



SMART REAL ESTATE AND PROJECT DEVELOPMENT COMMITTEE AGENDA

May 3, 2006
10:00 AM - NOON
San Rafael City Council Chambers
1400 Fifth Street
San Rafael, CA

- I. Call to Order**
- II. Approval March 1, 2006 Minutes****
- III. Approval April 5, 2006 Minutes****
- IV. Comments from the Public on Non-Agenda Items**
- V. Update on On-Going Real Estate Issues - Lucrecia Milla**
- VI. Dutra Materials Conveyor Crossing Presentation*-Lucrecia Milla/Al Cornwell, CSW/Struber-Stroeh Engineering Group, Inc.**
- VII. Closed Session**
 - a. Closed Session: Conference with Real Property Negotiator (Govt. Code. Section 54956.8)

Property: Northwestern Pacific Railroad (NWP) Right-of-Way from NWP Milepost 36.5 in Petaluma, Sonoma County.

District Negotiator: Lillian Hames, General Manager

Negotiating Parties: Dutra Materials
Owner: SMART District
- VIII. Next Meeting Date: June 7, 2006, 10:00 am, Santa Rosa City Council Chambers**
- VIX. Adjourn**

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 REAL ESTATE & PROJECT
DEVELOPMENT COMMITTEE MEETING**

March 1, 2006

**San Rafael City Council Chambers
City Hall, 1400 Fifth Street
San Rafael, CA**

I. Call to Order

Chairman Kerns brought the meeting to order. The following committee members were present: Jim Eddie and Charles McGlashan. Deborah Fudge and Al Boro were absent.

II. Approval February 1, 2006 Minutes

Motion was made to approve the February 1, 2006 minutes by Director Eddie and seconded by Director McGlashan.

III. Comments from the Public on the Non-Agenda Items

Chairman Kerns asked for public comments. Mayor Jane Bender and Councilwoman Janet Condron of Santa Rosa asked to address the Committee. Mayor Bender asked if a lease could be worked out with SMART and the City for temporary parking spaces during the Caltrans widening of Highway 101 from 12 to Steele Lane. Councilwoman Condron wanted to reiterate the City's support for the SMART Railroad Square TOD Project. The City was interested in the mixed use housing and transportation components; however felt that there should also be a focus on retail and commercial development. She noted that the City recently completed an affordable housing project that added 4,000 units for East Santa Rosa. She indicated that the City was flexible and welcomed all the different aspects the project, however she felt SMART should know about the City's other housing efforts. Chair Kerns stated the Board looks forward to working with the City and moving this project forward.

Director McGlashan asked if staff could work with Dianne Steinhauser of TAM regarding the 101 GAP Closure Project. He encouraged staff to be creative in working out the remaining bike/ped path issues. Ms. Hames said there would be a meeting with TAM this afternoon to discuss the 101 GAP Closure. Ms. Hames noted that without relocating the soundwall the opportunities for a high quality pathway were diminished due to SMART's need to maintain the operating safety envelope. However, staff would work with TAM to determine if the pathway could be accommodated. She said staff will come back in April to give a presentation to the Real Committee on this issue..

IV. Update on On-Going Real Estate Issues

Lucrecia Milla indicated staff was meeting with FEMA to discuss the possibility of receiving assistance for the storm damage that occurred at the end of the year. She

also said that Staff had a tentative closing date of March 17, 2006 for the GGBHTD right of way transfer.

V. Caulfield Lane Crossing, Petaluma

Ms. Hames gave an update on the Caulfield Lane crossing issue. Ms. Hames was directed to send a letter to PUC on SMART's concerns and had received a response back from PUC which stated that SMART's concerns were noted. The final ruling maintained the City's responsibility to submit a new crossing application to the PUC prior to the start up of passenger rail service. In addition to a new application, the City would also be responsible for providing environmental clearance for the crossing. Director McGlashan thanked staff for their work on this issue.

