

**Peninsula Corridor Joint Powers Board (JPB)  
Board of Directors Meeting  
1250 San Carlos Avenue, San Carlos CA 94070**

**Minutes  
February 7, 2013**

**MEMBERS PRESENT:** M. Cohen, J. Deal, A. Lloyd, T. Nolan, A. Tissier, P. Woodward, K. Yeager

**MEMBERS ABSENT:** J. Cisneros, A. Kalra

**STAFF PRESENT:** J. Averill, M. Bouchard, J. Cassman, A. Chan, M. Choy, G. Harrington, C. Harvey, R. Haskin, M. Lee, M. Martinez, N. McKenna, D. Miller, S. Murphy, M. Scanlon, M. Simon

Chair Ken Yeager called the meeting to order at 10:03 a.m. and led the Pledge of Allegiance.

**SWEARING IN OF PERRY WOODWARD REPRESENTING SANTA CLARA COUNTY**

JPB Secretary Martha Martinez administered the Oath of Office to Perry Woodward.

**PUBLIC COMMENT**

Pat Giorni, Burlingame, said she has heard people are not always able to get a seat on the train. She asked if electrification service is capped at six trains per direction per hour, will future demand be met, and if this is something that should be looked at in the Environmental Impact Report (EIR).

Roland LeBrun, San Jose, said last month the California High Speed Rail Authority (CHRSA) and Amtrak issued a Request for Information (RFI) for High Speed Rail (HSR) rolling stock. He asked when Caltrain will be issuing a similar RFI for the new electric multiple units that will be able to share common track platform heights with HSR and Amtrak. The Metropolitan Transportation Commission (MTC) Programming and Allocations Committee is meeting next week and the Consent Calendar has an item for \$10 million in project cost changes for both the Communications-based Overlay Signal System (CBOSS) and San Francisco Municipal Transportation Agency's (SFMTA) Rail Replacement Part B. Mr. LeBrun said the CBOSS Project is already over budget and behind schedule even before the final design has been completed.

Doug DeLong, Mountain View, said the Santa Clara Valley Transportation Authority is undertaking a \$1.3 million study of low income riders and asked whether there could be some type of discount program for Caltrain.

Shirley Johnson, San Francisco Bicycle Coalition, commended Caltrain for its outstanding bicycle program. Bumps are rising again, bike space is maxed out and most bumps are on Bombardier cars. She said the solution is to add a third bike car on Bombardier trains.

## **CONSENT CALENDAR**

- a. Approval of Minutes of January 3, 2013

A motion (Nolan/Lloyd) to approve the consent calendar was approved unanimously.

## **CHAIRPERSON'S REPORT**

### **Certificate of Appreciation to Outgoing Citizens Advisory Committee (CAC) Chair Paul Bendix**

Chair Yeager said Mr. Bendix has been on the CAC since October 1999. He has a keen understanding of the service and the riders, and is an advocate for the future of Caltrain.

A motion (Tissier/Nolan) to present the Certificate of Appreciation to Mr. Bendix was unanimously approved.

Mr. Bendix thanked the Board for the recognition and said it has been a privilege to take part in a public process and to see Caltrain grow.

## **REPORT OF THE CAC**

CAC Chair Kevin Gardiner thanked Mr. Bendix for his service. Mr. Gardiner said at its January 16 meeting, the CAC:

- Held the 2013 elections. Representing San Francisco County, he was elected chair, and Adina Levin, representing San Mateo County, was elected vice chair.
- Received a presentation on the Title VI requirements. There was an interest among the members to have more outreach to the North Fair Oaks area in Redwood City.
- Staff provided an overview on the passenger counts currently being done on the trains.
- There was interest in discussing airport connections and receiving a presentation on the passenger counts and customer satisfaction survey.

