

Agenda Item No. 4



PLEASE NOTE:

In an effort to conserve paper, copies of the agenda items and staff reports for the June 18, 2008, SMART District Board meeting are not included in this packet, but are available in the Office of the District Secretary.



AGENDA: SMART DISTRICT BOARD MEETING

June 18, 2008

1:30 PM

Sonoma County Board of Supervisors Chambers
575 Administration Drive, Suite 102-A, Santa Rosa, California

- I. Call to Order
- II. Minutes of the May 21, 2008 SMART Meeting – **DISCUSSION/ACTION****
- III. Consent Agenda – **DISCUSSION/ACTION****
III-1 SMART Financial Update Project Cost Report - **INFORMATION ****
- IV. Agenda Review
- V. Board Member Announcements
- VI. Public Comment on Items Not on the Agenda (Comments Limited to 3 Minutes)
- VII. SMART General Manager Report (Lillian Hames) – **DISCUSSION**
- VIII. Real Estate Committee Report (Lucrecia Milla) – **DISCUSSION**
- IX. Quiet Zone Implementation Overview (John Nemeth) – **DISCUSSION****
- X. SMART Project Funding Plan Update – (Lillian Hames) – **DISCUSSION/ACTION***
- XI. **Closed Session**
 - a. Closed Session: Conference with Real Property Negotiator (Govt. Code. Section 54956.8)

Property: Northwestern Pacific Railroad (NWP) Right-of-Way at NWP Milepost 53.8 in Santa Rosa, Sonoma County.

District Negotiator: Lillian Hames, General Manager

Negotiating Parties: Railroad Square, LLC
Owner: SMART District
- XII. Report on Closed Session

XIII. Next Meeting Date: July 16, 2008 San Rafael City Council Chambers –
DISCUSSION/ACTION

XIV. Adjournment - **ACTION**

DISABLED ACCOMMODATION: if you have a disability that requires the agenda materials to be in an alternate format or that requires an interpreter or other person to assist you while attending this meeting, please contact SMART at least 72 hours prior to the meeting to ensure arrangements for accommodation.

* Information will be provided at the meeting. ** Information attached.



**MINUTES OF SMART BOARD MEETING
May 21, 2008
San Rafael City Council Chambers
1400 Fifth Ave.
San Rafael, California**

I Call to Order

Chair McGlashan brought the meeting to order. The following Board members were present:

Al Boro
Peter Breen
Hal Brown
Valerie Brown
Carole Dillon-Knutson
James Eddie
Debora Fudge
Jake Mackenzie

II Minutes of the April 16, 2008 SMART Meeting

Motion was made by Director Mackenzie and seconded by Director Eddie to approve the minutes of the April 16, 2008 SMART Board meeting. Motion passed unanimously.

III Consent Agenda

Chair McGlashan introduced the Consent Agenda. Motion was made by Director Mackenzie and seconded by Director Breen to approve the Consent Agenda. Motion passed unanimously.

IV Agenda Review

Hearing no comment, Chair McGlashan moved to the next item.

V Board Member Announcements

Chair McGlashan called for announcements from the Board members. Hearing no comment, Chair McGlashan moved to the next item.

VI Public Comment on Items Not On the Agenda

Chair McGlashan called for any comments from the public on items not on the agenda.

Michael Dieden, Railroad Square LLC, wanted to express his appreciation of the Board and SMART staff for their continued efforts with the negotiations.

John Stewart, John Stewart Co., also wanted to express his thanks and discussed the results of the Bridge Build meetings and a request that a term sheet be finalized in the

near future.

John Clawson, Equity Community Builders, also asked the Board to move forward on the term sheet conclusions.

Barry Buckley, Novato resident, asked the Board to support freight service.

Jack Buckhorn, Accountable Development Coalition, expressed his support of the Railroad Square project and said it was important to have prevailing wage for the entire project.

Liza Maldonado, North Bay Labor Council, said it was important to have project sustainability and fair wages.

Ken Dale, Novato resident, would like SMART to pave the tracks and build a busway.

Karen Nygren, Tiburon resident, asked if the white papers would be posted on-line.

VII SMART General Manager Report

Lillian Hames updated the Board on the upcoming American Public Transit Association's rail conference in San Francisco. She also informed the Board that John Nemeth had attended a Quiet Zone conference and would be providing more detail to the Board on this topic next month.

VIII Real Estate Committee Report

Lucrecia Milla reported that at the May 7th Real Estate Committee meeting staff gave an update on Railroad Square. Additionally, TAM staff gave a presentation on the Central Marin Ferry Connection project. Last Ms. Milla announced that the CalPark Project had reached a milestone as the County was going out to bid for construction of Phase A. She took the opportunity to thank staff and County staff for their combined efforts. There was nothing further to report and the Board had no questions.

IX Petaluma Arts Committee Request

Ms. Milla began by reminding the Board that the Petaluma Arts Committee made a request to place an art piece at the Petaluma Depot site back at the September 2007 SMART Board meeting. The Board at the time tentatively agreed to the request, pending approval from the Petaluma City Council and public input.

Since that time, the City was requesting a different piece of art be displayed. Ms. Milla showed the Board a picture of the art display requested by the City.

Following discussion, the Board informed staff that this new artwork appeared to be larger than the site could accommodate and not in keeping with the design of the historic depot. They asked staff to contact the City and discuss next steps and consideration of a different piece of artwork.

