

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

June 15, 2006

MTS  
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

A. ROLL CALL

Vice Chair Rindone called the meeting to order at 9:11 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Ms. Atkins moved approval of the minutes of the May 18, 2006, Executive Committee meeting. Mr. Lewis seconded the motion, and the vote was 4 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. MTS: Repeal MTS Policy Nos. 7, 11, and 13 and Enact a Consolidated Procurement Manual (ADM 110.2, PC 50121)

Ms. Tiffany Lorenzen, MTS General Counsel, briefly summarized why changes are being recommended for Policy Nos. 7, 11, and 13. She stated that approval of these policies will ensure that all procurements are standardized and filtered through a consolidated procurement department. She added that provisions of Senate Bill 959 that pertain to procurement have been incorporated into the new policy (No. 52) as well as applicable portions of Policy Nos. 7, 11, and 13. She provided highlights of changes that were made to certain provisions pertaining to approval levels, the use of informal procurements, and the use of negotiated procurements. She stated that the new policy also unifies various procedures that were previously in place depending upon the type of product or service and the funding source that is utilized. She added that Policy No. 7 would be repealed in its entirety because all of its provisions are being absorbed by Policy No. 52. She added that the remainder of the provisions in Policy Nos. 11 and 13 will be retained and the policies renamed, Construction Claims and Contractor Debarment and Conflicts of Interest Regarding Service Contracts, respectively. Ms. Lorenzen requested that the Committee authorize the General Counsel to amend references in MTS policies as necessary to reflect the new policy numbers and authorize General Counsel to change references to MTDB to MTS.

Mr. Lewis referred to the chart on page B-13 and stated that he didn't understand why a claim that is not resolved by the General Manager would then go back to the

General Manager after review and recommendation by the Dispute Resolution Board. It was pointed out that the dispute resolution process may generate additional information that may affect the General Manager's position. Ms. Lorenzen pointed out that this is a common procedure.

In response to a comment from Vice Chair Rindone, Ms. Lorenzen stated that the Board is already provided with a list of those contracts between \$1,000 and \$100,000 that have been approved by the CEO. She stated that this information is provided at each Board meeting in Agenda Item No. 61.

Mr. Jablonski stated that the most substantial benefit to be gained by this action, besides the consolidation of the policies, is the creation of a centralized procurement process. He stated that procurement guidelines are constantly being changed and having a centralized procurement process will improve MTS's ability to comply. He stated that consolidation will provide a central source of information and control.

#### Action Taken

Mr. Lewis moved to (1) receive a report from General Counsel regarding the proposed consolidated procurement policy and provide direction to staff; and (2) forward a recommendation to the Board of Directors to (a) repeal MTS Policy No. 7; (b) repeal Sections 11.1 through 11.8 of Policy No. 11, revise the remainder of Policy No. 11, and rename the policy; (c) repeal Sections 13.1 through 13.8 of Policy No. 13 and revise the remainder of Policy No. 13; and rename the policy; and (3) enact Policy No. 52; and (4) authorize the General Counsel to amend references in MTS policies as necessary to reflect the new policy numbers and authorize General Counsel to change references to MTDB to MTS. Ms. Atkins seconded the motion, and the vote was 4 to 0 in favor;

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

Ms. Tiffany Lorenzen, MTS General Counsel, provided the Committee with an update on recent negotiations on the Ground Lease for the Grossmont Trolley Station Joint Development Project. She reported that they are still working on condemnation issues and resolution of the definition of the term premises in carving out the easements of the parking structure for MTS. She stated that MTS's comments on the Estoppel Certificate have been provided to the lender. She added that today's conference call may resolve current outstanding issues so the Board can approve the documents at its June 22, 2006 meeting. She stated that she will be providing a briefing in closed session at that same meeting. She further reported that no new issues have been raised by MTS, Fairfield Residential, LLC, or the lender over the last two weeks.

#### Action Taken

No action was taken on this item.

3. MTS: Inventory of Potential Joint Development Properties (LEG 461, PC 50791)

Mr. Tim Allison, MTS Manager of Real Estate Assets, provided the Committee with an inventory of potential joint development projects on land owned and controlled by MTS. Mr. Allison provided a brief summary of Policy No. 18 – Joint Use and Development of Property, and reported that this policy states that a current inventory of properties suitable for joint use or development is to be presented to the Board on an annual basis. Ms. Lorenzen reported, in response to a question from Mr. Emery, that the issue of MTS's title to and control of this land was addressed during discussions of SB 1703. She stated that it was agreed during the consolidation process that property owned and controlled by MTS prior to consolidation would continue to be developable by MTDB, while ownership and control issues related to property acquired in the future would have to be determined by SANDAG, the Federal Transit Administration (FTA), and the MTS CEO. Mr. Allison reviewed previous and currently active MTS joint use and development projects. He then reviewed a list of eight properties and the particular characteristics of each piece of property. The particulars he reviewed included the location, size, number of parking spaces and bus bays, and other pertinent information.

