

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

SPECIAL Open Session Minutes- Board of Directors

March 21, 2008

A SPECIAL Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, March 21, 2008 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

Chair Beautz called the meeting to order at 9:04 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz
Dene Bustichi
Donald Hagen
Michelle Hinkle
Kirby Nicol
Emily Reilly
Mike Rotkin (arrived after roll call)
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

Ex Officio Donna Blitzer

STAFF PRESENT

Ciro Aguirre, Operations Manager	Mary Ferrick, Base Superintendent
Frank Cheng, MetroBase Project Manager	Margaret Gallagher, District Counsel
Mark Dorfman, Assistant General Manager	Debbie Kinslow, Asst. Finance Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Jim Adams, Roma Design Group	Virginia Johnson, Ecology Action
Ceil Cirillo, City of Santa Cruz RDA	Sandra Lipperd, UTU
Katherine Donovan, City of Santa Cruz RDA	Bonnie Lipscomb, City of Santa Cruz RDA
Mark Griffin, AMBAG	Bonnie Morr, UTU
Tom Hiltner, Grants/Legislative Analyst	Adam Schlenger, Ecology Action
Cal Hollis, Keyser/Marston	Bob Yount, MAC

Chair Beautz explained that today's Special Meeting is being held to discuss funding and design options for the Pacific Station Redevelopment Project.

2. CONSIDERATION OF PROPOSITION 1C TRANSIT ORIENTED DEVELOPMENT FUNDING FOR PACIFIC STATION

Summary:

Mark Dorfman reported that METRO had anticipated approximately \$4million in Proposition 1C Transit Oriented Development (TOD) Housing Program funding for the Pacific Station Redevelopment project. However, Tom Hiltner, METRO's Grants/Legislative Analyst, has researched the funding requirements and it has been determined that the project has not reached the minimum threshold requirements to develop a qualifying application for the first round of this funding.

METRO staff recently met with staff at the City of Santa Cruz Redevelopment Agency (RDA) to review the TOD Housing Program grant application guidelines and the feasibility of developing and submitting a qualifying application by the March 7, 2008 deadline, the first of three application cycles for this program. Based upon consideration of the guidelines, it has been determined that the Pacific Station project has not progressed to the point yet where it would meet the minimum requirements for a qualifying infrastructure development grant. Specifically, the residential developer must have site control at the time of application, but a developer has not been identified yet. Also, the application requires a current financial feasibility assessment based upon the number and type of housing units, committed funding and operating proforma. These scope-defining decisions have not been made for this project yet and the housing market has changed dramatically since Roma Design Group produced the conceptual designs for the project in 2002.

DIRECTOR ROTKIN ARRIVED

Les White explained that METRO anticipates being able to move forward with plans for a mixed-use facility and compete for this funding in the second solicitation round in Fall 2008 or the third round in 2009.

3. CONSIDERATION OF DESIGN OPTIONS, ECONOMIC FEASIBILITY PROJECTIONS, AND POTENTIAL PARTNERSHIP INFORMATION REGARDING THE PACIFIC STATION REDEVELOPMENT PROJECT

A Draft "request for proposals" (RFP) for Architectural/Design Services prepared by City RDA staff and information regarding design options and financial feasibility of the options prepared by Roma Design Group and Keyser/Marston were distributed and are attached to the file copy of these minutes.

Les White explained that information is being presented to the Board today to assist in making future decisions including whether a mixed-use or a traditional transit facility project is the best course to pursue.

Summary:

Mr. White gave a brief history of the project which began in 1999 with the Metro Accessible Transit Services Forum (MASTF) indicating to METRO staff that it was difficult for passengers with mobility impairments to transfer from bus to bus at the Santa Cruz METRO Center because buses do not have consistent stopping locations. The redesign and expansion of METRO Center would address the limited capacity and functional problems by providing sufficient space for buses to have specific route “docks” and would also have the potential to address other downtown Santa Cruz issues such as limited office space and housing. The development and sale of the airspace above the transit center would be used to offset METRO’s costs associated with the transit related portion of the project.

Mr. White explained that METRO has been working with the City RDA on the development of a renovation project at METRO Center, which is now known as Pacific Station. The City RDA contacted Roma Design Group to develop the conceptual design for a mixed-use facility as a part of the project.