X Preliminary SMART Budget FY 08-09

Lillian Hames gave an overview of the Preliminary SMART Budget for FY 08-09. She reported that the key assumptions for the preliminary budget included: the first allocation of construction dollars for the CalPark Project via RM2 funding, maintenance of the same

number of employees as the previous year, a COLA of 3%, continuation of the EIS work which was delayed due to the SEIR requirements, initiation of the Program Management consultant contract, maintenance of the PERS program, measure M funded crossing upgrades and lastly, no changes in existing revenues.

Chair McGlashan asked for a motion. It was moved by Director Mackenzie and seconded by Director Boro. Resolution 2008-04 passed unanimously.

XI Commuter Rail Ridership Information

Chris Coursey began his presentation by presenting a press release from an APTA report outlining record levels of transit ridership in 2007. The report said commuter rail ridership is up 5.5% nationwide, and other public transit services including heavy rail, light rail and buses all reached record ridership numbers last year. The biggest increases happened in Kenosha, Wisconsin, Santa Fe, New Mexico, Harrisburg, Pennsylvania and Nashville, Tennessee. Mr. Coursey ran a video clip of an NBC news report outlining increases in ridership on rail projects continuing in 2008 all across the Country.

Chair McGlashan asked if Mr. Coursey could to a white paper on this presentation.

Chair McGlashan asked for public comment.

Lionel Gambill, Friends of SMART, noted that there are 22 existing commuter rail systems in the U.S., and 26 more proposed. He made a point about alternative transportation choices being necessary because of predictions that the world has reached or exceeded peak oil production levels.

XII Staff Report on SMART Project Funding Plan

Ms. Hames introduced the SMART funding consultants and informed the Board that the presentation would be made by Brian Porter, of Jacobs, Carter-Burgess, David Leifer and Mark Li, of KNN Public Finance. She noted that the assumptions used in the 20 year forecast would be covered in the presentation and that staff was seeking input on the plan and its assumptions. Following input from the Board and public, revisions to the plan would be incorporated.

Mr. Porter began by speaking about the updated capital costs in 2008, estimated at \$450 million for the rail project and \$90 million for the bicycle/pedestrian pathway.

He noted the various contingencies incorporated into that estimate and noted the changes since 2006. He went on to outline the operating and maintenance cost assumptions as outlined in the staff report.

David Leifer, KNN outlined the bonding assumptions and bond financing strategies recommended for the 20 year sales tax plan. He talked about the sales tax revenues and the estimated debt service required for implementation of the rail and pathway projects.

Mr. Porter then discussed the various funding sources assumed in the plan including the ¼ cent sales tax measure, Measure M, Bond revenues, Joint Development revenues, NCRA corridor upgrade funds, NCRA trackage fees, fiber optic lease revenue, operating lease revenue and advertising revenues. Additionally, he discussed RM2 funds, Prop 116, TCRP, STA, FHA and Congressional earmarks.

Director Hal Brown asked if this would take away from other transit agency funding. Mr.

Porter responded no, that the plan had a heavy dependence on the sales tax revenue and existing allocated funding for SMART.

Director Dillon-Knutson asked for clarification of the revenue from NCRA repairs. Ms. Hames indicated that it was not revenues that SMART would receive from NCRA for rail corridor repairs but rather cost offsets as a result of their implementation. Director Dillon-Knutson recommended that approach be used in the plan, as opposed to designating those NCRA improvements as “revenues”.

Chair McGlashan asked for public comment.

Roger Roberts, San Rafael resident, wants SMART to run a number of sensitivity analyses of different assumptions.

Steve Birdleough, Friends of SMART, stated that bus service has thrived when new commuter rail lines commenced. Adding commuter rail only increased ridership on bus systems.

Deb Hubsmith, MCBC, said she supported the project but asked that the bicycle pedestrian pathway not be built in two phases, but just one. She also asked for language that indicated if additional funding became available more of the pathway could be build during the first phase of construction.

Christine Culver, SCBC, echoed Ms. Hubsmith’s comments.

Mike Arnold, Novato resident, did not agree with the inflation rates assumed in the plan and asked that weekend ridership be called out.

Andy Peri, MCBC, also asked that the pathway be built in one accelerated phase.

Karen Nygren, Tiburon, wanted to see further information on expenses and the farebox recovery rate.

Patty Cochran, Novato, said gas costs were under estimated and that no capital replacement fund was included in the plan.

Willard Richards, Friends of SMART, noted that a capital replacement fund was not required as rail vehicles, stations and maintenance facilities have a life cycle that is beyond the 20 year sales tax plan.

Jim Schmidt, MCL, asked to include data on cost estimates.

Keith Cochran, Novato, wanted to know about weekend service, quiet zone identification and phased implementation.

Lionel Gambill, Friends of SMART, reiterated that rail equipment had a lifespan of 40+ years.

Following public comment, Director Boro asked that more info be provided on the cost of quiet zones and weekend service. Also, he asked if a longer tax would shorten the construction window.

Chair McGlashan thanked staff and the consultants for their work. Director Breen moved to accept the staff report; it was seconded by Director Mackenzie and approved

unanimously.

XII Closed Session

Chair McGlashan announced it was time for the closed session and asked the room to be cleared.

XIII Report on Closed Session

Greg Dion reported out of closed session that direction had been given to staff and there was nothing else to report.

XIV Next Meeting Date July16, 2008, 1:30 pm, San Rafael City Council Chambers

XV Adjournment

The meeting was adjourned at 4:30 pm.