortfall. There is some expectation on the part of the voters that VTA is going to make progress in terms of moving these projects forward. Recognizing the fact that the Board has the larger question of how to deal with a 30-year program that is out of balance, staff is trying to determine what they can do in the short term while the Board grapples with that discussion. From a strategic standpoint, staff has been trying to bring these projects forward to move them to the next logical phase. Then, at the point the Board can decide whether it wants to make an additional investment in the project (whether it is the BART Project, the Caltrain Projects, or the final design work on the Capitol Light Rail Project). Mr. Evans stated that VTA can afford to take these projects to the next logical hold point, while the Board is trying to figure out how to deal with the larger question of a 30-year program that is out of balance. Staff recommends taking the BART Project to next logical hold point over the next two years, which is when you would seek approval from FTA to enter into final design.

Member Perry commented that he did not think the 2016 BART Project completion date would be met. He noted that there would be some amount of delay, and every year of delay is a significant amount of savings; and given there is going to be a delay, taking that delay now has a huge advantage if it turns out VTA cannot afford the project. He referred to the engineering report and queried how much of the engineering would be lost if the project was stopped at Berryessa. Member Perry recommended that the project be slowed down as much as possible, to keep the minimum level of funding, and not to start up until the full funding is determined.

On order of Chairperson Sandoval, there being no objection, a presentation on Advancing 2000 Measure A Transit Improvement Program was received.

MS/F (Chu/Sandoval) on a vote of 2 ayes, 1 no, and 0 abstentions to forward Agenda Items #10-15 (six existing design contracts for the BART extension) to the Board of Directors with a recommendation for approval, noting Member Perry's comments, which are to be reflected in the Minutes and clearly delineated. Member Perry opposed.

M/S/C (Perry/Chu) to direct staff to prepare a list of what information will be generated by the Silicon Valley Rapid Transit design contracts and roughly when to help the Board make a decision on how and whether to fund the Measure A Projects; and to prepare a report on the impact of slowing down or delaying all or part of the design contracts on the BART extension timeline.

10. Surface Guideway Design and Engineering Services – Silicon Valley Rapid Transit Project

On order of Chairperson Sandoval, there being no objection, the Committee submitted without a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with HNTB Corporation in an amount not to exceed a total of \$36.6 million for a new total contract amount of \$60.5 million and extend the contract term to December 31, 2008, for design and engineering services necessary to complete

65 percent design development of the surface guideway alignment portions of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$10.6 million for anticipated engineering costs through June 2007.

NOTE: M/S/F MEANS MOTION SECONDED AND FAILED.

11. Tunnel Guideway Design and Engineering Services – Silicon Valley Rapid Transit Project

On order of Chairperson Sandoval, there being no objection, the Committee submitted without a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with the HMM/Bechtel Joint Venture in an amount not to exceed \$43.3 million, increasing the total contract amount to \$94.5 million, and extending the contract term to December 31, 2008, for project-wide support services, and design and engineering services necessary to complete 65 percent design development of the tunnel alignment portions of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$8.8 million for anticipated engineering costs through June 2007.

12. **Yard & Shops Facilities Design and Engineering Services – Silicon Valley Rapid Transit Project**

On order of Chairperson Sandoval, there being no objection, the Committee submitted without a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with STV Incorporated in an amount not to exceed \$9.5 million, increasing the total contract amount to \$20.5 million, and extending the contract term to June 30, 2008, for design and engineering services resulting in a set of documents that will be used to put together a Design-Build contract package for the construction of the Yard and Shops facilities of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$3.3 million for anticipated engineering costs through June 2007.

13. **Passenger Stations Design and Engineering Services – Silicon Valley Rapid Transit Project**

On order of Chairperson Sandoval, there being no objection, the Committee submitted without a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with Earth Tech, Inc., in an amount not to exceed \$22.0 million, increasing the total contract amount to \$38.9 million, and extending the contract term to December 31, 2008, for design and engineering services necessary to complete 65 percent design development of the passenger station facilities for the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$5.7 million for anticipated engineering costs through June 2007.

14. **Systems Design and Engineering Services – Silicon Valley Rapid Transit Project**

On order of Chairperson Sandoval, there being no objection, the Committee submitted without a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with the PGH Wong Engineering, Inc., and Parsons Brinckerhoff Quade & Douglas, Inc. (Wong/PB) Joint Venture in an amount not to exceed \$15.0 million, increasing the total contract amount to \$29.22 million, and extending the contract term to December 31, 2008, for design and engineering services necessary to complete 65 percent design development of the systems components of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$2.5 million for anticipated engineering costs through June 2007.

15. Design Integration Engineering Services – Silicon Valley Rapid Transit Project

On order of Chairperson Sandoval, there being no objection, the Committee submitted without a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with Booz Allen Hamilton, Inc., in an amount not to exceed \$9.0 million, increasing the total contract amount to \$14.0 million, and extending the contract term to December 31, 2008, for design integration engineering services necessary to complete 65 percent design development of the design integration requirements of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$2.0 million for anticipated engineering costs through June 2007.

16. Amendment of Contract with General Design Consultant for the Caltrain South County Capacity Improvement Project

Mr. Collins reported that in order for VTA to get the five additional round trip slots on Caltrain between Tamien Station and Gilroy, VTA made a commitment to Union Pacific Railroad (UPRR) to complete 8.3 miles of double tracking as far south as Morgan Hill. The Project Advisory Committee recommended to the Board and the Board approved extending the double tracking all the way to Gilroy as part of the 2000 Measure A Expenditure Plan for a total of 16.5 miles. Final design of the remaining 8.2 miles includes a 2.9 mile segment north of Morgan Hill, and a 5.3 mile segment between San Martin and Gilroy.

M/S/C (Chu/Perry) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with DMJM+HARRIS for additional design services on the Caltrain South County Capacity Improvement Project in an amount not to exceed \$3.96 million for a new contract amount of \$7.96 million, and to extend the contract term through August 2, 2008.

17. Agreement for Relocation of Verizon/MCI, Qwest and Sprint Facilities for the Caltrain South County Capacity Improvement Program

Mr. Collins reported that Verizon/MCI, Qwest, and Sprint Fiber Optic Facilities are in conflict with the first 8.2 miles of double track construction for the Caltrain South County Capacity Improvement Program. The fiber optics must be relocated before construction begins on the South County double track project. Verizon/MCI will act as the lead agency for Sprint and Qwest and will manage the design and construction of the facilities. The estimated cost to VTA for the relocation of fiber optics facilities is \$6.5 million.

Member Perry recommended that staff coordinate with High Speed Rail planners to make sure that the new cable location does not interfere with future expansion plans.

M/S/C (Chu/Perry) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute an Agreement in the amount of \$6.5 million for the relocation of Verizon/MCI, Qwest and Sprint Company Facilities required for the Caltrain South County Capacity Improvement Program.

18. Market Segmentation Analysis: Mode Choice and Traveler Choice and Attitude Survey

Ying Smith, Sr. Transportation Planner, reported that during the month of October 2006, TP&O received a presentation on the first part of the Market Segmentation Analysis. Today, staff will present part 2 of the Market Segmentation Analysis, and this portion of the effort focuses on distributing the six market segments by geography and detailing their specific responses to a range of transportation choices. She indicated that all the information will be incorporated into the Comprehensive Operations Analysis (COA).

Ms. Ying noted that in response to a request from TP&O at its October 2006 meeting, staff will also provide a presentation on the survey methodologies.

Andrew Tang, Cambridge Systematics, Inc., provided a PowerPoint Presentation on Understanding Traveler Attitudes, Attitude-Based Market Research Survey. First, there was a Recruit Survey which asked demographic questions and questions about a respondent's trip. There were a series of choice experiments comparing driving and transit options, and attitudinal questions were asked to measure sensitivity. The Basic Survey Results of Trip Purposes from 819 respondents were: 1) 38 percent commute to work, 2) 21 percent-personal business, 3) 21 percent-shopping, 4) 20 percent-other; 5) 67 percent commute to work; and 6) 95 percent have auto available. Mr. Tang reported that the survey asked specific questions about representation of languages, household income, age, education, employment status, and commute mode share.

Mr. Tang provided a PowerPoint Presentation on the second part of the Market Segmentation Analysis. He provided a report on the following six Santa Clara County Customer Segments: 1) Transit Trippers; 2) Mellow Movers; 3) Links & Minks;

4) Boomers & Blazers; 5) Young & Restless; and 6) Movers & Shakers. He noted the size of each segment, characteristics, and geographic representation of each segment.

Upon query of Member Perry, Mr. Tang noted that he could provide the number of high transit users.

Mr. Tang referred to the next phase of the analysis, Transit Competitiveness Factor (TCF), and noted that the analysis combines transit planning factors with market segmentation research to identify places in Santa Clara County where transit is competitive. He provided a report on the following three overriding factors that make transit competitive: 1) Transportation Land Use Factors; 2) Customer Types; and 3) Trip Purposes. Mr. Tang noted that the transit potential by customer type was different. He referred to the map entitled "Transit Competitive Factor – Origins" and noted that 31 percent of trips come from transit competitive origins. He referred to the map entitled "Transit Competitive Factor – Destinations" and noted that 11 percent of trips go to transit competitive destinations.

Mr. Tang explained the connection of the TCF to the COA. The high TCF location is a high potential for transit ridership and a candidate location for transit investment. The low TCF location is a low potential for transit ridership, and a candidate location for transit disinvestment.

Vice Chairperson Chu queried about the availability of a combined report on transit destinations and origins. Mr. Tang noted that he could provide this, but it would be quite difficult.

Mr. Tang directed attention to the question, "What does the Transit Service Planning Tool do?" He noted that the Transit Service Planning Tool estimates change in ridership caused by change in transit service and incorporates market segmentation information.

Mr. Tang noted that the next steps will include developing market information to support the COA and will incorporate data into the Transit Service Planning Tool.

On order of Chairperson Sandoval, there being no objection, the Market Segmentation Analysis: Mode Choice and Traveler Choice and Attitude Survey was reviewed.

19. Draft Service Design Standards

Chris Augenstein, Transportation Planning Manager, provided a PowerPoint Presentation entitled "Transit Sustainability Policy (TSP) Standards & Service Design Guidelines. He provided a report on the TSP Key Events Timeline. To date, the TP&O has discussed the Core Principles and Policy Evaluation and Recommendation Process. The Committee will discuss the Draft Service Design Standards at today's meeting. The Committee will then discuss the Draft Transit Sustainability Policy along with the Service Design Guidelines at the December 20, 2006 TP&O meeting. The final recommendations will go before the Board of Directors at its January 4, 2007 meeting. Staff will present the COA initial service recommendations in early 2007, Draft COA

Service & Operations Plan in April 2007, and anticipates implementing the Phase 1 service changes in July 2007.

Mr. Augenstein provided an overview on the components of the TSP, highlighting: 1) Menu of Transit Options (technologies and mode application; 2) Peer Review (lessons learned and comparison of VTA and industry standards); and 3) Existing Conditions Report (plans & policies, case studies, and VTA's transit system.)

Mr. Augenstein noted the following purpose of the Service Design Guidelines: 1) Part of a policy and process for planning and implementing transit service in Santa Clara county; 2) Work more effectively with local agencies by defining mode-specific operation and facility requirements; 3) Creating practical service standards that will help VTA increase transit ridership; and 4) Matching the appropriate service option and service level to the community (market) it will serve.

Mr. Augenstein reported that the Service Design Guidelines offer design elements to optimize service by mode, including: 1) Route design; 2) Vehicle/Technology; and 3) Operating plans.

Mr. Augenstein reported that the Ridership Standards were developed based upon a peer review, existing service performance, and Service Management Plan. VTA's current standards in the Service Management Plan are 75 percent of average boardings per revenue hour. The proposed standard is "average boardings per revenue hour by mode." This will provide VTA with a larger pool of routes to review and conduct improvements. VTA will use the Ridership Standards to recommend a particular mode of technology. VTA is also developing methodology to make sure it can effectively implement BRT lines.

Mr. Augenstein reported that the benefits of the Ridership Standards are to: 1) Improve overall system performance; 2) Meet VTA goals and implement Core Principles; 3) Evaluate new services and projects; 4) Improve line performance by identifying lines that are performing below standard; and 5) Enhance services that are performing above standard. He noted that this is about an incremental approach, noting that the Standards and TSP will undergo a regular review, and if VTA needs to increase the standards, it will propose increases.

On order of Chairperson Sandoval, there being no objection, the Draft Service Design Standards were reviewed.

OTHER ITEMS

20. **1996 Measure B Program Transportation Improvement Program (MBTIP) Executive Summary of the Semi-Annual Report for December 2006**

Mr. Collins reported that on June 2, 2006, the 1996 Measure B Transportation Improvement Program (MBTIP) Revenue and Expenditure Plan for Fiscal Year 2007 was adopted by the VTA Board of Directors and Santa Clara County Board of Supervisors. The program financial status has improved with revenues increasing by \$3.7 million and forecast expenditures decreasing by \$1.7 million. When added to the ending balance forecast in June 2006, the current forecast Measure B ending balance is \$19.4 million, which is a \$5.4 million improvement since the adoption of the Report in June 2006.

Mr. Collins noted that the recommendation to approve amendments to Rail, Highway, and Program-wide project budgets for a net decrease of \$1.4 million in total program expenditures would be forwarded to the Administration and Finance Committee for action on November 16, 2006.

Mr. Collins noted that a recommendation to have the County of Santa Clara fund \$13.85 million of Measure B for two Caltrain station improvements in Palo Alto would be forwarded to the Board in January 2007. The station improvement projects are expected to be advertised in late January/early February 2007 by SamTrans/Caltrain and construction is anticipated to begin by May/June 2007.

Mr. Collins noted that VTA is looking to enter into a close-out agreement with 1996 Measure B staff, and the remaining amount of work left in the program would transfer to VTA for completion. VTA would receive the balance of the revenues in a lump sum amount to close-out any risk associated with the remainder of the projects.

On order of Chairperson Sandoval, there being no objection, the 1996 Measure B Program Transportation Improvement Program (MBTIP) Executive Summary of the Semi-Annual Report for December 2006 was reviewed.

21. Discussion of Use of Proceeds from Sale of VTA-Owned Real Properties

Mr. Burns noted that there would be continuing discussions on the Use of Proceeds from Sales of VTA-Owned Real Properties and on Item #22. Joint Development-Developer Selection Criteria.

Mr. Burns reported that at the July 20, 2006 Board of Directors Committee of the Whole meeting, Board Member Kerr asked "How the proceeds from the sale of VTA-owned properties would be used?" Mr. Burns indicated that one-time income from the sale of real property associated with Joint Development of VTA-owned land may be deposited in a dedicated real property income fund. Income from ground leases is recurring income that is received by VTA monthly and is usually increased on an annual basis. Revenues from ground leases would be used to support the cost of operation of VTA's Joint Development Program and VTA transit operations.

Chairperson Sandoval asked, "When staff provides a recommendation to the Board of Directors to consider selling or leasing surplus land, will the pros and cons also be provided on either selling or leasing the surplus land?" David Miller, AICP, Commercial

Development Manager noted that staff would present both ground lease and for sale offers to the Board of Directors and at that time the pros and cons would be presented.

Member Perry expressed concern that Board Members may feel an incentive to approve something as a ground lease as opposed to a land sale, because ground lease money can be used for transit operations.

On order of Chairperson Sandoval, there being no objection, the Use of Proceeds from Sale of VTA-Owned Real Properties was discussed.

22. Joint Development – Developer Selection Criteria

Mr. Miller reported that when staff presented the Joint Developer Evaluation Committee's recommendation for Selected Developer for the West San Carlos Site in August 2006, the issue of incorporating "green building" standards into the Developer Selection Criteria was raised. In September 2006, the recommendations for the Selected Developer for the Capitol Light Rail Park & Ride Lot Site were presented at the Administration and Finance (A&F) Committee. The Committee requested a revision to the Developer Selection Criteria to give preference to local developers.

Mr. Miller reported that the Joint Development – Developer Selection Criteria was presented at the November 9, 2006 PAC meeting, and the consensus was that PAC did not support revising the Developer Selection Criteria to give preference to local developers. PAC was interested in further consideration of incorporating "green building" standards into the Developer Selection Criteria.

Mr. Miller indicated that he conducted extensive research into "green building" standards and determined that the Leadership in Energy and Environmental Design (LEED) evaluation process has been adopted by the U.S. Green Building Council, the State of California, and the Federal General Services Administration Office. Mr. Miller reported that the only mandatory LEED certification processes implemented to date are for government buildings at the federal and state level and for school buildings. On a voluntary basis, people in the building industry who construct privately used buildings may implement LEED certification processes to receive energy savings. He noted that any concerns related to green building design could be addressed in the disposition and development agreement negotiations.

Mr. Miller addressed the concern of giving preference to local developers. He noted that providing credit for local developers might potentially eliminate competition from quality development firms from other parts of California and the nation. Transit-oriented development (TOD) is a national trend and some of the best TOD companies are located across the country.

Mr. Miller noted that with respect to the arguments that were presented regarding local hiring, local purchase of materials, and local tax benefits, one cannot be competitive if local subcontractors are not hired. VTA would like to leave this competition open to get the best projects.

Member Perry expressed concern regarding the Developer Selection Criteria, noting that some of the criteria are subjective. He referred to the “Development Proposal Evaluation Matrix” and noted that he would like to weed out the more subjective criteria, such as “3. Land Use/Goals/Neighborhood Concerns” and “5. TOD Principles Met.” Member Perry commented that he essentially had to disregard the results of the matrix, because it seemed like more than half of the points were coming from subjective criteria. Member Perry asked if staff will tweak the criteria to make it more useful.

Mr. Lawson noted that staff could look at ways to assure the Board of Directors that staff evaluates the criteria objectively.

Member Perry recommended that the Board of Directors review the matrix and modify it based on which of the criteria have been objective and helpful.

Chairperson Sandoval recommended that the criteria be agendized for Board of Directors discussion in January 2007 or sometime shortly thereafter before dealing with another surplus land issue. She noted that it would be helpful to see the previous criteria and to know what compelled the Board of Directors to evolve it into the existing criteria.

Vice Chairperson Chu recommended that the item be discussed at a Board of Directors Workshop meeting.

Mr. Burns noted that staff would provide a report on the input received from the three Standing Committees pertaining to the Developer Selection Criteria and anticipates having a discussion at a Board of Directors Workshop meeting.

Mr. Burns clarified that TP&O supports the staff recommendation on the two specific issues, but recommends a re-evaluation of the existing criteria to make it less subjective. The Committee also recommends a review of the criteria that have been valuable to an individual Board Members’ decision-making process.

On order of Chairperson Sandoval, there being no objection, the Joint Development – Developer Selection Criteria was discussed.

23. Monthly Legislative History Matrix

Kurt M. Evans, Government Affairs Manager, reported that the Legislative History Matrix is the final matrix for the 2005-2006 two-year Legislative Session.

On order of Chairperson Sandoval, there being no objection, the Monthly Legislative History Matrix was reviewed.

24. Items of Concern and Referral to Administration

There were no Items of Concern and Referral to Administration.

25. Committee Work Plan

Dan Smith, Chief Operations Officer, reported that a Service Restructuring Workshop will be held at the December 20, 2006 TP&O meeting. Staff will bring a report on what has been done for the COA and apply it to how VTA might restructure its service.

Mr. Smith directed attention to the revised TP&O Work Plan and noted the following: 1) Quarterly Marketing Update scheduled for December 2006 has been deferred to January 2007; and 2) the addition of the Caltrain Capital Needs Study Subcommittee Recommendations, which will be agendized at the December 20, 2006 TP&O meeting.

On order of Chairperson Sandoval, there being no objection, the revised Committee Work Plan was reviewed and accepted.

26. Committee Staff Report

Mr. Smith reported that today VTA participated in a full-scale emergency operations center activation exercise along with the State and other agencies. The purpose of this golden guardian exercise was to improve the ability of the region's transportation providers to work with each other and the emergency services agencies to better respond to major emergencies. The exercise went well and VTA will conduct reviews to identify areas that were needed. Mr. Smith noted that Chairperson Sandoval was able to join VTA for part of the exercise.

Chairperson Sandoval noted that the exercise was a monumental event and a huge learning experience for her.

On Order of Chairperson Sandoval, there being no objection, the Committee Staff Report was received.

27. Chairperson's Report

Chairperson Sandoval recommended that as many items as possible be placed on the Consent Agenda for the December 20, 2006 TP&O meeting. She noted that if Committee Members have any questions on the Consent Agenda items to contact staff prior to the meeting.

28. Determine the Consent Agenda for the December 14, 2006 Board Meeting

CONSENT: None

REGULAR: Item #10. Authorize the General Manager to execute a contract amendment with HNTB Corporation in an amount not to exceed a total of \$36.6 million for a new total contract amount of \$60.5 million and extend the contract term to

December 31, 2008, for design and engineering services necessary to complete 65 percent design development of the surface guideway alignment portions of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$10.6 million for anticipated engineering costs through June 2007; **Item #11.** Authorize the General Manager to execute a contract amendment with the HMM/Bechtel Joint Venture in an amount not to exceed \$43.3 million, increasing the total contract amount to \$94.5 million, and extending the contract term to December 31, 2008, for project-wide support services, and design and engineering services necessary to complete 65 percent design development of the tunnel alignment portions of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$8.8 million for anticipated engineering costs through June 2007; **Item #12.** Authorize the General Manager to execute a contract amendment with STV Incorporated in an amount not to exceed \$9.5 million, increasing the total contract amount to \$20.5 million, and extending the contract term to June 30, 2008, for design and engineering services resulting in a set of documents that will be used to put together a Design-Build contract package for the construction of the Yard and Shops facilities of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$3.3 million for anticipated engineering costs through June 2007; **Item #13.** Authorize the General Manager to execute a contract amendment with Earth Tech, Inc., in an amount not to exceed \$22.0 million, increasing the total contract amount to \$38.9 million, and extending the contract term to December 31, 2008, for design and engineering services necessary to complete 65 percent design development of the passenger station facilities for the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$5.7 million for anticipated engineering costs through June 2007; **Item #14.** Authorize the General Manager to execute a contract amendment with the PGH Wong Engineering, Inc., and Parsons Brinckerhoff Quade & Douglas, Inc. (Wong/PB) Joint Venture in an amount not to exceed \$15.0 million, increasing the total contract amount to \$29.22 million, and extending the contract term to December 31, 2008, for design and engineering services necessary to complete 65 percent design development of the systems components of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$2.5 million for anticipated engineering costs through June 2007; **Item #15.** Authorize the General Manager to execute a contract amendment with Booz Allen Hamilton, Inc., in an amount not to exceed \$9.0 million, increasing the total contract amount to \$14.0 million, and extending the contract term to December 31, 2008, for design integration engineering services necessary to complete 65 percent design development of the design integration requirements of the Silicon Valley Rapid Transit Project. Also, authorize an adjustment to the current 2000 Measure A Capital Budget for fiscal year 2007 as necessary to commit \$2.0 million for anticipated engineering costs through June 2007; **Item #16.** Authorize the General Manager to execute a contract amendment with DMJM+HARRIS for additional design services on the Caltrain South County Capacity Improvement Project in an amount not to exceed \$3.96 million for a new contract amount of \$7.96 million, and to extend the contract term through August 2, 2008; and **Item #17.** Authorize the General Manager to execute an Agreement in the amount of \$6.5 million

for the relocation of Verizon/MCI, Qwest and Sprint Company Facilities required for the Caltrain South County Capacity Improvement Program.

29. Announcements

There were no Announcements.

30. Adjournment

On Order of Chairperson Sandoval, there being no objection, the meeting adjourned at 7:40 p.m.

Respectfully submitted,

Tracene Y. Crenshaw, Board Assistant
VTA Board of Directors