VI. Update on Santa Rosa Rail Road Square

John Nemeth gave an update on the Railroad Square development project. The proposals are due to SMART by March 24, 2006 and once received staff would be distributing them to the selection committee members, city staff and the public. Staff will be reviewing the proposals with and presenting a general overview to the Real Estate Committee and SMART Board. A final recommendation was still anticipated for a June, 2006 Board action. Once the selection committee and SMART Board approved the recommendation, an exclusive negotiating agreement would be pursued.

The committee then discussed when and how public presentations of the three proposals would be made. Director McGlashan stated he would like to get the developers presentation and the staff review at the same time. John Nemeth noted that a full review of the financial proposals might take more time. The committee wanted to have sufficient time for an evening presentation of all three proposals with public comment. Mr. Greg Dion stated the meeting needed to be public but that there could be a time limit on the proposal presentations as well as public comments so that it could be an evening meeting.

Chair Kerns asked for public comments. Mr. Willard Richards of Santa Rosa endorsed Director McGlashan's recommendation in having a limited public comment time at the same time presentations were made by the developers. Ms. Hames noted that scheduling a meeting venue should commence quickly to be able to meet near the Railroad Square area.

Chair Kerns summarized the discussion with the recommendation to have the three proposal teams present to the selection committee and public for 45-50 minutes each, while allowing for public comments with time limitations. He noted it was the Committee's intention to hold an evening meeting to start at 6:00 p.m. A second meeting would be scheduled to cover the staff recommendations, with a third meeting scheduled for the Committee's deliberations. Mr. Nemeth stated he would contact the appropriate participants to begin scheduling the proposed meetings.

VII. Closed Session

Mr. Dion reported out on closed session. On Item (a) regarding property negotiations, direction was given to staff to begin negotiations with City of Santa Rosa to enter into a

short term parking lease and item (b) regarding the pending litigations with Frances Wilson vs. SMART, direction was provided to staff.

VIII. Adjournment

The meeting adjourned at 11:40 a.m.

Next Meeting Date: April 5, 2006, 10:00 a.m., Santa Rosa City Council Chambers



**MINUTES OF SMART REAL ESTATE & PROJECT
DEVELOPMENT COMMITTEE MEETING**

April 5, 2006

**Santa Rosa City Council Chambers
City Hall, 100 Santa Rosa Avenue
Santa Rosa, CA**

I. Call to Order

Chairman Kerns brought the meeting to order. The following committee members were present:

Jim Eddie, Deborah Fudge and Al Boro. Charles McGlashan was absent.

II. Approval March 1, 2006 Minutes

Chairman Kerns stated since there was an abstention by Director Fudge, we could not consider a motion until Director Boro was present since there needed to be more than 3 committee members available. Chairman Kerns stated we would revisit this matter when Director Boro arrived. (Committee did not return to this matter for motion at the April 5, 2006 meeting)

III. Comments from the Public on the Non-Agenda Items

Chairman Kerns asked for public comments. There were none.

IV. Update on On-Going Real Estate Issues

Lucrecia Milla informed the committee the transfer of the remaining Marin and Sonoma County portion of the NWP Right of way, took place on March 27, 2006.

V. Railroad Square Proposal Overview

John Nemeth gave an update on the Railroad Square development project. He indicated that Staff received development proposals from all three of the developer teams, which included the Railroad Square Associates LLC led by the John Stewart Company, the Railroad Square LLC led by Creative Housing Associates, and the Railroad Square Development LLC led by CIM and Domus. Mr. Nemeth then summarized those proposals, and mentioned that a similar overview would be presented to the Board and to Santa Rosa City Council in April.

He also noted that three meetings were scheduled in May, involving the Ad Hoc Selection Committee, to recommend a developer for Railroad Square. On May 1, 2006, the developers would each present their proposals from 6 p.m. to 10 p.m. in the Santa Rosa City Council Chambers. On May 12, 2006, staff and SMART's consultants would

provide an analysis from of the proposals 2 p.m. to 4 p.m. And finally, on May 24, 2006, there would be deliberations and a recommendation by the Committee.

