

BOARD OF DIRECTORS MEETING

April 3, 2008

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Santa Clara Valley Transportation Authority's (VTA) Board of Directors was called to order by Chairperson Kniss at 5:37 p.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

2. ROLL CALL

Members Present

Nora Campos
David Casas
Dominic Caserta
Dean J. Chu, Ex-Officio
Don Gage
Yoriko Kishimoto
Liz Kniss, Chairperson
Sam Liccardo
Nancy Pyle
Chuck Reed
Dolly Sandoval, Vice Chairperson
Greg Sellers
Forrest Williams
Ken Yeager, Ex-Officio

Members Absent

None

Alternates Present

Bob Livengood
Pete McHugh
Chris Moylan

Alternates Absent

Dave Cortese
Kathleen King

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. ADJOURNED TO CLOSED SESSION at 5:38 p.m.

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

VTA Designated Representatives:

Joseph Smith, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

Amalgamated Transit Union (ATU)

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

Name of Cases:

Santa Clara Valley Transportation Authority v. Scaglione, Mamone, et al.
(Santa Clara Superior Court No.: 1-06-CV-065297) (Eminent Domain)

Santa Clara Valley Transportation Authority v. Scaglione, et al.
(Santa Clara Superior Court No.: 1-06-CV-065299) (Eminent Domain)

Alternate Board Member Livengood arrived at the meeting at 5:45 p.m.
Board Member Liccardo arrived at the meeting at 5:46 p.m. and entered into
Closed Session

RECONVENED TO OPEN SESSION at 5:56 p.m.

3. CLOSED SESSION REPORT

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

VTA Designated Representatives:

Joseph Smith, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

Amalgamated Transit Union (ATU)

Kevin Allmand, Assistant General Counsel reported that there was no reportable
action taken during Closed Session.

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

Name of Cases:

Santa Clara Valley Transportation Authority v. Scaglione, Mamone, et al.
(Santa Clara Superior Court No.: 1-06-CV-065297) (Eminent Domain)

Santa Clara Valley Transportation Authority v. Scaglione, et al.
(Santa Clara Superior Court No.: 1-06-CV-065299) (Eminent Domain)

Kevin Allmand, Assistant General Counsel reported that there was no reportable action taken during Closed Session.

The Agenda was taken out of order.

5. AWARDS AND COMMENDATIONS

A. Employees of the Month for April 2008 and Supervisor of the Quarter

Chairperson Kniss recognized and presented awards to Travis Weeks, Contract Administrator, River Oaks Administration; and Richard Lewis, Coach Operator, Cerone Division as Employees of the Month for April 2008.

April 2008 Employee of the Month Jeff Howard, Transit Mechanic, North Maintenance Division and Supervisor of the Quarter Mark Weilert, Transportation Supervisor, Guadalupe Division, were unable to attend.

B. Adopt Resolution of Commendation for Outgoing Alternate Board Member Kansen Chu

M/S/C (Sandoval/Gage) to adopt Resolution of Commendation No. 08.04.05 for Outgoing Alternate Board Member Kansen Chu.

C. Special Recognition to VTA Employee Rayfield Halsell

Chairperson Kniss recognized Rayfield Halsell, Transit Division Supervisor, at the Cerone Operating Division, for providing extraordinary service to the public.

Mr. Halsell's heroic and decisive action during an accident along Altamont Pass will also be recognized by the American Red Cross Santa Clara Valley Chapter . He will be honored as Good Samaritan Adult Hero during a Real Heroes Breakfast on May 21, 2008.

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

B. Adopt Resolution of Commendation for Outgoing Alternate Board Member Kansen Chu (continued)

Chairperson Kniss recognized and presented the Resolution of Commendation Outgoing Alternate Board Member Kansen Chu.

Kansen Chu, former VTA Alternate Board Member, thanked the Board of Directors for the opportunity to serve VTA.

