



BOARD OF DIRECTORS MEETING

August 3, 2006

MINUTES

1. CALLED TO ORDER

The Regular Meeting of the Santa Clara Valley Transportation Authority's (VTA) Board of Directors was called to order by Chairperson Chavez at 5:32 p.m. in the Isaac Newton Senter Auditorium, County Government Center, 70 West Hedding Street, San Jose, California.

2. ROLL CALL

Board Member Sandoval took her seat at 5:33 p.m.

Members Present

Jim Beall, Ex-Officio
David Cortese
Nora Campos
Cindy Chavez, Chairperson
Dean Chu, Vice Chairperson
Don Gage
Dennis Kennedy
Breene Kerr
Liz Kniss
John McLemore, Ex-Officio
Madison Nguyen
Greg Perry
Dolly Sandoval
Forrest Williams

Alternates Present

Norman Kline, Alternate
Jamie Matthews, Alternate
Pete McHugh, Alternate

Members Absent

None

Alternates Absent

Al Pinheiro, Alternate
Ken Yeager, Alternate

* Alternates do not serve unless participating as a Member.

A quorum was present.

Board Member Cortese took his seat at 5:34 p.m.

Board Member Kerr took his seat at 5:35 p.m.

Chairperson Chavez changed the order of the Board Meeting Agenda and moved Agenda Item #6. Orders of the Day, to the beginning of the Agenda.

The Agenda was taken out of order.

6. ORDERS OF THE DAY

Chairperson Chavez noted the following Addendum to the Agenda: Item 15.X. Review the Paratransit Operations - Vehicles, Fueling, Facility, and Vendor Contract and Item 25.X. Receive a report on the Joint Development Program: Developer Selection Criteria.

Chairperson Chavez requested that Agenda Item #3. Adjourn to Closed Session, Agenda Item #4. Closed Session Report, and Agenda Item #5. Authorize the General Manager to amend and extend the terms and conditions of a labor agreement negotiated between Santa Clara Valley Transportation Authority and Transportation Authority Engineers and Architects Association (TAEA), be placed towards the end of the Agenda.

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

7. AWARDS AND COMMENDATIONS

Ex-Officio Board Member Beall took his seat at 5:36 p.m.

A. Employees of the Month for July 2006

Chairperson Chavez presented awards to Carolyn Ferguson, Information Systems Analyst II, River Oaks Administration; Robert Kiesser, Coach Operator, Cerone Division Operations; Malcolm Washington, Facility Worker, Light Rail Maintenance, as VTA Employees of the Month for July 2006.

Board Member Kniss took her seat at 5:40 p.m.

B. Employees of the Month for August 2006

Chairperson Chavez presented awards to Phillip Vaughn, Bus Technical Trainer, Chaboya Division Administration; and Fonotaga Soli, Coach Operator, Cerone Division Operations, as VTA Employees of the Month for August 2006. Lehmer Sidhu, Electro Mechanic, Light Rail Maintenance, was unable to attend.

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

C. Award of Financial Reporting Achievement – Government Finance Officers Association

Susan Stark, VTA Controller, introduced Grace Salandanan, Fiscal Resources Manager and indicated that Ms. Salandanan is being honored for receiving the National Award for Excellence in Financial Reporting. Ms. Stark indicated that this is not an easy award to win, noting that there are a very large number of criteria that must be met. She noted that she is very proud of Ms. Salandanan and expressed her congratulations.

Chairperson Chavez recognized Grace Salandanan, Fiscal Resources Manager, Accounting and Compliance Review, for receiving the Government Finance Officers Association Award of Financial Reporting Achievement and presented her with the award.

8. REPORT FROM THE GENERAL MANAGER

Michael T. Burns, General Manager, reported that VTA provided approximately 82 light rail vehicles to transport passengers to and from the July 4th America Festival and fireworks show in downtown San Jose.

Mr. Burns referred to the 2006 Grand Prix and reported that VTA worked closely with the City of San Jose Department of Transportation and Grand Prix organizers to serve its existing riders and event attendees during the three-day event, which was held on Friday, July 28; Saturday, July 29; and Sunday, July 30. He noted that VTA: 1) created a special operating plan for light rail that included increased service and bus bridges; 2) rerouted bus around the event; 3) developed a comprehensive communications and promotion plan; 4) provided a direct link to the Grand Prix website on the VTA website; and 5) provided nearly 50 VTA customer service ambassadors at key stations and locations throughout the service area to assist persons who were taking VTA to and from the Grand Prix. The estimated light rail ridership for the three-day event was about 108,000, which was about 42,000 higher than a normal Friday, Saturday, and Sunday.

Mr. Burns thanked all the VTA employees who worked to provide transit service and those who served as customer service ambassadors at stations and transfer locations throughout the service area. He noted that the event was a success.

Mr. Burns referred to VTA's downtown platform retrofit project and the concerns raised regarding the schedule of the project. He indicated that in working with the downtown San Jose merchants, City of San Jose, San Jose State University, VTA was able to open the Paseo de San Antonio Light Rail Station three months ahead of schedule, before the

opening of the 2006 Grand Prix and San Jose State University school year. Mr. Burns reported that the re-opening celebration of the Paseo de San Antonio Light Rail Station was held on Wednesday, July 26, 2006, and noted the program speakers. The opening of the station was a real accomplishment. Additional work still must be completed on the station, but it will not require closure of the station while the work is being done.

Mr. Burns provided a report on VTA's ridership numbers for Fiscal Year (FY) 2006, which ended June 30, 2006. Ridership is up this year as compared to last year, and this is the first year to year increase since 2001. System ridership is up 5.8 percent compared to FY 2005; bus ridership is up 2.1 percent; and light rail ridership is up 22 percent compared to FY 2005. The increases in ridership during FY 2006 can be attributed to the following factors: 1) a slow but steady increase in the local economy; 2) the introduction of new transit services in 2006, such as Rapid Line 522 and Vasona Light Rail line; 3) VTA's marketing programs, such as the "Simple and Free" promotion for seniors and disabled riders from January to March 2006, "Meet the Riders" campaign, and "Summer Blast Pass" program. The 2005 San Jose Grand Prix, which was in FY 2006, the Spare the Air free days that occurred in June 2006, and the return of the San Jose Sharks also contributed to the increase in ridership.

Mr. Burns reported that as part of the planning and environmental work on the BART extension, VTA is working on the 35 percent engineering drawings, with a completion date slated by the end of this year. As part of that, VTA is progressing with its supplemental environmental activities. On July 21, 2006, a Notice of Preparation was issued in major newspapers, announced on radio stations, and over 30,000 notices were mailed to residents and businesses along the project corridor advising them of public meetings that will be held as part of the scoping process.

Mr. Burns directed attention to the flyer entitled, "BART Extension to Milpitas, San Jose and Santa Clara, August 2006 Public Scoping Meetings." The flyer contains the meeting dates, times and locations of the Public Scoping Meetings to be held on August 8, 14, 15, and 21, 2006. The purpose of the meetings is to educate the public and obtain public input on concerns of the environmental impacts of the project. The flyer is provided in four different languages.

Mr. Burns reported that VTA's Silicon Valley Rapid Transit Corridor (SVRTC) Policy Advisory Board (PAB) Meeting will be held on Wednesday, August 23, 2006. The meeting will be VTA's first opportunity to provide an update on input that was received from the Public Scoping Meetings.

Mr. Burns reported that VTA's contract with its federal lobbyist, BKSH & Associates, expires on December 31, 2006. VTA has recently issued a Request for Proposals (RFPs) for the services. The RFP was sent to approximately 70 firms in Washington, D.C. and

ads were placed in the Passenger Transport and Washington Post. Responses to the RFP are due to VTA by August 15, 2006. VTA will bring a recommendation to the Administration and Finance Committee in September 2006 and to the full Board in October 2006.

