

Date: _____ November 13, 2007

Committee Meeting Date: _____ N/A

Board Meeting Date: _____ December 13, 2007

BOARD MEMORANDUM

INFORMATION ITEM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: John Ristow
Chief CMA Officer

SUBJECT: West San Carlos Joint Venture – Status Report

FOR INFORMATION ONLY

BACKGROUND:

On August 2, 2006, the VTA Board of Directors selected Green Republic LLC as the developer for the West San Carlos site. At its March 2007 meeting, the VTA Board of Directors entered into an Exclusive Negotiations Agreement (ENA) in accordance with the Joint Development Program Policy and Developer Selection Criteria. The ENA commits VTA and the developer to negotiate exclusively with each other in good faith, over a specific period of time, a Disposition and Development Agreement (DDA).

With the approval of the ENA the Board requested to be informed of the status of the project during the ENA period. At its October meeting the Congestion Management Planning and Programming (CMPP) Committee received an update of the project and recommended that a brief presentation be provided to the Board of Directors at the soonest opportunity. At the December 2007 meeting, the Board will receive a brief presentation from staff and the development team regarding next steps and the public involvement plan.

DISCUSSION:

Since entering into negotiations, the developer and VTA have met regularly to fulfill the requirements of the ENA and structure the terms of the DDA. Most of the key deliverables, tasks, and milestones outlined in the ENA are complete, however, due to recent changes in the residential real estate market the development team has been challenged to explore a series of design alternatives to formulate a practicable project concept that will achieve the developer's and VTA's financial goals and the design expectations of VTA and the City.

Following successful negotiation of a DDA and its approval by the VTA Board, the developer will move forward with the City of San Jose entitlement approval process which will involve

securing any necessary agreements, general plan amendment, rezoning, or development permits. This process will include a public involvement process, environmental review and City staff review and conditioning of the development permit. While these entitlement activities will be the responsibility of the developer, VTA will remain involved as a partner in this joint effort, and in accordance with the terms outlined in the DDA.

It is anticipated that this property development arrangement of the West San Carlos property will result in a project that achieves the goals of the Joint Development Program, benefits VTA and the community and sets high standards for future Transit-Oriented Development (TOD) throughout the region.

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