4. ORDERS OF THE DAY

Chairperson Kniss noted staff's request to move the following agenda items immediately following the Consent Agenda: **Agenda Item #18.**, Adopt a Resolution authorizing the General Manager or his designee to agree to the terms of and execute documents relating to a negotiated sale, up to \$201 million of Sales Tax Revenue Refunding Bonds, 2008 Series A (2008 Bonds) to refund \$199 million aggregate principal amount of VTA's 1985 Equipment Trust Certificates and 2005 Sales Tax Revenue Refunding Bonds and to pay the costs of issuance; and, further authorize the General Manager or his designee to amend existing liquidity agreements for 1985 Equipment Trust Certificates and 2005 Sales Tax Revenue Refunding Bonds, and/or convert the 2005 Sales Tax Revenue Refunding Bonds to a one-year term mode, as alternative courses of action; and **Agenda Item #19.**, Adopt a Resolution authorizing the General Manager or his designee to agree to the terms of and execute documents relating to a negotiated sale, up to \$260 million of Measure A Sales Tax Revenue Refunding Bonds or Notes, 2008 Series A (Refunding Bonds) to refund \$236 million aggregate principal amount of Measure A 2006 Series A-D Sales Tax Revenue Bonds and to pay the costs of issuance; and, further authorize the General Manager or his designee to convert the Measure A 2006 Series A-D Sales Tax Revenue Bonds to a one-year term mode either on a stand alone basis or through a structured trust, as an alternative course of action.

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

6. REPORT FROM THE GENERAL MANAGER

Michael T. Burns, General Manager, provided a report noting the following:

- February 2008 is the first full month since the implementation of the New Service Plan. Overall ridership improved with weekday bus and light rail ridership increases of 5.6 and 6.9 percent, respectively compared to February 2007. This is the highest February weekday average ridership in VTA history. Fiscal Year to date ridership is up 4.6 percent compared to the same time last year;
- VTA is continuing to monitor the New Bus Service Plan and making necessary adjustments such as increased AM northbound trips and PM southbound trips for Bus Line #68;
- At the request of Policy Advisory Committee (PAC) the proposed Governance Changes will be discussed at their April 10, 2008 meeting and the Board will

consider the proposed Governance Changes on May 2008. The proposed changes are within the jurisdiction of the Board of Directors through VTA's Administrative Code.

- Field activities for the Transit Mall Rail Rehabilitation Project are now underway and when completed, will decrease the rail noise and vibration.
- The Community College State Chancellor's Office awarded a two-year grant for a total of \$600,000 to develop a Transportation Career Ladders Project. The partners for this project are San Jose City College, VTA, Work2Future, and Amalgamated Transit Union (ATU) Local 265.

Tom Fink, ATU Local 265, explained the scope of the grant and project noting that the San Jose City College was awarded the grant for the Joint Workforce Investment (JWI) Transportation Career Ladders project. JWI is a labor management partnership between VTA and ATU. The Transit Academy program goals include: enhance and expand the high-skill training program for incumbent workers; build career ladder; and attract and train disadvantaged youth and young adults for entry level careers in public transportation. The training program aligns well with the strategic spending priority for VTA and has established program evaluation criteria. The training program relies on ATU volunteers who will train and mentor newly hired or promoted employees. The program also promotes teamwork.

6.A. Measure A Revenue and Expenditure Plan Update Process and Policy Guidance

Mr. Burns stated that the purpose of this item is to introduce the proposed process and policy guidelines for the update of the Measure A Revenue and Expenditure Plan. He noted that the Measure A Revenue and Expenditure Plan is due for its two-year review and assumptions adopted last June 15, 2006 need to be updated. Furthermore, the Board has to make key major decisions on how to move forward for the following projects: BART Extension Project, Light Rail Extension to Eastridge, and Caltrain Double-tracking to Gilroy.

The update process includes the following elements: 1) Development of policy guidance; 2) revised financial model; and 3) portfolio of plans. Mr. Burns noted that the draft schedule, which involves a Board Workshop on April 25, 2008; Committee Meetings on May 15, 2008; Board adoption of Policy Guidance on June 5, 2008; Presentation of Portfolio of Plans on August 7, 2008; and August 21, 2008 Committee Meetings. The Board approval of the updated Revenue and Expenditure Plan is currently scheduled for September 4, 2008.

Report on the March 21, 2008 VTA Light Rail Derailment

Mr. Burns assured the Board and the public that VTA is a safe transportation system and VTA is committed to avoiding and preventing similar incidents in the future. He provided a PowerPoint presentation regarding the VTA Light Rail Derailment, which occurred on March 21, 2008 at 7:05 p.m., near Virginia Station. Mr. Burns stated that investigations are on-going and that VTA is committed to a comprehensive investigation of the incident.

Mr. Burns reviewed VTA specific single tracking safety procedures, description of incident, and location of incident. He also presented was a simulation of the incident noting that the train traveling southbound stopped over the switch and reversed, which are violations of operating rules. The train heading north was about 600 feet away and therefore, there was no risk of two trains colliding. As a result of the incident, there were four minor injuries; overhead support power pole and light rail vehicle were significantly damaged. Preliminary Investigations point to human error.

