

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY (TA)  
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070**

**MINUTES OF OCTOBER 7, 2010**

**MEMBERS PRESENT:** R. Foust (Chair), R. Gordon, C. Groom, J. Lee, K. Matsumoto, T. Nagel

**MEMBERS ABSENT:** J. Vreeland

**STAFF PRESENT:** J. Cassman, B. Fitzpatrick, G. Harrington, R. Haskin, C. Harvey, J. Hurley, R. Lake, M. Lee, M. Martinez, D. Miller, N. McKenna, S. Murphy, M. Simon

Chair Rosanne Foust called the meeting to order at 5:03 p.m. TA Citizens Advisory Committee member Jim Bigelow led the Pledge of Allegiance.

**PUBLIC HEARING TO ADDRESS ADOPTION OF UPDATED FEE SCHEDULE**

Authority Secretary Martha Martinez said notice for the public hearing was advertised in the *San Francisco Examiner* on September 19 and 26 and the *San Jose Post-Record* on September 20 and 27. The public hearing was also publicized through TA printed agendas. To-date, no comments have been received.

Manager, Real Estate and Property Development Brian Fitzpatrick said that among the kinds of agreements and documents the TA processes are third-party license agreements and rights of entry, typically issued when a utility or other agency wants to cross TA property. Such situations are encountered more with rights of way, such as those owned by the Joint Powers Board (JPB) or SamTrans. Staff wants to capture costs associated with processing such requests and wants to capture the land cost associated with the encumbrance associated with such a facility. Fee costs are reasonable and in line with other regional transit agencies and reflect actual staff time.

Director Terry Nagel asked about the administrative fee that is \$500 for projects over \$20,000 versus projects under \$20,000. Mr. Fitzpatrick said the \$500 fee reflects Finance Department costs in setting up the one-time service agreement outside of the standard costs. If a project is under \$20,000, there is less billing versus a larger project with more work.

Director Nagel said the fee schedule was not changed for 10 years, and asked if there are other fees associated with services the TA provides contractors that staff should review to determine if any money could be recouped. Deputy CEO Gigi Harrington said staff is not aware of any others.

Public Comment

Pat Giorni, Burlingame, asked if Caltrain will have any type of rent or lease encumbrance if High Speed Rail (HSR) comes through the Caltrain corridor.

A motion (Lee/Nagel) to close the public hearing was approved.

## **Authorize Adoption of an Updated Property Conveyance Policy and Fee Schedule**

In response to Ms. Giorni's public comment, Legal Counsel David Miller advised that the Memorandum of Understanding (MOU) the Joint Powers Board entered into with the California High Speed Rail Authority (CHSRA) presupposes there is going to be an arms-length negotiation with the CHSRA delineating the terms and conditions to enable the CHSRA to access the Caltrain corridor. The investments that have been made previously by the JPB will be recognized as provided for in the MOU. Mr. Miller advised that no negotiations have as yet taken place with the CHSRA on this subject.

Mr. Miller then advised that with regard to the public hearing just held, adequate public notice was given and the board has met all applicable legal obligations.

A motion (Matsumoto/Lee) to adopt the updated fee schedule was approved.

## **CONSENT CALENDAR**

- a. Approval of Minutes of September 2, 2010
- b. Information on Statement of Revenues and Expenses for the Period Ending June 30, 2010
- c. Acceptance of Statement of Revenues and Expenses for the Period Ending August 2010

## **CITIZENS ADVISORY COMMITTEE (CAC) REPORT**

Chair Pat Dixon said, at its October 5, 2010 meeting, the CAC received information on the following:

- Adoption of an updated property conveyance policy and fee schedule.
- Amendment to the Fiscal Year (FY) 2011 Budget, allocation of \$15,000 of new Measure A funds for a Shuttle Business Practices Study, and execution of an agreement between the TA, San Mateo County Transit District (District), Peninsula Traffic Congestion Relief Alliance (Alliance) and City/County Association of Governments of San Mateo County (C/CAG).
- Allocation of \$12.262 million in original Measure A funds to the Transbay Joint Powers Authority for the Terminal Transit Center/Caltrain Downtown Extension Project.
- State and Federal legislative update.
- Calling on Congress to approve long-term Surface Transportation Reauthorization legislation.
- Support of Measure M to fund local transportation improvements in San Mateo County.
- Program report on the Highway Program: US 101/Broadway Interchange.
- There will be a presentation on the upcoming Dumbarton Rail Project at the District on Wednesday, October 27 at 7 p.m.

