



Administration and Projects Committee Meeting **MINUTES**

MEETING DATE: April 4, 2013

MEMBERS PRESENT: Robert Taylor (Chair), David Durant, Newell Arnerich,
Mike Metcalf

STAFF PRESENT: Randell Iwasaki, Ross Chittenden, Randy Carlton, Susan Miller,
Hisham Noeimi, Ivan Ramirez, Arielle Bourgart

MINUTES PREPARED BY: Mari Shine

A. CONVENE MEETING: Chair Taylor convened the meeting at 8:30am.

B. PUBLIC COMMENT: None.

C. APPROVAL OF MINUTES:

ACTION: The Committee approved the Minutes, 4-0, moved by Commissioner Durant
and seconded by Commissioner Arnerich.

CONSENT CALENDAR

1.0 Monthly Project Status Report.

2.0 Monthly Accounts Payable Invoice Report for March 2013.

3.0 Monthly Cash and Investment Report for March 2013.

**4.0 Listing of Contract Change Orders (CCOs) Greater than \$25k for Construction Contracts
Less than \$15M, and Greater than \$50k for Construction Contracts Larger than \$15M.**

5.0 Quarterly Project Funding Plans – Major State Highway Projects.

**6.0 State Route 242 Clayton Road Ramps Projects (Project 6002/6004) – Rescission of
Prior Approval and Authorization to Execute Revised Amendment No. 1 to
Cooperative Agreement No. 90.11.17 with Caltrans for Project Initiation Document
Oversight Reimbursement.**

7.0 City of Martinez - Martinez Intermodal Station, Phase 3 (Project 4002/27001) - 65% Design Peer Review.

8.0 Bay Area Rapid Transit District (BART) – Transit Oriented Development (TOD) and Access Improvements at El Cerrito Plaza and del Norte BART Stations (Project 10002-01) – Request for Appropriation.

ACTION: Chair Taylor requested that Item 4.0, Construction Change Orders, be removed from the Consent Calendar. The Committee approved the remaining items on the Consent Calendar 4-0, moved by David Durant and seconded by Mike Metcalf.

DISCUSSION:

Chair Taylor asked Mr. Ramirez about the Authority procedure for handling change orders, specifically one for \$126K.

Mr. Ramirez explained the difference between projects the Authority administers and ones Caltrans administers. We have certain thresholds: \$50K that gets approved by the Deputy Executive Director (Ross Chittenden) and also a threshold of \$100K that the Executive Director (Randell Iwasaki) manages. Above that it goes to the Board. There is a difference between projects that are above and below \$15 million. If Caltrans determines there is a need for a Change Order they contact the Authority's representatives in the field who get involved in making the decision. For the most part the need for a Change Order is legitimate and rarely gets turned down but it is certainly discussed as to need.

Chair Taylor asked if change orders came out of contingencies. Mr. Ramirez said that each project has a contingency that is given depending on how much the contractor bid - normally 5% but some of ours have gone up by 7.5 to 10%.

Chair Taylor asked what constitutes nerves getting on edge – meaning what if we get a huge change order, say \$1 million.

Mr. Iwasaki explained that what troubles us are the 5 packages of SR 4/Loveridge, of which Caltrans administers 4. We administer 3B, so we have more control, in that as contingencies arise we manage the media outreach, construction contract change orders, and give up-to-date reporting on contingencies, but when Caltrans administers, negotiation is in their hands. We get brought in later, and we're the bankers for this project.

Mr. Iwasaki referred to a major change order on Segments 0 and 1; Segment 1 had the cracking of the concrete and at Loveridge there is an acceleration issue. Segment 0 is

going to open later than Segment 1, so we will have an 8-lane section of freeway completed with the western end still under construction. Public perception management will be the challenge there. Every dollar we save we put on another project.

Mr. Ramirez stated that every time we have to come to the Board for added money it is an issue for all CCTA Staff. He sees his job is as keeping costs down, but site conditions vary and all we can do is minimize the cost of the contract.

Mike Metcalf stated that change orders don't bother him; it's the surprise element for Construction Management. He emphasized the importance of staying on top of things. He wants to know about them even if they're small.