## **REPORT OF THE EXECUTIVE DIRECTOR**

Executive Director Michael Scanlon reported:

- Welcomed Director Woodward and thanked Mr. Bendix for his service as chair to the CAC.
- Key Caltrain Performance Statistics
  - Monthly Performance Statistics – December 2012 compared to December 2011
    - Total Ridership was 1,126,167, an increase of 8.6 percent.
    - Average Weekday Ridership was 42,705, an increase of 11.2 percent.
    - Total Revenue was \$4,835,232, an increase of 12.3 percent.
    - On-time Performance was 95.1 percent, a decrease of 2.5 percent.
    - Caltrain Shuttle Ridership was 6,165, an increase of 6.8 percent.
  - Year-to-date Performance Statistics – December 2012 compared to December 2011

- Total Ridership was 7,727,480, an increase of 12 percent.
- Average Weekday Ridership was 48,302, an increase of 12.3 percent.
- Total Revenue was \$34,179,935, an increase of 17.8 percent.
- On-time Performance was 89.7 percent, a decrease of 3.7 percent.
- Caltrain Shuttle Ridership was 8,340, an increase of 22.4 percent.
- Ridership on the system remains incredibly high and it makes it extraordinarily difficult to recover from a slight problem. On February 6, southbound Train 314 experienced a mechanical problem and this caused overcrowding on Trains 220 and 322.
- Deputy CEO Gigi Harrington is starting to work on the Fiscal Year (FY) 2014 budgets and is in contact with the chief financial officers at the partner agencies.

Director Malia Cohen arrived at 10:22 a.m.

- Annual on-board passenger counts are underway. Staff will present the findings at a future meeting.
- The Bicycle Advisory Committee did not meet in January. The next meeting is scheduled for March 21.
- Special service:
  - Extra service was provided for the San Francisco 49ers playoff game on January 12 and carried an additional 1,400 riders.
  - The Martin Luther King, Jr. Association of Santa Clara Valley chartered two trains for their annual Freedom Train and carried more than 1,000 riders.
  - The San Jose Sharks are off to a good start and during the first week more than 1,500 riders were carried.
  - President's Day is February 18 and a modified Saturday schedule will be operated with eight extra trains and one roundtrip to Gilroy.
  - Giants Fanfest is on February 9 at AT&T Park. Passengers can pre-purchase tickets by using the Fanfest button on the ticket vending machines.
- Congratulated staff on the excellent Comprehensive Annual Financial Report.
- The Reading File contains correspondence, the December Safety and Security Report, the President's Day timetable, Take Ones on Title VI outreach and the Electrification Environmental Impact Report (EIR) public scoping meetings.

### Caltrain Modernization Program

Executive Officer, Caltrain Modernization Program Marian Lee said staff issued the Caltrain Electrification EIR Notice of Preparation (NOP) on January 31. The Federal Transit Administration said the Finding of No Significant Impact (FONSI) issued in 2009 is sufficient and there is no need to go through a reevaluation of the Federal process, just for the State. She said staff will be following the California Environmental Quality Act (CEQA) law and supplementing that with additional outreach. Staff will be going through an 18-month process to prepare this document.

Ms. Lee said there are four scoping meetings on the NOP and the purpose of these meetings is to hear from the stakeholders and the public about the project. There will

be an open house on February 27 in this auditorium from 3:00 p.m. to 6:00 p.m. during which staff will answer questions from the public, and following that from 6:00 p.m. to 8:00 p.m. will be the official scoping meeting. The remaining three scoping meetings will be from 6:00 p.m. to 8:00 p.m. in Palo Alto City Hall, the VTA Auditorium in San Jose and the San Francisco Board of Supervisors Chambers. The dates and locations are all listed on the Caltrain website and were included in the NOP distribution, which went out to property owners within 300 feet of the right of way, libraries in the three counties, elected officials at the local State and Federal levels, all the transportation boards and agencies, key community groups, and city and county staff.

Ms. Lee said the city of San Mateo has been strongly advocating for a grade separation at 25<sup>th</sup> Avenue and the City is preparing a Capital Improvement Plan (CIP) for the entire Hillsdale Station area. The City hopes to prioritize a list of capital projects related to transportation infrastructure and develop a funding plan. The City has asked the JPB to be a partner in the development of the Plan. Ms. Lee said staff has been working with the cities of Burlingame, South San Francisco and Atherton to remove the hold-out rule at their stations. She said San Francisco is interested in redeveloping the Mission Bay area and San Francisco has asked the JPB to assess the feasibility of shrinking or removing the 4<sup>th</sup> and King rail yard. Staff will be embarking on a several-month analysis to see if the idea is feasible from an operations perspective and to understand the system-wide implications of the suggested change.

#### Public Comment

Roland LeBrun, San Jose, said this morning it took four minutes for a wheelchair to be lifted off the train. The issue is not with people with mobility issues but the method of getting them off and on the trains.

