

BOARD OF DIRECTORS' MEETING

May 1, 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 5:33 p.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose, California. In addition, the Board of Directors Meeting will be held at one teleconference location: 1229 Pacific Street, Santa Monica, CA 90405.

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 5:36 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)]

Charisma Ladiwala v. Santa Clara Valley Transportation Authority
(Santa Clara Superior Court No. 107CV087231)

- C.** Conference with Real Property Negotiators
[Government Code Section 54956.8]

Property: 5.25 acre parcel owned by VTA near the intersection of West San Carlos and Sunol Streets, San Jose, CA

Negotiators for VTA: John Ristow, Chief CMA Officer; Kevin D. Allmand, Acting General Counsel

Negotiators for Green Republic, LLC: Michael Van Every, Republic Urban Properties LLC; Stephen R. Ledoux, Esq.

Under negotiation: Price and terms of payment for sale of Property

RECONVENED TO OPEN SESSION at 6:34 p.m.

Chairperson Kniss noted the recusal of herself and Board Member Caserta for the following item per Government Code Section 84308: **Agenda Item 25.**, Approve the agreement with Green Republic, LLC for sale of the property described as the West San Carlos Joint Development Project site according to the terms outlined in the memorandum and included in the agreement.

Chairperson Kniss encouraged the Board of Directors to review Agenda Item #25. Attachment C. Contractor Firm list to determine if they are able to participate or need to recuse per Government Code Section 84308.

Vice Chairperson Sandoval stated that she will preside over **Agenda Item #25.** and allow each member of the public one minute to present their comments on the item.

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, Acting 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)]

Charisma Ladiwala v. Santa Clara Valley Transportation Authority
(Santa Clara Superior Court No. 107CV087231)

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

- C. Conference with Real Property Negotiators
[Government Code Section 54956.8]

Property: 5.25 acre parcel owned by VTA near the intersection of West San Carlos and Sunol Streets, San Jose, CA

Negotiators for VTA: John Ristow, Chief CMA Officer; Kevin D. Allmand, Acting General Counsel

Negotiators for Green Republic, LLC: Michael Van Every, Republic Urban Properties LLC; Stephen R. Ledoux, Esq.

Under negotiation: Price and terms of payment for sale of Property

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

4. ORDERS OF THE DAY

Chairperson Kniss noted staff's request to continue the following agenda item to the June 5, 2008 Board of Directors Regular Meeting: **Agenda Item #24.**, Hearing - Notice of Intention to Adopt a Resolution of Necessity determining that the public interest and necessity require the acquisition of property interests from one parcel for the Freight Railroad Relocation Project - B2607 (APN 519-1010-027-03) owned by Heirs of Theodore T. Silveria; Albert A. Silveria; Frank and Emilia F. Serpa.

Chairperson Kniss noted staff's request to continue the following agenda item to the May 15, 2008 Administration and Finance Committee Meeting: **Agenda Item #28.**, Adopt a resolution calling for a special election on November 4, 2008 to submit to the voters an advisory measure regarding the comprehensive transit program identified in Valley Transportation Plan 2035 scheduled for adoption on November 6, 2008 or amended thereafter.

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

5. AWARDS AND COMMENDATIONS

Employees of the Month for May 2008

Chairperson Kniss recognized and presented awards to Ephraim Cadaing, Management Analyst, River Oaks Administration; and Anita Jacobson, Coach Operator, North Division as Employees of the Month for May 2008. Salvador Gonzales, Transit Mechanic, North Division was unable to attend.

6. REPORT FROM THE GENERAL MANAGER

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

- Transportation Security Administration General Manager presented VTA with a plaque of recognition for diligent work in the security and operations area;
- March 2008 overall ridership increased by 3.8 percent with weekday bus and light rail ridership compared to March 2007;
- VTA will participate in the Bike to Work Day scheduled on May 15, 2008 at the Great Mall and Downtown Mountain View Stations;
- Adding additional service to Line 168 Gilroy to San Jose Express Bus to accommodate for ridership increases; and
- Advancing the replacement work for the track curves at the Downtown Transit Mall.

7. REPORT FROM THE CHAIRPERSON

A. Appoint Board Audit Committee Appointments

Chairperson Kniss commented on the appointment of Board Member Gage as Chairperson of the Audit Committee. The Audit Committee is charged with returning to the Board of Directors with recommended modifications to the Santa Clara Valley Transportation Authority (VTA) Administrative Code and VTA Rules of Procedures defining their role and responsibilities.

M/S/C (Caserta/Campos) to appoint Directors Casas, Pyle, and Sandoval to the Board Audit Committee.

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

B. Appoint General Counsel Search Committee

Chairperson Kniss commented that the General Counsel Search Committee will review the recommendations of the Executive Search Firm and forward a recommendation to the Board of Directors for finalist candidate(s) to be interviewed and hired by the VTA Board.

M/S/C (Caserta/Campos) to appoint Directors Kniss, Liccardo, and Sandoval to the General Counsel Search Committee.

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

Chris Moylan, Board Alternate and Policy Advisory Committee (PAC) Chairperson, provided a report regarding the PAC Meeting on April 10, 2008 highlighting the following: 1) Discussed VTA's Vision and Mission Statements; 2) Approved the FY 2008/09 Transportation Fund for Clean Air Program Manager Fund; 3) Approved the additional funding for FY 07/08 Congestion Mitigation & Air Quality (CMAQ) Improvement Program Projects; and 4) PAC suggested three changes to the proposed VTA Governance recommendation. Mr. Moylan reported that the PAC recommended a Board directly elected from Countywide. Mr. Moylan urged the Board to solicit input from the PAC Committee regarding the proposed VTA Governance recommendation.

Mark Brodsky, Former Mayor of Monte Sereno, expressed concern on the current BART Extension Project and urged the Board of Directors to go back to the drawing board to consider alternatives.