Mr. Burns noted that the Vehicle Recovery Process was long and difficult. The San Jose Police Department, Fire Department, and California Highway Patrol assisted in the incident. Normal service was restored for Saturday without passenger inconvenience.

VTA suspended the single-track operations until all operators are retrained, which is expected to be completed by April 25, 2008. In the interim, bus bridge service is increased to better serve closed platforms. The Platform retrofit contract is progressing without schedule delays.

Once investigations are completed, the full investigation report will be presented at the Transit Planning and Operations (TP&O) Committee and will be forwarded to the Board of Directors.

Board Member Casas requested that the Board be provided a CD containing the Measure A Financial Model, new assumptions versus old assumptions, and any source data related to the financial model prior to the April 25, 2008 Board Workshop.

Board Member Casas referred to the May 2008 Board discussion regarding the Governance Structure and expressed concern about the timing of the discussion. He noted that discussing the issue in May 2008 does not give the Board of Directors ample time think about the current and proposed VTA Board structure and representation, and Member's tenure. He noted that each Board Member should give their due diligence and careful thought into the issue in order for the Board to have a meaningful discussion.

Eugene Bradley, SCVTA Riders Union, expressed concern that the report did not address VTA Operator's training on Evacuation of Passengers during Emergency Situations. He noted that there are no signs that instruct passengers how to evacuate trains in an event of an emergency. He noted that the final investigative report should show that operators are trained on how to handle emergency passenger evacuation. He added that the newspaper reports indicate that there was no operator training on evacuation of passengers.

Mr. Burns informed the Board of Directors and the public that contrary to the newspaper reports, VTA operators are trained on emergency evacuations. Mr. Burns stated that VTA will provide Mr. Bradley information about the existing Operator Training on Emergency Evacuation.

7. **REPORT FROM THE CHAIRPERSON**

Chairperson Kniss noted that she will be appointing a Board General Counsel Search Committee at the next Board of Directors meeting to work with the Search Firm and provide a recommendation to the Board regarding recruitment for a General Counsel. She advised the Board Members to volunteer by contacting her or Jim Lawson, Senior Policy Advisory.

Chairperson Kniss added that if the Board approves **Agenda Item #10.**, Appointment of Acting General Counsel, Kevin Allmand will be the Acting General Counsel in the interim.

8. **Policy Advisory Committee (PAC) Chairperson's Report**

Chris Moylan, Board Alternate and Policy Advisory Committee (PAC) Chairperson, asked about a definitive ruling on whether alternates can participate in Closed Sessions. He provided a report regarding the PAC Meeting on March 13, 2008 highlighting the following: 1) PAC's receipt of presentations regarding Metropolitan Transportation Commission (MTC) 2035 – Proposed Vision Strategies and State-of-the-Industry Review for the Bus Rapid Strategic Plan; 2) PAC directed staff to develop a transportation system monitoring program; and 3) PAC requested that the Board of Directors postpone action on the VTA Governance at least until May 2008 to allow the PAC Members to gather input from their respective City Councils. Mr. Moylan requested Chairperson Kniss' feedback regarding which topics the Board of Directors would want the PAC to prioritize and discuss.

CONSENT AGENDA

Chairperson Kniss noted the public's request to remove the following item from Consent Agenda and place on the Regular Agenda: **Agenda Item #11.**, Authorize the General Manager to execute a sole-source procurement agreement with VenTek Transit, the original equipment manufacturer of VTA's Ticket Vending Machines (TVM's), in an amount not to exceed \$4,500,000 to replace and upgrade components of 269 TVM's used by VTA and Caltrain to support Translink®; and further, authorize the General Manager to execute a fund transfer agreement with the Metropolitan Transportation Commission (MTC) to receive grant funding for the TVM Upgrade Project.

Vice Chairperson Sandoval reminded the Board of Directors and the public that if an item is removed from the Consent Agenda and placed on the Regular Agenda, this item will be heard after all the Regular Agenda Items are heard and considered.

Board Member Liccardo referred to **Agenda Item #12.**, Authorize the General Manager to execute a fixed fee contract with Booz Allen Hamilton, Inc. (BAH) for the amount of

\$108,010 to perform a needs assessment and develop functional requirements for the replacement or potentially, remanufacturing and upgrading of VTA's bus fare collection system (Phase I). Additionally, to authorize an option in the amount of \$265,390 to provide engineering services in support of procurement, installation, and testing of such equipment (Phase II) for a maximum amount not to exceed \$373,400. He inquired about the rationale behind obtaining additional consultant services to assist VTA in the development of a Request for Proposal (RFP).