Mr. Burns reported that in early September 2006, VTA is planning to issue an RFP for its State legislative consultant services. The current contract with Smiths, Watts & Company expires on December 31, 2006. VTA anticipates completing the RFP and evaluation process and executing new contracts for its State and federal lobbyists before the end of the year.

Mr. Burns reported that Standard & Poor's (S&P) Rating Services has assigned a rating of "AA" to the 2006 Measure A Sales Tax Bonds. This underlying rating reflects the Rating Agency's opinion of the general creditworthiness of VTA. The "AA" rating indicates that VTA has a strong capacity to meet its financial commitments. The rating is an indication of the broad and diverse sales tax base in Santa Clara County, the strong annual debt service coverage based on historic and projected performance, and fully funded debt service reserves.

Mr. Burns reported that S&P Rating Services noted VTA's sound management practices, including policies that govern the Authority's investment management practices, reserve levels, debt management, use of swaps, as well as multi-year capital and operating planning and budgeting.

Mr. Burns indicated that on a related note, S&P Rating Services upgraded the underlying rating for the bonds secured by the 1976 Sales Tax from "AA" to "AA+" primarily due to the factors listed above.

B. Funding of Engineering Studies for Caltrain Improvements

Mr. Burns directed attention to the memorandum addressed to the Board of Directors on July 19, 2006, in response to Board Member Kerr's request for funding for preliminary engineering and design work on Caltrain improvements.

After financial review, VTA has determined that over the next two years, approximately \$5 million can be made available to fund preliminary engineering and environmental work for Caltrain projects as they come out of the prioritization process.

Mr. Burns indicated that he has also asked staff to prepare RFPs to begin the selection process for a list of qualified design firms to work on an assortment of Caltrain projects. This will enable VTA to start design work as soon as Caltrain project priorities are established and approved by the Board of Directors.

On order of Chairperson Chavez, there being no objection, an update regarding funding for Preliminary Engineering on identified Caltrain Capital Needs was received.

A. Update from the Chair of the Policy Advisory Committee Caltrain Capital Needs Study Subcommittee

Mr. Burns reported that at the June 15, 2006, Board of Directors Meeting, the Board requested an update on the progress of the Policy Advisory Committee (PAC) Caltrain Capital Needs Study Subcommittee. The Subcommittee was formed to provide input to staff for the Caltrain Capital Needs Study. The purpose of the study is to develop a prioritized list of Caltrain investments.

Mr. Burns introduced City of Saratoga Mayor, VTA Alternate Board Member, and PAC Caltrain Capital Needs Study Subcommittee Chairperson, Norman Kline.

Alternate Board Member Kline provided an update on the Subcommittee study and progress. He reported that the Governing Board of the Peninsula Corridor Joint Powers Board (JPB) consists of representatives from VTA, SamTrans, and the City of San Francisco. The JPB has three members from each county and the members from Santa Clara County are San Jose City Council Member Ken Yeager, County Board of Supervisor Don Gage, and Metropolitan Transportation Commission (MTC) Vice Chairperson John McLemore. SamTrans is the managing agency and administrator of the system. Mike Scanlon, SamTrans General Manager, also serves as the Caltrain General Manager. Amtrak is under contract to operate and maintain the service.

Alternate Board Member Kline reported that the total operating subsidy for FY 2006 is \$76 million; 40 percent from Santa Clara County, 41 percent from San Mateo, and 18 percent from San Francisco. The Caltrain Capital budget for 2007 is about \$222 million.

Alternate Board Member Kline reported that as VTA moves forward with its Expenditure Plan, it will be critical for VTA to have a priority list of Santa Clara County Caltrain projects ready as funding becomes available. To accomplish this task, VTA staff initiated a Caltrain Capital Needs Study Subcommittee to work with staff from local cities and Caltrain to systematically develop a prioritization

list of Caltrain Capital projects. The study has four key objectives: 1) project future service demand for Caltrain and work jointly with Caltrain staff to generate ridership projections for the years 2015 to 2030; 2) determine the capital needs, identify system requirements, and work with Caltrain and local cities to identify the potential capital needs of the projects; 3) develop a criteria for project prioritization, such as ensuring that the system is able to operate at least at current system levels; 4) develop a recommended prioritized list of projects for the Board of Directors. There are 105 projects identified to date.

Alternate Board Member Kline noted that the members of the Caltrain Capital Needs Study Subcommittee consist of himself, City of Palo Alto Vice Mayor Yoriko Kishimoto, City of Santa Clara Council Member Dominic Caserta, City of Los Gatos Council Member Steve Glickman, City of San Jose Council Member Linda LeZotte, City of Mountain View Council Member Laura Macias, City of Sunnyvale Council Member Christopher Moylan. It is anticipated that City of Morgan Hill Council Member Greg Sellers will be appointed at the next PAC meeting. The Subcommittee met twice and has discussed the following items: 1) an overview of Caltrain's system provided by Caltrain staff; 2) study purpose and schedule; 3) suggested projects from Caltrain staff; and 4) future ridership projections. In September 2006, the Subcommittee will identify the criteria to prioritize the projects. A list(s) of projects will be developed and broken down into high, medium, and low projects, and the list(s) will be presented to PAC and forwarded to the Board of Directors in January 2006.

Board Member Kerr queried if the Subcommittee will have the opportunity to identify some extremely high priority, high value projects wherein some work could begin prior to calendar year 2007. He referred to the serious situation in Mountain View. Alternate Board Member Kline noted that it is hard to come up with an approach that is somewhat neutral, and the Subcommittee will try to take a regional approach.

Upon query of Chairperson Chavez, Alternate Board Member Kline noted that an initial report from the Caltrain Capital Needs Study Subcommittee indicating the first draft list of recommendations on Caltrain Capital priorities will be provided to the Committees in October 2006.

Board Member Williams asked if project priorities could be shifted if funding is leveraged or other factors come into play that would allow projects to be constructed sooner than planned. Alternate Board Member Kline indicated that no particular formula or quantitative method would be perfect and noted the Subcommittee's voting process. Mr. Burns noted that the VTA Board will select the actual project priorities.

Board Member Perry inquired as to which projects have the greatest potential for increasing ridership on Caltrain. Mr. Burns noted that increasing ridership will be one of the criteria that the Subcommittee will be reviewing.

On order of Chairperson Chavez, there being no objection, an update from the Chair of the Policy Advisory Committee Caltrain Capital Needs Study Subcommittee was received.

Chairperson Chavez expressed her gratitude for the early completion of the station improvements (retrofitting the light rail platforms) at the Paseo de San Antonio Light Rail Station.

Chairperson Chavez also noted that very positive feedback was received from City of San Jose staff as well as the public regarding the excellent service that VTA employees provided at the 4th of July Festival and 2006 Grand Prix. Chairperson Chavez asked that Mr. Burns share the information with all the employees who provided service at the events.

9. PUBLIC PRESENTATIONS

Marc DeLong, VTA Employee and TAEA Member, directed attention to the TAEA handout that provided background information on TAEA. He indicated that TAEA is VTA's smallest labor organization (38 employees), yet it still holds major responsibility for the expansion and maintenance of VTA's infrastructure. Members have been entrusted with the delivery of projects with an estimated total of over \$100 million dollars annually. These taxpayer dollars are used for the implementation of programs directly related to improving the quality of life for all residents and visitors of Santa Clara County. Members have an average of 8-15 years of professional and technical experience. TAEA provides VTA with knowledgeable, professional staff available to make cost-effective decisions and in-house designs and provides the knowledge and expertise that enhances VTA operations and improves system efficiencies. TAEA Members have the ability to develop, implement, and manage projects or portions of large-scale projects in-house, thus saving project delivery costs to VTA and the taxpayers.