Eugene Bradley, SCVTA Riders Union, stressed the importance of evacuation signage on VTA's light rail system in the event of an emergency.

Board Member Sellers recused himself for the following item per Government Code Section 84308: **Agenda Item 19.**, Approve the staff recommendations on Seven Key Policy Areas of the Habitat Conservation Plan/Natural Community Conservation Planning for submittal to the Liaison Group for consideration.

Ross Signorino, Interested Citizen, expressed concern and suggested that VTA distribute a memorandum to all employees banning the usage of cell phones while operating VTA vehicles.

CONSENT AGENDA

9. Minutes of April 3, 2008

M/S/C (Gage/Caserta) to approve the Minutes of the Regular Board of Directors' Meeting of April 3, 2008.

10. VTA Transformation Program Progress Report

M/S/C (Gage/Caserta) to receive the VTA Transformation Program Progress Report.

11. Support Position for AB 1756 (Caballero)

M/S/C (Gage/Caserta) to adopt a support position for AB 1756 (Caballero), which requires the Business, Transportation and Housing Agency to establish the “Office of Local Public-Private Partnerships” to inform local agencies and other interested stakeholders regarding the role that public-private partnerships could play in financing, constructing and/or operating fee-producing local infrastructure projects.

12. Support Position for AB 3034 (Galgiani)

M/S/C (Gage/Caserta) to adopt a support position for AB 3034 (Galgiani), which revises provisions in the existing Safe, Reliable, High-Speed Passenger Train Bond Act for the 21st Century to be submitted to the voters of California on November 4, 2008. Specifically, this bill: (a) amends and expands the descriptions of the route segments for the proposed high-speed train system; (b) makes \$9 billion in bond proceeds available for the entire 800-mile high-speed train route, rather than for just certain segments; (c) limits the amount of bond funds that could be spent on preconstruction activities; (d) requires detailed funding plans for each high-speed train system segment; and (e) establishes priorities and financial criteria for selecting construction segments.

13. Support Position for AB 1815 (Feuer)

M/S/C (Gage/Caserta) to adopt a support position for AB 1815 (Feuer), which calls for creating a 14-member California Transportation Infrastructure Funding Task Force to develop a report for the Governor and Legislature on alternatives to the current system of funding transportation infrastructure in the state by taxing road users through per-gallon fuel taxes.

14. Support Position for AB 2650 (Carter)

M/S/C (Gage/Caserta) to adopt a support position for AB 2650 (Carter), which permits Caltrans to continue to participate in a federal pilot program that allows certain states to assume the responsibilities of the Federal Highway Administration (FHWA) under the National Environmental Policy Act (NEPA) for a limited period of time to see if this approach would speed up the delivery of capital improvement projects on state highways without a lessening of environmental protection. Specifically, AB 2650 extends provisions in existing law that authorize Caltrans to consent to the jurisdiction of the federal courts with regard to the assumption of FHWA's responsibilities under NEPA and that waive the state's Eleventh Amendment protection against lawsuits brought in federal court for as long as Caltrans participates in the pilot program.

15. 2008/2009 Annual Renewal of Operations Property and Casualty Insurance Coverage

M/S/C (Gage/Caserta) to authorize the General Manager to purchase insurance coverage for Excess Liability, General and Auto Liability, Public Officials' Errors and Omissions Liability, Property/Boiler and Machinery, Inland Marine for Buses, Vans and Mobile Equipment, Inland Marine for Light Rail Vehicles, and Flood exposures for the annual Operations Program insurance renewal for an amount not to exceed \$1,831,000.

16. 2000 Measure A Program Financial Report, Fiscal Year 2007

M/S/C (Gage/Caserta) to review and accept the 2000 Measure A Program Financial Report for Fiscal Year 2007 (FY2007).

17. Palo Alto Train Depot Caffè del Doge Lease

M/S/C (Gage/Caserta) to authorize the General Manager to execute a sub-sublease (Lease) with Caffè del Doge Venezia, Inc. (Caffè) to provide a retail café operation within the Palo Alto Train Depot. Caffè will pay VTA a base rent of \$1,500 per month for the approximate area of 1,289 square feet commencing with the seventh month of retail operation. The Lease will terminate when VTA's sublease with the City of Palo Alto expires on June 30, 2013; and further, authorize the General Manager to execute a Consent Letter whereby Stanford consents to the lease between VTA and Caffè.

18. FY 08/09 Transportation Fund for Clean Air Program Manager Fund

M/S/C (Gage/Caserta) to approve the programming of FY 2008/09 Transportation Fund for Clean Air Program Manager (TFCA 40%) funds to projects.

19. Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Planning – Seven Key Policy Areas

M/S/C (Gage/Caserta) on a vote of 11 Ayes to 0 Noes to 0 Abstentions to 1 Recusal to approve the staff recommendations on Seven Key Policy Areas of the Habitat Conservation Plan/Natural Community Conservation Planning for submittal to the Liaison Group for consideration. Board Member Sellers recused.

20. Contract Award for Bus Stop Pavement and Transit Center Improvements FY 08

M/S/C (Gage/Caserta) to authorize the General Manager to execute a contract with J.J.R Construction, Inc., the lowest responsible bidder, in an amount of \$379,656 for the construction of the Bus Stop Pavement and Transit Center Improvements FY08 Project. This contract is 80 percent federally funded.

21. North Coach Division Fuel System Addition Project Construction Contract Award

M/S/C (Gage/Caserta) to authorize the General Manager to execute a contract with Balch Petroleum, the lowest responsible bidder, in the amount of \$549,850 for construction of the North Coach Division Fuel System Addition Project. This contract is 100 percent locally funded.