M/S/F (Casas/Kishimoto) on a vote of 6 ayes, 6 noes, and 0 abstention to move **Agenda Item #11.**, Contract to Replace and Upgrade Ticket Vending Machine Components to Support Translink before Agenda Item #15., Freight Railroad Relocation Project Resolutions of Necessity. Board Members Campos, Caserta, Kniss, Reed, Sandoval, and Williams opposed.

9. Minutes of March 6, 2008

M/S/C (Gage/Williams) to approve the Minutes of the Regular Board of Directors' Meeting of March 6, 2008.

10. Appointment of Acting General Counsel

M/S/C (Gage/Williams) to appoint Assistant General Counsel Kevin D. Allmand as Acting General Counsel for the Santa Clara Valley Transportation Authority (VTA) and establish a salary differential consistent with VTA policy. Also, authorize the General Manager to take all necessary actions to recruit candidates for the position of General Counsel, for consideration by the Board.

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

Authorize the General Manager to execute a sole-source procurement agreement with VenTek Transit, the original equipment manufacturer of VTA's Ticket Vending Machines (TVM's), in an amount not to exceed \$4,500,000 to replace and upgrade components of 269 TVM's used by VTA and Caltrain to support Translink®; and further, authorize the General Manager to execute a fund transfer agreement with the Metropolitan Transportation Commission (MTC) to receive grant funding for the TVM Upgrade Project. **(Note: Motion must be approved by at least 2/3 of the Board (8 members)).**

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

12. Advanced Farebox System Consultant Services

M/S/C (Gage/Williams) to authorize the General Manager to execute a fixed fee contract with Booz Allen Hamilton, Inc. (BAH) for the amount of \$108,010 to perform a needs assessment and develop functional requirements for the replacement or potentially, remanufacturing and upgrading of VTA's bus fare collection system (Phase I).

Additionally, to authorize an option in the amount of \$265,390 to provide engineering services in support of procurement, installation, and testing of such equipment (Phase II) for a maximum amount not to exceed \$373,400.

13. Proactive CMP Reviewed and Approved Projects Quarterly Status Report October 2007 through December 2007

M/S/C (Gage/Williams) to receive the Proactive CMP Reviewed and Approved Projects Quarterly Status Report – October 2007 through December 2007.

14. Funding Agreement for Implementation of Ramp Metering

M/S/C (Gage/Williams) to authorize the General Manager to execute a funding agreement for \$2,051,000 with the Metropolitan Transportation Commission (MTC) which specifies the roles and responsibilities to implement ramp metering on three freeway corridors in Santa Clara County.

REGULAR AGENDA

18. Variable Rate Debt Refinancing or Restructuring

Kim Koenig, Fiscal Resources Manager, reported that this item recommends one or more options, which include refunding of VTA's 1985 Equipment Trust Certificates (ETC) and/or 205 Sales Tax Revenue Refunding bonds with uninsured variable rate bonds; and amend existing liquidity agreements for both bonds; or to convert the 2005 Sales Tax Bonds to a one-year term mode. Ms. Koenig explains that this wide-variety option gives VTA the flexibility for meeting the current volatile market challenges. There were increased rates due to Bond Insurer downgrades. VTA's bonds are insured by Ambac, which has been downgraded and are on negative watch by rating agencies. As a result, VTA paid approximately \$500,000 over the last 73 days because of the weekly penalty that ranged from 1.7 to 3.3 percent.

Ms. Koenig stated that staff recommends the following: 1) Take a wait and see tactic for the 1985 ETC because VTA has not incurred any economic expense on these bonds to date; and 2) 2005 Bonds is recommended to be refunded with uninsured variable rate bonds to separate VTA from Ambac. The benefit of refunding the 2005 Bonds to immediately reduce rates that VTA pay. Refunding the bonds will approximately \$600,000 and the payback to VTA in the form of reduced rates will be within four and a half months. An alternative to refunding the 2005 bonds is to amend existing liquidity agreements to remove insurer related termination provisions or to convert from weekly variable rate demand bonds to bonds with one-year term mode.

Board Member Williams requested regular financial results update of the actions and strategies that VTA utilized for the bonds.

Board Member Kishimoto thanked staff and the Administration and Finance Committee for reviewing this item. She noted that this is an important issue that the Board needs to

carefully study because it could impact the 2000 Measure A Expenditure and Revenue Plan.

