

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

MINUTES

July 26, 2018

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased].

1. Roll Call

Chair Gomez called the Board meeting to order at 9:04 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Ms. Cole moved to approve the minutes of the June 14, 2018, MTS Board of Directors meeting. Ms. Bragg seconded the motion, and the vote was 13 to 0 in favor with Mr. Cox and Ms. Zapf absent.

3. Public Comments

Valerie Hightower – Ms. Hightower commented that there is not enough service on Routes 4, 916 and 917. She stated that there needs to be public bathrooms available for transit riders. She requested for dogs to be muzzled on the buses. She stated that she has seen bus drivers smoking cigarettes and then board the bus. She stated that when that happens and the windows are all closed, it's hard to breathe. Ms. Hightower asked for more security presence, especially on the Green Line. She asked for the bus stops to be cleaned more frequently.

Martha Welch – Ms. Welch commented on the 2015 budget for El Cajon. She stated that she's upset there are no public bathrooms. She commented that there has been a housing shortage for a long time.

Max Elldrin – Mr. Elldrin commented on behalf of Mid-City CAN. He stated that one of their biggest campaigns is the youth opportunity transit passes. He stated that transportation is a big obstacle for many of the youth in their community. Mr. Elldrin asked that the political consultant include polling for no cost student transit passes for the ballot measure.

Maria Cortez – Ms. Cortez commented on behalf of Mid-City CAN. She requested for MTS to conduct polling for no cost student transit passes in related to the proposed ballot measure. She stated that they believe this will poll very high and will create increased ridership. She also stated that she has recently seen a lot of non-service dogs riding the bus and trolley and it has become a safety issue for other riders.

Michelle Krug – Ms. Krug commented on the new bus schedule for Route 963. She stated that there are major issues with the schedule and timing of this route. Ms. Krug stated that the route is now a loop and the earliest bus does not begin until 6:21 a.m. She stated that the previous route used to begin at 5:35 a.m. Ms. Krug requested for the schedule to be adjusted back to the earlier start time.

Lorraine Leighton – Ms. Leighton commented about a bus driver on Route 815 that has been discriminatory against disabled riders. She stated that she has submitted complaints about these issues. Ms. Leighton commented that she has had issues with a bus driver on Route 875 and stated that he does not deploy the ramp when requested. She stated that there is an excellent bus driver on Route 30. Ms. Leighton also commented that there is a trash can that needs to be moved away from the rocks at the Route 864 stop.

Clive Richard – Mr. Richard commented on transit oriented development. He stated that he was at the Grossmont Trolley Station and wondered how many of the people who live at the Grossmont apartments actually use transit. He asked if transit oriented development means that the development is close to a transit facility or if transit oriented development is a motivator for the use of transit. Mr. Richard asked if there has been any proof that transit oriented development actually brings more ridership to transit.

CONSENT ITEMS

6. Increased Authorization for Legal Service Contracts to Pay Projected Expenses in Fiscal Year (FY) 2019
Action would authorize the Chief Executive Officer (CEO) to execute amendments with eight law firms, increasing the spending authority to cover anticipated FY19 expenses.
7. Number Not Used.
8. Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards and Payments
9. Revisions to Board Policy No. 26, "Disadvantaged Business Enterprise Program"
Action would approve revisions to Board Policy No. 26, "Disadvantaged Business Enterprise Program".
10. Number Not Used.
11. Fairfield Grossmont Trolley, LLC Lease: Consent to Assignment and Assumption of Ground Lease
Action would authorize the Chief Executive Officer to execute the Assignment and Assumption of Ground Lease consenting to this transfer of the Fairfield Grossmont Trolley, LLC lease to Trolley 8727 Apartments California, LLC and any additional documents necessary to close the transaction.
12. Centralized Train Control (CTC) Technology Refresh Project
Action would authorize the Chief Executive Officer (CEO) to execute Task Order 83 of Addendum 17 to the Memorandum of Understanding (MOU) between San Diego Associations of Governments (SANDAG) and MTS for the Centralized Train Control (CTC) Technology Refresh Project.
13. Investment Report - May 2018
14. Elevator and Escalator Maintenance and Repair Services - Contract Amendment
Action would: (1) Ratify Amendments 1, 2 and 3 to MTS Doc. No. PWG153.0-14; and (2) Authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG153.5-14 with

ThyssenKrupp Elevator (TKE) for additional funds for continued maintenance of elevators and escalators.