Joy Buenaflor, VTA Employee and TAEA Member, expressed concern regarding the contract negotiations between VTA and TAEA and realignment of wages. She noted that the realignment requested by TAEA Members will barely put the Members up-to-par with other agencies in the Valley. At present, TAEA salaries are significantly behind Santa Clara County Architects and Engineers.

Robert Dona, VTA Employee and TAEA Member, expressed concern that during the last several years, the role of VTA engineers have steered away from design and geared more towards design oversight. He encouraged the Board of Directors to direct staff to form a Contracting-In Committee composed of VTA engineers and management, so that the committee could review all design RFPs prior to sending them out for bid.

Joe Brenner, Professional Engineers, Local 21, indicated that the highly qualified, professional and technical expert staff represented by TAEA is unsurpassed in the transportation industry. Mr. Brenner indicated that TAEA and VTA have a shared vision and goal of providing the highest standards of quality public accountability and professional excellence. He expressed concern for ensuring that TAEA salaries are competitive and remain competitive. Local 21 conducted a salary survey of 27 public agencies of classifications doing comparable work with similar skills and qualifications and comparable cost of living. The survey showed a demonstrated need for VTA salaries to be realigned to meet the area average.

Rajwinder Sedhev, VTA Employee and TAEA President, noted that TAEA represented employees provide an overview of design and construction projects at VTA. These projects form a backbone for VTA operations, which benefits all the residents and visitors of Santa Clara County. In the recent negotiations, progress has been made in addressing issues that deal with employee professional development and in providing current standards and codes necessary to perform our functions with the highest standard of quality, professionalism, and accountability. However, TAEA Members salaries have fallen behind. He noted that a discrepancy exists in TAEA salaries and the salaries need to be brought up to par with other comparable agencies and positions.

Martin Bishop, N.E.E.D. Project, asked that Alternate Board Member Pete McHugh read the following statement into the record:

“VTA Board of Directors, today I am here to seek your endorsement as a former member and chair of the ADHOC Community on Transportation for the Mobility Impaired in carrying forward my fiduciary responsibility accountable to the County Transit Board of Supervisors to work directly with the VTA staff to ensure the county transit is fully accessible to all riders of the VTA transportation system.

Today, I am seeking your endorsement to work on the elements necessary to establish that a different type of restraint system is far less costly and harmful than the proposed four-way restraint system that will warrant a reevaluation of the mandated securement policy to be implemented January 2007. And I will do so at my own time and expense within minimal amount of VTA staff time. Essentially, at this time, I need the assistance of Jimmy Unites, former Manager of Accessible Services, as my liaison to assess with some technical issues that may occur.

VTA staff and Board of Directors, we all live here in the Silicon Valley, the hub of high technology. We owe it to ourselves to lead this nation forward with innovations that can be utilized throughout the state and the nation. Now that we

have a year to phase in a restraint system, we owe it to ourselves, because the time is now, to seek and explore a new type of mobility device restraint system, beginning as stated above I am seeking your recognition of the work that I will undertake in the following areas that will allow this Board to bring forth a reconsideration for a new type of securement device. I am going to communicate with manufacturers of amusement park ride restraint systems.

Thank you for your time and consideration.

Martin Bishop”

Tim Ranz, Interested Citizen, indicated that on Monday, May 8, 2006, at approximately 6:40 p.m. he arrived on a 522 bus at the Santa Clara Caltrain Station for the purpose of transferring to the last 32 bus scheduled to leave the Santa Clara Caltrain Station traveling west at 7:00 p.m. He indicated that taking this bus would allow him to arrive at a stop within ten minutes of his ultimate destination. Failure to catch this bus would require him to take a different bus that would ultimately take him to a stop no closer than 45 minutes from his ultimate destination. As it was 20 minutes before the bus was scheduled to leave, he wheeled his wheelchair to a spot near the front door of the bus and parked his wheelchair to wait for the bus to depart at 7:00 p.m. As he sat there, he noticed movement inside the bus indicating that the driver was inside. As the 7:00 p.m. departure time neared, an ambulatory passenger arrived and ultimately the driver opened the door of the bus and allowed the passenger to enter and then immediately shut the door. Mr. Ranz indicated that as the 7:00 p.m. departure time arrived, the driver started the engine, opened the door one last time, looked at him, and then closed the door and drove away.

Upon query of Chairperson Chavez, Mr. Burns noted that Mr. Unites is following up on the issue and would talk to Mr. Ranz.

James Wightman, Interested Citizen, expressed his gratitude to VTA for a job well done on the 2006 Grand Prix and on the platform retrofitting of the Paseo de San Antonio Light Rail Station. He expressed concern regarding burglary incidents he witnessed at the I-880 and Hostetter Light Rail Stations in Milpitas. He also suggested that VTA decrease the weekday headways from 30 to 15 minutes on the Vasona Light Rail Line.

Bruce Stevens, VTA Employee, directed attention to the memorandum he received from VTA in response to his memorandum provided to the Board of Directors at their June 1, 2006 Meeting regarding security on VTA's system. He indicated that the memorandum provided by VTA did not answer any of the questions that had been previously asked. He expressed concern regarding the understaffing of VTA Fare Inspectors and noted that the failure to enforce VTA policy is an invitation to violate it and is costing VTA loss revenue. He noted that he would like a direct answer to the ten questions provided in his memorandum.

Jerry Grace, Interested Citizen, welcomed back the Board Members and expressed concern regarding the cancellation of the Santa Clara County Board of Supervisors Meeting in June 2006.

Vice Chairperson Chu left the meeting at 6:40 p.m.

Linda Dittes, Business Agent for the American Federation of State, County, and Municipal Employees (AFSCME), Local 101, noted that she has been assigned to the VTA Bargaining Unit. Two years ago, AFSCME petitioned for a group of supervisory and mid-management employees and the recent Court of Appeals case ruled in their favor. She noted that she is looking forward to bargaining with VTA Administration and to lend her support to the TAEA Bargaining Unit.

Eugene Bradley, Santa Clara Valley Transportation Authority Riders Union, expressed concern regarding the lack of communication on VTA light rail during emergencies. He referred to a hit-and-run accident that occurred a couple of Mondays ago at around 3:00 p.m. near the civic center light rail station. He indicated that he was at Old Ironside Station trying to go to Mountain View for a training class, but was unable to get to his destination because all the trains in both directions to Mountain View were delayed due to the accident. He expressed concern that there was no announcement made over the loud speakers at Old Ironside and there were no announcements made on any of VTA's screens located at the stations. Mr. Bradley indicated that he would like to work with VTA staff, particularly with Mr. Unites, to help improve communication on light rail during emergencies.

Board Member Perry queried about VTA's policy on setting up bus bridges during a light rail or Caltrain outage. Mr. Burns noted that a combination of inspectors and Operations Control Center (OCC) determines the need to provide a bus bridge or not. If it is a Caltrain outage, there is communication with Caltrain. Once it is determined that a bus bridge is required, the bus divisions are contacted. VTA will first use operators in the division and if there are not enough operators in the division, there is a prioritized list to take vehicles from existing routes.