M/S/C (Gage/Caserta) to adopt Resolution No. 08.04.12 authorizing the General Manager or his designee to agree to the terms of and execute documents relating to a negotiated sale, up to \$201 million of Sales Tax Revenue Refunding Bonds, 2008 Series A (2008 Bonds) to refund \$199 million aggregate principal amount of VTA's 1985 Equipment Trust Certificates and 2005 Sales Tax Revenue Refunding Bonds and to pay the costs of issuance; and, further authorize the General Manager or his designee to amend existing liquidity agreements for 1985 Equipment Trust Certificates and 2005 Sales Tax Revenue Refunding Bonds, and/or convert the 2005 Sales Tax Revenue Refunding Bonds to a one-year term mode, as alternative courses of action.

Alternate Board Members Livengood and McHugh left the meeting at 7:10 p.m.

19. Measure A Variable Rate Debt Refinancing or Restructuring

Kim Koenig, Fiscal Resources Manager, reported that staff recommends refunding of the 2006 Series A to D (Auction Rate) bonds or to convert the bonds to a one-year term mode. She reported that there is a dramatic increase in Auction rates, representing cost to VTA of \$1.5 million from November 2007 to March 2008. The cost associated with the issuance of the bonds is about \$700,000 and the payback to VTA is expected to be within two to three months.

M/S/C (Williams/Reed) to adopt Resolution No. 08.04.13 authorizing the General Manager or his designee to agree to the terms of and execute documents relating to a negotiated sale, up to \$260 million of Measure A Sales Tax Revenue Refunding Bonds or Notes, 2008 Series A (Refunding Bonds) to refund \$236 million aggregate principal amount of Measure A 2006 Series A-D Sales Tax Revenue Bonds and to pay the costs of issuance; and, further authorize the General Manager or his designee to convert the Measure A 2006 Series A-D Sales Tax Revenue Bonds to a one-year term mode either on a stand alone basis or through a structured trust, as an alternative course of action.

Board Member Casas thanked Peter Ross, Ross Financial, for the diligence and thoroughness of their response dated March 31, 2008 regarding VTA's Variable Rate Obligations – Restructuring Options.

15. Freight Railroad Resolution Project – Resolution of Necessity

Roberta Notrangelo, Real Estate Manager, noted that Agenda Items #15 and #16 pertains to properties that need to be acquired for construction of the Freight Railroad Relocation Project in Fremont and Milpitas. If the Board adopts the resolution, it will authorize the filing of condemnation proceedings in which the compensation to be paid by VTA for each of the property interests will be determined.

Ms. Notrangelo advised Item #15 concerns Weller and AMB properties, which were continued from the February 2008 and March 2008 meetings. To date, Mr. Weller has not established that he is an Heir of Abraham Weller but he still has another opportunity

to prove that through the court proceedings. Staff is continuing to discuss potential resolution of the AMB property. In the interim, staff requests to adoption of the Resolution so that the condemnation case can be filed if necessary without further delay.

Ms. Notrangelo invited the any member of the audience to address the Board to speak on this matter.

M/S/C (Liccardo/Sellers) to close hearings and adopt the following Resolutions of Necessity determining that the public interest and necessity require the acquisition of property interests from two parcels for the Freight Railroad Relocation Project, as follows:

Resolution No. 08.04.06

Property ID/Assessor's Parcel Number/Owner – Resolution

B2605 (APN 519-1010-073-01) owned by AMB-SGP CIF-California, LLC

Resolution No. 08.04.07

Property ID/Assessor's Parcel Number/Owner

B2603 (APN 022-31-000) owned by Heirs or Devisees of Abraham Weller

16. Freight Railroad Resolution Project – Resolution of Necessity

Roberta Notrangelo, Real Estate Manager, noted that staff requests that the Hoffman Investments Parcel be deferred. Ms. Notrangelo reported that all remaining property owners, with the exception of the Heirs of De La Roza, whose heirs have not been identified, were notified of tonight's hearing. Ms. Notrangelo invited any member of the audience to address the Board to speak on this matter.

