

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

April 27, 2006

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the meeting to order at 9:03 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Ms. Atkins moved to approve the minutes of the April 13, 2006, Board of Directors meeting. Mr. Clabby seconded the motion, and the vote was 9 to 0 in favor.

4. Employee Recognition
(Taken Out of Order)

Mr. Paul Jablonski, MTS Chief Executive Officer (CEO), reported that, in September 2005, MTS was invited to participate in the Transportation Security Administration's National Explosive Detection Unit K-9 Team Program. He then introduced San Diego Trolley employees Lenzoral Parham and his dog, Bino, and Jose Manzo and his dog, July. Mr. Jablonski reported that each of these officers underwent ten weeks of training to become MTS's first explosives detection canine handlers. He reported that Mr. Parham was given the "Top Dog Handler" award, and Mr. Manzo scored in the top 4 in their class. Mr. Jablonski stated that a third team is still in training. He recognized the employees for their great job in representing the MTS organization and wished them success. Chairman Mathis reported that MTS's participation in this program was made possible through a grant from the U. S Department of Homeland Security.

3. Public Comment

Don Stillwell: Mr. Mathis requested that Mr. Stillwell not revisit issues he had addressed at previous Board meetings. Mr. Stillwell objected to Mr. Mathis' request. Mr. Stillwell went on to say that there was a dangerous situation developing. He also stated that, as a rider, he would not want to go to the SDSU Trolley Station in order to get to the bus stop at Kaiser Hospital.

Chuck Lungerhausen: Mr. Lungerhausen reported that he turned in \$4,795 in donations for the 2006 MS Walk, and that Team Water Walkers turned in over \$109,000. He stated that someone made a anonymous donation of \$92,000. He also stated that he had read letters in the local newspaper from individuals who were not in favor of the television system MTS will be installing on buses and trolley cars. He stated that elected officials need to promote support for a level of tax funding for San Diego similar to that received in Los Angeles and San Francisco.

CONSENT ITEMS *(Taken Out of Order)*

6. MTS: South Bay/East County Maintenance Facilities Capital Project Budget Adjustments (CIP 11079, 10973, 11026, 10845, OPS 920.6)

Recommend that the Board of Directors authorize the Chief Executive Officer (CEO) to (1) approve the transfer of funds between capital projects (as noted in Attachment A of the agenda item); and (2) approve a three-year contract (Doc. No. B0451.0-06) for rental of self-storage units adjacent to the South Bay Maintenance Facility that provides for additional transit vehicle parking and storage (Attachment B of the agenda item).

7. MTS: Increased Authorization for Legal Services (LEG 491, PC 50121)

Recommend that the Board of Directors authorize the CEO to enter into a contract amendment (MTS Doc. No. G0934.3-04, Attachment A of the agenda item) with R. Martin Bohl of the Law Offices of R. Martin Bohl, for legal services related to joint development projects, in substantially the same form as attached to the agenda item.

8. SDTC: Contract Award for Brake and Planetary Kits (OPS 960.6)

Recommend that the Board of Directors authorize the CEO to execute a one-year contract (SDTC Doc. No. B05-007, Attachment A of the agenda item) with Truck Trailer Transit, Inc. for brake and planetary kits. The total cost of this procurement, including California sales tax, shall not exceed \$61,268.69.

9. MTS: Budget Transfer and Construction Management Contract Amendment for Mission Valley East (CIP 10426.12)

Recommend that the Board of Directors authorize the CEO to (1) transfer \$250,000 into the Construction Management (CM) line item (WBS #10426-0700) to fund Contract Amendment No. 40 with Washington Group International (WGI) to extend CM services on the Mission Valley East (MVE) Light Rail Transit (LRT) Project (see Attachment A of the agenda item, Budget Transfer History); and (2) execute Contract Amendment No. 40 (MTS Doc. No. L6343.40-01) with WGI in substantially the same form as shown in Attachment B of the agenda item, in an amount not to exceed \$248,067 for CM services on the MVE LRT Project, including extension of the CM services through August 31, 2006.

Recommended Consent Items

Mr. Ewin moved to approve Consent Agenda Nos. 6, 7, 8, and 9. Ms. Atkins seconded the motion, and the vote was 10 to 0 in favor.

CLOSED SESSION:

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:15 a.m.