Director Rich Gordon arrived at 5:22 p.m.

## **CHAIRPERSON'S REPORT – ROSANNE FOUST**

Four TA board members, Directors Karyl Matsumoto, Carole Groom, Terry Nagel, and she represent their respective jurisdictions at monthly C/CAG board meetings. C/CAG has agreed the four TA directors would rotate at the meetings as a non-voting member to represent the TA.

## **SAMTRANS LIAISON REPORT – KARYL MATSUMOTO**

The September 8, 2010 report is in the agenda packet.

Director Nagel said she asked staff about on-time performance statistics and understands the mechanical and staffing challenges.

## **JOINT POWERS BOARD REPORT**

Ms. Harrington reported on the meeting of October 7, 2010:

- Received a Metropolitan Transportation Commission liaison report.
- Received a CAC report on the fare and service proposals before the JPB.
- August 2010 performance statistics:
  - a. Total ridership was 1,105,852, an increase of 4.3 percent.
  - b. Average weekday ridership was 40,939, an increase of 2 percent.
  - c. Total revenue was \$4,107,653, an increase of 7.6 percent.
  - d. On-time performance was 92.9 percent, a decrease of 2.5 percent.
- Baseball ridership for 13 games in October and September was about 5,329 additional passengers.
- The triennial onboard customer survey will take place during October to find out about Caltrain riders and their preferences.
- The redesigned *Caltrain Connection* newsletter received a first-place American Public Transportation Association (APTA) AdWheel award.
- Two-hundred fifty new suicide prevention signs are being installed along a 10-mile corridor between Menlo Park and Mountain View.
- A meeting was held on September 30 for local residents and city council members on the overall design of the San Bruno Grade Separation Project. Topics included schedule and construction staging. Next steps include a ground-breaking ceremony tentatively scheduled for October 26. Chair Foust is scheduled to speak.
- The Bicycle Advisory Committee received a report on bike counts and staff recommendations on how to rework the consist trains on the two-bike cars to be scheduled where there are more bikes on a more regular basis. Staff also recommended to begin looking for funding to convert the remaining 10 gallery car consists that only have one-bike car to two-bike cars. Funding of \$300,000 would be needed to convert the 10 remaining cars so all trains would have two bike cars.
- Received a report on the Peninsula Rail Program. On November 11, the California High Speed Rail Authority (CHSRA) will announce the recommended distribution of American Recovery and Reinvestment Act (ARRA) funds that are designated for California. Actual funds will be distributed at the CHSRA's January 28 meeting.
- Received a presentation on proposed service changes and fare increases. A public hearing was held last month to consider proposals to balance the remaining shortfall in the FY2011 Operating Budget. Six public speakers were generally supportive of staff's recommendations to close the \$2.3 million budget shortfall. The board approved closing the station agent offices in San Francisco and San Jose; implementing a 25-cent zone fare increase effective January 1, 2011, which generates \$1.4 million; eliminating four midday trains and schedule hourly service between the two peak commutes, which generates \$175,000; and increasing the GO Pass from \$140 to \$155 annually which adds \$150,000.
- Staff presented a recommendation in response to public comment at the last JPB meeting to implement a minimum three-month weekend Baby Bullet pilot service beginning in January 2011. The service would involve four trains, two in the morning and two in the afternoon, expressing seven stops up and seven stops down the Caltrain corridor.

- The Board:
  - a. Held a public hearing and adopted an updated Property Conveyance Policy and Fee Schedule.
  - b. Approved the Consent Calendar including award of contract to Transportation Technology, Inc. for Separate Head power end units and award of contract to West Bay Builders, Inc. for the San Mateo Bridges Project.
  - c. Accepted the Statement of Revenues and Expenses for August 2010.
  - d. Authorized calling on Congress to approve long-term Surface Reauthorization legislation.
  - e. Authorized opposition of Proposition 23 on California's November 2010 statewide ballot.
  - f. Received a State legislative update.
  - g. Legal Counsel briefed the board on a matter of litigation as listed on the agenda, *Rea v Joint Powers Board*.

## **REPORT OF THE EXECUTIVE DIRECTOR**

Ms. Harrington reported:

- Deputy CEO Chuck Harvey read a statement into the record concerning the inaccuracies in the *San Mateo County Times* newspaper report regarding Caltrain salaries.
- Bids were opened on September 23 for the South San Francisco Caltrain Parking Lot Improvement Project, which is funded by the TA. Ten proposals were received and the apparent low bidder came in 52 percent lower than the engineer's estimate. Staff will move forward to award the contract at a future board meeting.
- The draft environmental document for the US 101/Broadway Interchange Project was released last month making it available for review and public comment. A public meeting was held on September 15 at the city of Burlingame's library. The comment period closed on September 29.