M/S/C (Gage/Caserta) to close hearings and adopt following Resolutions of Necessity determining that the public interest and necessity require the acquisition of property interests from two parcels for the Freight Railroad Relocation Project, as follows:

Resolution No. 08.04.08

Property ID/Assessor's Parcel Number/Owner

B2222 (APN 086-28-041) owned by Limar Realty

(Deferred)

Property ID/Assessor's Parcel Number/Owner

B2223 (APN 086-28-035) owned by Hoffman Investments

Resolution No. 08.04.09

Property ID/Assessor's Parcel Number/Owner

B2224 (APN 086-28-040) owned by Union Bank

Resolution No. 08.04.10

Property ID/Assessor's Parcel Number/Owner

B2606 (APN 519-1010-085-01) owned by Sirebrenik-Schwarzblatt

Resolution No. 08.04.11

Property ID/Assessor's Parcel Number/Owner

B2220 (APN 086-26-000) owned by Heirs or Devisees of Tito L. de la Roza

Chairperson Kniss and Board Member Liccardo left the meeting at 7:25 p.m.

17. Report on West San Carlos Joint Venture Public Meetings

John Ristow, Chief CMA Officer, provided a PowerPoint presentation entitled, "West San Carlos Site Community Meeting Update." He reviewed the Joint Development Project Location, VTA Joint Development Process, City of San Jose Planning Process, Public Meeting Schedules, Summary of Issues raised at Public Meetings, particularly regarding height and density; and the next steps. The Board of Directors is scheduled to consider the property sale agreement at its May 1, 2008 Regular Meeting and if approved, Green Republic will begin the entitlement process at the City of San Jose.

Michael Van Every, Green Republic, LLC, noted that Green Republic will not begin the entitlement process until after the VTA Board of Directors approves the sale of the property. He noted that a steering committee composed of key stakeholders will be formed to better understand the park land issues, traffic issues, explain the positive benefits of a high-rise development, and potentially promote VTA ridership. Mr. Van Every thanked Ex-Officio Board Member Yeager for his efforts to encourage residents in the neighborhood to attend the public meetings.

Board Member Casas referred to Nancy Ianni's letter dated April 3, 2008 and inquired how Green Republic will address the project in relation to the Midtown Plan. Mr. Van Every responded in his conversation with Former Council Member Ianni, she expressed concern to the Midtown Plan height limit, which is 90 feet and density. However, Green Republic has been reflecting the 120 feet height limit noted on the Transit Oriented Discretionary Use Policy.

Board Member Reed expressed concern about the process for the West San Carlos Joint Development, noting that the design of the project should be the jurisdiction of the City where the property is located. He recommended that VTA re-examine and improve the process for future joint development projects. He referred to the Midtown Plan and noted that although the plan is about 15-16 years old, it is still the General Plan for the area, which sets design parameters, and minimum densities (40 dwelling units and maximum of 100 dwelling units per acre). The West San Carlos property is located at a designated transit-oriented mixed use and not exclusively residential. He reiterated that the design of the project should be done not on VTA level but on the City of San Jose Planning staff. He asked why VTA conducted extended public outreach when VTA's role is to sell the land as a property owner.

Mr. Ristow clarified that VTA will not design the project. He added that VTA is currently in the process of negotiating the sale of the property with Green Republic.

Vice Chairperson Sandoval explained that the public outreach intent is to inform the community regarding the development possibilities of the property. She added that it is also an opportunity for the community to know what VTA's role is as a property seller and VTA's transportation role in relationship to the West San Carlos property. The Developer should take the public outreach comments through the City of San Jose entitlement process. She reminded Board Members that their comments should be limited to the sale of the property and not the design of the project.

Board Member Reed clarified that the discussion should be about the price and terms of the VTA property being sold.

Upon the inquiry of Board Member Caserta, Mr. Van Every responded that the steering committee will be composed of eight to 11 stakeholders from neighborhood groups. Green Republic would like to listen to the concerns of the neighborhood as they design the project.

Board Member Kishimoto inquired if the sale is contingent on certain assumptions and the timing for signing the agreement with the Developer. Mr. Ristow responded that the assumption is the base price plus the number of units. The current negotiation also sets up the terms of payment but does not go into the design or planning element of the project. The agreement will be signed prior to the entitlement process at the city level. However, Mr. Ristow stated that staff is planning to forward for Board consideration a more refined joint development process for future joint development projects.

Ex-Officio Member Yeager inquired if the sale of the property is contingent upon the entitlement process at the City San Jose level. Mr. Ristow stated that there will be performance terms as well in the agreement because payments to VTA are also determined by how fast the development occurs. The Developer needs to get the entitlement process completed.

Ex-Officio Board Member Yeager referred to the criteria used in the Developer Selection Process a few years ago. He inquired if the Midtown Specific Plan and General Plan parameters were considered when the developer proposals were evaluated. Ex-Officio Board Member Yeager informed the Board that during the public meetings there was an overwhelming disapproval of high rise (19-20 stories) development for the property. He noted that the Board needs to be aware of the upcoming issues that will come from the City of San Jose and the neighborhood that is in close proximity of the property.