15. San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken By The SD&AE Board of Directors at its Meeting on July 10, 2018
Action would receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports for information.

Action on Recommended Consent Items

Ms. Salas moved to approve Consent Agenda Item Nos. 6 – 15. Mr. Hall seconded the motion, and the vote was 15 to 0 in favor.

CLOSED SESSION

24. None.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. Grantville Trolley Station Transit Oriented Development (Tim Allison and Sharon Cooney)

Sharon Cooney, Chief of Staff, introduced this item and clarified that the action being proposed today is to authorize the Chief Executive Officer to enter into exclusive negotiations with Affirmed Housing and Greystar. She stated that the action is not to approve any design or agreement at this time. Tim Allison, Manager of Real Estate Assets, continued the presentation and provided a background on the Grantville Trolley Station property details. He presented maps of the property and reviewed the direction from the Executive Committee. Mr. Allison presented pictures of the flood zone adjacent and bordering the property. He reviewed the results of the planning study completed by the City of San Diego to mitigate flooding. Mr. Allison discussed the revised proposal for a joint venture between Affirmed Housing and Greystar. He presented a concept design picture of the joint development project. Mr. Allison introduced Paul Marra with Keyser Marston Associates to present the results of their study analysis.

Mr. Marra discussed the results from the feasibility study for this property. He reviewed the site area and zoning capacity; potential development prototypes; supportable land values for market-rate multi-family developments; feasibility of mixed-income multi-family development; and the standalone tax credit apartment scenario.

Ms. Cooney stated that they have concluded that the Affirmed Housing and Greystar densities are consistent with the maximum densities the site will reasonably support and it will provide financial return to MTS consistent with the Keyser Marston Associates ranges for the site. She stated that staff would come back to the Board with a closed session item this fall to discuss further details as it relates to the cost and design of the property. Ms. Cooney stated that today's staff recommendation would be to continue discussions with Affirmed Housing and Greystar, and to authorize the Chief Executive Officer to enter into exclusive negotiations with Affirmed Housing and Greystar.

PUBLIC COMMENTS

Liz Saidkhanian – Ms. Saidkhanian from Councilmember Sherman's office stated that the Councilmember is supportive of this project, but also wants to see the developers and MTS work with the City of San Diego to incorporate the Grantville Station/Alvarado Creek Revitalization Study and the Supplemental Design Regulations included in the Navajo Community Plan into this site. A full copy of Councilmember Sherman's letter to the MTS Board is attached in the final meeting packet.

Daniel Smith – Mr. Smith commented on behalf of the Navajo Community Planning Group regarding the Grantville Station/Alvarado Creek Revitalization Study. He asked that MTS require the developers to incorporate this study into their development site and make a formal presentation to the Navajo Community Planning Group for community support and insight. A full copy of this letter to the MTS Board is attached in the final meeting packet.

Maya Rosas – Ms. Rosas commented on behalf of Circulate San Diego. She stated that they are supportive of this development moving forward. She asked that the parking analysis be reviewed and look to lower the parking requirement for this property. Ms. Rosas commented that Circulate San Diego recently released a report called Real Opportunity and are asking for MTS Policy 18 to be updated to include affordability as a requirement for development projects and to also reduce the parking requirements for future projects.

BOARD COMMENTS

Chair Gomez invited the developers to provide comments to the Board Members. Jim Silverwood, with Affirmed Housing, commented that they are excited about this proposal and to work with Greystar and MTS. Mr. Silverwood stated that the next step, if approved today, will be to speak with Councilmember Sherman regarding his requests. He noted that they own a property adjacent to this property and are planning improvements to the creek. Jerry Brand, with Greystar, commented that they are looking forward to developing this property.