22. Federal Fiscal Year 2008 Federal Transit Administration Grant Applications

M/S/C (Gage/Caserta) to authorize the General Manager to submit federal Fiscal Year 2008 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5309 Fixed Guideway, and Section 5339 Alternatives Analysis funds.

23. FY 2008 – 2009 Transportation Development Act and State Transit Assistance Allocation Claim

M/S/C (Gage/Caserta) to adopt **Resolution No. 08.05.14** authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2008-2009 Transportation Development Act (TDA) and State Transit Assistance (STA) funds.

REGULAR AGENDA

24. (Continued to the June 5, 2008 Board of Directors Regular Meeting.)

Close Hearing and adopt a Resolution of Necessity determining that the public interest and necessity require the acquisition of property interests from one parcel for the Freight Railroad Relocation Project.

Property ID/Assessor's Parcel Number/Owner

B2607 (APN 519-1010-027-03) owned by Heirs of Theodore T. Silveria; Albert A. Silveria; Frank and Emilia F. Serpa

Chairperson Kniss relinquished her seat at 7:00 p.m., and
Vice Chairperson Sandoval presided over the meeting.

Board Member Caserta left his seat at 7:00 p.m.

25. Property Sale Agreement with Green Republic for West San Carlos Site

Michael T. Burns, General Manager, stated that the item is an opportunity to advance a Transit Oriented Development (TOD), which is consistent with the VTA Joint Development Program Policy. Mr. Burns stated that staff recommends the sale of VTA's excess property. VTA is not recommending a project or the design concepts, which would be under the purview of the City of San Jose.

Mr. Burns provided a brief summary of the West San Carlos property sale agreement:

- VTA will receive a minimum \$18.3 million in revenue for the property;
- VTA will receive \$1 million for transit improvement in the area;
- Sale agreement is consistent with VTA's Joint Development Program Policy;
- The City of San Jose will approve the project including the design components;
- The sale of the property allows the developer to move forward with a project application in the City of San Jose;
- The developer will be responsible for obtaining all approvals from the City of San Jose at their expense; and
- The sale will be phased with payments to VTA as phases are approved, which is a common practice for large developments.

John Ristow, Chief CMA Officer, reported that on December 9, 2004, the Board of Directors approved VTA's Joint Development Program, Policy, and Developer Selection Process. The goals of VTA's Joint Development Program are: 1) Comprehensively plan and develop the highest and best housing, office, and retail uses around station sites and along transit corridors; 2) Increase transportation system capacity by increasing transit use; and 3) Generate both a long-term source of revenue for VTA, and allow VTA to participate in the increase in the value of its real property assets over time.

Mr. Ristow provided a PowerPoint presentation entitled, "West San Carlos Sales Agreement." He reviewed the VTA Joint Development Program (JDP), JDP Development/West San Carlos Selection Process, West San Carlos Site, Site Description, Typical Development Process, Sale Agreement Outline, and the Summary of Conditions.

Mr. Ristow continued that the West San Carlos site is a 5.25 acre parcel located near the intersection of West San Carlos and Sunol Street in the City of San Jose, The current General Plan designation is Transit Oriented Mixed Use (TMU), which allows for high density residential and commercial development.

Mr. Ristow stated that staff's recommendation on the sale of the excess property is based on the analysis and findings consistent with the following JDP Policy goals and objectives:

- The recommended terms of the property sale agreement creates a long-term source of revenue for VTA;
- The design and orientation of the conceptual development plan will encourage increased transit utilization and ridership;
- The conceptual development plan exhibits high urban design standards and quality; The conceptual development plan is consistent with local jurisdiction land use goals and has and will continue to be developed with a public participation process that respects neighborhood concerns;
- The conceptual development plan provides for efficient and safe vehicular and pedestrian circulation and appears to provide adequate parking to serve both private and public demand, while maximizing shared parking opportunities;
- The conceptual development plan implements the concepts, principles, practices outlined in VTA's Community Design and Transportation (CDT) Program and will include the elements of Transit Oriented Design (TOD); and

- The conceptual development plan through its close proximity to a broad range of transit services, enhances the existing and future transportation system, operations, and infrastructure.

Board Member Reed queried if the property sale price is dependent upon the number of units in the project. Mr. Ristow responded that VTA will receive a base price for the sale of the property; however, could receive a bonus for additional approved residential units for the project if it is for the entire 8.35 acre property, which exceeds the 713 units.

Board Member Kishimoto asked who has future liability of the property remediation. Kevin Allmand, Acting General Counsel, responded that VTA is obligated to remove and dispose of all improvements on the land and perform all remediation work for the land as set forth in the soil management plan that is to be prepared by VTA with the consent and cooperation of the developer.

Board Member Kishimoto referenced the Midtown Specific Plan and queried about transit replacement parking. Mr. Ristow responded that he has no information, noting that the Midtown Specific Plan is a policy document, which is under the jurisdiction of the City of San Jose Department of Planning, Building and Code Enforcement.

Vice Chairperson Sandoval requested that the Board refrain from asking staff questions related to the Midtown Specific Plan, noting that these questions should be directed to the City of San Jose Director of Planning during his report.

Board Member Liccardo queried about the developer's obligations to complete the agreement phases. Mr. Allmand responded that once Phase I closes the developer is obligated to complete all four phases, if the developer defaults then VTA has the rights and remedies available to sue the developer.

Board Member Reed referenced Section 6.2 Changes Required by Governmental Agencies and queried about the contract. Mr. Ristow responded that VTA will not renegotiate the contract agreement, noting that substantial contract changes will be forwarded to the Board for consideration.

Ex-Officio Board Member Yeager queried if VTA would be at risk if the sale agreement is not carried out. Mr. Ristow responded, "no" that there is no risk to VTA if the transaction is not carried out. However, there is a potential financial risk since VTA will not benefit from the long-term source of revenue generated by the sale of the excess property.