Chair Taylor thanked Mr. Ramirez and asked that he be prepared when handling a change order.

ACTION: The Committee approved this item, 4-0, moved by Chair Taylor and seconded by Commissioner Metcalf.

End of Consent Calendar

REGULAR AGENDA ITEMS

9.0 Legislation.

9.1 Legislative History.

ACTION: This item was presented for information only.

DISCUSSION:

Arielle Bourgart, Director of Governmental and Community Relations, began by announcing that this will be her last APC meeting. She stated that the Authority agenda would reflect the following items more formally.

Ms. Bourgart introduced ABA210, which raises ceilings for counties to impose local sales taxes for transportation. She said that the Authority took a position of support with the understanding that Alameda and Contra Costa would both be included. We will continue to follow that as it proceeds.

She noted that at the last Board meeting Commissioner Mitchoff requested that we add AB1179 to the list of bills that we are tracking. This bill concerns the impact of the SCSs on school sitings. She stated that we are aware, and either at the Board meeting this

month or next we will have more details and potentially a recommendation to support the bill or to request some amendments.

Next Ms. Bourgart raised Bill AB431, stating that more detail will follow at the Authority meeting. This bill would allow the MPOs around the state, including MTC, to place sales tax measures on the ballot that would cover some or all of the MPO's planning area. Our concern is how a regional sales tax would impact our ability as a county to have our own sales tax if we decided to put another measure on the ballot going forward. She sees the big concerns as lack of an expenditure plan and no allocation of money within the region.

She next introduced AB93. This is a bill by Assembly Member Frazier that would expand the composition of the SF Bay Area Water Emergency Transportation Authority from 5 to 7 members, incorporating a Contra Costa measure. She stated that there was an executive committee meeting of the Authority last night at which the committee agreed to send a letter of support of this bill.

9.2 State Legislation/Policy—Items for Discussion and/or Action.

ACTION: The Committee recommended that the Authority take a “watch” position on SB731 and SB792.

DISCUSSION:

Ms. Bourgart stated that the next two bills that are indicated as items for discussion on the staff report:

SB731 – authored by Senator Steinberg pro tem. This bill addresses the intent of the legislature to enact legislation to accomplish a number of goals consistent with the objectives of SB375, related to CEQA requirements.

She commented that this is a laudable goal by Authority standards for some local agencies to get relief from CEQA requirements with respect to their own compliance on the local agency level and that it is all intent. There is no indication of where the money is coming from or how it will be distributed. This is SB375 specific. She is not suggesting that we necessarily oppose it. She stated that we may see that it does have an impact on our work here, but it is clearly a spot bill with details yet to be worked out so that any reform does not run counter to what we are trying to do in Contra Costa County. Ms. Bourgart recommended a watch position, emphasizing that there is nothing objectionable on the face but it is a spot/intent bill and no response would be accurate without more details/specifics.

Mr. Arnerich stated that he agreed with Ms. Bourgart and asked how a bill can address individual legislative actions in the past.

Ms. Bourgart clarified that this bill announces an understanding that there are issues surrounding CEQA that arise for local agencies that serve as obstacles to cities and counties' activities in furtherance of SB 375 objectives. She said it is premature to respond. She stated that she would convey to the author that we are on board theoretically with anything that smacks of CEQA reform to facilitate projects.

Mr. Arnerich asked if this technically allows them within this legislative calendar to come out with specific language because they didn't have it done before the deadline.

Ms. Bourgart said she did not know if it was a deadline issue and that on Spot bills a subject is posed that one thinks needs to be addressed, but that there is a lot of information to gather, and you either move forward or decide it's for another time.

Mr. Metcalf commented that not everyone shares the view that CEQA reform is a laudable objective. He stated that many people appreciate the protections that the CEQA process represents and any idea of reform is likely to be misinterpreted.

Ms. Bourgart asserted that the bill's author is the last person who would want to tamper with the net objectives of CEQA, but there is recognition that there is duplication, that there are some projects that end up going through challenges; for instance, in a general plan amendment or an environmental review, one or two points are subject to discussion and we end up throwing out the whole thing.