Mr. Alvarez commented that he is confident the developers will work with Councilmember Sherman's office on the Alvarado Creek Revitalization Study. Mr. Alvarez asked for clarification if prototype number five builds out to the city approved density. Mr. Marra replied that is correct. Mr. Alvarez asked how many units could realistically be built based on this property and space. Mr. Marra replied that there would be approximately 550 units per net acre of land. Mr. Alvarez inquired about the parking requirement calculation used in the report. Mr. Marra stated that they used 1.25 parking spaces for a one bedroom and 1.75 spaces for a two bedroom unit. He said that they used a 1.55 weighted unit parking requirement for the first two prototype recommendations. For the remaining three prototype recommendations they reduced the parking requirements to 1.4, 1.3 and 1.25 spaces per unit. Mr. Alvarez inquired about the number of commuter parking spaces. Mr. Allison replied that the number of commuter parking spaces is calculated based on what is utilized today and includes room for organic growth. Mr. Alvarez inquired about the negative land value results for prototype number four and five. Mr. Marra replied that even before considering the cost for replacement parking, the developers would have an infeasible project. He stated that MTS would receive no land payment and the project would also require a subsidy and then there would be a further cost to replace the parking. Mr. Alvarez stated that he is going to keep pushing the city to reduce parking requirements especially near public transit. Mr. Alvarez asked if this development would be mixed-use or residential only. Ms. Cooney replied that the proposal is for residential only. Mr.

Alvarez inquired about the tax credits and whether both tax credit options need to occur for the project to be feasible. Mr. Marra replied yes.

Mr. Donovan inquired if the proposals were solicited or unsolicited. Ms. Cooney stated that the proposals were unsolicited. Karen Landers, General Counsel, noted that we are legally allowed to accept unsolicited proposals. She also noted that MTS had previously reached out to several developers to solicit interest and there were no developers that had interest in the property.

Mr. Hall asked if the revitalization to the Alvarado Creek would take the development site out of the flood zone. Mr. Allison replied that the development site is already out of the flood zone.

Ms. Zapf asked if the Alvarado Creek Revitalization plan will be accommodated by the developers. Mr. Allison stated that we will accommodate future work on the Alvarado Creek. Ms. Zapf inquired if the student housing component includes only San Diego State University (SDSU) students. Mr. Allison replied that there is no requirement that the student has to attend SDSU.

Mr. Jablonski clarified that this project can move forward without any work being done on the city side in relation to Alvarado Creek. He stated that the development site we are building on is currently out of the flood zone and it will also be out of the way for future improvements to the Alvarado Creek.

Mr. Mullin inquired about the differences between the high and medium land values. Mr. Marra replied that high land value would be in the upper end of the \$40 - \$80 per foot range, and the medium land value would be in the lower end of that range. Mr. Mullin asked if MTS would contribute funding towards affordable housing. Ms. Landers commented that those matters would be discussed in closed session.

Mr. Diaz inquired about researching the maximum density bonus for this development. Mr. Marra replied that they researched the maximum density bonus for this property and it causes the development to be unfeasible.

Chair Gomez stated that she is in support of this project and reducing the parking requirements for this project.

Action Taken

Mr. Diaz moved to receive a report on the Grantville Trolley Station Transit Oriented Development opportunities and authorize the Chief Executive Officer to enter into exclusive negotiations with Affirmed Housing and Greystar regarding a proposed joint development project and ground lease. Mr. McWhirter seconded the motion, and the vote was 15 to 0 in favor.

31. Planning Consultant for Potential Ballot Measure - Contract Award (Denis Desmond)

Ms. Cooney introduced this item and stated that this contract award will help in the planning process for the potential ballot measure. Denis Desmond, Director of Planning, continued the presentation and noted that we are recommending a sole source award to TMD for planning consulting for the potential ballot measure. He stated that TMD has done extensive work with MTS and the San Diego region. Mr. Desmond reviewed the proposed tasks for this contract

including data collection and market review; development of the program of projects; conducting ridership estimates; assessment of capital assets and infrastructure; and estimating operating costs.

PUBLIC COMMENTS

Maya Rosas – Ms. Rosas commented on behalf of Circulate San Diego. She stated that they are supportive of this contract. Ms. Rosas stated that they are researching and doing their own analysis on the ballot measure. She commented that they are doing an analysis on polling that has been done on previous ballot measures across the state and whether or not those ballot measures were successful. She stated that items such as rail, pothole repair, and safe routes to school poll very well and would be very popular with the voters.

