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SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Special Meeting of the
Board of Directors of the District

February 4, 1982

Upon notice duly given, the Board of Directors of the Southern California Rapid Transit District met at a Special Meeting in the District Board Room, 425 South Main Street, Los Angeles, California, at 1:00 p.m. on Thursday, February 4, 1982, at which time President Thomas G. Neusom called the meeting to order.

Directors Present:

Jan Hall
Marvin L. Holen
Michael W. Lewis
Carl Meseck
Thomas G. Neusom

Nick Patsaouras
Jay B. Price
Ruth E. Richter
Charles H. Storing
Gordana Swanson
George Takei

Staff Present:

John A. Dyer, General Manager
Richard T. Powers, General Counsel
Samuel M. Black, Manager of Operations
George L. McDonald, Manager of Planning & Marketing
John S. Wilkens, Manager of Employee Relations
David D. Dominguez, Manager of Human Relations
Robert G. Williams, Manager of Customer Relations
Frank Carr, representing the Controller-Treasurer-Auditor
Barry Engelberg, representing the Assistant General Manager for Administration
Helen M. Bolen, District Secretary

Also present were members of the public and the news media.

General Manager Dyer presented Agenda Item No. 1, which concerns a Joint Powers Agreement with the City of Los Angeles, CalTrans and the District for the acquisition, development and operation of Union Station as a multi-modal transportation complex.

Director Price moved approval of staff recommendation, which motion was seconded by Director Takei.

Director Holen gave a summary of the history leading to the development of the joint powers agreement. He stated that the original intent was for the bulk of the funds for the purchase of Union Station to be federal funds, with the rest of the money to come from CalTrans. CalTrans would then have been responsible for any budget deficit. However, it was determined that legislative action would be required to cover any deficit, and at this point it no longer was advantageous for CalTrans to have a larger role in the management of the Union Station complex. The proposed Joint Powers Agreement was not changed to reflect this change, and in fact, gave CalTrans the right to set user fees, with guidance from the Joint Powers Board and retained for CalTrans veto power over the budget. CalTrans also became the designated chairman of the Policy Board. This in effect, gave CalTrans the right to dominate the management of Union Station, including such things as maintenance and security. These are high visibility issues and would most heavily impact on the City of Los Angeles and the District. He indicated that CalTrans is now going to pay all of the monies for the purchase of Union Station.

Director Meseck commented that many of the things Director Holen spoke to were agreed to by the District in 1980. Director Neusom responded that there have been significant changes since 1980 and that some of the provisions of the Joint Powers Agreement proposed do cause some concern. Director Meseck suggested that since the District will be the major tenant of Union Station that this may put a different focus on the agreement.

General Manager Dyer reported that CalTrans certainly does want to proceed with the acquisition and they believe it is important to have the Joint Powers Agreement in place. He further commented that in terms of the overall agreement he believes it has considerable merit. If the District, as the owner, operator and constructor of the rail system had to buy the sub-surface easement, it would be very expensive. Under this agreement, this is free. Union Station is an extremely important location to the Metro Rail Project. While the agreement does call for yearly appropriations of funds by the State Legislature, in the event the appropriation was not forthcoming, the District would be responsible for maintenance and security of this location, which is in fact simply another station in the Metro Rail Project. He concluded by stating that an area of concern and which might require an amendment to the agreement is the matter of development of air rights.

Director Storing commented that the Joint Powers Agreement is a restatement of the Memorandum of Understanding.

Director Holen responded that the District must have Union Station. If any change were to take place, it should be with respect to the monies and appropriation of funding taken out of the Foran Bill. He concluded that the Board should be aware that CalTrans will have the authority to set the user fees and control the budget.

Director Patsaouras inquired if some of Mr. Holen's concerns were mitigated by the fact that the District would be responsible for any deficit. Director Holen responded that any deficit that comes about and that was not met by appropriation by the Legislature would have to be met by user fees over which we have no real control. President Neusom commented that if the original funding source had been the State, then the District would have requested that the monies be appropriated directly to the project rather than CalTrans.

Director Lewis asked what funds are to be used. Mr. Dyer responded that Proposition 5 or Section 19 State-wide Guideway funds will probably be used. Lewis then asked if it would be better to acquire Union Station and use federal funds for the purpose. Mr. Dyer responded that it would be better to let CalTrans acquire the station, with state guideway funds that would not be available to the District, and then take a credit for the easement and access portions of the acquisition as the non-federal share of the station complex. In effect, the agreement is silent on this issue; however, Mr. Heckeroth of CalTrans has written a letter

indicating that CalTrans will give the District the easement rights at no cost. Mr. Dyer also commented that the District will not be able to place a value on this easement until the completion of Preliminary Engineering. He concluded by stating it is clear that the District will have to amend this agreement or have a new agreement at the time preliminary engineering is completed.

Mr. Greg Roberts appeared before the Board asking why the need for a Special Meeting.

On a call for the question, the following resolution was adopted as noted below:

Ayes:	Hall, Holen, Lewis, Meseck, Neusom, Patsouras, Price, Richter, Storing, Swanson, Takei
Noes:	None
Abstain:	None
Absent:	None

R-82-041

RESOLVED, that the General Manager is authorized to execute a Joint Powers Agreement between the City of Los Angeles, CalTrans and the District pertaining to the acquisition, development and operation of Union Station as a transportation complex; form of agreement subject to approval of the General Counsel.

Director Lewis asked that the District staff prepare a specific agreement with CalTrans to provide the subsurface easement at no cost and to detail an arrangement on how to split the value capture opportunities.

The meeting adjourned at 1:35 p.m.


District Secretary