Doug DeLong, Mountain View, said it won't be long until there are 50,000 average weekday riders. He said there are going to be angrier riders as ridership increases. Mr. Scanlon said the bottom line is money. With more money, Caltrain could have more staff and trains.

Chair Yeager asked if a report can be given on where Caltrain is headed and the options.

Director Adrienne Tissier said a year ago there was almost a 48-train schedule, but the Board decided to keep the 96-train schedule so Caltrain is doing a lot better than a year ago. People need to look back to last year and see what has been accomplished to get Caltrain where it is today.

Chair Yeager said riders need to understand that if the trains are crowded the system will be slower.

Adina Levin, Friends of Caltrain, said electrification is extremely popular and the more outreach than can be done would be appreciated. She is glad to see a solution is being reached on the rail yard in San Francisco. Ms. Levin said the issue of level boarding should be addressed in the EIR along with reliability and schedule issues. She

said bikes are a cost-effective way to address first and last mile and it would be helpful if bikes were allowed to board first in the bike car.

Pat Giorni, Burlingame, said there is \$750 million slated for equipment replacement and a lot of the recent problems are due to equipment, and asked when this money will be programmed to start replacing equipment. Mr. Scanlon said the diesel equipment will not be replaced, but staff needs to increase the state of good repair.

Jeff Carter, Burlingame, said staff should not limit the cap to six trains per hour per direction in the Electrification EIR. The service is maxed out now and if there is no space for a person with a bike on the train it costs money for parking at the station or a place to park the bike.

#### **UPDATE ON NEW AGREEMENT BETWEEN THE PENINSULA CORRIDOR JOINT POWERS BOARD AND CALIFORNIA HIGH-SPEED RAIL AUTHORITY (CHSRA)**

Ms. Lee said there is a new draft JPB/CHSRA agreement. This draft agreement would replace the existing one that is outdated and reflects a partnership that was pursuing the larger four-track project. That is no longer the case. There is now a need to put a new agreement in place that is consistent with the approved nine-party Memorandum of Understanding (MOU) and provides the full funding for the Caltrain Modernization Program.

Ms. Lee said at the December meeting staff presented recommended key principles that would be included in the new agreement. Staff has also presented the principles to the Local Policymaker Group, the City/County Staff Coordination Group, and the Peninsula Corridor Working Group. She said staff has received comments from Friends of Caltrain, the Greater Eastside San Carlos group and letters from the city of San Mateo, the committee of the Peninsula Cities Consortium, elected officials and individuals. These comments were taken into consideration in drafting the agreement.

Ms. Lee said it is very clear the agreement is about a blended system and not a four-track system. There is affirmation the JPB continues to own the corridor and the HSR has committed Proposition 1A funding for the early investment program. The JPB and CHSRA have joint approval for building the blended system to ensure maximizing interoperability, to protect the local community interests and concerns along the corridor, and to ensure that local plans and projects are compatible with the blended system.

Ms. Lee said one recital in the agreement pertaining to who is to be the environmental "lead" clearing the blended system received the most comments. The agreement states the JPB will lead and clear the corridor electrification, and FTA will have oversight. She said passing tracks and storage maintenance yard elements needed for HSR trains and service will be cleared by CHSRA, and Federal Railroad Administration has jurisdiction. Ms. Lee said many of the stakeholders want the JPB to lead all aspects of environmentally clearing the blended system, but staff feels it is legally appropriate to divide the responsibility the way it is noted in the agreement.

She said the JPB does not give up local control as the JPB is the right of way owner, will exert its rights as the owner, and reserves the right to approve the project design and construction.

Ms. Lee said there were a few comments not addressed in the agreement. Staff was asked to commit that the project not have any local impact and the right venue for that is the environmental process, not the MOU. The project needs to go through an environmental process to identify what the impacts may be, figure out if they can be avoided, and if not, what the mitigations might be. Staff was asked to define future HSR and Caltrain service and include local projects that are not in the early investment program.

Ms. Lee said the stakeholders have a copy of the draft agreement and staff has asked for additional comments beyond the February 13 deadline. Staff hopes to bring back a final agreement for adoption in March. The CHSRA anticipates taking action in April on this agreement.

Chair Yeager reiterated that local control is still fully protected and the JPB will continue to exert its rights as the owner of the corridor, reserves the right to approve the blended system project design and construction program, and will continue to protect local interests and concerns.

