

JOINT MEETING OF THE EXECUTIVE COMMITTEE FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)

MINUTES

April 15, 2010

MTS
1255 Imperial Avenue, Suite 1000, San Diego

A. ROLL CALL

Chairman Mathis called the Board meeting to order at 9:02 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Ms. Lightner moved for approval of the minutes of the March 18, 2010, MTS Executive Committee meeting. Mr. Selby seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

2. MTS: Master Concessionaire Services - Contract Award (Wayne Terry) (Taken out of order)

Wayne Terry, Chief Operating Officer of MTS Rail, gave a PowerPoint presentation on the Master Concessionaire Service Contract Award. He discussed the terms and responsibilities of the current contract with The Kobey Corporation, which expires in June 2010. The presentation gave the Executive Committee examples of existing kiosks as well as a few improved kiosks that have a more uniform design, which is something the new contract will implement. The new contract will also allow expansion of services and an advanced rent structure based on location of the kiosk.

Larry Marinesi, MTS Budget Manager, reviewed two revenue proposals with the Executive Committee. Proposal No. 2 would provide MTS approximately \$568,000 more in total revenue, over a 9-year period, based on a higher percentage of monthly rent split between MTS and The Kobey Corporation.

Mr. Rindone questioned if there is a clause written into the proposal that requires rent to be paid on a monthly basis. He also expressed concern in regards to late payments of rent. He expressed his desire for a penalty incurred for rent being 30 days past due and an escape clause for rent being 60 days or more past due.

Tiffany Lorenzen, MTS General Counsel, commented that a Termination for Convenience and a Termination for Default clause is written into the proposal and that she will insert specific language about late payments. Paul Jablonski, MTS CEO, further

explained that when rent is late, a default note is sent and, if the tenant fails to pay rent we cancel the contract.

Mr. Roberts wanted to know if there was a monthly performance standard for rent. Ms. Lorenzen explained that MTS can cancel the contract with Kobey based on poor performance, via the Termination for Convenience clause. Mr. Terry stated that the projects for revenue are based on current numbers and that we are projecting the numbers to come in higher. He also stated that Kobey has a number of individuals who are waiting to join the Master Concessioner's Agreement.

Mr. Jablonski further clarified that the existing contract has been in place for 19 years. The focus for the new contract with Kobey is to move away from the 25% split currently in place. It has been stressed to Kobey during negotiations that we want a more aggressive company with a better revenue split at no cost to MTS. This has been accomplished and it the expectation is for this new agreement to be a very positive one for MTS. He added that MTS has the ability to cancel the contract with Kobey based on the Termination for Convenience, which is simply issuing Kobey a 30-day cancellation letter to cancel the contract. Based on the statement by Mr. Jablonski, Mr. Rindone and Mr. Roberts agree that it is in the best interest of Kobey to perform well.

Mr. Roberts wanted to make sure that the contract stipulates that vendor tenants do not get a rent reduction for purchasing the kiosks thereby decreasing net rent profits. Mr. Roberts advised that he would like this caveat put into the contract, and Mr. Rindone agreed.

Action Taken

Mr. Roberts moved to forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L0909.0-10 with The Kobey Corporation for master concessionaire services, Option 2, for a 9-year base period (including option years) with the following stipulations:

- (1) The Kobey Corporation cannot pass capital costs for facilities onto tenants renting kiosks.
- (2) A provision should be included in the contract that allows MTS to find Kobey in default if it fails to pay monthly rent later than 60 days.

Mr. Rindone seconded the motion, and the vote was 5 to 0 in favor.

1. MTS: Trolley Rehabilitation Project Update (Wayne Terry and John Haggerty of SANDAG)

The San Diego Association of Governments (SANDAG) is continuing to provide project management and design services for the upgrade to the Blue Line rail infrastructure and preparation for the entire trolley system for low-floor vehicle operations. SANDAG is looking beyond the platform itself for shelter concepts.