David Durant stated that this is okay as a Watch item. He continued that we are interested in meaningful CEQA reform as long as it does not keep worthy projects from moving forward or allow projects to just be shoved through. He commented that this is a laudable goal but we need more detail.

Chair Taylor asked that the entire commission get a copy of this list of bills.

Ms. Bourgart introduced SB792, Senator Desaulnier's latest version of a previously-authored bill aimed at coordination of regional agencies in the Bay Area. She explained that it would give responsibility to the existing Bay Area Joint Policy Committee for preparing a regional organization plan by June 2015 for the regional agencies, including a plan to consolidate common functions and reduce overhead costs. The JPC would also conduct a review of all existing policies, regulations and plans of those agencies, and assess them all for consistency with SB 375 requirements. The JPC would also be responsible to ensure that the SCS developed for the region successfully integrates transportation, land use and air quality management, per SB375. They would appoint an advisory committee on economic competitiveness.

Ms. Bourgart recommended a wait and watch approach, as well as working with MTC representatives and Commissioner Pierce, who is serving as our ABAG representative.

Mr. Arnerich stated that he sees this as another layer that is going to make things harder, as it is taking agencies that have nothing to do with transportation and trying to force them to work together. He stated that this combined role would make it harder for us to accomplish our goals and keep our promises to the voters, who are effectively whom we represent. He stated that watching this bill gives it legs it does not deserve.

Mr. Metcalf stated that while coordination is laudable it can go too far. He pointed out that the agencies are already cohabitating in the new plan, going to China Basin under one roof, which will provide opportunities for coordination.

Ms. Bourgart responded that she was not sure they would all be under one roof.

Mr. Metcalf stated that it was 2-3 of the big players. He asserted that this bill pulls us away from administering Measure J, a step that could be very unhealthy. He stated that he is opposed to it.

Mr. Durant commented that this is great if it gets a conversation going, streamlines processes, reduces gamesmanship, etc., but that he does not think this will lead to that. He stated that before we take an oppose position, we should ask the author why this is being introduced again. Mr. Durant recommended a 'watch and discuss' position.

Ms. Bourgart recommended that in deference to our Commissioners that serve on the regional board that the minutes of this meeting reflect the concerns that everyone indicated. She stated that in effect APC's tendency is to thinking this is not the answer but that we should not take a formal 'oppose unless amended' stance.

Mr. Arnerich stated that he agreed.

Chair Taylor called for a vote, told Ms. Bourgart she had done a tremendous job and thanked her for her service.

10.0 2013 Update to the Measure J Strategic Plan - Overall Approach and Development Schedule.

ACTION: The committee approved this item 4-0, moved by Commissioner Durant and seconded by Commissioner Arnerich.

DISCUSSION:

Ross Chittenden kicked the item off. He introduced Mari Shine as a temporary employee while Ellen Wilson goes through an indefinite leave period.

Mr. Chittenden stated that we had committed 86% of capital project revenues through FY2015 and due to the increased revenues this percentage will be revised. He introduced Hisham Noeimi to provide a presentation on the Strategic Plan updates.

Mr. Noeimi explained that the Strategic Plan is based on assumptions related to: future revenues, debt service costs on planned bonds, project schedules and planned expenditures. He noted that it is updated every two years to reassess and adjust the assumptions. This is the 4th Strategic Plan for Measure J out of 12 expected. He noted four factors that lead to increased capacity to fund projects: 1) Measure J revenues grew at an average rate of 5.6% per year for the past 3 years, exceeding projections from 2 years ago 2) lower interest costs than projected on issued bonds 3) favorable construction bids on major Measure J projects, and 4) Authority's success in securing other fund sources.

Mr. Noeimi reviewed the history of Measure J and past Strategic Plans, presented the new revenue projections, and outlined the policy issues that will need to be addressed in the 2013 Strategic Plan.

Chair Taylor asked if the committee was going to be taking each of these and giving consensus by nodding.