BOARD COMMENTS

Mr. Hall inquired that we will conduct polling to ensure that we do not move forward if polling suggests that it will not pass. Ms. Cooney stated that the political consultant services will include polling and focus groups.

Mr. Donovan inquired if there are any other funding sources for these proposed projects. Mr. Jablonski replied that there are other funding sources however those funding sources are limited. He noted that we will be bringing a financial plan forward that will demonstrate how much funding will be needed for these projects.

Mr. Cox commented that he would like to see the Purple Trolley Line as well as bicycle improvements in the proposed list of projects.

Mr. Alvarez commented on the contract and stated that he believes the presentation requirement listed for the consultant should be expanded to more than three presentations to the Board. Ms. Cooney replied that they can adjust the contract to include additional presentations to the Board, if necessary. She noted that TMD would only be providing presentations on planning principles. Civilian, Inc., the marketing outreach consultant, will be providing the bulk of the presentations, updates and outreach to the Board and the public during this process.

Action Taken

Mr. Hall moved to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2161.0-18 with Transportation Management & Design, Inc. (TMD), for the provision of preliminary planning services for a potential ballot measure from July 2018 to June 30, 2019. Mr. Alvarez seconded the motion, and the vote was 15 to 0 in favor.

32. Disadvantaged Business Enterprise (DBE) Overall Goal (Samantha Leslie)

Samantha Leslie, Staff Attorney, provided a presentation on the DBE overall goal. She discussed the DBE overall goal setting methodology. She reviewed the steps in the goal setting methodology and noted that the proposed overall DBE goal is 3% for federal fiscal year 2019 to 2021. Ms. Leslie also reviewed additional factors to consider that may reduce our chances to meet our goal.

Mr. Cox inquired if we are meeting our current 3.75% DBE goal. Ms. Leslie replied yes. Mr. Cox asked if there are penalties for not meeting our goal. Ms. Leslie replied that there are no penalties, but there are consequences. She stated that if we do not meet our goal in a fiscal year we have to develop a short fall analysis and corrective action plan that the FTA has to approve. Mr. Cox stated that he would like to see the goal stay at 3.75% instead of dropping it down to 3%, especially since we are currently meeting that goal.

Mr. Diaz inquired about a previous larger DBE goal achievement. Ms. Leslie replied that last fiscal year we did achieve a higher DBE percentage due to a large multi-year contract that was awarded. Mr. Diaz asked what we do for outreach for DBE contracts. Ms. Leslie replied that MTS is part of the Public Agency Consortium, which includes all public agencies in San Diego and they meet to discuss ways to increase DBE's and small business participation for their own agencies. MTS also participates in various events and trade shows, sends email blasts to all of our current DBE's and small businesses, and conducts multiple methods of advertising.

Ms. Cole commented that she is pleased to hear that we are doing extensive outreach to the community so that DBE's and small businesses have more opportunities to bid for contracts.

Mr. Jablonski clarified that this is a requirement for when we use federal dollars. He stated that we do not get credit towards our DBE goal if we use local or state dollars to pay for a DBE or small business contract.

Action Taken

Mr. McWhirter moved to adopt a 3% Overall DBE Goal for DBE-participation in federally funded contracts over the Federal Fiscal Year (FFY) 2019 to FFY 2021 triennial period. Ms. Cole seconded the motion, and the vote was 14 to 1 in favor with Mr. Diaz voting no.

REPORT ITEMS

45. San Diego Metropolitan Transit System (MTS) Marketing Update (Rob Schupp)

Rob Schupp, Director of Marketing and Communication, provided a Marketing update. He introduced the Marketing department staff. He reviewed details related to public relations outreach; media relations; internal communications; newsletters; advertising; partnerships; customer information; web/intranet metrics; collateral; compass cloud and compass cash; other projects; ridership campaigns; Choose Transit campaign; free ride day; and Civilian, Inc. task orders.

Ms. Salas commented that she really loves the Choose Transit campaign. She stated that the City of Chula Vista can assist in marketing that campaign.