Vice Chairperson Sandoval queried on purchased price for the sale of the excess property. Mr. Ristow responded that in 2006 an appraisal for the property price was established, which lead to a basis for the negotiation of the purchase price.

Vice Chairperson Sandoval requested background information on VTA's Joint Development Program. Mr. Ristow responded that VTA's Joint Development Program (JDP) was approved by the Board in January 2005.

Mr. Ristow reported that the goal of VTA's JDP focuses on creating long-term revenue sources for VTA, emphasizes planning for the highest and best uses along transit stations and rail corridors, and emphasizes increased ridership for the transit system. Mr. Ristow continued that VTA is currently developing a portfolio of potential project opportunities available, which will be forwarded to the Board in the coming months for consideration.

Michael Van Every, Green Republic, LLC, commented that there are no guarantees in land development, but noted that the City of San Jose has an established planning process in place, which has the potential to yield a \$300 million investment in a strategic corridor.

Mr. Van Every commented that Green Republic, LLC has conducted several community meetings to allow the public the opportunity to provide input on the proposed property transaction. A steering committee was created and composed of key stakeholders to deal with the issues and promote ridership on VTA's transit system. Mr. Van Every stated that Green Republic, LLC is looking forward to working collaboratively with the community and VTA in the joint development process.

Joseph Horwedel, City of San Jose Director of Planning - Building and Code Enforcement, stated that the City will review the project proposal, which may or may not be approved. Mr. Horwedel commented on the City of San Jose Planning Process, noting that the City along with the neighborhoods utilize the planning process to create and implement a vision.

The San Jose 2020 General Plan is the City's official policy concerning its future character, land use patterns, and quality of development. The General Plan describes the amount, type, and phasing of development needed to achieve the City's social, economic, and environmental goals. The General Plan addresses a wide variety of development issues, such as housing, traffic, natural resources, land uses, and public safety. The General Plan functions as a valuable decision-making tool by providing the policy framework for all land use and capital expenditure decisions made by the City of San Jose.

Mr. Horwedel commented on the Midtown Specific Plan (MSP), which is to provide detailed direction for development in the defined geographic area, from the type, location, and intensity of uses to the design and capacity of infrastructure. The intent of the MSP is to create a vital mixed-use community, planned transit facilities, and building upon the unique character and history of the area.

The intent of the MSP is to configure land uses in a manner that reinforces and maximizes transit ridership, maximize shared parking opportunities, encourage a wide range of housing types, and orient commercial and retail uses that reinforce the existing Neighborhood Business Districts along the Alameda and West San Carlos Street.

Mr. Horwedel commented that the Planning Department has recommended that the City of San Jose consider implementing the Residential Eco Pass Program where housing developments and neighborhood and community associations are located near VTA's transit system.

Ex-Officio Board Member Yeager queried about the maximum building height allowed for the proposed project. Mr. Horwedel responded that the 2020 General Plan states that the maximum building height will not exceed 120 feet; however, the MSP area is defined as 90 feet.

Board Member Kishimoto queried about replacement parking. Mr. Horwedel responded that parking goals and policies are included in the 2020 General Plan.

Board Member Casas asked if City staff has had discussions with the Green Republic, LLC. Mr. Horwedel responded that Planning staff has had several discussions with the developer. He noted that Green Republic, LLC had submitted a project application; however, the process was held off since the entitlement process was not completed.

Mr. Horwedel commented that Planning staff has had discussions with the developer to clarify the building height of the proposed project.

Board Member Campos stressed the importance to obtain community input at the beginning of the process and queried if City staff has attended the community meetings. Mr. Horwedel responded, “no” that Green Republic, LLC was directed by VTA Board to conduct the community meetings.

Board Member Williams asked if the proposed project had the ability to create an atmosphere to attract individuals. Mr. Horwedel responded that one of the goals in the 2020 General Plan is to develop a balanced and complete community in terms of land use distribution and densities, housing types and styles, economic development and job opportunities and opportunities for social and cultural expression.

Board Member Casas left his seat at 7:55 p.m.

Vice Chairperson Sandoval clarified that the recommendation is not the design of the proposed project, but to consider the sale of VTA’s excess property.

Board Member Reed referenced the Transit Oriented Mixed Use (TMU), which allows for high density residential and commercial development and queried how it will work with the MSP. Mr. Horwedel responded that it will be a challenge and additional review will be required.

Board Member Casas took his seat at 8:05 p.m.

Board Member Liccardo inquired about the calculation of the discount rate. Mr. Horwedel responded that escalation costs of construction materials are a large inflation factor that results in major discount rates.

Board Member Gage left the meeting at 8:10 p.m.

Vice Chairperson Sandoval stated that the Board will permit each individual one minute to provide their comments on this agenda item.

Mr. Bradley expressed concern that the public is only allowed one minute to provide their comments; however, the developer was granted more time to give their presentation.

Rob Steinberg, Steinberg Architects, expressed support of the project, stating that the proposed project has the potential to be a national model for Transit Oriented Development (TOD) and Smart Growth. Mr. Steinberg stated that the developer is committed to follow the Midtown Specific Plan (MSP) and the goals of the City's 2020 General Plan. Mr. Steinberg offered to partner and work collaboratively with Green Republic, LLC to develop a project model for Smart Growth.

Lawrence Ames, Willow Glen Neighborhood Association, expressed support for Transit Oriented Mixed Use (TMU) development in the area, stating that the proposed project should include office and retail space not just residential.

Robert Solis, Buena Vista Neighborhood Association, stated that the community is not opposing development, but is requesting for better project developments. Mr. Solis stressed the importance for the community to provide input at the beginning of a project process to not waste time and money.