Mr. Durant stated he would prefer not to do that and moved for approval of all staff recommendations.

Chair Taylor called for concurrence and Mr. Noeimi ended his presentation.

Mr. Durant added that the staff report thoroughly addressed the policy issues and that he concurs with the staff recommendations.

Mr. Metcalf asked if MTC and ABAG have seen the EPS projections, because they are much more realistic than the ones they are coming up with.

Mr. Chittenden explained that everyone hires their own economist. This is the first time we have used an economist in this fashion, so we feel comfortable with the EPS baseline projections. He noted the baseline may even be slightly conservative.

Mr. Arnerich asked for clarification on issue 5; i.e., the distribution of programming capacity/ bid pots. He stated that he assumed that the bid pots for each of the four RTCs are based on the percentages we have already established, meaning that it is not as though they are equal.

Mr. Chittenden elaborated that we want that to be a starting point, so we are trying to make it a combination of equity and performance. He stated that there would be a bid pot thru 2019 and again after that, so if you don't get your money through 2019 you get

more after 2019. He added that we want to focus on project readiness and getting the money on the street.

Mr. Metcalf made the observation that he did not see much discussion of increasing local streets and roads maintenance funding. He added that people in places like Lamorinda would appreciate seeing more local streets and roads maintenance. He asked if there were a way to increase the “return to source” from the current 18% with some of these surplus funds.

Mr. Iwasaki stated that the “return to source” dollars in the expenditure plan are capped at 18% based on mileage and population.

Mr. Iwasaki agreed that ‘return to source’ monies should focus on preservation projects as much as possible. He explained that as we move forward one of the things we will look at is whether to increase the ‘return to source’. He continued by saying that one thing we did with OBAG was to work with our local partners, taking all that STP money and putting it into pavement. He added that we are trying to do everything we can to safeguard that infrastructure, but that we cannot raise that 18% cap.

Mr. Durant raised the need for the ‘color of money’ discussion. He said that the RTPCs and the Authority itself have done a fantastic job of finding ways to use string-free money for things that the cities and local jurisdictions really need, then moving things around to make sure that we leverage the dollars that we have. He said that he understands the concern on the 18% but the easiest way to handle it is to figure out what colors of money we can use to make sure the local streets are up to speed.

Mr. Arnerich added that in Danville they need to spend \$3 million a year out of an \$18 million general fund just on paving streets, and that is to keep up to a 70-level PCI index. He added that the current federal legislation is basically redirecting money away from that, citing that there are no earmarked funds; there is almost no money for streets and roads. He recommended that as Measure J goes forward, we look at other opportunities to seriously look at that. He added that we are unfortunately committed at 18% and that there is no way we can touch that.

Mr. Iwasaki noted that President Obama has stated in his \$50 billion dollar transportation initiative is ‘fix it first’, so that is what the federal highway administration is looking at through programs such as Highways for Lives.

He added that we are constantly looking to bring more dollars into California and specifically Contra Costa. When he was recently in Washington, DC there was a discussion about regulation reform. He added that our staff told the writers, consultants, staff of the House Transportation and Infrastructure Committee and Senate Environmental and Public Works Committee that they should look into setting up a

federal partnership to leverage sales tax and state funds. He noted that we leverage our dollars in Contra Costa three-to-one, and that is pretty good.

Mr. Chittenden reported that jurisdictions will get a little bump in their gas tax money coming from the State, which is used for paving. He referred to the gas tax swap a few years ago at the state budget which included indexing so that the sales tax on gas, now excise tax, has gone up 3.5 cents and that it would generate a little bit of new money. He stated that as you put out larger projects, unit prices come down.

Mr. Noeimi added that while we cannot increase the 18%, under the expenditure plan there is a major streets category.

Mr. Metcalf commented that in terms of sustainability, we should get serious about maintaining what we have at the local, state and federal level.

Mr. Arnerich referred to Policy 8, asking which of the two options was being looked at. He recommended weighing in on this because this is the one that has two options.