Mr. Ristow stated that the Developer Selection was based on Board-adopted criteria, with eight different types of criteria, which do not deal with height. Among the criteria are: Increase Transit Ridership; Urban Design Quality; Land Use Goals; Site Plan Traffic Circulation; Transit Oriented Development Principles; and Long and Short Term Revenue to VTA. He added that a representative from the City of San Jose Planning staff was part of the selection team.

Board Member Williams inquired if the VTA and the City of San Jose Transit Oriented Policy is consistent. He noted that this may be helpful in the future joint development projects.

Mr. Ristow responded that the current proposal is consistent with the City of San Jose policy and that the City of San Jose has the ultimate decision on what type of project will be constructed on the site. He reiterated that VTA's goal are: increased ridership, establish an long-term revenue source, and have a good project that will support the transit system.

Jack Nadeau, Willow Glen Resident, expressed concern about the consequences of a high-density residential project to the neighborhood where West San Carlos is located, including increased congestion and more air pollution. He added that residential towers will not be appropriate to the current neighborhood, therefore, VTA should not be a part of this proposal and the City of San Jose should begin working to make San Jose a better city.

Helen Chapman, Shasta Hanchett Park Neighborhood Association (SH/PNA), expressed support for a development that meets the standards of the community and the city. She expressed opposition to high-density residential project and noted that this property should be developed as a "destination stop" to encourage ridership. She referred to one of the goals of the San Jose 2020 General Plan, which states, "Existing community should not be burdened by increased taxes or lowered service levels to accommodate new growth." She noted that their association welcomes the opportunity to work with VTA to reach this goal.

Richard Zappelli, Willow Glen Neighborhood Association (WGNA), concern about the lack of study that verifies that residents along the transit corridors use transit. He urged that the Board include as a condition of development that the developer conduct a comprehensive area-wide traffic study to look at the cumulative traffic congestion and environmental impacts of all the recently constructed and proposed developments.

Ruth Cavagnaro, SH/PNA, expressed interest in being part of the steering committee, to have the opportunity to voice their concerns regarding traffic, parks, etc. She stated that the public has the right to know the rationale and some details as to why a public property is being sold.

Board Member Gage left the meeting at 8:00 p.m.

Board Member Casas thanked the Developer for conducting the public outreach as the VTA Board requested. He stated that the VTA Board needs to ensure that its decision should be towards the well-being of the broader community that VTA serves through transit.

Board Member Caserta thanked the Developers for conducting public outreach and also thanked public speakers for voicing their concerns. He noted that he supported the request to do public outreach because VTA should be transparent to the public.

Vice Chairperson Sandoval thanked the Developers for conducting the public outreach and noted the importance of hearing the public comments early in the process. She reminded that as VTA Board of Directors, Members need to be mindful of its goals to increase ridership and make decisions for the best interest of the community as a whole.

Ex-Officio Board Member Yeager requested that VTA staff be prepared to answer questions about how the West San Carlos Joint Development Project will fit into the City of San Jose's General Plan and the Mid-town Specific Plan. He suggested that VTA Staff obtain feedback from City of San Jose staff regarding this matter.

On order of Vice Chairperson Sandoval, there being no objection, the Report on West San Carlos Joint Venture Public Meetings was received.

11. Contract to Replace and Upgrade Ticket Vending Machine Components to Support Translink

Bill Lopez, Chief Administrative Officer, reported that the scope of work include addition of smart card readers, enhanced video displays, development of prototype for testing, and upgrades to software and controller computers. Staff is recommending sole-source procurement agreement due to the following: Ven Tek is the original manufacturer of the Ticket Vending Machine (TVM) purchased in 1998, TVM machines have Ven Tek copyrighted and customized software and hardware, and Ven Tek will be solely accountable for functionality and reliability of the TVMs. The project expenditures will be reimbursed by the Metropolitan Transportation Commission through a combination of RM2 and Congestion Mitigation and Air Quality (CMAQ) funds.

Michael T. Burns, General Manager, noted that this request for authorization include TVMs for Caltrain as well. He also noted that this is an element for the Translink, a MTC project.

Upon inquiry of Board Member Kishimoto, Mr. Lopez responded that the new TVMs will accept debit and credit cards.

Eugene Bradley, SCVTA Riders Union, stated that the report is missing a quantitative analysis of savings resulting from contracting with Ven Tek alone.

Mr. Burns responded that the supplemental information that Mr. Bradley is interested in is available at the public table.