Susan Bradley, Interested Citizen, expressed opposition of the property sale agreement between VTA and Green Republic, LLC. Ms. Bradley expressed opposition to the proposed high density residential project.

Brian Ward, Buena Vista Neighborhood Association, expressed opposition of the proposed project. Mr. Ward urged the Board to not support the property sale agreement with Green Republic, LLC.

Advocates for Smart Growth in San Jose provided a PowerPoint presentation entitled, "Comments regarding the approval of the agreement with Green Republic, LLC for sale of the property described as the West San Carlos Joint Development Project." The Advocates presentation reviewed the 1) View: Land sale terms poor return for VTA, 2) Design and Orientation not optimal for ridership, 3) Quality is not represented in plan, 4a) Does not serve area land use goals, 4b) Inadequate public involvement, 5) Inadequate service levels for vehicles and pedestrians, 6) Does not follow VTA/CDT Best Practices for Transit Oriented Design (TOD), and 7) Use not to be confused with enhancement.

Lorie Bird, Shasta Hanchett Park Neighborhood Association (SHPNA), expressed opposition of the property sale agreement between VTA and Green Republic, LLC. Ms. Bird urged the Board to not endorse the property sale agreement, stating that the sale is not the best deal for VTA.

Tom Sawyer, SHPNA, stressed the importance for the Board to wait and renegotiate the property sale agreement after the City of San Jose has made the final decision regarding the developers proposed project.

Judy Broughton, Interested Citizen, expressed concern that the proposed project design does not support ridership. Ms. Broughton stated that the walkway access to the Race Street Light Rail is poor, unsafe, and unfriendly for pedestrians.

Bob Walker, Rose Garden Park Neighborhood Association (RGPNA), expressed concern that the proposed project will not benefit or add value to the community. Mr. Walker urged the Board to reject the sale agreement and begin to work to develop better decisions for the area.

Jean Dresden, Interested Citizen and Advocate for Smart Growth, stated that VTA established the Joint Development Program in 2004 and the Community Design and Transportation (CDR) Best Practices to shape the design of transit oriented projects. Ms. Dresden expressed concern that the developers proposed project does not meet with VTA's established guidelines to benefit and add value to the community.

Linda Dittes, RGPNA, expressed concern that the developers proposed project is not consistent with local jurisdiction land use goals. Ms. Dittes urged the Board to defer the sale agreement with Green Republic, LLC until the proposed project is compliant.

Erich Winkler, SHPNA, referenced the Midtown Specific Plan (MSP), which specifies 240-370 dwelling units, 60,000 square feet of retail space, and 40,000 square feet of office space. Mr. Winkler expressed concern that the developers proposed project promotes 700 or more dwelling units, 16,000 square feet of planned retail space, and no planned office space.

Ruth Cavagnaro, SHPNA, urged the Board to oppose the sale agreement with Green Republic, LLC. Ms. Cavagnaro expressed concern that the developers proposed project does not plan for new office space or new industrial and commercial development.

Deborah Arant, Advocate for Smart Growth, expressed concern that developers proposed project does not include adequate public participation or involvement. Ms. Arant expressed concern that the information on the community meetings does not reflect the detailed comments from the public.

Marc Morris, Interested Citizen, expressed concern that the developers proposed project has inadequate service levels for vehicles and pedestrians. Mr. Morris noted that the developers proposed project does not have adequate parking.

Frank Throckmorton, Interested Citizen, expressed concern that the developers proposed project does not follow VTA's Community Design and Transportation (CDR) Best Practices for Transit Oriented Design (TOD). Mr. Throckmorton expressed concern that the developer's project has minimal retail space and no office space in the proposal. Mr. Throckmorton stressed the importance for the area to have a sufficient mix of ground floor services.

Helen Chapman, SHPNA, express concern that the developers proposal does not enhance transit. Ms. Chapman stated that the developer's \$1 million pledge is not sufficient to cover the costs associated with the light rail station.

David Deanborn, Willow Glen Neighborhood Association (WGNA), stated that the City's MSP vision is accurate and the intent is to benefit the community. Mr. Deanborn

stressed the importance to live in an area with mixed use development. Mr. Deanborn urged the Board to respect the wishes of the community and oppose the sale agreement with the developer.

Richard Nieset, Interested Citizen and Advocate for Smart Growth, expressed concern that VTA is considering a sale agreement that is based on a conceptual design plan that will probably not be approved by the City of San Jose due to substantial noncompliance with local jurisdiction land use goals. Mr. Nieset stated that the financial agreement between VTA and Green Republic, LLC is not a wise financial decision for VTA.

Mr. Nieset urged the Board to defer action and take additional time to review the transaction and determine prudent alternatives.

Neil Struthers, Building Trades Council of Santa Clara County, urged the Board to approve the recommendation with Green Republic, LLC. Mr. Struthers expressed support and urged VTA to be involved in leveraging higher densities along transportation corridors. Mr. Struthers stated that the sale agreement allows VTA to share in the increase value of the land through the entitlement process. Mr. Struthers stressed the importance for VTA to not miss out on a valuable opportunity.

Richard Zappelli, Glen Neighborhood Association (WGNA), expressed his concern that staff did not respond to his request for information on the property site in a timely manner.

Jack Nadeau, WGNA, expressed opposition and urged the Board to not endorse the property sale agreement. Mr. Nadeau stated that growth is not always positive or beneficial to the community.

Terri Balandra, Fiesta Lanes Action Group (FLAG), urged the Board to deny the property sale agreement with Green Republic, LLC. Ms. Balandra stressed the importance to build an adequate transit system and implement light rail throughout the City to lessen congestion.

Chet Lockwood, FLAG, stated that the individuals who attended the six community meetings oppose the developers proposed project. Mr. Lockwood stated that the project development is inappropriate and out of scale for the area. Mr. Lockwood urged the Board to reconsider and not rush into making bad decisions for the property.