#### Public Comment

Jim Bigelow, Redwood City/San Mateo County and Menlo Park Chambers of Commerce, said the draft agreement appears to be very protective of the Peninsula interests and puts to bed the idea that there will be a four-track system between San Francisco and San Jose. He said the sooner there is a revised agreement getting to the details of how to do the first part of the early investment the better. He said when he goes to MTC the Bay Area Rapid Transit trains are just as crowded. The peak hours are an issue for a lot of systems.

Paul Krupka, San Mateo, said the Agreement is well done and commended staff and legal counsel for their efforts.

Adina Levin, Friends of Caltrain, said she is glad to see the improvements in the MOU, including deleting all the obsolete documents and itemizing areas where Caltrain and CHSRA are going to need to work together. She said the nine-county funding MOU states working together to bring in funding for future components of the blended system but there isn't anything along those lines in the bi-directional HSR/Caltrain MOU.

Jeff Carter, Burlingame, said no one knows what the future demand is going to be and shouldn't be limited to two-tracks as part of the blended system. He said 94 percent of the right of way is 75 feet or wider and is plenty of room to expand to four tracks.

Pat Giorni, Burlingame, said there is a lot of talk from the governor on short-cutting CEQA requirements for major infrastructure projects. She asked if CEQA is short cut how it is going to affect the agreement for the State EIR. She asked if any of the Peninsula interests will be short changed by a change in CEQA requirements.

Legal Counsel David Miller said the contract language is going to protect the JPB. It states the ownership of the rail corridor and the absolute contractual right to improve any and all designs and specifically designed to protect the interests of the community.

**ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR  
DECEMBER 2012**

Ms. Harrington said through December farebox revenue is over budget by \$4.9 million and expenses are under by \$1.7 million. Last week fuel was \$3.17 per gallon and year to date it is \$3.17 per gallon. The JPB will be receiving \$47,000 for January and year to date has received \$329,000 from the fuel hedge.

A motion (Tissier/Lloyd) to accept the December 2012 statement was approved unanimously.

**AUTHORIZE AMENDING THE FISCAL YEAR 2013 OPERATING BUDGET FROM \$111,368,706 to  
\$112,165,890**

Ms. Harrington said these are the mid-year budget adjustments. Fare revenue increases are offset by parking. The Pacifica Shuttle item is a pass through to the City of Pacifica and is neutral to the JPB. On the expense side there are increases in the security costs and this is most notable at the San Francisco and San Jose Caltrain stations where there is 24-hour security. She said she will be proposing to put the entire FY2013 surplus towards FY2014 budget.

A motion (Lloyd/Nolan) to amend the Fiscal Year 2012 Operating Budget was approved unanimously.

**AUTHORIZE AN INCREASE IN CHANGE ORDER AUTHORITY BY AN AMOUNT NOT TO EXCEED  
\$6 MILLION FOR THE SAN BRUNO GRADE SEPARATION PROJECT**

Deputy CEO Chuck Harvey reported:

- The goal of the project is to improve safety by eliminating conflicts between trains and vehicular and pedestrian traffic at crossings between Interstate 380 and San Felipe Avenue in San Bruno.
- The box culvert construction was completed in October 2010 and the entire project will be completed by the end of this year.
- The project cost estimate is \$147 million and the funding sources are the San Mateo County Transportation Authority Measure A, Proposition 1B, California Public Utilities Commission 190 funds, Statewide Transportation Improvement Program and FTA. There are no member agency dollars being used for this project.
- The project has been delayed approximately one year. There is an increase in contract amount because of the delays, including the finding of contaminated soil.

Director Jerry Deal asked what contaminated soil is. Mr. Harvey said there are a number of things in the soil along the corridor that reach a level that has to be removed and taken to a classified waste facility.

- This change order is to allow work to continue and the projected completed. The \$6 million is within the contract authority.
- Pictures of the project were shown.

Public Comment

Jeff Carter, Burlingame, asked how wide the grade separation will be and how many tracks the separation can accommodate. Mr. Harvey said the track structure is for two tracks and can accommodate four tracks.

Roland LeBrun, San Jose, asked if there is going to be two tracks or four tracks at San Bruno.

A motion (Nolan/Tissier) to authorize an increase in change order authority by an amount not to exceed \$6 million for the San Bruno Grade Separation Project was approved unanimously.