Chair Foust asked if Mr. Harvey's statement about the inaccuracies regarding Caltrain salaries could be sent to the 20 city clerks and city councils in the county and the Board of Supervisors. Executive Officer, Public Affairs Mark Simon said staff is engaging in continuing outreach to the cities, some of which is to explain the basics of how this organization is organized and funded.

## **FINANCE**

### **Authorize Amendment to the FY2011 Budget, Allocation of \$15,000 of New Measure A Funds for a Shuttle Business Practices Study, and Execution of Agreement Between the Transportation Authority, San Mateo County Transit District, Peninsula Traffic Congestion Relief Alliance and the City/County Association of Governments of San Mateo County**

Executive Officer, Planning and Development Marian Lee said the purpose of the partnership is to look at the TA shuttle program at the county level, stemming from a strategic plan exercise that was led by the Alliance. Discussions at staff level focused on how the TA can better improve its various shuttle programs because there is confusion on who administers and markets the various shuttle programs, funding sources and grant processes. This would provide for more efficiency and greater transparency.

Alliance chair Linda Kelly said the Alliance completed a strategic plan in 2009 and one of the key elements was the importance of collaboration in partnership with the cities, communities and funding agencies to ensure efficient and cost effective programs that address community and commuter transportation needs. She said this study provides the opportunity to undertake such efforts.

Director Matsumoto said she sits on C/CAG and is concerned about the range of shuttle passenger costs. She hopes the study reviews ridership costs per person, and hopes there isn't redundancy in South San Francisco shuttle service and ferry shuttle service.

Ms. Lee said the TA and C/CAG administer grant programs that fund shuttle projects. She said the agencies will look at cost effectiveness, duplication of service, return on investment and focus on today's business practices to see if there are opportunities for partnerships to focus on the quality of the type of shuttles for investment.

Director Nagel said staff estimates the study would take eight months. She said one of the goals is to coordinate marketing and getting more cities to work together. She asked if some of the easy things could be cherry-picked to start sooner than eight months. Ms. Lee said the estimate is conservative because of the goal to change business practices with the involvement of four agencies. She said there would be outreach to respective boards to get a comfort level and approvals for making appropriate changes.

Director Nagel said the idea of working across city boundaries may include school districts and businesses. She asked if there could be a broader effort to coordinate the various transit systems.

A motion (Nagel/Matsumoto) to allocate funding for the study and execute an agreement with the four agencies was approved.

**Authorize Allocation of Original Measure A Funds to the Transbay Joint Powers Authority (TJPA) for the Terminal Transit Center/Caltrain Downtown Extension Project**

Director, TA Program Joe Hurley said this action is in response to an allocation request from the TJPA to fund the acquisition of property located at 85 Natoma Street, San Francisco. In 2001, the TA programmed \$27 million of Measure A funding to support the Caltrain Downtown Extension (DTX). Since then, the TA has authorized the allocation both to the TJPA and JPB for engineering, engineering support and right-of-way acquisition. Earlier this year, the TJPA was successful in securing Federal funding allowing acceleration of the construction of the train box associated with the DTX. This is scheduled to begin early next year and the property at 85 Natoma is required to facilitate construction of the train box. Staff and Legal Counsel recommended the allocation of Measure A funding be conditioned to safeguard TA interests in the event the DTX Project is not constructed.

Staff recommended the board take the following actions:

- Authorize an amendment to the FY2011 Budget by \$12.462 of original Measure A funds.
- Allocate up to \$12.262 million in original Measure A funds to the TJPA to provide funding acquisition, and closing and relocation costs associated with 85 Natoma.
- Reallocate unexpended Measure A funds from the earlier allocations to the TJPA to fund costs associated with 85 Natoma.

- Authorize the Executive Director or his designee to execute any necessary documents or agreements to encumber the subject funding, including documents providing for the granting of a security interest in a mutually agreed asset.

Director Groom asked how 85 Natoma will be acquired. Mr. Miller said the property is owned by private parties. He believes the TJPA anticipates a negotiated transaction rather than eminent domain to close on the two units.