Jim Lawson, Senior Policy Advisory, stated that Alternate Board Member McHugh indicated that he is satisfied with the reasons for sole-source procurement and requested more information on alternative performance bond and what mitigation methods will be used.

Mr. Lopez responded that the information that Alternate Board Member McHugh requested is included in the supplemental information that was distributed prior to the Board Meeting.

M/S/C (Caserta/Kishimoto) to **authorize** the General Manager to execute a sole-source procurement agreement with VenTek Transit, the original equipment manufacturer of VTA's Ticket Vending Machines (TVM's), in an amount not to exceed \$4,500,000 to replace and upgrade components of 269 TVM's used by VTA and Caltrain to support Translink®; and further, authorize the General Manager to execute a fund transfer agreement with the Metropolitan Transportation Commission (MTC) to receive grant funding for the TVM Upgrade Project.

OTHER ITEMS

20. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

There were no Items of Concern and Referral to Administration.

21. Monthly Legislative History Matrix

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

22. SUMMARY MINUTES FROM STANDING COMMITTEES

A. Administration and Finance Committee

On order of Vice Chairperson Sandoval, there being no objection, the March 20, 2008 Minutes were accepted as contained in the Agenda packet.

B. Congestion Management Program and Planning

On order of Vice Chairperson Sandoval, there being no objection, the March 20, 2008 Minutes were accepted as contained in the Agenda packet.

C. Transit Planning and Operations Committee

On order of Vice Chairperson Sandoval, there being no objection, the March 20, 2008 Minutes were accepted as contained in the Agenda packet.

23. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Vice Chairperson Sandoval, there being no objection, the March 12, 2008 Minutes were accepted as contained in the Agenda packet.

Ernesto Salazar, Interested Citizen, stated that the VTA Board of Directors should work towards making public transportation free.

B. Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC)

On order of Vice Chairperson Sandoval, there being no objection, the March 12, 2008 Minutes were accepted as contained in the Agenda packet.

C. Bicycle & Pedestrian Advisory Committee (BPAC)

On order of Vice Chairperson Sandoval, there being no objection, the March 12, 2008 Minutes were accepted as contained in the Agenda packet.

D. Technical Advisory Committee (TAC)

On order of Vice Chairperson Sandoval, there being no objection, the March 13, 2008 Minutes were accepted as contained in the Agenda packet.

E. Policy Advisory Committee (PAC)

On order of Vice Chairperson Sandoval, there being no objection, the March 13, 2008 Minutes were accepted as contained in the Agenda packet.

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

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

A. Peninsula Corridor JPB

B. Capitol Corridor JPB

There was no report from the Capitol Corridor JPB.

C. Dumbarton Rail Corridor Policy Committee

D. Metropolitan Transportation Commission (MTC)

25. REPORTS FROM VTA POLICY ADVISORY BOARDS (PABs)

A. Vasona Light Rail PAB

There was no report from the Vasona Light Rail PAB.

B. Silicon Valley Rapid Transit Corridor PAB

There was no report from the Silicon Valley Rapid Transit Corridor PAB.

C. Downtown East Valley PAB

There was no report from the Downtown East Valley PAB.

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.

26. PUBLIC PRESENTATIONS

Charles Slater, Interested Citizen, requested that the Board of Directors consider his proposal of allowing retired military personnel with at least 20 years of service to ride free on VTA transit system using the United States Uniformed Services Identification Card.

Vice Chairperson Sandoval requested staff to examine Mr. Charles Slater's proposal.

27. ANNOUNCEMENTS

Board Member Casas asked Ex-Officio Member Yeager about the free public Wi-fi in the Board of Supervisor Chambers. Ex-Officio Board Member Yeager noted that he referred that through a referral at a County Board of Supervisors meeting and staff will report back on the issue.

Board Member Kishimoto announced that she attended the American Public Transportation Association (APTA) Legislative Conference in Washington D.C. There is publication that discusses how public transportation reduces green house gas emissions and saves energy. She noted that she is promoting "GreenTEA" as the name of the next transportation authorization bill.

Michael T. Burns, General Manager, noted that he has copies of that publication including the summary of the infrastructure report, which he will provide to the Board of Directors. Vice Chairperson Sandoval suggested including information about the "green" vehicles of VTA.

28. ADJOURNMENT

On order of Chairperson Kniss, there being no objection, the meeting was adjourned at 8:30 p.m.

Respectfully Submitted,

Elaine F. Baltao, Board Assistant
VTA Board of Directors