Chris Flood, SHNA, expressed concern that the proposed development will increase congestion in the area and negatively impact the community. Mr. Flood urged the Board to honor the wishes of the community and reject the sale of the property with Green Republic, LLC.

Steve Ledoux, Legal Counsel representing Green Republic, LLC, stated that the sale agreement requires that Green Republic, LLC is in compliance with the laws, VTA's policies, and meet the MSP requirements. Mr. Ledoux stated that the developer will not seek a General Plan amendment and will develop within the height limits of the City of San Jose Planning Department.

Mr. Ledoux continued that the proposed project is preliminary and stated that the developer is willing to review and rework the plan if necessary. Mr. Ledoux urged the Board to move forward with the sale agreement.

Ed Rast, WGNA, expressed concern that the proposed development does not incorporate mixed use transit development project. Mr. Rast expressed concern that community involvement was not part of the process and stressed the importance to allow for input at the beginning.

Pierluigi Oliveria, San Jose Councilmember, stated that VTA does not have the authority to decide on the proposed project. Councilmember Oliveria stated that all land use decisions located in San Jose are under the jurisdiction of the City.

Councilmember Oliveria stated that if the Board approves the sale agreement then he urged the Board to request that the proposed light rail station be built simultaneously with any project development in the area. Councilmember Oliveria proposed that VTA implement the Residential ECO Program to the residents that live and work at the site to encourage ridership.

Shiloh Ballard, Silicon Valley Leadership Group (SVLG), stressed the importance for transit system to move riders to their destinations in a timely manner. Ms. Ballard stressed the importance to seize opportunities to build mixed use transit development near transit to benefit the community.

Vice Chairperson Sandoval expressed appreciation and thanked the community for their participation and noting their concerns.

Board Member Reed stated that the recommendation is not to approve a project or concept plan, it is to approve a property sale agreement contract. Board Member Reed stated that the City of San Jose ultimately will make the final decision regarding a project concept plan that is constructed in the City. The action by the VTA Board does not have anything to do with the Board Members in their role as San Jose Council Members.

Board Member Reed continued that the VTA Board of Directors approved the Joint Development Program with the intent to generate long-term revenue sources for VTA.

Board Member Reed requested that all the public comments, documents, and the public record be forwarded to the City of San José. Board Member Reed stated that there is a lot of work to be conducted regarding the project concept plan; however, stated that the decision will take place with the City of San Jose.

Vice Chairperson Sandoval requested that all the information received by the VTA Board of Directors, the materials presented on the dais, and the PowerPoint presentations be forwarded to the City of San Jose.

Board Member Liccardo expressed his appreciation to all the individuals who have attended and participated in the West San Carlos Property discussion.

Board Member Gage expressed his support for the sale agreement for the West San Carlos property. Board Member Gage referenced the Joint Development Policy, noting that the Board established the policy to generate other sources of revenue for VTA.

Board Member Kishimoto stressed the importance for the Board to change the policy process to incorporate public comment and input earlier in the sale agreement process. Board Member Kishimoto expressed support to include the ECO Pass Program as part of the policy.

Vice Chairperson Sandoval suggested that part of VTA's property sale contract negotiations include the ECO Pass Program, which will assist VTA's goal to increase transit ridership on the system. Vice Chairperson Sandoval stressed the importance to bridge community meetings with every city's planning process.

M/S/C (Reed/Liccardo) on a vote of 9 Ayes to 0 Noes to 0 Abstentions to 2 Recusals to approve the agreement with Green Republic, LLC for sale of the property described as the West San Carlos Joint Development Project site according to the terms outlined in the memorandum and included in the agreement. Board Member Caserta and Chairperson Kniss recused.

M/S/C (Liccardo/Kishimoto) to request that staff return in the near future to the Board with an opportunity to review VTA's Joint Development Policy.

Chairperson Kniss took her seat at 9:20 p.m.

Vice Chairperson Sandoval relinquished her seat as Chairperson and Chairperson Kniss presided for the remainder of the meeting.

Board Member Caserta took his seat at 9:20 p.m.

Board Member Campos left the meeting at 9:21 p.m.

26. Regional Transportation Plan – Policy Position

John Ristow, Chief CMA Officer, reported that the Metropolitan Transportation Commission (MTC) is currently in the process of updating the Regional Transportation Plan (RTP) and developed a set of Vision Policy Strategies to direct the development of the plan. The strategies support MTC's proposed core plan elements of economy, equity, and environment and are intended to provide a framework for MTC in discussing tradeoffs between various program investment areas in the RTP that include the projects and programs submitted by the nine county Congestion Management Agencies (CMA) and regional programs submitted by MTC.

M/S/C (Pyle/Williams) to approve the Metropolitan Transportation Commission's (MTC) Regional Transportation Plan (RTP) Vision Policy Strategies with the staff recommended modifications and additions to serve as the basis for the development of VTP 2035 Policies and to establish the VTA position on the RTP Policy development.

Chairperson Kniss stressed the importance for VTA's MTC Representatives to advocate on behalf of VTA to ensure that VTA receives a fair share of funding.

Ex-Officio Board Member Chu stated that Santa Clara County represents 25 percent of the Bay Areas population and proportionally not receiving its fare share.

Board Member Kishimoto queried about funding for maintenance programs. Chris Augenstein, Planning Deputy Director, responded that MTC has conducted analysis that has identified significant cost saving benefits to fund maintenance programs over the 25 year term of the plan.

Ex-Officio Board Member Chu announced that the Metropolitan Transportation Commission (MTC) will conduct a Santa Clara County Transportation 2035 Workshop scheduled on Thursday, May 8, 2008 held at the Dr. Martin Luther King Library.