Bonnie Lipscomb, City RDA, introduced herself and reported that although Ceil Cirillo is officially retiring in May, her commitment to the project and that of the RDA staff continues. Ms. Lipscomb reported that RDA is very committed to this project, particularly the housing and parking components, and had just received a commitment to go forward with the project from the City of Santa Cruz regarding the conceptual use of the city-owned parking lot as part of the METRO project. Ms. Lipscomb added that by around 2011, the RDA would have almost \$5 million to contribute to this project.

Virginia Johnson, Ecology Action, introduced their Board Chair, Alan Schlenger, and explained that Ecology Action is very interested in becoming a financial partner in this project and an occupant in the finished building and they also bring a considerable amount of transit marketing experience to the table.

Ceil Cirillo gave a brief summary of the project history and reported that now there is potential partnership interest including a developer for the residential aspect, Ecology Action for office space, and potential for a commitment from the RDA regarding the housing component and some type of relationship with the City regarding parking.

Directors Reilly and Rotkin commented on this mixed–use project remaining a very high priority for Congressman Sam Farr.

Jim Adams, Roma Design Group, gave a PowerPoint presentation on the history of the initial project design plans and explained that these plans are conceptually showing possibilities of the relationship of different components including transit, housing, office, retail, parking, and childcare co-existing on the same site with no decisions made yet regarding details such whether it will be mixed-use, the number and configuration of bus bays, parking spaces, housing units, etc.

Discussion:

During the presentation, there was a lengthy discussion about parking and the number of spaces required for different types of projects. Director Spence requested a table outlining all of this information in one place.

The discussion then turned to whether or not to include childcare. It was determined that this would not be a requirement but should remain a possibility as long as it was at least cost-neutral.

Bonnie Morr, UTU, commented that ventilation, lighting, and visibility are extremely important and they also make the public feel safer.

Cal Hollis, Keyser/Marston, explained that he has worked with several transit agencies on mixed-use projects and the common mission is that the joint development does not get in the way of the transit aspect and that the project be either cost-neutral at worst or preferably cost-beneficial in order to offset the transit related costs to the agency. Mr. Hollis explained that the RFP for a developer should include a list of allowable uses, preferred uses, and required uses.

Different types of residential housing were discussed including owned, rented, student, market rate and/or affordable, etc. The Board agreed that METRO is not a housing agency but that rentals handled through a property manager could be an option. Bonnie Lipscomb stated that the RDA would be making a recommendation based on age and income levels.

Many Directors spoke in favor of pursuing a mixed-use option that is cost-neutral or cost-beneficial and remaining flexible on things like the number and type of housing, the possibility of childcare, retail and/or office space, parking, etc. which may be best determined by the City and RDA for the best fit in the community.

Ceil Cirillo requested direction from the Board prior to issuing the RFP for Architectural/Design Services and suggested that a new MOU among the City, the RDA and METRO could be developed in order to evidence the RDA's commitment to the project.

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR REILLY

Proceed with the RFP for the Design Consultant/Architectural Services with parameters that first and foremost the project is a transit facility in terms of the architect selection and their experience working with transit systems. In terms of the office space, it is a great fit that Ecology Action wishes to become a partner and occupant of the finished building. In terms of the housing, METRO is interested in rentals with the City or RDA to recommend the appropriate ratio of market rate and affordable units based on community needs. METRO to conduct architect solicitation and selection at a time that does not conflict with staff's scheduled work on other projects. Project to be cost neutral at worst or cost beneficial to the District meeting the following mixed-use goals: 1) that it be functional, safe, desirable and an improvement in the quality of transit

service for both passengers and employees; and 2) that is be a contributor rather than a detractor to the financial health of METRO

Discussion:

Tom Hiltner clarified that in contrast to the \$4.4 million MetroBase funding that METRO received this week which was awarded on the basis of a conceptual project, the Proposition 1C funding is very project-specific. METRO would not be in a position to apply for it until the after the RFP was issued, and the architectural firm selected has completely finished the design including determining the specific number of housing units, the retail space and the parking. Then METRO could compete for this funding in the second solicitation round in Fall 2008 or the third round in 2009 and be awarded \$4.6 to \$6.8 million dollars.

Virginia Johnson stated that Ecology Action could raise the extra funds necessary if METRO builds green.

Motion passed unanimously with all Directors present.

ADJOURN

There being no further business, Vice Chair Beautz adjourned the meeting at 10:55 a.m.

Respectfully submitted,

CINDI THOMAS
Administrative Services Coordinator