John Haggerty of SANDAG gave a PowerPoint presentation of 3-D rendering design features of proposed trolley shelters and the paving of trolley stations for the Green Line. The design features proposed include:

- Cantilevered “off-the-shelf” style canopy with varying widths; 7.5 feet, 9 feet, and 12 feet.
- Canopy has painted finish for ease of maintenance.
- Columns provide local context while the canopy remains consistent.
- Undercover area of 180 square foot per shelter vs. 48 square foot for existing shelter.
- Durable, smooth, and easily maintained paving surface at each station.
- Provide a unique station identity at Gaslamp Quarter.

Mr. Haggerty also provided shelter and pavement recommendation matrices. Recommendations vary based on location of station.

Mr. Roberts commented that the columns looked like they did not marry the shelters. He liked the custom features but would like to see different column options, such as a round column with a softer look and something more contemporary. Mr. Roberts expressed his liking for the canopy and paving choices that were presented. He made a suggestion that advertising could be mounted on the back side of shelters and would like to see the station name clearly mounted at seat height for passengers on the train. Mr. Roberts also felt that more options for the Gaslamp Quarter should be presented. He would like to see some examples from Portland Tri-Met.

Mr. Rindone feels that the columns are a bit bulky. He commented that the canopies could have more curve to provide better shade coverage. He is supportive of the canopy design but expressed concern for getting away from a distinct branding, such as the red roofs and having a consistent look. Mr. Rindone also commented that the station name signage should be clearly visible to riders on the trolley and should be in a consistent location at each station.

Ms. Lightner commented that solar paneling for the future would be a good item to consider in the design elements of the shelter canopy. Ms. Lightner communicated that she likes the columns but she would like to see more renderings.

In response to comments from the Executive Committee, Mr. Jablonski clarified that it is still the early stages of development and that future renderings will include different options for columns and include a shelter rendering loaded for a complete look. He will also get some photographs of the Portland Tri-Met stations.

The Executive Committee felt that maintenance and cost consciousness of the new canopies was an important issue to consider. Mr. Rindone commented that he did not like the proposed green color for canopies. Mr. Mathis commented that green would be a very fitting color as MTS is promoting “going green.” Mr. Roberts felt that the color green depicted blends in nicely to landscaping and feels that it will blend nicely with

other materials, especially brick. Ms. Lightner wants the maintenance of the color white to be explored.

Dennis Landaal of Kimley-Horn gave a PowerPoint presentation on shelter and design options for the upgrade to the Blue Line rail infrastructure. Primary shelter design goals include maximizing shade, visual recognition, cost effectiveness, easy maintenance, and cantilevered-roof form. The presentation showed 3-D renderings of several types of shelter styles for cantilevered roofs; traditional, wave, tensile, tent, and barrel vault. The presentation also included a shade study for each cantilevered shelter design. The traditional cantilevered roof provided the maximum amount of shading throughout the day.

Mr. Rindone likes the traditional arch the best and felt it was the most aesthetically pleasing design. He also liked the fact that the traditional arch would provide the most shade during peak sunshine hours.

Mr. Roberts wanted more information on costs. He would like to see figures based on dollars per square foot for both the Blue and Green Line upgrades for comparison.

After some discussion on maintenance, the Executive Committee provided feedback and unanimously agreed not to instill any tensile cantilevered shelter designs on the Blue Line.

Action Taken

Mr. Rindone moved to receive the report. Mr. Selby seconded the motion, and the vote was 5 to 0 in favor.

The Executive Committee convened to Closed Session at 10:52 a.m.

1. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to California Government Code Section 54956.8
Properties: 1313 National Avenue, San Diego, California (Assessor Parcel No. 535-612-01; 1344 National Avenue, San Diego, California (Assessor Parcel No. 535-613-04)
Agency Negotiators: Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets
Negotiating Parties: George Davis Trust; ISD Triangle LLC
Under Negotiation: Price and Terms of Payment
2. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to California Government Code Section 54956.8
Properties: 7490 and 7550 Copley Park Place, San Diego, California (Assessor Parcel Nos. 356-410-08 and 356-410-09)
Agency Negotiators: Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets
Negotiating Parties: RV Investment CA, LLC, RV Investment CA, LLC II
Under Negotiation: Price and Terms of Payment

The Executive Committee reconvened to Open Session at 11:28 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following:

1. The Committee received a report and gave direction to staff.
2. The Committee received a report and gave direction to staff.