Ex-Officio Board Member Chu noted that there will be several workshops scheduled throughout the nine Bay Area Counties over the next three to four weeks.

Michael T. Burns, General Manager, stated that the Office of the Board Secretary will forward the MTC Transportation 2035 Workshop invitation notice to the Board Members.

27. Accept Availability & Utilization Study & Approve the Reestablishment of a Race Conscious Disadvantaged Business Enterprise Program

M/S/C (Casas/Williams) to review and accept the report submitted by CRA International entitled, "Measuring Minority and Woman-Owned Construction and Professional Service Firm Availability and Utilization." Additionally approve implementation of a Race Conscious Disadvantaged Business Enterprise (DBE) program.

28. (Continued to the May 15, 2008 Administration and Finance Committee Meeting.)

Adopt a resolution calling for a special election on November 4, 2008 to submit to the voters an advisory measure regarding the comprehensive transit program identified in Valley Transportation Plan 2035 scheduled for adoption on November 6, 2008 or amended thereafter.

29. VTA Governance

Michael T. Burns, General Manager, reported that the VTA Governance recommendations were discussed at the April 17, 2008 Administration and Finance (A&F) Committee. Mr. Burns stated that the Committee approved forwarding the first three recommendations for consideration to the May 1, 2008 Board Meeting, but deferred the fourth recommendation to the August 7, 2008 Board Meeting.

Jim Lawson, Senior Policy Advisor, reported that VTA staff has met with all of the cities that requested a meeting regarding the VTA Governance and noted that the item was presented for consideration to the Policy Advisory Committee (PAC), Citizens Advisory Committee (CAC), and Committee for Transit Accessibility (CTA). Mr. Lawson reported that the PAC and CAC Committees did not endorse the recommendations and requested that they be more involved and participates in these types of recommendations.

Mr. Lawson commented that the proposed recommendations will reconfigure the existing small city groupings and does not involve the City of San Jose or the County of Santa Clara; however, it addresses the Board turnover issue identified in the Hay Group Assessment.

Board Member Sellers stated that the Advisory Committees and the A&F Committee have had the opportunity to review the proposed recommendations; therefore, the Board should move forward to consider all four recommendations instead of postponing the fourth recommendation until the August 7, 2008 Board Meeting.

Board Member Sellers referenced the April 10, 2008 PAC Meeting and expressed concern that the PAC Chairperson did not allow him to speak on the proposed Governance item.

Board Member Sellers expressed concern and stressed the importance to clarify the relationship between the Board of Directors and the PAC Members to allow better communication between the entities.

Board Member Sellers stated that the South County City Grouping has graciously allowed him to continue to remain and serve on the Board but noted that he is basically serving on borrowed time. Board Member Sellers stressed the importance for the Board to move forward and consider all four recommendations at this time.

Board Member Sellers expressed concern that the proposed VTA Governance recommendations have been postponed three months, noting that there has been ample time and opportunity for review and input on the recommendations.

Board Member Casas stated that the original Governance Subcommittee meeting was scheduled on March 27, 2008; however, was cancelled due to a schedule conflict. The Governance Subcommittee was rescheduled and met on Wednesday, April 30, 2008. Board Member Casas expressed concern if the Board moved forward with all four items, noting that item four requires additional evaluation for due diligence.

Board Member Casas stressed the importance for the Board to think countywide, consider other alternatives, continue to explore, and forward recommendations that are truly viable, countywide, and sustainable.

Board Member Williams referenced the April 17, 2008 A&F Meeting, where the Committee agreed to approve the first three items, but allowed additional time for consideration of item four. Board Member Williams stressed the importance to defer item four to the August 7, 2008 Board Meeting since the Governance Subcommittee did not have the opportunity to meet to discuss the recommendations.

Board Member Williams stated that the deferral of item four will provide the Governance Subcommittee the opportunity to discuss and consider other recommendations.

Board Member Liccardo expressed his support to move forward with the four items and recommended a substitute motion to approve all four items of the proposed VTA Governance recommendation.

Vice Chairperson Sandoval stated that the West Valley City Group has requested that Los Altos Hills not be moved into the West Valley City Group. Vice Chairperson Sandoval stated that most of the city groupings are contiguous by nature. The five West Valley Cities that are currently grouped together have many transportation and residential needs that are alike and don't have one thing in common with Los Altos Hills.

Vice Chairperson Sandoval requested that Los Altos Hills is not moved into the West Valley City Group and remains in the North West City Group.

Mr. Lawson reported that he received a call from Los Altos Hills Councilmember Breene Kerr requesting that Los Altos Hills remain in the North West City Group.

Board Member Kishimoto stated that item four warrants additional time for discussion from the other city groupings and urged the Board to postpone action on item four until the August 7, 2008 Board Meeting.

Mr. Bradley suggested that VTA's Take One contain a list of the Board Meeting dates and Board Member contact information. Mr. Bradley recommended that the recorded proceedings of VTA Board Meetings be available on VTA's website.

Mike Ludwig, Interested Citizen, opposed the substitute motion and urged the Board to move forward with the original recommendation. Mr. Ludwig suggested that a pamphlet similar to VTA's Take One be utilized to list VTA Board Meetings.

Ed Rast, Interested Citizen, expressed support to change VTA's Governance Structure, noting that the Hay Group, Grand Jury, and community leaders are very concerned about VTA's governance issues. Mr. Rast stated that there has been a problem with VTA's Governance Structure for many years and urged the Board and staff to work to improve the structure by appointing directors that will serve longer terms, are familiar with the issues, have experience, and understand transportation issues.

Margaret Okuzumi, Bay Rail Alliance and Citizens Advisory Committee (CAC) Member, stated that San Martin does not have city status and may not acquire it. Ms. Okuzumi commented that if every city had a seat on the Board then a rotation process would be fair and equitable. Ms. Okuzumi suggested that the other city groupings emulate the West Valley City Group to determine the member who will serve on VTA's Board. She stressed the importance for VTA to create a process for VTA's Governance Structure.