Chairman Kerns asked whether the developers' assumptions regarding revenues provided by tax increment bonds were realistic. Mr. Nemeth stated he was not sure, but that input from the City Council or staff may help to shed light on that question. Director Boro and Director Fudge inquired as to why the affordable housing was all concentrated in one place instead of scattered throughout the site in the CIM / Domus proposed. Mr. Nemeth stated the affordable condo units were scattered, but the low-income apartments were not since they were financed through a tax credit that required such units to be part of the same structure. Director Fudge asked if the Selection Committee could make recommendations about changes in the development programs. Mr. Nemeth stated once a developer was chosen, there could be many opportunities to modify that proposal. He added that staff would ask the development teams to clarify which aspects of their proposals were flexible and which were not. Director Boro asked why a proposal was submitted that involved the sale of property given the Board's policy. Mr. Nemeth responded that the developer may have believed that the deal being offered was the best arrangement for themselves, SMART or both. Ms. Hames reminded the Board that SMART's Real Estate consultant Dena Belzer had once told the Board not to be surprised if one or more development teams suggested a fee title transfer of property.

VI. Gap Closure Update

Mike Strider showed a diagram of the design of Linden Lane and the pathway. Mr. Strider indicated there were several issues that needed addressing. The first would be that the installation of track should be done per SMART guidelines and common standards as a supplement to the specs. An agreement must be made for the maintenance of the structure over Linden Lane, similar to the existing agreement and would need to be incorporated into the CPUC crossing order. He also stated the project must have a provision for construction oversight by SMART Staff and reimbursement of costs by Caltrans.

Ms. Hames stated SMART would consider issuing an easement if needed for the placement of the extension of the retaining wall. Chair Kerns indicated to take all safety precautions. Mr. Strider agreed that safety came first and the pathway would be an ADA pathway. Ms. Hames stated staff would approve the request of TAM of the easement, once the mentioned items were met. Mr. Strider sent a letter to Jit Pandher of Caltrans that indicated there were drainage issues and that the use of existing jointed worn rail on brand new ties and ballast was unacceptable. Director Boro asked when Mr. Strider spoke to Dennis Mulligan was it his understanding that Caltrans would install the rail.

VII. Santa Rosa Cannery Railroad Square Easement Overview

Ms. Milla reminded the Committee that the Santa Rosa Cannery, LLC, owned property just southwest of SMART's Railroad Square property. The Cannery had asked for an EVA access to accommodate their proposed development. In March, 2005, Staff sent a letter to the Cannery that indicated SMART would work with them to accommodate their request. She then introduced Mr. John Stewart, Managing Partner, Santa Rosa Cannery, LLC.

Mr. Stewart gave an overview of the requirements and time frame needed for their project. He then introduced Mimi Sullivan, Architect, for the Cannery proposed development. She explained the necessary building and fire codes required by the City.

Ms. Hames indicated that staff would have more time to discuss in closed session. Mr. Mark Hale, Engineer, Carlisle Macy presented several exhibits for the committee to review.

Closed Session

Mr. Dion reported out on closed session. On Item a, property negotiations with Santa Rosa Cannery LLC, direction was given to staff. On Item b in closed session - directions was given to staff, nothing further to report. On Item c, regarding significant exposure to litigation of Marin Audubon Society, direction was given to staff, nothing further to report. On Item d regarding property negotiations with Novato Sanitary District, direction was given to Staff. On Item e, regarding Suarez matter, direction given to staff, nothing further to report. On Item f, regarding Jerico, direction was given to staff, nothing further to report.

VIII. Next Meeting Date: May 3, 2006 10:00 a.m., San Rafael, City Council Chambers

IX. Adjournment

The meeting adjourned at 12:10 p.m.