10. Policy Advisory Committee (PAC) Chairperson's Report

Steve Glickman, PAC Chairperson, provided a report on the June 8, 2006 PAC Meeting, highlighting: 1) PAC received an update on the Zero Emission Bus (ZEB) Demonstration Program, and the sense of the PAC was that the hydrogen technology appears to have some challenges; 2) PAC received the Third Quarter Transit Operations Performance Report; 3) PAC received a City Presentation from Sunnyvale City Council Member Christopher Moylan. Member Moylan presented an overview of the commute patterns in Sunnyvale and provided a very detailed description of the transportation issues facing the

city locally and regionally. The transportation priorities for Sunnyvale include: a. Improvements to Lawrence Expressway and Mary Avenue, b. Sunnyvale-Cupertino Corridor, and c. Improvements to Caltrain including grade separations and pedestrian access; and 4) PAC's next scheduled meeting will be August 10, 2006, and the meeting will include a City Presentation from Monte Sereno. PAC Vice Chairperson Kline will be chairing the meeting.

CONSENT AGENDA:

Chairperson Chavez noted that the Addendum to the Agenda, Item #15.X. Review the Paratransit Operations-Vehicles, Fueling, Facility, and Vendor Contract, has been placed on the Consent Agenda.

Chairperson Chavez noted that at the request of several public speakers the following Agenda Items have been removed from the Consent Agenda and placed on the Regular Agenda: Item #17. Adopt the Authorizing Resolution permitting the transfer of eight 1992 Model Year standard diesel coaches from VTA's bus fleet, and authorize the General Manager to execute a transfer agreement with the Santa Barbara Metropolitan Transit District for the transfer of the eight coaches, including the Federal Transit Administration (FTA) grant guidelines, conditions, and statutory requirements attached to the coaches; Item #18. Authorize the General Manager to execute a Funding Agreement for Transportation Fund for Clean Air Regional funds with the Bay Area Air Quality Management District (BAAQMD) for the Altamont Commuter Express (ACE) Shuttle Program; Item #19. Authorized the General Manager to increase the FY 2007 Capital Budget by \$742,050 to include the FY 2005 Transit Security Grant awarded to VTA for the purchase and installation of cameras on 20 light rail vehicles and CCTV video on demand at the Great Mall/Main and Hamilton light rail stations. In addition, adopt a Resolution authorizing the submittal and execution of grant applications and agreements, certifications and assurances and other documents as necessary to obtain federal financial assistance provided by the US Department of Homeland Security Office of State and Local Government Coordination and Preparedness Office of Domestic Preparedness (ODP). No local funds are required to match this grant. Item #20. Authorize the General Manager to execute a contract for as needed disposal of hazardous industrial waste and industrial waste emergency response services with 21st Century Environmental Management, Inc. for a term of three years, with two additional one-year options in an estimated amount of \$375,000 annually for a total of \$1,875,000 over a five-year period; and Item #21. Authorize the General Manager to enter into a one-year Memorandum of Understanding with Monterey-Salinas Transit (MST) and the Capitol Corridor Joint Powers Authority (CCJPA) to provide \$90,000 to fund and implement a new express bus route from Monterey to San Jose as a pilot program.

M/S/C (Gage/Williams) to approve the Consent Agenda, as amended.

11. Minutes of the Regular Board of Directors' Meeting of June 1, 2006

M/S/C (Gage/Williams) to approve the Minutes of the Regular Board of Directors' Meeting of June 1, 2006.

12. Minutes of the Joint Meeting of VTA Board of Directors and Santa Clara County Board of Supervisors of June 2, 2006

M/S/C (Gage/Williams) to approve the Minutes of the Joint Meeting of VTA Board of Directors and Santa Clara County Board of Supervisors of June 2, 2006.

13. Minutes of the Special Board of Directors' Meeting of June 15, 2006

M/S/C (Gage/Williams) to approve the Minutes of the Special Board of Directors' Meeting of June 15, 2006.

14. Southern Gateway Transportation and Land Use Study

M/S/C (Gage/Williams) to accept the findings of the Southern Gateway Transportation and Land Use Study.

BOARD OF DIRECTORS COMMITTEE OF THE WHOLE (COW)
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15. Programmed Projects Quarterly Monitoring Report for April to June 2006

M/S/C (Gage/Williams) to review the Programmed Projects Quarterly Monitoring Report for April to June 2006.

15.X. Paratransit Operations – Vehicles, Fueling, Facility and Vendor Contract

M/S/C (Gage/Williams) to review the Paratransit Operations – Vehicles, Fueling, Facility, and Vendor Contract.

16. Bicycle & Pedestrian Advisory Committee Appointments/Reappointments

M/S/C (Gage/Williams) to ratify the appointment of Norma Rome representing the City of Morgan Hill and reappointments of Bill Reisinger representing the City of Milpitas; John Carpenter representing the City of Mountain View; and David Simons representing the City of Sunnyvale to the Bicycle and Pedestrian Advisory Committee (BPAC) for the term ending June 30, 2008.

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

Adopt the Authorizing Resolution permitting the transfer of eight 1992 Model Year standard diesel coaches from VTA's bus fleet, and authorize the General Manager to execute a transfer agreement with the Santa Barbara Metropolitan Transit District for the transfer of the eight coaches, including the Federal Transit Administration grant guidelines, conditions, and statutory requirements attached to the coaches.

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

Authorize the General Manager to execute a Funding Agreement for Transportation Fund for Clean Air Regional funds with the Bay Area Air Quality Management District (BAAQMD) for the Altamont Commuter Express (ACE) Shuttle Program.

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

Authorize the General Manager to increase the FY 2007 Capital Budget by \$742,050 to include the FY 2005 Transit Security Grant awarded to VTA for the purchase and installation of cameras on 20 light rail vehicles and Closed Circuit Television (CCTV) video on demand at the Great Mall/Main and Hamilton light rail stations. In addition, adopt a Resolution authorizing the submittal and execution of grant applications and agreements, certifications and assurances and other documents as necessary to obtain federal financial assistance provided by the US Department of Homeland Security Office of State and Local Government Coordination and Preparedness Office of Domestic Preparedness (ODP). No local funds are required to match this grant.

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

Authorize the General Manager to execute a contract for as needed disposal of hazardous industrial waste and industrial waste emergency response services with 21st Century Environmental Management, Inc. for a term of three years, with two additional one-year options in an estimated amount of \$375,000 annually for a total of \$1,875,000 over a five-year period.

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

Authorize the General Manager to enter into a one-year Memorandum of Understanding with Monterey-Salinas Transit (MST) and the Capitol Corridor Joint Powers Authority (CCJPA) to provide \$90,000 to fund and implement a new express bus route from Monterey to San Jose as a pilot program.

ADMINISTRATION AND FINANCE COMMITTEE

There were no items submitted for the Consent Agenda by the Administration and Finance Committee.

CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE

There were no items submitted for the Consent Agenda by the Congestion Management Program and Planning Committee.

TRANSIT PLANNING AND OPERATIONS COMMITTEE

There were no items submitted for the Consent Agenda by the Transit Planning and Operations Committee.

REGULAR AGENDA

17. Resolution for the Transfer of Eight Diesel Coaches

M/S/C (Gage/Campos) to adopt Authorizing Resolution No. 06.08.16 permitting the transfer of eight 1992 Model Year standard diesel coaches from VTA's bus fleet, and authorize the General Manager to execute a transfer agreement with the Santa Barbara Metropolitan Transit District for the transfer of the eight coaches, including the Federal Transit Administration grant guidelines, conditions, and statutory requirements attached to the coaches.

18. FY 2006-07 Transportation Fund for Clean Air Regional Fund Applications

Mr. Grace expressed concern regarding the unavailability of Bay Area Air Quality Management District (BAAQMD) funds for 2006.

M/S/C (Gage/Williams) to authorize the General Manager to execute a Funding Agreement for Transportation Fund for Clean Air Regional funds with the Bay Area Air Quality Management District (BAAQMD) for the Altamont Commuter Express (ACE) Shuttle Program.

19. FY 2005 Transit Security Grant Program

Mr. Grace noted that he witnessed a theft at the Great Mall Station and expressed concern regarding the lack of security.

