

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

MINUTES OF SEPTEMBER 6, 2012

MEMBERS PRESENT: R. Foust, C. Groom, D. Horsley, K. Matsumoto, T. Nagel,
N. Patridge,

MEMBERS ABSENT: S. Richardson

STAFF PRESENT: J. Averill, A. Chan, C. Chung, R. Haskin, G. Harrington, A. Hughes,
M. Martinez, N. McKenna, D. Miller, S. Murphy, M. Scanlon,
M. Simon

Chair Carole Groom called the meeting to order at 5:01 p.m. and led the Pledge of Allegiance.

Chair Groom said since Director Sepi Richardson is absent, agenda item 11a, the presentation on the Bayshore Intermodal Station Access Study, will be postponed until a later date.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

CAC Chair Barbara Arietta reported on the August 2 meeting. The CAC:

- Received a presentation about the Bayshore Intermodal Station Access Study.
- Received an update on and discussed the Highway Call for Projects (CFP).
- Supported the authorization of solicitation of letters of intent for grade separations.
- Supported the acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook.
- Supported the acceptance of the Statement of Revenues and Expenditures for July 2012.

CONSENT CALENDAR

Director Terry Nagel asked to pull item 4b, Acceptance of Statements of Revenues for July 2012, from the Consent Calendar.

- a. Approval of Minutes of August 2, 2012
- c. Measure A Program Status Report

A motion (Patridge/Matsumoto) to approve the Consent Calendar was approved.

Acceptance of the Statement of Revenues and Expenses for July 2012

Director Nagel asked how much the TA will get back from the Lehman Brothers Recovery indicated on the statement.

Deputy CEO Gigi Harrington said the TA wrote off approximately \$25 million when the loss occurred and is getting back around 20 cents on the dollar over a period of time. She said because it was written off, the TA will receive it as revenue and it will go into the reserves.

Director Karyl Matsumoto asked why the purchase price and market value were the same for the County Pool and the Local Agency Investment Fund (LAIF). Ms. Harrington said Bill Osher of CSI Group of SunTrust Bank will answer that question in his report.

A motion (Nagel/Foust) to approve the Statement of Revenues for July 2012 was approved.

PUBLIC COMMENT

None

CHAIRPERSON'S REPORT – CAROLE GROOM

None

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

Director Matsumoto said a public hearing will be held on October 10 to discuss eliminating selected unproductive fixed routes.

JOINT POWERS BOARD (JPB) REPORT

Executive Director Michael Scanlon reported:

- Key Caltrain Performance Statistics
 - Monthly Performance Statistics – July 2012 compared to July 2011
 - Total Ridership was 1,305,970, an increase of 12 percent.
 - Average Weekday Ridership was 48,609, an increase of 10.2 percent.
 - Total Revenue was \$5,836,357, an increase of 16.8 percent.
 - On-time Performance was 93.5 percent, an increase of 1.4 percent.
 - Caltrain Shuttle Ridership was 7,506, an increase of 20.5 percent.
- JPB passed a proclamation declaring September “Railroad Safety Month.”
- A very serious incident occurred at the South San Francisco Caltrain Station on August 24. A southbound express train passed through the station while a northbound train was stopped at the station boarding passengers in violation of the hold-out rule. The investigation continues and the Transit America management team and staff are fully engaged and taking this incident very seriously.
- Sixteen months ago the JPB lost Director Omar Ahmad. Today’s Palo Alto *Daily Post* has an article on a publication of a book he wrote just before his death. It has been published as a non-profit by TED.com and is titled *Citizen Advocate Getting Governments to Move Mountains and Change the World*. It focuses on how you get local government to respond to you.
- The Bicycle Advisory Committee will meet on September 20.
- Staff is preparing for the service increase on October 1. The four shoulder trains eliminated last year will be restored, two afternoon peak trains will be added and stops will be added at either Sunnyvale or Palo Alto.
- Special service:
 - Giants hosted 12 games in August and averaged about 7,200 additional riders for each game. Year-to-date Giants ridership is 466,000, about an 11 percent increase over the same number of games last year.

- No additional service was added for the San Francisco 49er preseason games. After the first game there were an additional 375 passengers that boarded at Bayshore Station.
- Service will be provided for Stanford Football on September 9 at 7:30 p.m. Trains will stop at Stanford Stadium before and after the games.
- Construction is at the halfway point for the San Bruno Grade Separation Project.
- The Narrowbanding Project was completed in July and testing was completed last month.
- Staff from the State Legislative Analyst's Office will be touring transit properties in the Bay Area, including a ride on Caltrain, on September 11. Staff will be meeting them on the train to discuss our programs and projects.
- Commuter Appreciation Day is on September 27. A team from Clear Channel will hand out goodie bags and welcome Caltrain customers as they pass through the San Francisco Station.
- A customer proposed marriage on Caltrain in August. The groom-to-be worked with marketing staff to purchase group tickets for the event. A YouTube video of the proposal was shown.
- The reading file contained a Take One for the new service starting in October, the July Safety and Security Report, the Metropolitan Transportation Commission (MTC) *Getting There on Transit* brochure and a correspondence packet.
- It was reported the JPB is ahead of the 10.5 percent goal with the Disadvantaged Business Enterprise (DBE) Program at 12.1 percent.
- The Board:
 - Received an update on the Request for Proposal for general engineering consultants.
 - Received an update on Caltrain Modernization.
 - Approved the recommendation of staff to enter into a contract with LTK Engineering Services for on-call railroad vehicle support services for a total not-to-exceed cost of \$5,000,000 for a three-year term.
 - Authorized an award of a contract to Transit Constructors LP for the signal optimization project phase 2 for a total cost of \$549,000.
 - Received a legislative update.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- The California Transportation Commission (CTC) will be holding its next meeting on September 27 in Burlingame. Along with the City/County Association of Governments (C/CAG), Caltrain is hosting a reception the evening of September 26 at the Burlingame Hilton. At the meeting on September 27, the CTC will be voting on two important funding issues, \$9 million for reconstruction of the San Mateo County rail bridges and \$40 million for the Communications Based Overlay Signal System (CBOSS)/Positive Train Control (PTC) Advanced Signal System. In anticipation of a positive vote, staff will be holding a news conference on September 27 at 10 a.m.

FINANCE

Authorize Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for Quarter Ended June 30, 2012

Mr. Osher said the answer to Director Matsumoto's question about why the purchase price and market value were the same is because those are stable value funds and are run the same way as a money market fund. They are bought and sold at the same price, and in between they earn money. He said the County Pool has a higher interest rate than LAIF because it is longer in maturity and it is possible that some securities were sold and the profit was added to the regular earnings yield.

Mr. Osher said bonds are paid out twice a year, but interest is earned daily. The interest receivable shows the amount of interest accrued but not paid out. Interest earned is how much was earned for the month. The interest received portion is the amount of payments that were paid out during the month.

Mr. Osher said the strategy used for the portfolio has been very conservative. He said interest rates have continued to fall but that is a result of politics and the situation in Europe. The portfolio accepts a lower yield of about 1 percent per year because if the interest rates do go up, the portfolio will not be hurt and bond prices will not fall much and it will still produce positive returns every quarter.

He said there is an expectation that policy makers will provide additional economic stimulus. This news would normally cause interest rates to fall, but they did not. This is because rates have hit the bottom. If the economic stimulus is successful then rates will go up.

Director Nagel asked what the benchmark is, how it is determined and why the portfolio is consistently below it. Mr. Osher said short-term bonds, government bonds, and corporate bonds are used to find a weighted average. He said because the portfolio objectives are safety of principle, liquidity, and return, the portfolio is measured against a one- to three-year benchmark which is safer. The longer-term benchmark was more successful but carried more risk.

Director Rosanne Foust asked if the Federal Reserve (Fed) was trying to inspire confidence by setting up the longer-term bonds to be riskier and more successful. Mr. Osher said the Fed is attempting to push investors into riskier investments to make the Stock Market go up. Director Foust said if people are pushed into risky long-term investments, the markets will go up today.

Mr. Osher said his biggest concern is inflation. He said interest rates could go up 3 or 4 percent in a year.

A motion (Foust/Matsumoto) to approve the Quarterly Investment Report was approved.

PROGRAM

Feature Presentation: Bayshore Intermodal Station Access Study

Postponed until a date yet to be determined.

Update on the Highway Call for Projects (CFP)

Project Manager Aidan Hughes said staff met with C/CAG Technical Advisory Committee, which was supportive of this CFP with the caveat that there needed to be an ongoing dialogue between staff and the applicants, especially those whose projects were not funded or were partially funded. Once received, staff will present a summary of the comments along with recommendations to the Board in October.

- Objectives of the CFP were outlined by the Short-range Highway Plan (SRHP) and were to close out the Original Measure A, move forward on New Measure A, fund projects based on merit, and initiate the planning phases for projects.
- From the Original Measure A, there is a recommended allocation of \$46.81 million for construction. This will help close out the Original Measure A funding.
- Of the \$104 million available, \$81.71 million is recommended for funding. Each of the applicants was required to act as sponsors for their projects and provide support by adopting a governing board resolution to show responsibility between the governing board and the applications.
- The evaluation panel was comprised of staff from the TA, California Department of Transportation (Caltrans), and Alameda CTC in order to provide an outside look at the process. The review was based on the evaluation criteria from the SRHP.
- The evaluation criteria included effectiveness, readiness, need, policy consistency, and sustainability, as well as ease of implementation, the funding plan, stakeholder interest, economies of scale, and the merit of the overall project.
- The program intent is to reduce congestion on commute corridors. There is no defined relationship to bicycles, pedestrians, or Complete Streets, in which the emphasis is moving away from autos and toward including other modes of transit.
- Staff received 29 applications, two were withdrawn, 19 were multi-phase requests, and eight were planning-only projects.
- The mix of projects included freeways, interchanges, trunk-lines, non-freeway projects, and local roadways.
- Of the 27 applications evaluated, 23 are recommended for funding. Some are partially funded, and four projects are not recommended because they scored poorly against technical criteria and/or do not meet the intent of the Highway Program.
 - Recommended funding is \$7.65 million for planning, \$20.41 million for environmental design and right of way, and \$53.65 million for construction.
 - Proposed recommended Board action includes programming and allocating funds for \$54.42 million and programming only funds for \$27.29 million.
- The projects in the Programming-only category means the Board will be asked to program funds as a conditional commitment. The Sponsor will need to meet specific conditions before the Board will be asked to allocate funds. Some conditions will be met in a few months, some in a few years. This establishes expectations on the project sponsors to act with diligence to address the conditions so the funding will become available. It also gives flexibility to the Board to step in and deprogram or reprogram if the Board sees the money is not being spent as expected.
- A leverage of 37 percent was achieved.
- Next steps include taking the final list to the TA CAC and the TA Board in October. Until then, staff will be engaged in dialogue to explain recommendations, take comments

and gather additional information. Over the next few months staff will return to the Board with lessons learned and to address policy changes if needed.

- Geographic equity was not included because this is only the first call and as the program moves along it will be included.

Director Matsumoto asked if staff anticipates changes to the list in October. Mr. Hughes said staff cannot anticipate changes at this point because there has not been an opportunity to collect all of the comments. This was a diligent process and the applications were comprehensive so the list may stay relatively the same.

Director Don Horsley said he would like to meet and work with staff to discuss some of the projects that were not fully funded, including the project at Alpine Road and Interstate 280 where a fatal accident occurred.

Director Naomi Partridge said this process was very thorough. The idea to allocate some funds for planning and then allocate funds later after planning was done is a good idea. She is not in favor of the Complete Streets Project because it has not been thoroughly looked at. She said the funding is widespread and appears to cover a lot of area.

Director Nagel asked if Measure A funds can be used for Complete Streets and said the Coastsides seems to be getting left out when the funding is rolled out to Priority Development Areas (PDA). Mr. Hughes said staff has not made a determination that there needs to be a policy change but they realize Complete Streets is a concept that is an increasing part of funding processes so staff wants to come back with a discussion about how to deal with Complete Streets in the context of Measure A. Legal Counsel David Miller said the Board has discretion to apply lessons learned.

Director Nagel asked if letters played into the selection process. Mr. Hughes said applicants were asked to provide supporting documentation to show support for or against any projects. It did impact the scoring.

Director Nagel asked what will happen to remaining Original Measure A funds. Mr. Hughes said it will need to be allocated to an Original Measure A project and there is no deadline to do so.

Chair Groom asked staff to look into finding funding for the Alpine Road Project.

Chair Groom said the application for San Mateo at Peninsula and Poplar Roads is different from what was discussed in the newspaper and asked how that will affect the application. Mr. Hughes said staff will continue to have discussions with the applicants about changes and updates and to get clarification.

Director Horsley said he would like to talk to staff about Alpine Road because the project needs to be done and he would like to find funding for it. Mr. Scanlon said the results of the evaluation are pure, based on the criteria of the project. This month it is an information item, and over the next month there will be time to review the list.

PUBLIC COMMENT

Leslie Latham, Portola Valley, said the Alpine Road Project had more letters of support than most other projects but it did not get approved and questioned the level of public input that was considered in the selection process. She said there are many other issues about the project than just bicycle lanes. She said in June a TA staff member recommended to the County Board of Supervisors this project be funded and asked if that person's recommendation was not taken into consideration or if the criteria was not known at that time. She said she would like the project to be considered if funds from the Original Measure A are available or if funds from the New Measure A can be used. She said she would be interested in helping if there is an opportunity to participate in the evaluation process.

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce, said for 25 years there have been discussions about the Woodside Road interchange because there is a lot of traffic in this intersection. He said he is glad the TA is closing out the Original Measure A. He said it is smart to commit only some of the funds so there will be money available if something else comes up.

Ted Huang, Menlo Park, said simple striping would be very effective in the Alpine Road intersection and would streamline highway merging and off ramps.

Shandon Lloyd, Portola Valley, thanked Directors Groom and Horsley for requesting staff to find funds for the Alpine Road Project. She said the fatality was caused by a truck that was in a merge zone so she is disappointed the project did not meet the Highway Project criteria. She said no one knows what lane to be in around that area.

Mayor Brandt Grotte, city of San Mateo, said the progress and plans on Poplar Avenue have not been changed. He thinks the divider in the middle of the avenue is a short-term measure but other alternatives and solutions need to be looked at.

Mary Keitelman, Pacifica, passed out a press release about alternatives to the widening of Highway 1 in Pacifica. She said a group of Pacifica residents would like the TA to look at lower cost, quick-to-implement opportunities for solving the congestion problems.

CAC Chair Arietta said Highway 1 does not have any left-hand turns. She said the TA CAC expressed concern about Alpine Road.

Director Patridge asked if there is any Caltrans funding for the Alpine Road Project. Mr. Scanlon said he does not know if Caltrans has funding but staff will look for other sources of money. Chair Groom said the Highway Patrol and Caltrans have been contacted but the project is not a priority and that is why it went to the TA. She said the Highway Patrol is doing extra patrols to help with traffic.

Director Foust said there could be some cost-sharing for the Alpine Road Project, and Portola Valley and local organizations should be contacted to find funding. She said the TA can

think of people to contribute without manipulating the established criteria for the program which would open up the door for other projects to try to use exceptions to get funding.

Solicitation of Letters of Intent for Grade Separations

Executive Officer, Planning and Development April Chan said the Grade Separation Program was put on hold to allow time for staff and the California High Speed Rail Authority to figure out what kind of grade separation investments would need to be made in the Caltrain corridor. The State recently appropriated funding for the Caltrain Modernization Early Investment Program, and the city of San Mateo recently submitted a letter to the TA requesting funding for a grade crossing project. Staff is now trying to determine how to structure a program selection process to prioritize the grade separation projects and get the most for the money. She said this solicitation is to find out which cities are interested and to determine how the projects will meet criteria so staff can make a recommendation for the Board on which projects to fund.

Director Patridge asked how San Bruno got \$48 million for Grade Separations if there was not a CFP at that time. Ms. Chan said there was a special project funding category in the TA Strategic Plan. Mr. Scanlon said San Bruno was first or second in the State in terms of dangerous crossings and there was State money available for funding, which warranted the special circumstances.

Director Nagel asked how much of the blended system funding is available for grade separations. Mr. Scanlon said the State Legislature approved funds for electrification and the advanced signal system but there is no funding for grade separations.

PUBLIC COMMENT

Mr. Bigelow said after the first 20-year Measure there were funds left and not all cities asked for it. Some cities may not want grade separations and others might, so it is fair to put out letters to find out which cities are interested. He said the TA needs to be ready in case more funding becomes available.

Mayor Grotte, city of San Mateo said grade separations are not precluded from the HSR funding. He said the city of San Mateo supports the solicitation of letters and will submit a letter. He said delays put the San Mateo build-out at risk, and the improvements will increase Caltrain ridership at the Hillsdale Station. He said \$12 million is available from local funding to help provide leverage to the project. He said three out of four possible locations for HSR passing tracks are in San Mateo.

Larry Patterson, director of Public Works, city of San Mateo, said the San Mateo grade separations have been in planning since 2001. First, the footprint studies intervened, then HSR came and the project was put on hold again. The project is being readied for supplemental funding because they want to be able to take advantage of local funding, TA funding, and HSR funding.

A motion (Horsley/Nagel) to authorize the solicitation of letters of interest for grade separations passed.

Director Nagel asked Chair Groom to consider using a subcommittee to review this information.

Update on State and Federal Legislative Program

Director, Government and Community Affairs Seamus Murphy, said:

State Update

Senate Bill (SB) 1339 would authorize the MTC and the Bay Area Air Quality Management District to require employers with 50 or more employees to offer employees pre-tax transit and bicycle and vanpool commuter benefits. The goal is to make transit attractive to commuters. If this is passed there should be some positive benefit in terms of ridership on regional transit systems.

SB 1492 would authorize a pilot program in San Francisco to increase the vehicle license fee for an unspecified program of projects. It would require a 2/3rd approval by the Board of Supervisors and a majority vote approval of the residents. This is something San Mateo County should look closely at to see how it is implemented in San Francisco when discussing dedicated funding for transit operations or capital needs.

When Caltrans reviews Project Study reports and other planning documents for local projects, they require reimbursement from the local agencies. A bill was introduced that would require Caltrans to pay for these reviews. This will be positive for the budget on capital projects.

There are some pieces of legislation that staff will be working on next year. One is legislation to lower the vote threshold to 55 percent for transportation projects. This has been introduced five times now. It is not likely to pass but staff is encouraged that the bill continues to be discussed and debated.

Assembly Bill (AB) 845 was introduced and would provide transit agencies with electricity usage credits for any increase in fees associated with the implementation of AB 32 and the market-based cap and trade system. Staff expects some increase in fees due to these regulations. Some industries are exempt from these fees but transit agencies are not.

SB 1455 did not make it out of committee by one vote and staff will work on this bill next year. This bill would extend the Carl Moyer Program, a regional air quality program that expires at the end of this year and needs to be extended because it is an element of the Caltrain Modernization Funding Plan.