Andrew Schwartz, outside counsel for the TJPA, said there are 10 condominium units at 85 Natoma and the TJPA has two of those units in escrow and is set to close on October 20, if this grant is approved. He said the TJPA has two other units that he thinks can close with a voluntary purchase soon after that. He said, regarding the other six units, the TJPA does its best to negotiate voluntary purchase and has already completed voluntary purchases on 10 properties. He said the appraisals and offers for the property are fair as demonstrated by the fact that the TJPA has closed so many voluntary purchases. He said there is never a guarantee that the TJPA will reach a negotiated purchase and if that is not possible, the TJPA would ask the city and county of San Francisco to use eminent domain.

#### Public Comment

Jim Bigelow, Redwood City/San Mateo Chamber of Commerce, said these groups strongly support the actions.

Director Nagel asked for clarification on the security clause. Mr. Miller said the security interest will be in the form of a quitclaim deed that is put into escrow at the time of closing. If the downtown extension is not built by 2040, or if the project is abandoned sooner, the TA then will have a means to recapture its allocation. This arrangement is based on the premise that the Expenditure Plan, approved by the voters and administered by the TA, authorized allocation of funds for specific purposes – in this case, the DTX project. Accordingly, the agreement with the TJPA provides for a mechanism whereby, if that purpose is not fulfilled, the TA will recoup its money. The TA will be granted a security interest in the 85 Natoma property acquired with TA funds. Additionally, if it ultimately becomes necessary for the TA to levy on its security interest and the value of the property is less than the amount of the TA's allocation (plus interest), the funding agreement contains a covenant whereby the TJPA agrees to use best efforts to effect repayment of that differential from other sources of funds available to the TJPA.

Pat Giorni, Burlingame, said if all condo owners don't agree it becomes an eminent domain issue. She saw this happen with a development in Millbrae and does not want it to happen with this project.

Chair Foust said the securitization seems like double security and it probably speaks to the issue on property takings and what can happen. She said the TJPA mentioned 10 or multiple properties that have been acquired under friendly circumstances. In looking at the bigger versus just one building with "x" number of units, this has been put into the context of the whole development plan. Mr. Miller agreed, and said Mr. Schwartz and TJPA Financial Consultant Nancy Whelan would probably say from their perspective, as they put it forward to the TA staff and to him, that this might be the linchpin, by getting the first units closed, to effecting more

friendly acquisitions thereafter because it reflects a reality to the transaction that sometimes just has to settle into the minds of people; he said they have the right intention.

Director Groom asked, since the city and county of San Francisco would take eminent domain action, would this come back to the TA to talk about these six additional units. Mr. Miller said not in the context of any funding requests because, as Mr. Hurley indicated, this is the last allocation that will be sought.

Director John Lee said it is not well known that people sometimes force eminent domain because, under certain circumstances, it has favorable tax consequences.

A motion (Nagel/Lee) to approve the allocation to the TJPA was passed.

## **PROGRAM**

### **Verbal Update on the State/Federal Legislative Program**

Government Affairs Manager Seamus Murphy reported:

#### State

- Approval of the State budget is expected today. There will be little impact on public transportation other than allowing the sale of infrastructure bonds to proceed.
- The governor signed two Caltrain-supported bills:
  1. SB 1371 allows Proposition 1A connectivity funding recipients to advance spending of their programmed share and be reimbursed through the Letter of No Prejudice process.
  2. SB 987 would extend the area included in a transit village development district from one-quarter to one-half mile of a transit station.

#### Federal

- ARRA included a provision that increased the monthly amount employers can offer in pre-tax benefits for transit riders to make the monthly \$230 benefit equal to the amount allowed for pre-tax parking benefits. Staff has contacted the TA delegation to urge extension of the benefit at the current level, ensuring that transit incentives are equal to parking incentives.
- The Federal Housing Financing Administration has issued draft guidance that would greatly restrict the imposition of private transfer fee agreements, which require the percentage of a sale of private property in a specified development be collected and used to fund various public improvements including environmental mitigation and, in some cases, transportation infrastructure improvements. BART receives a percentage of the sale of each unit of a development in Dublin, and staff is preparing comments acknowledging the need to further regulate this area, but also urging the administration to preserve the ability of transit and transportation agencies to benefit from these agreements.

### **Authorize Calling on Congress to Approve Long-Term Surface Transportation Reauthorization Legislation**

Mr. Murphy said the last budget authorization for Federal surface transportation expired over a year ago, and since then, Congress has repeatedly extended those spending levels, which are not adequate to meet current national public transportation infrastructure and maintenance needs. Reauthorization proposals in the House would include substantial and much-needed funding increases for the Mass Transit Account. In addition, those proposals include new discretionary

grant programs that better reflect the changing infrastructure needs and priorities of the country. Three weeks ago the Administration, for the first time, laid out a broad vision for surface transportation reauthorization that included frontloading the program with \$50 billion in infrastructure spending. APTA is leading the effort at the national level to encourage Congress to move quickly, which is vital to San Mateo County.