Mr. Noeimi reported that in June of this year we will get our 2014 STIP fund estimate: anywhere between \$20 and 30 million. He stated that the money will be available in fiscal years 2018 & 2019. He asked if the Committee wanted to have a 'call for projects' where we have project sponsors submit projects to evaluate based on criteria that give bonus points to Measure projects, or to pre-commit those funds to specific Measure projects. He noted that there are several projects that have big funding shortfalls. Mr. Noeimi recommends going through the open call for projects at this time and to bias the evaluation criteria toward Measure-funded projects.

Mr. Noeimi stated that the schedule targets adoption of the Strategic Plan by Dec 2013. The schedule allows the Authority to tie the STIP recommendations to the Strategic Plan. He added that in May and June we will be working with the RTPCs and giving them their 'bid pots', and in July we will complete our 2014 STIP process.

11.0 I-680/SR 4 Interchange Improvements (Project 1117/6001). Authorization to Enter into Negotiations and to Issue a Notice to Proceed to WMH Corporation for Environmental and Final Design Services*.

ACTION: The committee approved this item 4-0, moved by Commissioner Arnerich and seconded by Commissioner Metcalf.

DISCUSSION:

Ms. Miller opened by stating that this particular project began as a Measure C project, and then continued as Measure J. She indicated the Fact Sheet (handout) which briefly describes the project. She stated that we have moved the project through the

environmental process, which was obtained in November of 2008 and had final engineering documents completed in 2009.

She explained that the project was segmented into 5 phases. Each phase has independent benefit and utility, so a phase could proceed as funding became available. The idea is to environmentally clear projects so as funding pots and opportunities came up we can proceed with a phase. That has been very successful.

She asserted that we would like to initiate work on this project. The most logical choice is to proceed with Phase 3, out of sequence, because Phase 3 is lower in cost than the other phases, but it would provide extensive improvements toward the overall project, while providing additional pavement to facilitate traffic during future phases of construction. She added that there opportunities to scale the scope of the project to fit within available funding.

She explained that this particular phase would widen Highway 4 from Morello Avenue out to the vicinity of 242. She explained that she used 'vicinity' because staff needs to work with the local agencies and Caltrans to determine exactly where we want to have the cut-off to blend the mix-flow lane back in with the existing lane configuration. She added that we would add a mix-flow lane on Highway 4 and it would go through the interchange area.

Ms. Miller stated that today we are seeking authorization to enter into negotiations with WMH Corporation, the next firm on the Authority's ranked list of consultants to provide design services. She stated that once we have satisfactory conclusion of those negotiations we would issue a Notice to Proceed, not to exceed \$150,000, and then return to you with a detailed contract for approval. The \$150K would allow us to begin working immediately with Caltrans to coalesce exactly where we would blend the existing lane eastbound between 680 and 242. She added that we are going to look at the funding we have available and strategize where it makes sense to drop that lane and blend it back in with the existing lanes.

Mr. Arnerich asked where we are overall in terms of committing to the ultimate project cost of \$368 million and what we see as the ultimate time line for this.

Ms. Miller stated that we will be looking for future funding opportunities and put together a package to proceed, but it is hard to determine when the dollar is so large when we will have that. She noted that we have environmental clearance, and that being done we do not want that document to get stale. She stated that future phases are the big connectors, the flyovers, so it is difficult to trim or downsize much. She stated that full funding will be needed for that phase.

Mr. Arnerich asked if we now have just the \$19.6 million.

Ms. Miller responded that we are looking at the strategic plan update for some additional dollars, as well as the upcoming STIP process and the possibility of grant funds. She noted that when she started the environmental document on Route 4, we only had funding for Loveridge, and we made a conscious decision to clear the whole corridor. Opportunities then arose and we were able to put together a funding plan for the whole thing. She added that we already have money committed to a phase and if we get a little more money we can do another phase.

Mr. Metcalf referred to Phase 3, asking if there are there any HOT complications that could be an obstacle to the current proposed phase. He asked about the flyovers.

Ms. Miller stated that we have to make sure that this is coordinated with any project that is going on on 680 with the potential express lanes and the conversion there.

Mr. Chittenden commented that a carpool/HOV or potentially HOT corridor will continue up 680 and out through Highway 4 through this interchange. He stated that it was recently confirmed that we do not expect to be able to build HOV lanes on 242 due to physical constraints. The footprint will allow for a direct connector from the HOV northbound 680 to eastbound Highway 4, which is the major movement through here. That is a future project, not included within the environmental clearance for this project.

Mr. Metcalf commented that the public will be looking at this as the next big project, because perception is that we are always tearing apart 680. He asserted that right now would be a good time to begin public outreach on the goals of this project.

Ms. Miller responded that we will have to do some additional outreach because it has been quiet for a while and it has been some time since we did the environmental clearance. She added that the strategy for the 680 corridor overall is something that we need to get out there and discuss with the public. We can do that in conjunction with the series of improvements focusing on the 680 corridor itself.

Mr. Chittenden added that we will need to do an environmental re-validation. We are restaging it and that may present an opportunity to have a workshop or such to re-expose the project to the public. Part of the environmental process includes public outreach and hearings, so since it has been a couple of years, kicking it off and restaging it does warrant some additional public outreach.

12.0 Fiscal Year 2013-14 Authority Salary Ranges and Benefits Resolution No. 13-08-A.

12.1 Approval of Authority Salary Ranges and Benefits for Fiscal Year 2013-14.

ACTION: The committee approved this item 4-0, moved by Commissioner Arnerich and seconded by Commissioner Durant.

DISCUSSION:

Mr. Carlton introduced the first item, an annual process called for in our administrative code where we bring to the Board employee salary ranges and benefits, the Board approves, and delegates discretion to the Executive Director to place employees within those salary ranges and to augment those salaries within those ranges based upon performance.

Mr. Carlton explained that historically what the Authority does with the salary ranges, and he emphasized that these are range adjustments that are being proposed, not actual salaries, is to adjust those ranges by the 12-month December % change in the CPI. He indicated that in looking at the index, the change was 2.2%. That is the recommendation before the Committee. By way of state law and reforms related to pension, he noted that conforming language has been added so that any new employee hired by the Authority would be enrolled in the new '2% at 62 plan' and pay half the normal pension cost. There are no changes to medical, dental or any of the other benefits that are afforded to our employees. He stated that the APC staff asks that this item be moved to the Board for approval.

Mr. Metcalf asked if '2 at 62' would be effective upon the board approving this resolution.

Mr. Carlton stated that this was added in here for conforming language and that state law overrides the local jurisdiction. In this case, any new employee would have to be enrolled in this new plan if they have no prior Calpers vesting. It is administrative for the Board to add the new language to the list of benefits and that the Authority would comply with state law. Mr. Metcalf stated that it is in effect right now and Mr. Carlton confirmed.

Mr. Durant stated that a 95/5 split on healthcare benefits is not something he can continue to support. He stated that he anticipates additional conversation about this and suggested we begin to look at how to rationalize that.

Mr. Carlton asked Mr. Durant if he would like staff to come back to the Committee with some options on levels of medical benefits. He stated that we can do that.

Chair Taylor asked if we could do that before it goes to the rest of the Board.

Mr. Carlton stated that we could do that next month, prior to the fiscal year, July 1, if that were the type of effective date being requested.

Chair Taylor asked if it was possible that the plan could be staggered for new employees or if everyone was in the same situation.

Mr. Carlton replied that there is an option to set up a new benefit for new employees that is different from what the existing employees are receiving.

Mr. Durant agreed with tying the Authority's contribution to the lowest-cost HMO plan, but that 5% employee contribution is just too small a buy-in, given a number of things, including the ongoing increases in healthcare costs. He proposed doubling it to 10% as not being a huge hit to the employees, particularly when parking is covered. He encouraged APC to have the conversation about that, rather than waiting for it to go to the full board April meeting. He would like to see resolution of this before the new fiscal year.

Mr. Carlton stated that staff will bring back an item next month.

Chair Taylor stressed the importance of a common understanding on which direction this is headed, as this is a big area and it impacts a lot of people.

Mr. Metcalf clarified what the Committee is asking Mr. Carlton to do; that is, to go ahead with what is being recommended here by staff, bring that to the Board and then have a conversation in the following month about the new regime. Any change would be enacted following that discussion, with another Board action in May. The fiscal year is July so we would put something in place in June.

12.2 Discussion of Employee Parking Options and Commute Alternatives.

ACTION: The committee approved this item 4-0, moved by Commissioner Arnerich and seconded by Commissioner Durant.

DISCUSSION:

Randy Carlton, Chief Financial Officer, introduced the topic, stating that when we moved into 2999 Oak Road we entered into a 16-year lease for this office. One of the incentives for signing was 3 years of free employee parking, which ends June 30, after which parking is \$70 per stall monthly.

Mr. Carlton stated that here at 2999 Oak Road we are in a submarket – Transit Oriented Development, with commercial office, high-density residential, close proximity to BART and other transit alternatives. So the submarket here is different from a city hall or what we had at Buskirk, where there was surface and curbside parking. Here it is largely a 'pay-to-park' location. He stated that staff wanted to hear the Board's and the Committee's thoughts on the subject. It is a taxable benefit if we were to pay for employees' parking and consensus should come from the APC on that.

He stated that knowing that this was coming we engaged with the business association here that is administered by the Contra Costa Century Association. Mr. Carlton introduced Chris Romero who represents the association, along with Executive Director Lynnette Tanner-Busby. Several commuter alternative incentives were developed to augment the existing Transportation Demand Management (TDM) program that they administer. The table in the staff report provides a quick overview of some of those commute alternatives. Page 12.2-4

Mr. Carlton laid out three scenarios: 1. Authority-paid, cost-sharing proposal with percent to be determined, 2. employee-paid, or 3. Various TDM options where the Authority would pay for a part of the BART costs, part of the bus pass and provide some other incentives for carpooling and biking/walking. These would augment the existing benefits that the Association provides the tenants within this district that are funded through the owners paying into an assessment district and those monies are used for these commute alternatives as well as a number of beautification projects. Any of these can be mixed and matched. This is a menu, where the Authority can choose to pay a parking benefit from 100% to something less than that and integrate it with the TDM incentives for using commute alternatives.

Mr. Arnerich stated that everything here is top-notch; we have the best executive team and the best financially-run organization. He noted that he is a private employer and his company does not get free parking. He stated that we are a transportation agency, and as such should not be doing this. He asserted that it sends the wrong message. He continued that the reason we located here was proximity to BART and that Committee members use BART to attend meetings. He agreed that we should take advantage of incentive programs, but that we should not be writing a reimbursement check for parking. He reminded staff that we knew this was coming, and paid parking was a way to ease the transition. He stated that we should be supporting all alternatives to parking.

Chair Taylor stated that this sounds great unless you live where there is no public transportation. He agreed that it is wise to look into alternatives but that Authority staff should be offered incentive options.

Mr. Metcalf recalled that when the Authority moved out of Buskirk, the issue of image was discussed at length and Mr. Arnerich's point was made. He added that as a transportation agency we need to send the message that we are supportive of the public transit systems that are available. He stressed that when the decision was made to move, we were asking our employees to buy in, saying that we are advancing our image as a transportation agency and we would help employees financially to go along with it. He pointed out that that in itself was a justification for doing something to help employees; not paying it entirely but doing something.

Chair Taylor noted that there was an ad hoc committee when we moved to 2999 Oak Road and suggested that rather than roundly saying we would do this or that, perhaps a committee could be organized on this issue.

Mr. Arnerich emphasized that he supports alternative programs: the BART, carpool contribution, but he does not support parking, and an ad hoc committee is not going to change that. He stated that he is in support of the incentive programs.

Mr. Durant commented that we need to have a robust program to support TDM. He agreed with the idea of the Authority paying and providing the cost-sharing option with respect to public transit as outlined in the staff report. He stated that regarding parking the employees during these 3 years have been prepared for the possibility of this coming and knew that there might be some need to pay something. He commented that cost-sharing is a way to further incentivize alternative transportation usage. He suggested a scenario in which the Authority pays some of the parking with a gradual step-down of costs so people can make new arrangements. He asked about staff that needs a vehicle as part of their daily work tasks.

Mr. Durant posed an Authority/employee split of 80/20 for the first year, then 60/40, then 50/50 over three years as a nice blend of the two types of incentives.

Mr. Arnerich asked if all agreed on the incentive program on the second chart.

Mr. Metcalf asked Mr. Carlton if he could come back with a proposal that the Committee can act on, given what we have discussed here. He expressed that he does not think we need an ad hoc committee.

Mr. Carlton expressed that an action in May would be timely as the parking cost goes into effect July 1. He proposed that staff could bring an action item to the APC that calls for the phasing program if that is the consensus of the APC, plus the commute alternatives that are discussed in the staff report.

Mr. Arnerich expressed that he supports Mr. Durant's suggestion. He added that the ethical method is to do a phase-out, and as a transportation agency he supports the alternatives program.

Mr. Iwasaki stated that we could prepare this and asked for confirmation that the Committee supports the TDM program and a phased-out approach to the parking with the contribution being zero after the third year.

Chair Taylor commented that even on a phase-out this is coming out of a net pocketbook and that is not tax-deductible. He stated that he understands the image

issue as well as the wage-earner's pocketbook and does not want this to come as a shock in 3 years.

Mr. Carlton stated that it is his sense that there is consensus here at the APC. He proposed writing it up in the action taken by the Board this month to adopt the commute incentives and the phase-out as recommended by the APC, without the need for further discussion.

Mr. Durant restated that this is a 4-year program so that by June of 2017 it is phased out to 0/0. There would be zero contribution from the Authority at that point.

13.0 State Route 4 – SR 4/SR 160 Connector Ramps (Project 5001).

13.1 State Route 4 – SR 4/SR 160 Connector Ramps (Project 5001). Confirmation for the Authority to Advertise, Award, and Administer (AAA) Construction Contract.

ACTION: The committee approved this item 4-0, moved by Chair Taylor and seconded by Commissioner Durant.

DISCUSSION:

Mr. Chittenden announced that this is the latest project to improve east county mobility and it is now ready for construction. He explained that funding for this project is to complete the SR4/160 connector by adding some missing connector ramps. Funding was provided through MTC, a \$50 million dollar grant. He reported that project development is going well and we are nearing another ground-breaking in east county.

He noted that in an MOU approved by the Board in November 20 11 it was approved that the Authority would administer the construction contract and this item is to reconfirm that. He explained that the alternative would be for Caltrans to administer the contract, but that experience has shown that we are much more in control of our destiny if we administer. Mr. Chittenden recommended confirmation by the Committee. He added that after confirmation there will be a number of steps going forward, the first being hiring a construction management consultant; then when the project is ready returning to the Committee in June with a Cooperative Agreement with Caltrans that would formally seek their authorization to construct the project; third would be approving the plans to protect design immunity; and finally seeking Committee approval to allow the Executive Director to advertise the contract. He stated that the action here is to reconfirm the Board's intent that the Authority administer the contract.

13.2 State Route 4 – SR 4/SR 160 Connector Ramps (Project 5001) – Request for Proposals (RFP/RFQ 11-8) – Selection of AECOM for Contract Administration and Construction

ACTION: The committee approved this item 4-0, moved by Commissioner Durant and seconded by Commissioner Arnerich.

DISCUSSION:

Ivan Ramirez introduced this item.

Mr. Durant asked Mr. Ramirez why he recommends AECOM for the project.

Mr. Ramirez responded that ramps are complicated structures, that there are very deep piles to drill next to railroads, complex false work, and that AECOM has a very strong structural team.

14.0 Commissioner and Staff Comments

14.1 Chair's Comments and Reports-None

14.2 Commissioner's Comments and Reports-None

14.3 Executive Staff Comments-None

15.0 Other Business-None

16.0 Adjournment to Next Meeting. The meeting was adjourned at 10:32 a.m. The next meeting is scheduled for Thursday, May 2, 2013 at 8:30am.

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