In response to a question from Mr. Roberts, Ms. Lorenzen stated that, according to FTA regulations, if land is purchased using federal funds and subsequently sold, the FTA is entitled to receive back the amount of the original funding in addition to its return on the investment. She added that the FTA is currently revising regulations as they apply to land purchased with federal dollars that is being used for joint development. She stated that about 80 transit agencies have submitted comments to the FTA in this matter.

Mr. Roberts suggested that MTS work with the owner of parcels 8 and 9 adjacent to the Grantville Trolley Station to adjoin those parcels to MTS's property. He suggested offering a swap to the owner of these parcels for the parcel that MTS owns on the other side of the creek that borders the Grantville Trolley Station. Mr. Roberts felt that MTS should get more serious about pursuing this goal. He also suggested that staff assess and prioritize potential development opportunities to prevent having multiple properties in development at one time. He stated that staff should develop a list of high priority sites and rank them by a rating of their potential for investment return, strong developer interest, etc. He specifically mentioned the Baltimore Junction property and stated that this property would have a low priority because it is too far from the nearest trolley station. He stated that he really favored Grantville. Mr. Jablonski stated there is already market interest in some MTS properties.

Mr. Lewis encouraged staff to talk to the city manager and redevelopment staff of El Cajon regarding development at the El Cajon Transit Center. He stated that there are a couple of problem areas around the transit center that could be cleared up if that area were developed with low- and mid-income housing. He also suggested that MTS develop a separate bus area for casino shuttles and charge them a fee for its use. Mr. Roberts suggested closing the street that separates the two pieces of property MTS owns at this site in order to adjoin the parcels.

In response to a question from Mr. Emery, Mr. Allison stated that MTS Policy No. 18 outlines the process, goals, and criteria that MTS uses in making decisions regarding the joint use and development of property. He stated that staff's next step will be to review and update that policy.

Mr. Rindone pointed out that MTDB's former General Manager, Tom Larwin, believed that joint development should not result in less parking for transit patrons unless there is considerable benefit to offset the loss of parking. Mr. Jablonski stated that he just attended a session at the APTA Rail Conference in which the country's foremost expert on joint development gave a presentation. He stated that this expert was critical of Washington Metro's policy of one-to-one replacement of parking in any joint development on their land. He added that some properties may never develop to their fullest potential because of this type of policy. He added that if a development might yield many more riders than those that park at the station to ride, such a policy should be reconsidered.

Mr. Jablonski also stated that MTS should consider approaches other than land lease, which are very difficult to negotiate, when doing joint developments. He stated that the sale of land may still help MTS reach its goal and may result in getting the best deal. He stated that he might consider segregating a portion of a property in order to provide parking and selling the rest, which would achieve MTS's parking goal and provide a higher return on the land by selling it. Mr. Rindone concurred that the approach should be evaluated on a case-by-case basis. He also requested that staff present a list to the Board of developable properties along with a priority ranking and an indication of whether or not federal money was used to purchase the land.

#### Action Taken

Mr. Lewis moved to receive a report on available properties owned by MTS suitable for joint development and providing direction to staff as outlined above. Mr. Roberts seconded the motion, and the vote was 4 to 0 in favor.

#### D. REVIEW OF DRAFT JUNE 22, 2006 BOARD AGENDA

##### Recommended Consent Items

##### 6. MTS: Microsoft Licensing Renewal (CIP 11162)

Recommend that the Board of Directors authorize the CEO to enter into a three-year service agreement contract with Softchoice Government to provide software licensing renewal and allow participation under an existing state contract with the County of Riverside and Microsoft Corporation.

##### 7. SDTC: Automated Trip Itinerary System Upgrade (OPS 960.6, PC 10940)

Recommend that the Board of Directors authorize the Chief Operating Officer-Bus to execute a sole-source contract with Trapeze Software Group for an upgrade to the MTS Automated Trip Itinerary System.

8. MTS: Towing Contract Award (OPS 960.6)

Recommend that the Board of Directors authorize the CEO to execute a contract (in substantially the same form as Attachment A of the agenda item) with A to Z Enterprises, Inc., (DBA RoadOne Towing) for towing services for a three-year period and two one-year options (to be exercised at MTS's discretion) at a total contract amount not to exceed \$351,375.

9. MTS: Americans With Disabilities Act Complementary Paratransit Client Certification Services Contract – Option Years (OPS 920.5, PC 30127)

Recommend that the Board of Directors authorize the CEO to exercise both option years 1 and 2 that are allowable under the current contract (MTS Document No. B0394.1-03) with the Orthopaedic Hospital for Americans with Disabilities Act (ADA) client certification services. The extension of the option period would run from July 1, 2006, through June 30, 1008 (MTS Doc. No. B0394.2-03, Attachment A of the agenda item).

10. SDTC: Fire-Suppression System Contract Award (CIP 11080 )

Recommend that the Board of Directors authorize the Chief Operating Officer-Bus to execute a sole-source contract (in substantially the same form as Attachment A of the agenda item) with Transit Marketing Group, Inc. to upgrade the existing Amerex fire-suppression systems on 24 of SDTC's 1995 New Flyer C40HF (1400 series) buses for an amount not to exceed \$51,918.48.

11. MTS: Transportation Development Act (TDA)/State Transit Assistance (STA) Claims (FIN 310, PC 50601)

Recommend that the Board of Directors adopt Resolution Nos. 06-7, 06-8, 06-9, and 06-10 (Attachments A through D) approving FY 2007 TDA and STA claims.

Recommended Consent Items

There was no discussion of the recommended Consent Item.

Recommended Board Discussion Items

There was no discussion of the recommended Discussion Items.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

Ms. Sharon Cooney, MTS Director of Government Affairs and Community Relations, provided a handout summarizing issues being discussed at the June 16, 2006, SANDAG Transportation Committee meeting. She provided a brief review of each of the items and a more in-depth review of an item that recommends that the region loan \$35 million of Congestion Mitigation and Air Quality (CMAQ) funds to cover a budget shortfall of \$42 million to \$55 million for the North County Transit Sprinter project. She stated CMAQ funds from the I-15 Managed Lanes and Bus Rapid Transit projects in the TransNet Early

Action Program would be used. She explained how North County Transit would pay back the borrowed funds.

Ms. Cooney also pointed out that, of the projects listed in the agenda item as regional priorities, transit capital needs have been prioritized last of the eight listed. Mr. Jablonski pointed out that the agenda item really addresses unfunded needs in the region, not just for the Sprinter, and that there are broader policy issues that need to be addressed. Mr. Rindone requested that staff provide information to the Committee on how MTS might be impacted by any action taken on this agenda item. He added that SANDAG needs to address how capital programs are to be funded before all the funding becomes committed to other projects. He felt it was not smart to embark on expansion when there are no plans for maintaining what is already in place. Ms. Atkins stated that SANDAG needs to formulate a policy that provides guidelines regarding the allocation of funding absent of discussions about funding for specific projects or project budget shortfalls. She added that SANDAG needs to move transit, as a concept, up the list. Mr. Jablonski stated that he and staff have been working toward that goal with SANDAG.

Ms. Atkins thanked Ms. Cooney for providing information to her staff and for providing written summaries of issues in advance of SANDAG meetings.

#### Action Taken

Ms. Atkins moved to direct staff to report back to the Committee on funding issues as they relate to specific shortfalls or certain projects prior to presentation of that issue to the Transportation Committee. Mr. Lewis seconded the motion, and the vote was 4 to 0 in favor.

Ms. Atkins moved to receive this report. Mr. Lewis seconded that motion, and the vote was 4 to 0 in favor.

#### F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

*Coca-Cola Scholarship Event:* Mr. Rindone invited meeting participants to participate in the Coca-Cola Scholarship Event being held at Petco Park at 10:45 a.m. to honor 28 winners from local high schools.

#### G. PUBLIC COMMENTS

*Don Stillwell:* Mr. Stillwell presented a map of Grantville Trolley Station and reported that school children are being endangered by the current configuration of bus stops and the current routing of buses in this area.

*Clive Richard:* Mr. Richard related recent experiences where he was traveling between jurisdictions and his trips took a long time. He asked if travel times between jurisdictions would ever be improved. He stated that Route No. 20, which is supposed to be an express bus, goes out of direction so often that it is really functioning as a local bus.

H. NEXT MEETING DATE:

The next meeting is scheduled for Thursday, July 6, 2006, in the Executive Conference Room.

I. ADJOURNMENT

Vice Chair Rindone adjourned the meeting at 10:35 a.m.

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Chairman

Attachment: A. Roll Call Sheet  
gailwilliams/minutes