**AUTHORIZE CONTRACT AMENDMENT FOR ADDITIONAL CONTRACT AUTHORITY IN AN AMOUNT NOT TO EXCEED \$3.4 MILLION AND EXTEND THE AGREEMENT FOR AN ADDITIONAL THREE YEARS TO MAY 2016 FOR CONSTRUCTION MANAGEMENT SERVICES WITH URS CORPORATION**

Mr. Harvey said this is an amendment to extend contract authority for the existing Construction Management Contract. This amendment will cover the San Bruno Grade Separation and other projects currently underway. He said staff wants to maintain continuity with the project and will be bidding new construction management work for new projects such as the Quint Street Bridge.

Director Nolan left at 11:18 a.m.

Public Comment

Roland LeBrun, San Jose, said there is a letter from him in the correspondence packet. He said he would like to hear an update on the Quint Street Bridge. He said staff's suggestion to build a 235-foot three-span bridge is not reasonable. Mr. LeBrun asked how a \$5 million bridge, such as Jerrold, could cost \$14 million.

A motion (Tissier/Deal) to authorize contract amendment and extend the agreement with URS Corporation was approved unanimously.

Director Nolan returned at 11:22 a.m.

**PRELIMINARY METROPOLITAN TRANSPORTATION COMMISSION TRANSIT SUSTAINABILITY PROJECT (TSP)**

Manager, Programming and Monitoring Melanie Choy reported:

- The goal is to reduce financial shortfalls, improve transit performance and attract more customers.
- The focus is on the seven largest transit operators in the region.
- The requirements are to adopt a plan by March 2013 and by 2017 have a 5 percent reduction in either cost per service hour, cost per passenger or cost per passenger mile.

- After 2017, there is to be no increase beyond the Consumer Price Index.
- Starting in 2019, MTC will link funding to performance.
- Previous cost-reduction strategies include JPB's fuel hedging program, administrative cost control measures, closure of staffed ticket offices, introduction of Baby Bullet in 2004, reinvention of service in 2005, weekend baby bullet service, reduced service in the off-peak, and bringing back the peak-hour service in response to ridership growth.
- Moving forward, sustainable strategies include implement State of Good Repair Projects, support of Transit-oriented Development (TOD), station access planning and implementation, continuation of the Fuel Hedging Program, real-time information for customers and Caltrain Modernization Program post 2019.
- Staff will present the TSP Strategic Plan for adoption at the March meeting.

#### Public Comment

Adina Levin, Friends of Caltrain, said members are adopting stations and this is a real opportunity for Caltrain. She said the GO Pass Program would be extremely effective for TODs because a monthly parking at Palo Alto is \$45 and a two-zone ticket is \$168.

#### **UPDATE ON TITLE VI POLICIES**

Director of Rail, Michelle Bouchard reported that under new Federal requirements, Title VI civil rights policies must be Board approved and submitted to FTA prior to the next equity analysis or program submission. These include adopting a policy on major service changes, disparate impact and disproportional burden for specific populations and adoption of system-wide service standards.

- Major Service Change Policy
  - Determines when service change is significant enough to require a thorough analysis of potential effects on protected populations.
  - The proposed draft policy would require such an analysis when there is an increase or decrease of 25 percent or more in total revenue train miles per day and more than a 50 percent change in trains stopping at a single station per day.
- Disparate Impact Policy and Disproportionate Burden Policy
  - Staff is recommending an analysis be required when a threshold of 10 percent is achieved in the difference between the impact to minority versus non-minority communities.
- Service standards and policies
  - These are service standards and policies that staff has been using over the last nine years.
  - Service standards are looking at vehicle load, headway, on-time performance and service availability.
  - Service policies are looking at vehicle assignments and transit amenities.
- Proposed Title VI schedule:
  - Conduct public outreach on proposed policies between February and March.
  - Continue additional outreach to community based organizations in March.

- o Final adoption at the April Board meeting.
- o Public meetings will be in Gilroy, San Carlos, San Francisco and Mountain View.
- o Comments will be accepted through March 29.

### **APPROVAL OF 2013 LEGISLATIVE PROGRAM**

Director of Government and Community Affairs Seamus Murphy said staff is recommending approval of the 2013 State and Federal Legislative Program. This program guides staff's advocacy efforts in Sacramento and Washington D.C. The program is structured to focus on three primary objectives: maintaining and enhancing State and Federal funding opportunities that support Caltrain programs and services; seek a regulatory environment that streamlines project delivery and maximizes Caltrain's ability to meet public transportation service demands; and reinforcing and expanding programs that build and incentivize public transportation ridership. Mr. Murphy said with these three objectives there are several issues that are included in the program that staff expects to focus on in the coming year, both at the State and Federal levels.