Ms. Bragg stated that she is happy to see what MTS is doing to encourage transit use throughout the county. She commented on the travel training program and recommended including seniors and people with disabilities in the Choose Transit advertisements. Ms. Bragg inquired about the branded Beach Bus routes and asked if that could also be implemented in Imperial Beach. Mr. Schupp replied that he will look into that branding for Imperial Beach.

Ms. Rios commented that she appreciates the detailed emails provided by Mark Olson about service changes and various updates. She stated that being able to link those messages to her social media sites has been very beneficial to her community.

Mr. Hall asked if MTS can work on some small events in Santee to promote the new bus routes.

Mr. Diaz requested for media-friendly art work that elected officials can utilize. Mr. Schupp replied that they are putting together a toolkit for elected officials to utilize and promote transit.

Ms. Mendoza commented that she would like to see the Free Ride Day promoted in Lemon Grove as well as the various school districts and colleges. She also stated that she would like to see us market San Diego as a non-rental car city and to advertise to tourists to take transit as an alternative.

Action Taken

No action taken. Informational item only.

46. Operations Budget Status Report for May 2018 (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a presentation on the operations budget for May 2018. He reviewed the total operating revenues, total operating expenses, and total operating variance. Lastly, he reviewed ongoing concerns including the sales tax subsidy revenue, State of California budget, passenger levels, and energy prices.

Action Taken

No action taken. Informational item only.

59. Ad Hoc Ballot Measure Committee Report (Board Member David Alvarez)

Chair Gomez stated that the next Ad Hoc Ballot Measure Committee meeting would take place on Friday, September 7, 2018 at 1:30pm.

60. Chair Report

There was no Chair report.

61. Chief Executive Officer's Report

Mr. Jablonski commented that we received a perfect score for our FTA Triennial Review Audit. He stated that this makes the fourth time in a row, which is twelve years in a row, that MTS has received a perfect score. He noted that achievement has never been done in this industry until now.

62. Board Member Communications

There were no Board Member communications.

Board of Directors – MINUTES

July 26, 2018

Page 9 of 9

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

The next regularly scheduled Board meeting is September 20, 2018.

65. Adjournment

Chair Gomez adjourned the meeting at 11:41 a.m.

/s/ Georgette Gómez

Chairperson

San Diego Metropolitan Transit System

Filed by:

Approved as to form:

/s/ Julia Tuer

Clerk of the Board

San Diego Metropolitan Transit System

/s/ Karen Landers

General Counsel

San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): July 26, 2018

CALL TO ORDER (TIME): 9:04 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:41 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:00 a.m.	11:36 a.m.
ARAMBULA	<input type="checkbox"/> (Mendoza) <input checked="" type="checkbox"/>	9:00 a.m.	11:41 a.m.
BRAGG	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:00 a.m.	11:37 a.m.
COLE	<input checked="" type="checkbox"/> (Ward) <input type="checkbox"/>	9:00 a.m.	11:41 a.m.
DIAZ	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:00 a.m.	11:41 a.m.
FAULCONER	<input type="checkbox"/> (Zapf) <input checked="" type="checkbox"/>	9:09 a.m.	11:41 a.m.
GOMEZ	<input checked="" type="checkbox"/> (Bry) <input type="checkbox"/>	9:00 a.m.	11:41 a.m.
HALL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:00 a.m.	11:41 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Goble) <input type="checkbox"/>	9:00 a.m.	11:41 a.m.
MCWHIRTER	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:00 a.m.	11:41 a.m.
MULLIN	<input checked="" type="checkbox"/> (TBD) <input type="checkbox"/>	9:00 a.m.	11:41 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:00 a.m.	11:41 a.m.
ROBERTS	<input type="checkbox"/> (Cox) <input checked="" type="checkbox"/>	9:07 a.m.	11:41 a.m.
SALAS	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:00 a.m.	11:41 a.m.
SANDKE	<input type="checkbox"/> (Donovan) <input checked="" type="checkbox"/>	9:00 a.m.	11:41 a.m.

SIGNED BY THE CLERK OF THE BOARD:

Julia Turner

CONFIRMED BY THE GENERAL COUNSEL:

Forner