Board Member Kerr referred to video on demand and asked when VTA expects to have its own network. He noted that Caltrain has tested their network and successfully achieved good results. Board Member Kerr pointed out that one of the first uses for a potential broadband network on VTA's light rail would be to tie these cameras into its

Control Center. VTA could monitor the fare issue and could have the ability to instantly take a look at what is happening on light rail if an incident occurred. He indicated that he looks forward to receiving suggestions from staff as to how VTA might tie together video on demand with a potential broadband network for its system.

Mr. Burns noted that the issue is scheduled to be discussed at the Administration and Finance Committee in August 2006.

Chairperson Chavez requested that staff also provide an update at the Administration and Finance Committee on the status of camera installation in areas where there is significant local criminal activity.

M/S/C (Kerr/Gage) to authorize the General Manager to increase the FY 2007 Capital Budget by \$742,050 to include the FY 2005 Transit Security Grant awarded to VTA for the purchase and installation of cameras on 20 light rail vehicles and CCTV video on demand at the Great Mall/Main and Hamilton light rail stations. In addition, adopt Resolution No. 06.08.17 authorizing the submittal and execution of grant applications and agreements, certifications and assurances and other documents as necessary to obtain federal financial assistance provided by the US Department of Homeland Security Office of State and Local Government Coordination and Preparedness Office of Domestic Preparedness (ODP). No local funds are required to match this grant.

20. Industrial Waste Disposal, and Industrial Waste Emergency Response Services

Mr. Bradley queried about the monetary difference between the actual winning bid and losing bid. He referred to the City of San Jose legal issue regarding waste and asked that given that five of the twelve Board Members are from San Jose would that have anything to do with a certain garbage disposal company named Norcal. Chairperson Chavez indicated that the answer to the second question is “no.” Mr. Burns addressed the first question and noted that VTA provided a memorandum to the Board of Directors dated July 27, 2006, regarding the individual bidder cost comparisons and that a copy of the memorandum would be provided to Mr. Bradley.

Board Member Perry indicated that the report contained a proposed method and alternate method from a number of different providers. He queried if it is the same proposed and same alternate method that crossed all of them or are we asking each provider to offer a couple of different disposal methods for each. Michael Hursh, Deputy Director of Bus and Rail Maintenance, noted that the bidders were given an opportunity to propose an alternate method. Generally, it was transport and store or incinerate.

Board Member Perry inquired about the purpose of the alternate method. Mr. Hursh responded that the purpose is to look for the most effective way and cost effective means to handle the waste.

M/S/C (Gage/Williams) to authorize the General Manager to execute a contract for as needed disposal of hazardous industrial waste and industrial waste emergency response services with 21st Century Environmental Management, Inc. for a term of three years, with two additional one-year options in an estimated amount of \$375,000 annually for a total of \$1,875,000 over a five-year period.

21. Monterey to San Jose Express Memorandum of Understanding

Mr. Bradley expressed support for the implementation of a new express bus route from Monterey to San Jose. He noted, however, there are a couple of questions and concerns that have come up. First, since the service will provide only three buses everyday (one bus in the morning, afternoon, and evening), does VTA have contingency plans if buses become overcrowded and the driver has to pass up a stop or turn away passengers due to overcrowding.

Second, Mr. Bradley asked if VTA has a plan to extend the contract beyond one year if ridership warrants.

Thus, Mr. Bradley suggested that the bus be extended to north San Jose and Lockheed. He requested that staff provide a follow-up to the questions asked.

Zakhary Mallet, Interested Citizen, noted that the Monterey-Salinas Transit (MST) previously provided service from Salinas to Gilroy and Monterey to Gilroy; however, the service was discontinued due to low ridership. He noted that he understands that the service will be re-implemented and that the service will be extended from the Gilroy Caltrain Station to Diridon Station, a corridor that is already serviced by Caltrain. Caltrain provides faster service that services more localities, and the new express bus route will not be able to provide this type of service. He believes that the dollars can be better spent on a wider range of commute-congested areas and that there is a need for a connection between the South County and the North County (i.e. Stanford Industrial Park and Shoreline Industrial Park) and for South County and north San Jose.

Andy Chow, San Jose State University Transportation Solutions, expressed his excitement that the new express bus route from Monterey to San Jose will service San Jose State University.

Upon query of Mr. Chow, Mr. Unites noted that the ECO Pass would not be available on the new express bus route.

Chairperson Chavez requested that staff talk to San Jose State University to see how many students and faculty are using the ECO Pass.

Board Member Sandoval queried if the ECO Pass can be used on the Santa Cruz Express Bus. Mr. Unites noted that if a company purchases the express ECO Pass option, it is good for the Highway 17 Express. Board Member Sandoval indicated that she would not like to see this organization have one set of rules and regulations for one express service versus another express service if the goal is to get students to utilize mass transit. She noted that as staff is looking at the idea of an express ECO Pass collaboration, that staff also look at all of the different express type of operations.

Board Member Kennedy commented that the new express bus route from Monterey to San Jose is an excellent pilot program. He noted the importance of Cal State University-Monterey students being able to access the system.

Board Member Perry queried about the annual number of riders expected to ride the new express bus route and requested that the information be provided to the Board later on.

M/S/C (Kennedy/Gage) to authorize the General Manager to enter into a one-year Memorandum of Understanding with Monterey-Salinas Transit (MST) and the Capitol Corridor Joint Powers Authority (CCJPA) to provide \$90,000 to fund and implement a new express bus route from Monterey to San Jose as a pilot program. Further, directed staff to explore options for how to ensure uniformity in fare policies related to the various express services and the ECO Pass Program through discussions with MST, San Jose State University, and Cal State University-Monterey.

BOARD OF DIRECTORS COMMITTEE OF THE WHOLE (COW) CHAIRPERSON'S REPORT – (See Agenda Item #28.A.)
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22. Capitol Expressway Light Rail Project – Final Design Services

Jack J. Collins, Chief Construction Officer, reported that Rajappan & Meyer Consulting Engineers, Inc., completed preliminary engineering for the light rail extension to Eastridge and Nieman Stations in San Jose in May 2006. This amendment in the amount of \$15.4 million will complete final design of the light rail extension to the Eastridge Transit Center over the next two years. Overall, the project that is part of the 2000 Measure A Transit Improvement Program, is scheduled to be constructed and opened for revenue service to Eastridge Shopping Center by late 2012. This final design amendment is within the estimated \$270 million budget for the project and will provide 117,000 hours of final design services. Rajappan & Meyer and many of their subconsultants, are local South Bay firms. The Small Business Enterprise (SBE) goal of 21 percent was met during the preliminary engineering phase of the project, and the contractor has committed to the same goal for the final design phase of work.

Board Member Kniss expressed concern regarding the costly amount of the final design amendment and noted she opposes the item.

Board Member Perry also expressed concern regarding the amount of the final design amendment.

M/S/C (Williams/Gage) to authorize on a vote of 9 ayes to 2 noes to 0 abstentions the General Manager to execute a contract amendment with Rajappan & Meyer Consulting Engineers, Inc. in an amount not to exceed a total of \$15,400,000 for a new contract total amount of \$27,049,059 and extend the contract term by two years to perform final design services for the Capitol Expressway Light Rail Project to the Eastridge Transit Center. Board Members Kniss and Perry opposed.

23. Budget Augmentation and Contract Amendments for the Santa Clara/Alum Rock Corridor of the Downtown East Valley Transit Improvement Project

Carolyn M. Gonot, Chief Development Officer, reported that the Santa Clara/Alum Rock Corridor considers two transit modes to provide service along the corridor, single-car light and enhanced bus. The Downtown East Valley Policy Advisory Board (DTEV PAB) engaged in an extensive discussion regarding the two modes and the need for additional outreach to the community. The DTEV PAB developed a concept for a public debate and it will focus on the two modes under consideration.