- a. SDTI: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to Subdivision (a) of California Government Code Section 54956.9: Save Our Heritage Organisation (SOHO) v. City of San Diego, et. al., (Superior Court Case No. GIC 837743)

- b. MTS: CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to Government Code Section 54956.8
Property: Right-of-Way Adjacent to Grossmont Center Station Parking Lot at the intersection of Grossmont Center Drive and Fletcher Parkway
Agency Negotiators: R. Martin Bohl, Paul Jablonski, Tim Allison, Tiffany Lorenzen, and Jerry Trimble
Negotiating Parties: Fairfield Residential, LLC, JP Morgan Chase Bank, and Mass Mutual
Under Negotiation: Instructions to Negotiators will Include Price and Terms of Payment
- c. MTS: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation Pursuant to Subdivision (b) of California Government Code Section 54956.9: (One Potential Case)

The Board reconvened to Open Session at 10:12 a.m.

Oral Report of Final Actions Taken in Closed Session

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

- a. The Board received a report and gave direction to outside counsel. City of San Diego representatives were not present for the discussion of this item.
- b. The Board received a report and gave direction to outside counsel and agency negotiators.
- c. The Board received a report and gave direction to General Counsel.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

- 30. MTS: Update on the Status of the Grossmont Trolley Station Joint Development Project (LEG 460, PC 50787)

Ms. Tiffany Lorenzen, MTS General Counsel, introduced Mr. Wesley Espinoza of Fairfield Residential LLC and then provided the Board with an update on the status of the Grossmont Trolley Station Joint Development Project. She reported that MTS and Fairfield have resolved all outstanding issues associated with the Disposition and Development Agreement (DDA) and the Ground Lease. She further reported that the lenders for this project, JP Morgan Chase and Mass Mutual, are unwilling to identify their outstanding issues until they receive a copy of the Ground Lease. She added that outside counsel is currently finalizing that document and has already finalized and sent out the DDA. She added that staff will be participating in a conference call today with the lender to review portions of the Ground Lease and anticipated that an additional conference call will be scheduled for either Friday or Monday. She hoped that all issues would be identified during this process.

Ms. Lorenzen recommended that the Board table its review and approval of the documents outlined in numbers 2, 3, and 4 of the recommendation as outlined in the agenda item so negotiations with the lender can be completed and finalized. She referred Board members to

page 3 of the agenda item for a list of the clarifications that have been made to the version of the Ground Lease that was provided as part of the agenda item. She added that the Executive Committee and staff discussed some of the more important issues at the last Executive Committee meeting. She stated that the Committee provided input with respect to the construction schedule as well as the milestones for completion of the parking structure and the entire project. She added that the Committee also provided input with respect to pulling the building and construction permits for the project.

Ms. Lorenzen stated that the adjoining property owner, CCRT Properties, which has a parking license to utilize the existing 600 spaces at the Grossmont Station, has been provided with the final draft of the amendment to that particular license. She anticipated hearing back from CCRT Properties today or tomorrow. She also reported that MTS staff met with the Chief Operating Officer for the owner of the adjacent property on which the pedestrian bridge landing is proposed to be located. The property owner has been informed about the necessity for soil borings and understands that the bridge and landing cannot be moved until the soil borings have been completed. She stated that MTS is waiting for agreement from the property owner to proceed with the soil borings. Mr. Espinoza indicated that he had nothing to add to Ms. Lorenzen's report. Mr. Jablonski thanked Mr. Espinoza for attending the Board meeting.

Public Comment

Clive Richard: Mr. Richard asked if there was a specific timeframe for completion of the project and if a rendering and construction schedule for the project were available. He indicated that he is a member of the Trolley Access Advisory Committee, which is interested in this project. He also inquired about discrimination guidelines for the project. Ms. Lorenzen responded that drawings for this project as submitted for the Capital Improvement Program are 65 percent complete. She stated that a nondiscrimination clause was included in either the DDA or the Ground Lease, and the project is also covered by state and federal discrimination laws.

Action Taken

Mr. Ewin moved to (1) receive an update from General Counsel regarding the status of the Grossmont Trolley Station Joint Development Project; and continue items 2, 3, and 4 as follows: (2) authorize the CEO to execute the Disposition and Development Agreement and Ground Lease, in substantially the same format as attached to the agenda item (Attachments B and C), assuming an agreement can be reached with Fairfield Residential, LLC on the remaining issues; (3) approve the appraisal report; and (4) authorize the CEO to execute and sign any other documents necessary to complete the transaction, including the lender's Estoppel Certificate and the Parcel Map. Mr. Monroe seconded the motion, and the vote was 10 to 0 in favor.