Board Member Sellers requested an amendment to the substitute motion to have Los Altos Hills remain in the North West City Group.

Board Member Casas expressed concern and noted his opposition for the Board to move forward with all four recommendations at this time. Board Member Casas stated that

moving forward would be premature and have long term ramifications, noting that the current governance design is still valid till 2009.

Board Member Casas stressed the importance for the Board to determine if the request originated from one councilmember or the Town of Los Altos Hills.

Upon query from Board Member Caserta, Mr. Lawson stated that he received a call from Los Altos Hills Councilmember Kerr, who expressed concern with the recommendation to move Los Altos Hills from the North West to the West Valley City Group.

Mr. Lawson stated that he is not aware if the Town of Los Altos had a council meeting to discuss the request. He continued that the five cities within the West Valley City Group sent a letter to VTA, noting their opposition to move Los Altos Hills into the West Valley City Group.

Upon query from Board Member Caserta, Board Member Casas stated that there are other options to be considered, such as the City Selection Committee within the City Association, which makes appointments to the Regional Boards. Board Member Casas continued that the City Selection Committee does not make appointments to VTA's Board, noting that there are other options available that need to be evaluated and considered.

Chairperson Kniss noted her opposition to the substitute motion, noting the request from the PAC Committee to defer item four to allow for additional discussion time.

M/S/F (Liccardo/Reed) on a vote of 5 Ayes to 5 Noes to 0 Abstentions to 0 Recusals to recommend that the VTA Board of Directors amend the VTA Administrative Code to make the following changes to VTA's governance structure: 1) Eliminate the concept of city groupings selecting their representative(s) through a rotation process. Each of the city groups will "select" their representative(s) to serve as a Director on the VTA Board; 2) VTA Directors will still serve two-year terms. However, the appointing authorities will be encouraged to reappoint representatives to consecutive terms; 3) Include a process for selecting VTA Directors within the city groupings. VTA Directors should have the required experience and qualifications in transportation; and 4) Reconfigure the small city groupings to include a new group comprised of Santa Clara, Sunnyvale and Milpitas. Board Members Liccardo, Pyle, Reed, Sandoval, and Sellers supported. Board Members Casas, Caserta, Kishimoto, Kniss, and Williams opposed.

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

M/S/C (Casas/Liccardo) on a vote of 9 Ayes to 1 Noes to 0 Abstentions to 0 Recusals to recommend that the VTA Board of Directors amend the VTA Administrative Code to make the following changes to VTA's governance structure: 1) Eliminate the concept of city groupings selecting their representative(s) through a rotation process. Each of the city groups will "select" their representative(s) to serve as a Director on the VTA Board; 2) VTA Directors will still serve two-year terms. However, the appointing authorities will be encouraged to reappoint representatives to consecutive terms; and 3) Include a process for selecting VTA Directors within the city groupings. VTA Directors should

have the required experience and qualifications in transportation; and furthermore, recommend that the VTA Board of Directors consider amending the VTA Administrative Code at the August 7, 2008 Board of Directors Meeting (time certain) as follows: 4) Reconfigure the small city groupings to include a new group comprised of Santa Clara, Sunnyvale and Milpitas, and move Los Altos Hills to the West Valley City Group. Board Member Sellers opposed.

30. Establishment of a Qualified Other Post Employment Benefits (OPEB) Trust

M/S/C (Caserta/Kishimoto) to adopt **Resolution No. 08.05.15** to establish the "Santa Clara Valley Transportation Authority Retirees' Other Post Employment Benefits (OPEB) Trust", and authorize the General Manager to transfer all assets held by VTA pertaining to the Retiree Medical Fund to the Trust.

OTHER ITEMS

31. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

Board Member Kishimoto requested that the Board of Directors utilize the PAC Committee to provide input on the recommendations to the proposed VTA Governance.

32. Monthly Legislative History Matrix

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

33. REPORTS (UNAPPROVED MINUTES) FROM STANDING COMMITTEES

A. Administration and Finance Committee

There was no report from the April 17, 2008 Administration and Finance (A&F) Committee.

B. Congestion Management Program and Planning

On order of Chairperson Kniss, there being no objection, the April 17, 2008 Minutes were accepted as contained in the Agenda packet.

C. Transit Planning and Operations Committee

On order of Chairperson Kniss, there being no objection, the April 17, 2008 Minutes were accepted as contained in the Agenda packet.

34. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Chairperson Kniss, there being no objection, the April 9, 2008 Minutes were accepted as placed in front of them on the dais.

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

There was no report from the April 9, 2008 Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC).

C. Bicycle & Pedestrian Advisory Committee (BPAC)

There was no report from the April 9, 2008 Bicycle and Pedestrian Advisory Committee (BPAC).

D. Technical Advisory Committee (TAC)

There was no report from the April 10, 2008 Technical Advisory Committee (TAC).

E. Policy Advisory Committee (PAC)

On order of Chairperson Kniss, there being no objection, the April 10, 2008 Minutes were accepted as placed in front of them on the dais.

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

Chairperson Kniss **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

C. Dumbarton Rail Corridor Policy Committee

D. Metropolitan Transportation Commission (MTC)

36. 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.

37. PUBLIC PRESENTATIONS

Ross Signorino, Interested Citizen, urged the Board of Directors to place Public Presentations at the beginning of the Agenda to accommodate Seniors and Individuals with Disabilities.

38. ANNOUNCEMENTS

There were no Announcements.

39. ADJOURNMENT

On order of Chairperson Kniss, there being no objection, the meeting was adjourned at 10:15 p.m.

Respectfully Submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors