BOARD OF DIRECTORS' WORKSHOP MEETING

Friday, September 26, 2014

MINUTES

1. CALL TO ORDER AND ROLL CALL

The Workshop Meeting of the Santa Clara Valley Transportation Authority’s (VTA) Board of Directors was called to order by Chairperson Kalra at 9:07 a.m. in the Valley Transportation Authority Auditorium, 3331 N. First Street, San Jose, California.

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jason Baker</td>
<td>Alternate Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>Xavier Campos</td>
<td>Board Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Larry Carr</td>
<td>Alternate Board Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Cindy Chavez</td>
<td>Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>Dave Cortese</td>
<td>Alternate Board Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Jose Esteves</td>
<td>Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>Rose Herrera</td>
<td>Board Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Ash Kalra</td>
<td>Chairperson</td>
<td>Present</td>
</tr>
<tr>
<td>Johnny Khamis</td>
<td>Board Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Rich Larsen</td>
<td>Alternate Board Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Sam Liccardo</td>
<td>Ex-Officio</td>
<td>Absent</td>
</tr>
<tr>
<td>Jamie Matthews</td>
<td>Alternate Board Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Joe Pirzynski</td>
<td>Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>Gail A. Price</td>
<td>Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>Donald Rocha</td>
<td>Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>David Whittum</td>
<td>Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>Perry Woodward</td>
<td>Vice Chairperson</td>
<td>Present</td>
</tr>
<tr>
<td>Ken Yeager</td>
<td>Board Member</td>
<td>Present</td>
</tr>
</tbody>
</table>

A quorum was not present and a Committee of the Whole was declared.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.
3. WORKSHOP ITEMS

3.1. Joint Development Program

Bijal Patel, Deputy Director, Real Estate, provided a brief overview of the staff report and a presentation entitled, “State of the Joint Development Program,” highlighting: 1) Joint Development policy and implementation plan; 2) Real Estate inventory; 3) Policy implementation; 4) Permanent disposition; 5) Interim leasing; 6) Annual leasing revenue; 7) Licensing revenue mix by type; 8) Where does the money go?; 9) Revenue from telecommunications; 10) New initiatives for revenue; 11) Land banking; 12) Joint Development portfolio and priority schedule; 13) North Division development concept; 14) Cerone Division development project; 15) Kunde property preliminary analysis; 16) RFP/RFQ process; and 17) Next steps.

Board Member Esteves arrived at the meeting and took his seat at 9:13 p.m. and a quorum was established.

Board Members Chavez and Price arrived at the meeting and took their seat at 9:20 a.m.

Ms. Patel focused on development of the North Yard Division, Cerone Division, and the Kunde property.

The Committee discussed the following: 1) development constraints; 2) leasing vs. selling; 3) expectations on return on investment expected; 4) determination of future needs versus development opportunity; 5) operational needs; 6) timeframe for the facility plan; 7) possibility for housing; 8) environmental elements or issues; 9) building jobs close to transit modes; 10) as business model evolves what that means for land use; 11) approaches to how ways VTA can be funded; 12) use of funds created; 13) enterprise fund; 14) priority schedule in disposition and leasing of assets; 15) 1998 Joint Development guiding principles and policies; 16) importance of three properties being profiled; 17) lessons learned from Tamien and West San Carlos properties; 18) land use authority; 19) land swap possibilities; 20) transfer of development rights; and 21) financial analysis.

Board Member Chavez requested a copy of the 2010 Assessment be sent to the Board. She suggested staff discuss with Santa Clara County (County) development of the River Oaks and Guadalupe sites. She requested a report from staff regarding discussions with the County.

Board Member Esteves noted he is not comfortable approving a plan without knowing where the funds will be used.

Chairperson Kalra noted the Board is going through this process to decide what to do moving forward.

Nuria I. Fernandez, General Manager, noted this is an opportunity to inform and educate the Board on the history of the Joint Development program, and opens up
the opportunity for staff to explain the recommendations for development of
program revenues. She also noted the Board previously adopted a priority
schedule, which is the template staff has been following.

Board Member Rocha suggested the needs of the community be assessed when
discussing how to best utilize the properties.

Vice Chairperson Woodward encouraged staff to look at the six-acre VTA
property in downtown Gilroy, which is planned as a future High Speed Rail
station. He suggested VTA develop a plan for the property.

Chairperson Kalra commented on the opportunity to blend VTA goals with the
goals of the City of San Jose while building transit-oriented development. He
thanked staff for their hard work.

Public Comment

Roland Lebrun, Interested Citizen, suggested several uses for the properties. He
also suggested staff work closely with developers.

3.2 VTA’s BART Silicon Valley Phase II

Carolyn Gonot, Director of SVRT Program, provided a brief overview of the staff
report and a presentation entitled, “VTA’s BART Silicon Valley Phase II”
highlighting: 1) VTA’s BART Silicon Valley Program; 2) VTA’s BART Silicon
Valley Extension; 3) Phase II Project; 4) SVRT Program Background; 5) SVRT
Project history; 6) Phase I Silicon Valley Berryessa Extension history; 7) Phase II
Project development considerations; 8) Phase II Project definition objectives; and
9) Financial update.

Ms. Gonot introduced Nathan M. Macek, AICP, Principal Consultant, Strategic
Consulting Manager, Transit Project Development & Finance, Parsons
Brinckerhoff, who continued the presentation, highlighting: 1) History of Measure
A sales tax revenues; 2) Measure A sales tax revenue - cumulative forecast
projections; 3) Measure A Program - improving forecast; 4) Measure A sales tax
revenues current projection; 5) Measure A 1/2 cent sales tax uses of funds
FY2006 - FY2036; and 6) Financial summary.

The Committee discussed the following: 1) discussion on breaking phase II into
different segments; 2) sources of funding; 3) creating funding opportunities;
4) growth rate assumptions; and 5) financing options.

Ms. Gonot continued the presentation highlighting the following: 1) MAP-21
New Starts program; 2) Phase II New starts consideration; 3) New Starts Project
Evaluation Rating under MAP-21; 4) Project development and environmental
evaluation; and 5) Upcoming activities.

Ms. Fernandez provided background information on the MAP-21 program and the
importance of VTA submitting an application prior to its expiration to be subject
to existing legislation and criteria. She noted the advantages of discussing the
project with current federal leadership who are already familiar with it. Ms. Fernandez stressed the importance of having a process in place to be in a better position for consideration.

The Committee discussed the following: 1) timeframe for federal funding; 2) approval process; 3) getting potential credit for a measure that has not passed; 4) potential 2016 ballot measure; 5) timeline of application submittal and approval of final project; and 6) cost per mile and per station.

Public Comment

Mr. LeBrun suggested partnering with the private sector for funds.

Chris Lepe, TransForm, suggested the following: 1) a specific breakdown of how much has gone to VTA’s BART Silicon Valley project and other projects be provided; 2) private sector developers help fund VTA’s BART project; 3) provide financial implications of phasing the project to Diridon; and 4) adopt strategies to avoid the need of a maintenance facility at the end of the line.

4. OTHER ITEMS

4.1. ANNOUNCEMENTS

There were no Announcements.

6. ADJOURN

On order of Chairperson Kalra and there being no objection, the Board of Directors Workshop meeting was adjourned at 11:17 p.m.

Respectfully submitted,

Menominee McCarter, Board Assistant
VTA Office of the Board Secretary