31. SDTC: Extension of the ARC of San Diego Contract for Interior Deep Cleaning of SDTC Buses (OPS 960.6)

Ms. Claire Spielberg, Chief Operating Officer-Bus, reported that SDTC would like to execute a temporary month-to-month contract extension with ARC of San Diego while negotiations are underway to increase the wage rate paid to ARC employees and their job coaches. She reported that ARC employees are performing at a level higher than anticipated. Ms. Monroe stated that ARC is an incredible organization, and that he totally supports this agenda item. Chairman Mathis reported that he and Ms. Spielberg have discussed this matter, and that the ARC employees are doing a good job and integrate well with the rest of SDTC's workforce. Mr.

Monroe recognized the IBEW members and leadership for their willingness to team with this effort.

Action Taken

Mr. Monroe moved to authorize the Chief Operating Officer-Bus to execute a temporary (not to exceed three months) month-to-month contract extension with ARC of San Diego to deep clean the interior of San Diego Transit Corporation's buses, for an amount not to exceed \$24,332 (\$8,112 per month). Ms. Atkins seconded the motion, and the vote was 10 to 0 in favor.

REPORT ITEMS

45. MTS: C Street Master Plan (ADM 124, PC 50451)

Mr. Brandon Farley, MTS Senior Transportation Planner, introduced this item. He reported that approximately 100,000 passenger trips are made each day on trolley service along C Street, and, of those, 35,000 to 40,000 trips are linked to one of the four stations on C Street (City College, Fifth Avenue, Civic Center, and American Plaza). Mr. Farley introduced Mr. Sachin Kalbag who is the Centre City Development Corporation Project Leader for this project. Mr. Kalbag provided background information and then reported on the following elements of the project: Project boundary, team structure, goals, tasks, schedule, public process, make up of advisory committees, participants in stakeholder interviews, key observations as identified during stakeholder interviews, priorities as identified during the public workshops, and the next steps.

Mr. Monroe suggested that Senator James R. Mills be contacted for a stakeholder interview. He suggested that Mr. Faulconer participate in the interview and stated that he would also like to participate. Mr. Faulconer stated that he is the Chair of the C Street Advisory Committee and reported that approximately 120 people attended the first workshop. He stated that there is a lot of opportunity for improving both the aesthetics and functionality of the C Street corridor. In response to a question from Mr. Monroe, Mr. Kalbag reported that CCDC is already considering ways to make it feasible for longer train consists to operate on C Street.

Action Taken

Mr. Faulconer moved to receive a report on Centre City Development Corporation's C Street Master Plan. Ms. Atkins seconded the motion, and the vote was 11 to 0 in favor.

60. Chairman's Report

There was no Chairman's Report.

61. Chief Executive Officer's Report

Article in The Daily Aztec: Mr. Jablonski referred to an article that was written by Contributing Columnist Michael Erler for The Daily Aztec, which was placed on the table prior to the start of the meeting. He stated that it was an excellent article and that Mr. Erler had a good experience when he decided to ride transit rather than drive his car. Mr. Rindone suggested that MTS use Mr. Erler to provide testimonials for marketing purposes.

62. Board Member Communications

Letter Regarding Television-Equipped Buses and Trolleys: Mr. Monroe referred to a letter from Mr. Ed Beasley expressing his objection to equipping buses and trolley cars with televisions. Mr. Beasley sent each Board member an individually addressed copy of this letter, which was placed at the table prior to the start of the meeting. Mr. Monroe stated that there appears to be a misconception that MTS is paying for these televisions and added that the majority of the public support this program. Mr. Rob Schupp, Director of Marketing and Communications, reported that a letter to the editor had been issued providing details of this project. Mr. Jablonski stated that a copy of this letter will be faxed to Board members. Ms. Atkins requested that staff respond to Mr. Beasley's letter.

Mr. Jablonski reported that this item will be brought back to the Board. He added that MTS started negotiations with Transit Television Network after a one-year testing period and added that this is the first application for televisions on a light rail transit vehicle. He stated that MTS is not incurring any cost but will receive revenues from this project. He stated that the system will help MTS meet Americans With Disabilities (ADA) regulations and will provide next-stop announcements, allowing MTS to avoid the cost of installing an expensive system for that purpose.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

Chairman Mathis reminded Board members that the next regularly scheduled Board meeting will start with a Finance Workshop at 8:00 a.m. on Thursday, May 11, 2006,

65. Adjournment

Chairman Mathis adjourned the meeting at 10:43 a.m.

Chairperson
San Diego Metropolitan Transit System
Filed by:

Approved as to form:

Office of the Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet
gail.williams/minutes