Federal Update

The Administration announced it will take unobligated earmarks allocated between 2003 and 2006 and redirect them to projects that will obligate the funds by the end of the year. States were asked to review their projects and identify those that were more appropriate and could spend the funds sooner. C/CAG would have the authority to review projects that have unobligated funds in San Mateo County and if the project owner wants to obligate funds to those projects they would have until the end of the month to demonstrate that the funds could be obligated by the end of the year. If they can't, C/CAG would have the discretion to find other projects that can obligate the

funds by the end of the year. If C/CAG can't find projects, the funds would be spent on other projects around the State, likely the State Highway Program.

Capital Projects Quarterly Status Report – 4th Quarter

Joe Hurley said the report is in the Board package and available on the TA Website.

REQUESTS FROM THE AUTHORITY

Director Nagel asked if staff would clarify or define the PDA process, how to qualify for a PDA and where they are in particular cities. She would like to see a map of the county to see where the PDAs are. Director Matsumoto said this would be better to do at a C/CAG meeting.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion

DATE AND PLACE OF NEXT MEETING

October 4, 2012 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070.

REPORT OF LEGAL COUNSEL

Mr. Miller said this closed session is permitted for real estate negotiations on the Burlingame Interchange Project.

Closed Session: Real Estate Negotiations – Pursuant to Government Code 54956.8:
 Agency Negotiators: David J. Miller and Brian Fitzpatrick
 Under Negotiation: Price and Terms of Purchase

APN	State Parcel No.	Grantor	Address	Relocation
026-112-140	62629	HMC Burlingame Hotel LLC	1333 Bayshore Highway Burlingame, CA	N
026-141-020	62631	99 Old Bayshore LLC	1299 Bayshore Highway Burlingame, CA	N
026-142-110 & 026-142-070	62632	Fox Investments GP	1288 & 1290 Bayshore Highway San Mateo, CA	N
026-142-080	62633	1250 Bayshore Highway LLC	1250 Bayshore Highway Burlingame, CA	N
026-142-090	62634	Pritam Sing & Jean D. Sabharwal	1240 Bayshore Highway Burlingame, CA	N
026-142-020 & 026-142-030	62635	Robert Paul Wadell Jr. & Angela Kathie Bramble Trust	Vacant Land on Bayshore Highway Burlingame, CA	N
026-142-130	62636	NorthWest Dealerco HoldingsLLC	1200 Bayshore Highway Burlingame, CA	Y
026-134-090	62638	Kathleen M. Dore Trust	1250 Rollins Road Burlingame, CA	N

APN	State Parcel No.	Grantor	Address	Relocation
026-134-030	62639	Robert Nerli	1320 Marsten Road Burlingame, CA	N
026-134-160	62640	Kathleen L. Lyons, Successor Trustee	1222 Rollins Road Burlingame, CA	N
026-134-080	62641	CSE Investments II LLC	1212 Rollins Road Burlingame, CA	Y
026-290-310	62642	CRP BAHP SFO, LLC	1177 Airport Boulevard Burlingame, CA	N
026-131-180	62644	N & S Cristafi Family Limited Partnership	1271 Whitehorn Way Burlingame, CA	N
026-131-100	62645	Marc Andre Rochette, Trustee for Rochette Family Trust	1213 Rollins Road Burlingame, CA	N
026-131-170	62646	Linda Feng Min Sun & Jennifer Hsu Partnership	1000 Broadway Burlingame, CA	N
Total of All Parcels	15			

Meeting adjourned to closed session at 7:16 p.m.

Meeting reconvened to open session at 7:21 p.m.

Mr. Miller said the TA Board convened in closed session as permitted by the Brown Act and instructions have been given to the TA real property negotiators to proceed with finalizing offers for all of the needed parcels. Progress on the negotiations will be reported periodically to the Board.

Meeting adjourned at 7:23 p.m.