

**Peninsula Corridor Joint Powers Board
1250 San Carlos Avenue, San Carlos, CA 94070**

**Finance Committee
Minutes of December 15, 2025**

Members Present: David Cohen, David Canepa (Acting Chair)

Staff Present: M. Bouchard, A. Feng, J. Harrison, K. Jordan Steiner, L. Lumina-Hsu,
O. Quintanilla Lopez, L. Zhang

1. Call to Order

Acting Chair Canepa called the meeting to order at 2:31 pm.

2. Roll Call

Loana Lumina-Hsu, JPB Deputy Secretary, called the roll and confirmed a quorum was present.

3. Pledge of Allegiance / Safety Briefing

Director Cohen led the Pledge of Allegiance and Chair Canepa delivered the safety briefing.

4. Public Comment on Items not on the Agenda - There were none.

5. Consent Calendar

5.a. Approval of Meeting Minutes for November 17, 2025

Motion/Second: Cohen/Canepa

Ayes: Cohen, Canepa

Noes: None

6. Receive Quarterly Financial Report: Fiscal Year 2026 Quarter 1 Results

Kate Jordan Steiner, Chief Financial Officer, provided the presentation that included the following:

- Quarter 1 (Q1) result \$10 million surplus vs. \$13.7 million budgeted deficit
- Revenue \$18 million favorable due to State Rail Assistance (SRA) timing and strong ridership
- Expenses below budget due to vacancies and timing

The Committee members noted strong Q1 results while acknowledging potential headwinds ahead.

Motion/Second: Canepa/Cohen

Ayes: Cohen, Canepa

Noes: None

Public Comment

Roland commented on rail operations hiring and onboarding a new rail operator.

Zach Hilton, Gilroy City Councilmember, commented on South County Connector costs and ridership levels; commuter travel patterns from San Benito and Monterey County, and vehicles traveling through Morgan Hill; and South County Connector seating capacity.

7. Amend and Increase the Fiscal Year 2026 Capital Budget from \$92,641,608 to \$102,641,608

Oscar Quintanilla Lopez, Director, Budgets and Financial Analysis, provided the presentation that included an increase to Fiscal Year 2026 (FY26) capital budget by \$10 million for Guadalupe project; awaiting allocation from San Francisco County Transportation Authority (SFCTA) which is required to release the conditioned San Mateo County Transportation Authority \$10 million member contribution.

Motion/Second: Cohen/Canepa

Ayes: Cohen, Canepa

Noes: None

8. Authorize the Executive Director to Enter Into an Option Agreement for Sale of Property to the City of San Jose**

Nadine Fogarty, Director, Real Estate Development, presented in support of the Cahill Street extension and station access improvements, which are Federal Transit Administration (FTA) approved

Motion/Second: Cohen/Canepa

Ayes: Cohen, Canepa

Noes: None

Public Comment

Roland commented on the property's importance, non-vehicular roadway, and the relocation of Santa Clara County Transportation Authority (VTA) bus bays

9. Receive Quarterly Real Estate Update

Ms. Fogarty, provided the presentation that included the following:

- FY26 lease revenue estimated at \$1.49 million, with increases expected
- Majority of revenue from non-station properties; station leasing remains a focus
- Approximately 39 percent of leasable station space is vacant
- Transit-Oriented Development (TOD) sites remain on hold

The Committee members had a robust discussion and staff provided further clarification in response to the Committee comments and questions, which included the following:

- Diridon Station retail closure and plans to evaluate the space for re-leasing
- Encourage better use of station space and consolidation of existing uses
- Coordinate with adjacent developments to support transit-oriented growth

Public Comment

Roland commented on Diridon Station newsstand closure.

10. Receive Update on Fiscal Year 2026-2027 Budget Approach

Mr. Quintanilla, and Li Zhang, Chief, Rail Commercial and Business Development, provided the presentation that included the following:

- FY27 projected deficit reduced from \$65 million to \$30 million due to cost savings and higher revenue
- Strong ridership growth following electrification; farebox revenue exceeded projections
- State loans and new external funding remain critical to balance FY27 budget

The Committee members had a robust discussion and staff provided further clarification in response to the Committee comments and questions, which included the following:

- Addition of train during peak commute times by 2028/29; target 100,000 riders per day
- Assembly Bill (AB) 63 funds start 2027
- Incremental service growth to meet demand

Public Comment

Roland commented on ridership growth, service timetable, and spoke in opposition of service cuts.

11. Committee Member Requests - There were none.

12. Date/Time of Next Regular Finance Committee Meeting: Monday, January 26, 2026 at 2:30 pm.

13. Adjourn - The meeting adjourned at 3:43pm