Mr. Murphy said the program is structured to be broad enough to allow staff to take action quickly when unanticipated issues might come up. If there are issues outside of this program, staff would bring them to the Board's attention and seek approval.

#### Public Comment

Vaughn Wolffe, Pleasanton, said he would suggest altering the laws so transit districts can participate and buy power, rather than exempting the agency from the costs. When there are exemptions the cost is being forced on the rest of the general public. If it is forced to a vote the rest of the general public will not look respectably on transportation. Operating costs can be significantly reduced by capitalizing your own power system.

A motion (Nolan/Lloyd ) to approve the 2013 Legislative Program was approved unanimously.

### **LEGISLATIVE UPDATE**

#### State Update

Mr. Murphy said there is no deficit projected for next year in the governor's budget. The State Transit Assistance Program projections are lower for this fiscal year and next fiscal year due to a lower level of diesel fuel sales. There is \$480 million included for appropriation for transit in the Proposition 1B program. There is an appropriation of \$55 million from the first Cap and Trade auction and it has not been specified how those funds will be directed. The governor's office will be holding a series of outreach meetings and staff will encourage these funds be directed towards clean transportation projects.

Mr. Murphy introduced the new Government Affairs Officer Casey Fromson, who will be focusing on the Caltrain Modernization Program. She was a member of Congresswoman Anna Eshoo's staff in Washington D.C. focusing on transportation.

**FISCAL YEAR 2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

No discussion.

**CORRESPONDENCE**

No discussion.

**BOARD MEMBER REQUESTS**

Director Nolan said Mayor Ed Lee in his State of the City Message announced a new initiative and task force that will look comprehensively at transportation in San Francisco and regionally. This is partially aimed at possibly some type of ballot measures for funding in 2014. Mr. Nolan said there is a very difficult advertising issue going through the SFMTA and their advertising policy is being severely challenged by some anti-Arab, anti-Islamic ads. He asked if there is any policy for the JPB. Mr. Miller said both the San Mateo County Transit District and the JPB have adopted policies that stem from this type of issue and the policy confines advertising to commercial speech. He said he would provide a copy of the policy to Director Nolan.

**DATE/TIME/PLACE OF NEXT MEETING**

The next meeting will be Thursday, March 7, 2013, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

**GENERAL COUNSEL REPORT**

- a. Closed Session: Real Estate Negotiations – Pursuant to Government Code 54956.8:

Agency Negotiators: David J. Miller and Brian Fitzpatrick  
Under Negotiation: Price and Terms of Purchase

Property/Negotiating Parties    Owner Address and APN

Hines, EBL & S/Shea	Hayward Park Caltrain Station Site Concar Drive & Pacific Boulevard San Mateo, CA APN 035-200-150
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Mr. Miller said this matter can be handled in open session and involves a Transit Oriented Development Project at the Hayward Park Station. The reason the closed session is listed is it would be permissible, if the Board so chooses, to discuss financial issues involving the negotiations. Mr. Miller said today staff is requesting the Board, through an advisory committee of Chair Yeager and Directors Tissier and Nolan, adopt a resolution that would authorize entering into an exclusive negotiating agreement with the highest ranked proposer.

Mr. Miller said the JPB issued a request for Statement of Qualifications in February 2012. Two proposals were received and staff would like to proceed with negotiations with EBL&S/Shea. The developer's site plan must include reservation of a 140-foot-wide strip for potential expansion for transportation. Mr. Miller said the developer would have 60-day period for exclusive negotiations. Staff would come back to the Board at the end of that time with a proposed term sheet. The developer is required to deposit

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\$60,000 for the privilege of continuing the negotiations and for covering the costs to the JPB associated with those negotiations. He said a long-term ground lease is envisioned. No JPB-owned property will be sold or conveyed and there will be no subordination of the JPB's property interest to accommodate the financing.

Director Tissier said both proposers are very strong, but the one recommended is just a bit stronger.

A motion (Tissier/Nolan) to proceed with negotiations with EBL&S/Shea was approved unanimously.

Adjourned at 11:50 a.m.