Ms. Gonot reported that at the same time the DTEV PAB was looking at an enhanced outreach process, the PAB was also looking for a modified version of the existing single-car light rail alternative. The modified project would operate on the east side of the corridor, between the existing light rail station at Capitol Avenue and 28th Street where the Five Wounds Church is located.

Ms. Gonot reported that VTA is also trying to complete the environmental document that will be under review by FTA. The traffic and air quality analyses of the document would need to be updated from their year 2001 conditions.

Ms. Gonot reported that three work elements that will be part of the budget augmentation and contract amendments are as follows: 1) update existing conditions and project alternatives in the environmental document; 2) evaluate a phased single-car light rail concept for potential inclusion as a project alternative; and 3) conduct an enhanced outreach program featuring a debate of transportation experts. The total estimated cost would be about \$600,000. EIP Associates is the environmental consultant and would also be conducting the enhanced outreach and Korve Engineering would be doing the conceptual engineering.

Ms. Gonot referred to Board Member Perry's questions raised at the July 20, 2006, Board of Directors Committee of the Whole meeting and directed attention to the memorandum addressing his questions regarding the potential transit market within the corridor.

Board Member Perry noted that the main question was, “where do people live and where are they going?” Of the people who live on the east side, only about 25 percent live within the area that is referred to as the “light rail transit traffic analysis zone.” He noted that 75 percent of the people do not live near light rail and will not live by light rail 25 years from now. So for the 75 percent, the way to downtown will be to take a bus to light rail, take light rail to Alum Rock, and then board another bus to get to downtown. Board Member Perry noted that it seems unrealistic to think that this is going to be the primary mode for people who live on the east side of San Jose to get to downtown.

Board Member Campos thanked staff for their report and noted that she looks forward to the additional outreach with the community and that it will be very productive. She indicated there is great need for improved transportation in that corridor and with higher density in Alum Rock and downtown, there is definitely the need for additional modes.

M/S/C (Campos/Gage) to A) Augment on a vote of 10 ayes to 1 noe to 0 abstentions the Downtown East Valley Santa Clara/Alum Rock Transit Improvement Project budget by \$600,000; B) Authorize the General Manager to amend the contract with EIP Associates, Inc. for the preparation of the Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the Downtown East Valley Santa Clara/Alum Rock Corridor Project, increasing the approved contract value by \$250,000 for a new contract value not to exceed \$1,152,834 and extending the term of the contract through December 31, 2008; and C) Authorize the General Manager to amend the contract with Korve Engineering, for the analysis of project alternatives and evaluation of a phased light rail concept in preparation of the EIS/EIR for the Downtown East Valley Santa Clara/Alum Rock Corridor Project, increasing the approved contract value by \$350,000 for a new contract value not to exceed \$1,517,654 and extending the term of the contract through December 31, 2008. Board Member Perry opposed.

24. Selection of Developers for Joint Development at the West San Carlos Site

David Miller, Commercial Development Director, reported that in December 2004, the Board of Directors approved a Joint Development Program, Joint Development Policy, and Developer Selection Process. On September 29, 2005, the Board of Directors approved a list of qualified developers. After that action, VTA requested qualified developers to submit formal development proposals for the West San Carlos site. On January 17, 2006, proposals were received from qualified developers.

Mr. Miller reported that on March 9, 2006, the evaluation team that was comprised of VTA and City of San Jose staff, consultants from Economic and Planning Systems (EPS), and himself, met with each of the proposers to clarify the economic terms of the proposals. In April 2006, refined proposals were received and then the evaluation team, assisted by EPS, reviewed the final proposals and scored the proposals on May 10, 2006.

Mr. Miller provided a PowerPoint Presentation on the following developers who submitted formal development proposals for the joint development of the West San Carlos site: 1) Bridge Housing Corporation and Blake Hunt Ventures; 2) Avalon Bay Corporation and ROEM Corporation; and 3) Republic Properties and Green Valley Corporation. He noted the land use, density (number of units, acre, square footage), parcel size, building height, and VTA payments (annual ground lease payment, parcel purchase) for each of the joint developers.

Mr. Miller directed attention to the “Development Proposal Evaluation Matrix” and indicated that when the Board of Directors approved the scoring criteria, the Board also approved a threshold that the project had to meet before it could be considered for an award. The threshold had to be 25 points from the total score of priority criteria, #1 – Increase Transit Ridership, #2 – Urban Design Quality, and #6 – Long & Short Term Revenue to VTA. The top-scoring proposal was from Republic Properties and Green Valley Corporation, followed by Avalon Bay Corporation and ROEM Corporation.

Chairperson Chavez directed attention to the letter dated August 3, 2006, from Council Member and VTA Alternate Board Member Ken Yeager expressing concern that his office was not contacted earlier regarding the proposals and that outreach to the community has been absent in the process. Council Member Yeager also expressed concern regarding the density and suggested that the next phase include a community outreach component and that his office, in addition to San Jose City staff, be involved in the next phase.

Board Member Kennedy referred to the two higher scoring proposals and indicated that one brings in substantial ongoing revenue to VTA’s budget. He noted that one would think that the proposal that brings in substantial ongoing revenue to VTA’s budget would give a much higher weighting to a high ground lease rate over a high cash offer. Mr. Burns commented that he would rather receive as much money as possible up front for VTA rather than an income stream that is potential.

Board Member Kerr queried if the \$20 million would be used for operations or other activities. Mr. Burns noted that staff would look for guidance from the Board of Directors and that the funds would be considered one-time funds. He noted that his preference and recommendation would be that the funds go to other one-time kinds of purchases, such as capital program, capital projects, and/or other rights-of-way purchase that is needed in other areas. The West San Carlos Site is a former bus yard and is truly a surplus site for VTA.

Board Member Gage noted that Transit Oriented Development (TOD) has been talked about a number of times. He indicated that the joint development of the West San Carlos Site is a step in the right direction and a good benchmark for future projects when talking about TOD. He recommended approval of the Republic Properties and Green Valley Corporation as the Selected Developer.

Ex-Officio Board Member Beall noted that the West San Carlos site property is in his supervisorial district and improvements need to be made in the area. He noted that the site is a blight on the neighborhood and asked that staff send someone to clean up the site.

Board Member Kerr commented that the idea of developing the site is an excellent one. He recommended that a discussion be held in the near future regarding what happens to the funds when properties are disposed.

Board Member Kerr indicated that during his review of the criteria, he did not find any mention of sustainable design and environmental stewardship in the criteria. He noted that VTA should take a look at that for future processes. He referred to this development project and suggested that the environmentally sustainable design elements be considered in the development and disposition agreement. He recommended that staff be directed to consider whether there are appropriate ways to add environmental sustainability factors to the building, noting that it is just an artist's concept. He requested that staff explore whether some additional sustainable components could be added to the very preliminary design to follow these types of principles.

Board Member Gage referred to Board Member Kerr's request and noted his concern that this was not included in the RFP nor was it reflected in the bidding process. This could pose a potential problem including increasing the cost of the project. Who would absorb the cost and would this change the scale of the project. He noted that he does not have a problem with doing this with any future project.

Board Member Sandoval indicated that VTA should review its policies to evaluate the need for any changes that would require the project to adhere to the environmental sustainability rules, policies, etc. of the city or county where that project is going to be built. She noted that the City of Cupertino now has a number of sustainability policies in its General Plan. To insert this requirement at this point on this particular action could invalidate what has already been sent out in the RFP, since that was not part of the original RFP. She noted that the City of San Jose has different sustainability policies that developers need to adhere to anyway.