D. REVIEW OF DRAFT APRIL 22, 2010, JOINT BOARD AGENDA

Recommended Consent Items

6. MTS: Rail Noise-Suppression Lubricant – Contract Award
Action would authorize the CEO to execute MTS Doc. No. L0954.0-10 with Neleco, Inc. to purchase Synco SuperLube Rail Noise-Suppression Lubricant for a five-year term with two 1-year options.
7. MTS: Internal Audit Report – Taxicab Administration
Action would receive an internal audit report on Taxicab Administration procedures.
8. MTS: Investment Report – February 2010
Action would receive a report for information.
9. MTS: Increased Authorization for Legal Services – Trovillion Inveiss Ponticello & Demakis, APC
Action would authorize the CEO to execute MTS Doc. No. G1139.8-08 with Trovillion Inveiss Ponticello & Demakis, APC for legal services and ratify prior amendments entered into under the CEO's authority.
10. MTS: Semiannual Uniform Report of DBE Awards or Commitments and Payments
Action would receive the Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards of Commitments and Payments.
11. MTS: Federal Transit Administration 5311 Program Projects
Action would approve Resolution No. 10-7 authorizing the use of \$235,296 of FTA Section 5311 funds for operating assistance in nonurbanized areas.
12. MTS: Increased Authorization for Legal Services – Law Offices of Michael E. Ripley
Action would authorize the CEO to execute MTS Doc. No. G1080.7-07 with the Law Offices of Michael E. Ripley for legal services and ratify prior amendments entered into under the CEO's authority.

There was discussion regarding Agenda Item No. 31 on the Draft Board Agenda for April 22, 2010, as to whether or not it should be a Consent item. Mr. Rindone felt that it would be beneficial for the Board to hear the report. Mr. Jablonski responded that it would stay a Discussion item.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

Sharon Cooney reported that the Transportation Committee will be approving MTS capital improvement programs (CIPs) for FY 2011 at the April 16, 2010, meeting.

The Transportation Committee will also move to approve by the Board of Directors three light rail transit alternatives for the Mid-Coast Corridor Project. Mr. Jablonski will be making comments on Alternative LRT No. 6 regarding rail noise and speed.

Ms. Cooney also reported that the Transportation Committee will be discussing other alternatives for funding transit operations.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no communications or other business.

G. PUBLIC COMMENTS

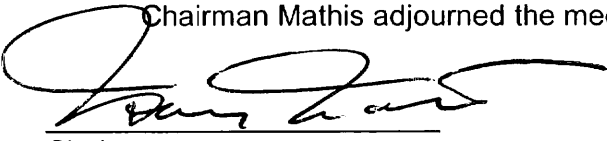
There were no public comments.

H. NEXT MEETING DATE:

The next meeting is scheduled for Thursday, May 6, 2010, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 11:30 a.m.



Chairman

Attachment: A. Roll Call Sheet

**EXECUTIVE COMMITTEE
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) April 15, 2010

CALL TO ORDER (TIME) 9:02 AM

RECESS None

RECONVENE ---

CLOSED SESSION 10:52 AM

RECONVENE 11:28 AM

ADJOURN 11:30 AM

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
LIGHTNER <input checked="" type="checkbox"/> (Young) <input type="checkbox"/>		11:27 AM
MATHIS <input checked="" type="checkbox"/>		
Imperial Beach Rotated to Chula Vista		
RINDONE (VC) <input checked="" type="checkbox"/> (Young - CPT) <input type="checkbox"/>		
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:05 AM	11:20 AM
SELBY <input checked="" type="checkbox"/> (Ryan) <input type="checkbox"/>		
Transportation Committee Rep Slot (Mathis)		

SIGNED BY OFFICE OF THE CLERK OF THE BOARD

Valerie Vizkeleti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL:

[Signature]