A motion (Gordon/Nagel) to approve the resolution was passed.

**Authorize Support of Measure M – The City/County Association of Governments (C/CAG) Vehicle Registration Fee to Fund Local Transportation Improvements in San Mateo County**

Mr. Murphy said the governor signed a bill last year that the congestion management agency (CMA) in each county in the State to seek voter approval for a \$10 annual vehicle registration fee for transportation-related congestion and pollution mitigation programs. C/CAG, acting as the county CMA, placed this measure on the ballot. Approval requires a simple majority. The expenditure plan associated with this November ballot measure would allocate 50 percent of the net revenue for cities and county local streets and roads and 50 percent for countywide transportation programs.

A motion (Nagel/Groom) to support Measure M was approved.

**Program Report: Highway Program: US 101/Broadway Interchange**

Mr. Hurley reported:

- The 101/Broadway Interchange is the oldest in the county. Project challenges include proximity to the Bay, three creeks within the project limits, and built-out areas on the east and west sides of the interchange.
- The purpose of the project is to improve traffic movements, accommodate future traffic growth, improve southbound US 101 ramps and increase bicyclist and pedestrian access.
- The current interchange is a 19-legged unconventional design of circuitous traffic patterns.
- The interchange overcrossing will have 10-foot wide sidewalks and five-foot wide bike lanes on both sides of the overcrossing.
- The draft environmental document was released in August, a public meeting was held on September 15, and the comment period closed on September 29. Staff is compiling comments.
- Assessment of property impacts includes temporary construction easements and partial and full acquisitions.
- At completion in 2035, there will be seven intersections near the interchange that will realize benefits of the project.
- Twenty-one public comments were received from regional and local agencies, businesses and individuals and fell into categories of bike/pedestrian access, construction impacts and cost/ability to fund.
- Total project cost estimate of \$74.5 million includes costs for the environmental and design phases, right of way/utilities, construction and construction administration.
- Project schedule completion dates: Environmental -- spring 2011, Design -- spring 2013, Right of way/Utilities -- spring 2013, Bid and Award of contract -- fall 2013, and Construction -- winter 2016.
- The project is dependent on all funds falling into place.

Director Gordon asked what happens to the existing overpass during construction. Mr. Hurley said this overcrossing, which was constructed as part of the Third Avenue to Millbrae Avenue Auxiliary Lane Project, will remain in place as part of a San Francisco Bay Conservation and Development Commission permit requirement. The new overpass will be built 170 feet north of the existing overpass.

Director Gordon asked if bicyclists and pedestrians will have access to both overpasses. Mr. Hurley replied yes.

Director Nagel said there were some very concerned local merchants in the area who were assured by Caltrans that they would have continued access during construction.

#### Public Comment

Jim Bigelow, Redwood City/San Mateo and Menlo Park Chambers of Commerce, said the planning process was an excellent example showing public and non-technical people the best way to design a functional interchange.

#### **REQUESTS FROM THE AUTHORITY**

Director Nagel distributed information on transportation and planning funds available to cities. She and Executive Director, C/CAG Rich Napier developed the information to clarify that even in dire economic times, there is still some available funding for transportation and planning projects. She said there is \$1 million available in the TA shuttle category that was not awarded in the first call for projects. The draft memo includes information on Priority Development Areas and the Alliance. She would like this distributed to county mayors and city staffs.

Director Lee said the memo needs to be titled. Director Nagel said the Council of Cities Chair Christine Krolik will be sending the memo and it includes contact information for Mr. Napier and Ms. Lee.

Mr. Napier said he will send out the memo to coincide with funding cycles.

Director Matsumoto said she just returned from APTA's national conference. She said Mr. Scanlon was elected as APTA's chair. She was pleased to let attendees know about ongoing TA, JPB and District programs that other agencies were planning to develop. She said Mr. Scanlon is held in the highest regard in the transportation community.

#### **WRITTEN COMMUNICATIONS TO THE AUTHORITY**

None

#### **DATE AND PLACE OF NEXT MEETING**

The next meeting is scheduled for Thursday, November 4, 2010, at 5 p.m. at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> floor, 1250 San Carlos Avenue, San Carlos CA 94070.

Adjourned 6:26 p.m.