Board Member Perry queried if Energy Star should be included the next time an RFP is issued for a piece of land. Chairperson Chavez noted that would be discussed under Agenda Item #25.X.

Chairperson Chavez indicated that Board Member Kerr raises an important issue, and she does not necessarily think it needs to be a cost issue. She noted that if VTA is going to take a leadership role in explaining what smart growth is, that VTA should be considerate of opportunities to make smart growth truly smart growth. The roots of smart growth lie in sustainable development.

Mr. Burns indicated that his recommendation would be that staff prepare a framework of options for how VTA would utilize the funds that are obtained from the sale of its real estate and that the item return to the Board for adoption of a policy.

Mr. Grace noted that he is in agreement with the Board's direction to staff.

M/S/C (Gage/Cortese) to designate Republic Properties and Green Valley Corporation as the Selected Developer and Avalon Bay Corporation and ROEM Corporation as the Alternate Selected Developer for the West San Carlos site. Further, directed staff to:

- 1) As part of the development agreement, to consider opportunities for incorporating environmentally sustainable design and environmental stewardship in the project;
- 2) Prepare a framework of options for how VTA would utilize the funds that are obtained from the sale of its real estate and that the item return to the Board for adoption of a policy; and
- 3) Include a community outreach component in the next phase of the project that includes discussions with Council Member Yeager, the surrounding neighborhoods throughout Council Member Yeager's district, and City staff.

**ADMINISTRATION AND FINANCE COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item #28.B.)**

There were no items submitted for the Regular Agenda by the Administration and Finance Committee.

**CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item #28.C.)**

There were no items submitted for the Regular Agenda by the Congestion Management Program and Planning Committee.

**TRANSIT PLANNING AND OPERATIONS COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item #28.D.)**

There were no items submitted for the Regular Agenda by the Transit Planning and Operations Committee.

OTHER ITEMS

25. Organizational & Financial Assessment

Board Member Perry expressed concern about the lack of information received on the proposals submitted and the lack of information received on the Hay Group. He noted that he did not feel qualified to say "yes" that the Hay Group is going to give him the information he needs to assess VTA's organizational needs.

Mr. Burns noted that the Hay Group will perform the scope of work outlined in the RFP. He noted that the proposals were made available to the public, approximately three weeks ago.

Board Member Perry requested a copy of the positive and negative reports received on the Hay Group.

Ex-Officio Board Member Beall noted his experience with the Hay Group. He indicated that while serving on the San Jose City Council, the Hay Group presented a report to Council that showed that female dominated employment classes in the City were getting approximately 30 percent less in salaries than male dominated classes. As a result, an adjustment was made to the female dominated classes and special adjustments were made to their wage levels. He noted that the Hay Group is an organization that is a predominant expert in organizational management and has worked for major metropolitan governments on that subject and other organizational management studies. The Hay Group has also worked with the County of Santa Clara on various studies and issues related to organizational management.

Mr. Burns noted that the Hay Group is an international firm with 7,000 employees and that firms like this do not stay in business without making constructive recommendations.

Upon query of Board Member Sandoval, Mr. Burns noted that the final report on the conclusion of the Organizational and Financial Assessment would be brought through the Board committee structure.

Mr. Bradley noted that he echoed Board Member Perry's comments regarding the lack of information from the various bidders about prior work, both positive and negative.

Board Member Williams noted that there was a panel to evaluate the individual companies and that the information is available.

Mr. Burns indicated that the selection committee consisted of the Chairpersons of VTA's five Advisory Committees. All five Chairpersons served as the selection panel. Mr. Burns expressed his thanks and appreciation to the selection panel for an excellent job well done.

M/S/C (Gage/Sandoval) to authorize on a vote of 10 ayes to 1 noe to 0 abstentions the General Manager to execute a contract with the Hay Group to perform an Organizational & Financial Assessment for an amount of \$511,830, to be completed on or before March 2007. In addition, authorize the General Manager to include in the contract a provision to give VTA an option to request additional services as may be identified by the Board after receipt of the Assessment to further analyze or assist in the implementation of accepted recommendations. The option will be for services by the proposed team at rates no greater than those quoted in the proposal. Board Member Perry opposed.

25.X. Joint Development Program: Developer Selection Criteria

Board Member Kerr outlined the Developer Selection Criteria that was adopted by the Board in January 2005. He expressed concern that the criteria do not reward environmentally sustainable projects. He requested that staff review the Developer Selection Criteria and return to the Board at a future meeting with suggestions for adding a ninth criterion that would reward environmentally sustainable projects that, for example, would provide points for lead certification and bronze, silver, platinum certification. He stated that this is an opportunity for VTA to “lead by example” to encourage environmentally sustainable projects.

Mr. Burns suggested that this item could be sent to all committees for feedback and suggestions on the issue.

Board Member Kennedy expressed concern about the selection criteria. He noted that the West San Carlos project, was rated lowest in the areas of urban design quality and Transit Oriented Development (TOD), yet there was no credit given for the fact that this is a “green project” because it focuses on higher density in the downtown area which is an important aspect of TOD. Board Member Kennedy expressed concerned about the weighting and scoring of projects and suggested that the evaluation criteria be revamped to include a closer review of how high-rise urban density projects are evaluated.

Board Member Perry suggested that the instructions to the developers be revised to include minimum densities. He questioned whether the current instructions were clear enough for the developers to know what VTA was looking for in terms of density since there was only one developer that submitted a proposal with somewhere near the maximum density for the West San Carlos site. He recommended that staff simplify the review process by restricting the review to consider minimum density and net present value since it is density that determines the total amount of energy consumption. He suggested that VTA leave it to the cities to implement community design and other aspects of the projects since city planning staffs will review projects. He noted that VTA’s primary concerns should be to meet minimum densities, ensure that VTA receives sufficient revenue for the value of the land, and allow city planning staffs to do the planning work on the project.

Ex-Officio Board Member Beall stated that the criteria should address a wide variety of issues including design quality, increasing transit ridership and environmental sustainability, as well as the minimum density and land value issues. He indicated that the Metropolitan Transportation Commission (MTC) allocates over \$30 million per year for Transit Oriented Development projects, and he suggested that VTA’s criteria emulate MTC’s criteria as closely as possible to increase the possibility of receiving additional revenue from MTC to support VTA’s TOD projects. Significant revenue will be available to fund TOD projects if the voters approve the State Infrastructure Bond in the November election.

Mr. Burns stated that several months ago, the Board of Directors approved two projects, the West San Carlos Site and the Capitol Site. The Capitol site has been through an evaluation process already based on the approved criteria that was adopted by the Board in January 2005.

Chairperson Chavez recommended that staff return to the Congestion Management Programming and Planning Committee (CMPP) to review VTA's Community Design and Transportation Manual guidelines that were adopted by the cities and that staff have discussions with the various planning directors.

Board Member Cortese stated that although VTA does not have any land-use jurisdiction for these projects, VTA has tremendous contractual power to indicate that it does not want to enter into contracts for development projects that do not include environmentally sustainable aspects. He expressed concern that if VTA merely hands-off the design quality aspects of the project to local city jurisdictions without being clear on the TOD criteria, individual cities would apply a variety of different criteria to these projects. He indicated that VTA should be clear on what it wants in its contracts with private developers before forwarding the project to local city jurisdictions. He added that VTA should not enter into joint venture or participatory agreements of any kind unless VTA's criteria are built into the contracts irrespective of what the land use jurisdiction wants.

Board Member Kerr requested that the Developer Selection Criteria be revised to provide an opportunity for developers to earn points in the evaluation process for being Lead Certified and further that the concerns related to minimum density be addressed. He indicated that he did not think the issue needed to go back through the committee structure. He requested that staff review the issues that were raised by the Board this evening and return to the Board with suggestions on how to deal with these issues.

Chairperson Chavez thanked the Board for the discussion, and she referred this item to back to staff for consideration and feedback.

On order of Chairperson Chavez, there being no objection, a report on the Joint Development Program: Developer Selection Criteria was received.

26. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

There were no Items of Concern and Referral to Administration.

27. MONTHLY LEGISLATIVE HISTORY MATRIX

On order of Chairperson Chavez, there being no objection, the Monthly Legislative History Matrix was accepted as contained in the Agenda Packet.

28. SUMMARY MINUTES FROM STANDING COMMITTEES

A. Board of Directors Committee of the Whole

On order of Chairperson Chavez, there being no objection, the Board of Directors Committee of the Whole Report was accepted as contained in the Agenda Packet.

B. Administration and Finance Committee

On order of Chairperson Chavez, there being no objection, the Administration and Finance Committee Cancellation Notices for June and July 2006 were accepted as contained in the Agenda Packet.

C. Congestion Management Program and Planning Committee

On order of Chairperson Chavez, there being no objection, the Congestion Management Program and Planning Committee Cancellation Notices for June and July 2006 were accepted as contained in the Agenda Packet.

D. Transit Planning and Operations Committee

On order of Chairperson Chavez, there being no objection, the Transit Planning and Operations Committee Cancellation Notices for June and July 2006 were accepted as contained in the Agenda Packet.

29. REPORTS FROM AD HOC COMMITTEES

A. Ridership Initiative to Develop Energy-Efficiency (RIDE) Task Force

On order of Chairperson Chavez, there being no objection, the Ridership Initiative to Develop Energy-Efficiency (RIDE) Task Force Reports for April, May and June 2006 were accepted as contained in the Agenda Packet.

B. Project Advisory Committee

On order of Chairperson Chavez, there being no objection, the Project Advisory Committee Report was accepted as contained in the Agenda Packet.

30. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Chairperson Chavez, there being no objection, the Committee for Transit Accessibility (CTA) Reports for June and July 2006 were accepted as contained in the Agenda Packet.

B. Citizens Advisory Committee (CAC)

On order of Chairperson Chavez, there being no objection, the Citizens Advisory Committee (CAC) Cancellation Notices for June and July 2006 were accepted as contained in the Agenda Packet.

C. Bicycle & Pedestrian Advisory Committee (BPAC)

On order of Chairperson Chavez, there being no objection, the Bicycle and Pedestrian Advisory Committee (BPAC) Cancellation Notice for June 2006 was accepted as contained in the Agenda Packet.

D. Technical Advisory Committee (TAC)

On order of Chairperson Chavez, there being no objection, the Technical Advisory Committee (TAC) Report for June 2006 and Cancellation Notice for July 2006 were accepted as contained in the Agenda Packet.

E. Policy Advisory Committee (PAC)

On order of Chairperson Chavez, there being no objection, the Policy Advisory Committee (PAC) Report for June 2006 and Cancellation Notice for July 2006 were accepted as contained in the Agenda Packet.

28. SUMMARY MINUTES FROM STANDING COMMITTEES (continued)

Upon query of Mr. Grace, Chairperson Chavez noted that the Board of Directors Committee of the Whole meeting was held in lieu of the Standing Committees.

31. REPORTS FROM JOINT POWERS BOARDS (JPBs) & REGIONAL COMMISSIONS

Chairperson Chavez advised the Board Members that the Reports from the Joint Powers Boards (JPBs) & Regional Commissions were placed in front of them on the dais.

A. Peninsula Corridor JPB

On order of Chairperson Chavez, there being no objection, the Peninsula Corridor JPB Report was received.

B. Capitol Corridor JPB

On order of Chairperson Chavez, there being no objection, the Capitol Corridor JPB Report was received.

C. Dumbarton Rail Corridor Policy Committee

On order of Chairperson Chavez, there being no objection, the Dumbarton Rail Corridor Policy Committee Report was received.

D. Metropolitan Transportation Commission (MTC)

Mr. Grace noted that MTC did not have a meeting in August 2006.

On order of Chairperson Chavez, there being no objection, the Metropolitan Transportation Committee (MTC) Report was received.

32. REPORTS FROM VTA POLICY ADVISORY BOARDS (PABs) & TASK FORCE

A. Vasona Light Rail PAB

There was no report from the Vasona Light Rail PAB.

B. Silicon Valley Rapid Transit Corridor PAB

The Silicon Valley Rapid Transit Corridor PAB Report was accepted as contained in the Agenda Packet.

C. Downtown East Valley PAB

The Downtown East Valley PAB Report was accepted as contained in the Agenda Packet.

D. Highway PAB – South

There was no report from the Highway PAB – South.

E. I-680 Sunol SMART Carpool Lane Policy Advisory Committee

There was no report from the I-680 Sunol SMART Carpool Lane Policy Advisory Committee.

33. REPORT FROM CHAIRPERSON

There was no report from the Chairperson.

34. ANNOUNCEMENTS

There were no Announcements.

3. ADJOURNED TO CLOSED SESSION at 8:44 p.m.

Board Member Gage left the meeting at 8:44 p.m.

Board Member Kerr left the meeting at 8:46 p.m.

- A.** Existing Litigation - Conference with Legal Counsel
[Government Code Section 54956.9(a)]

Name of Cases: Santa Clara Valley Transportation Authority v. Louis A. Scaglione, Jr., et al. (Santa Clara County Superior Court Nos. 1-06-CV- 065297 & 1-06-CV-065299--Complaints in Eminent Domain)

- B.** Existing Litigation - Conference with Legal Counsel
[Government Code Section 54956.9(a)]

Name of Case: John M. Rea (Acting Director of State of California Department of Industrial Relations) and AFSCME v. Santa Clara Valley Transportation Authority (6th District Court of Appeal, Case No. H028841)

- C.** Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Roger Contreras, Chief Financial Officer

Bill Lopez, Chief Administrative Officer

Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

American Federation of State, County, and Municipal Employees (AFSCME)

- D.** Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Roger Contreras, Chief Financial Officer

Bill Lopez, Chief Administrative Officer

Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

Transportation Authority Engineers and Architects (TAEA)

RECONVENED TO OPEN SESSION at 9:31 p.m.

4. CLOSED SESSION REPORT

- A. Existing Litigation - Conference with Legal Counsel
[Government Code Section 54956.9(a)]

Name of Cases: Santa Clara Valley Transportation Authority v. Louis A. Scaglione, Jr., et al. (Santa Clara County Superior Court Nos. 1-06-CV- 065297 & 1-06-CV-065299--Complaints in Eminent Domain)

There was no public reportable information.

- B. Existing Litigation - Conference with Legal Counsel
[Government Code Section 54956.9(a)]

Name of Case: John M. Rea (Acting Director of State of California Department of Industrial Relations) and AFSCME v. Santa Clara Valley Transportation Authority (6th District Court of Appeal, Case No. H028841)

There was no public reportable information.

- C. Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:
Roger Contreras, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:
American Federation of State, County, and Municipal Employees (AFSCME)

There was no public reportable information.

- D. Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:
Roger Contreras, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:
Transportation Authority Engineers and Architects (TAEA)

There was no public reportable information.

5. **(Deferred)**

Authorize the General Manager to amend and extend the terms and conditions of a labor agreement negotiated between Santa Clara Valley Transportation Authority (VTA) and Transportation Authority Engineers and Architects Association (TAEA).

35. **ADJOURNMENT**

On order of Chairperson Chavez, there being no objection, the meeting was adjourned at 9:32 p.m.

Respectfully submitted,

Tracene Y. Crenshaw, Board Assistant
VTA Board of Directors