

MINUTES
METROPOLITAN TRANSIT AUTHORITY
BOARD OF DIRECTORS
REGULAR BOARD MEETING
JANUARY 25, 2007

The regularly scheduled monthly meeting of the Metropolitan Transit Authority Board of Directors was called to order at 9:20 a.m. by Chairman David S. Wolff. Vice Chairman Gerald Smith, Board Secretary Jackie Freeman, and Board Members James W. E. Dixon, II, George DeMontrond, III, and C. Jim Stewart, III were present and constituted a quorum. (Board Member Rafael Ortega arrived at 9:25 a.m. Board Member Carmen Orta arrived at 9:28 a.m.)

Chairman Wolff first called for approval of the Minutes of the Regular Board Meeting of December 21, 2006. Board Secretary Jackie Freeman moved approval of the Minutes, as written. The Motion was seconded by Board Member DeMontrond and all Board Members present voted their approval. (Board Members Orta and Ortega were not present for the vote on this matter.)

MOTION NO. 2007 – 1

Board Member Stewart then moved that the President & Chief Executive Officer be authorized and directed to execute and deliver 4-year contracts to 19 firms for special events transportation services. Board Secretary Freeman seconded the Motion. All Board Members present voted in favor except Board Member DeMontrond, who abstained. The Motion carried, 5-0-1. (Board Members Carmen Orta and Rafael Ortega were not present for the vote on this matter.)

MOTION NO. 2007-2
RESOLUTION NO. 2007-1

As the next item for business, Chairman Wolff called upon Frank Russo, of Frank Russo Consulting, LP, for a briefing on the process for selection of a Facility Provider. Mr. Russo began his report with a short summary of the selection process and the teams that submitted proposals. The teams are Bayou City Transit, headed by Fluor Corporation and Balfour Beatty; Houston Transit Solution with its core members of Parsons Transportation Group and Manhattan Construction and Veolia; and, finally, the team of Houston Transit Partners, headed by the Washington Group International, Granite Construction, and Stacy & Witbeck. Each proposal comprised several components. They contained an Executive Summary, a Management Proposal, a statement of the team's legal authority, design management plans, construction management plans, quality and safety programs, organization charts, technical plans, the transition phase

from design and construction to operations and maintenance, and the form of an operating company. The teams submitted pricing and a value added component. They were also aware of METRO's commitment to small business participation and community involvement and included plans to address these issues. Mr. Russo explained how the proposals were evaluated by several review committees with their own special emphasis on specific elements of the proposals. Each committee submitted a report to the Senior Evaluation Committee. Mr. Russo stated that the Board will now be asked to authorize staff to negotiate with the highest ranking team. If negotiations are successful, Board approval will be sought for contract execution for Phase I development. During Phase I, the parties will finalize the scope of work, the design and construction plans and develop the concepts for operations and maintenance. Final engineering and construction is expected to begin this Fall. METRO will begin preparations for operations and maintenance in mid 2009. Mr. Russo then explained the proposal elements that were of significant importance, such as whether the proposal addressed METRO's fundamental needs, whether the proposals included enhancements beyond the project requirements, the quality of the proposers' plan of execution, staffing, "proposer-created value" and "exit ramps", or flexibility to mold the project to best meet METRO's needs. Another important factor was the ease in transition from Bus Rapid Transit to LRT with minimal neighborhood disruption. Mr. Russo concluded his briefing by stating how all of these factors, and more, comprised the framework for careful evaluation of the proposals.

Chairman Wolff then recognized the presence of U. S. Congresswoman Sheila Jackson Lee and thanked her for her support of METRO.

Congresswoman Lee expressed confidence that METRO will continue to view this as an ongoing process. Members of the congressional delegation that represent the impacted areas hope that BRT will soon become LRT. She thanked the Board of Directors for meeting the challenges before it and thanked staff for its attendance at meetings to explain small business participation. The project will provide needed mobility to the community and opportunities for small, minority, and women-owned businesses. She added that the program must also contact minority real estate associations for project opportunities. Congresswoman Lee stated that she will soon meet with federal officials to assure them of METRO's seriousness in moving forward with this project. She acknowledged the support of Senator Hutchison, and that she looks forward to strong bi-partisan efforts on behalf of the project. She urged continuing open discussion of any neighborhood concerns.

Chairman Wolff thanked her for her remarks. He assured Congresswoman Lee that the process will be open and that opportunities are provided to local enterprises, and especially SBE's, DBE's and women-owned businesses.

The meeting then went into Executive Session at 9:50 a.m. It reconvened into regular session at 11:45 a.m.

After the Board reconvened into regular session, Board Secretary Freeman stated that METRO should now proceed with negotiations for a facility provider. He noted that each proposal has been carefully evaluated. The team of Houston Transit Partner offered the best proposal for development of the major transit components of METRO Solutions. He then moved that the President & Chief Executive Officer be authorized and directed to proceed with negotiations with Houston Transit Partners. When negotiations end, staff will return to the Board for consideration of the execution of the Contract. Board Secretary Freeman further moved that the President & Chief Executive Officer take appropriate action to enable Houston Transit Partners to proceed with preliminary work at risk pending the culmination of negotiations. The Motion was seconded by Board Member Stewart.

MOTION NO. 2007-3

Chairman Wolff then called upon John Sedlak, Executive Vice President, for a brief presentation.

Mr. Sedlak described the general elements of the Houston Transit Partner's proposal. The team presented the best overall management plan with personnel experienced in design/build/operate/maintain projects. The proposal included a good design management plan, and a proven technical plan based upon prior successful experiences with similar transit projects. Mr. Sedlak explained how the proposal submitted by Houston Transit Partners offered the greatest flexibility and continuity of ownership. The proposal included environmental remediation, community outreach, assistance with real estate, and the most creative plan for small and minority business participation.

Board Member Ortega asked about the Board's input regarding the proposal's value added components. Mr. Frank Wilson answered that Board input will be sought throughout the negotiating process. Board Member Ortega asked the outcome if negotiations are unsuccessful. Mr. Wilson stated that if the

parties are unable to agree, there is more deference to “risk”, with no guaranteed compensation from METRO.

Board Member Dixon asked clarification of the negotiation period and the opportunities for small business participation. Mr. Wilson expressed his hopes that negotiations conclude in March, but he recognizes that the process takes time. The Board and staff must do their “due diligence” on all program elements. He will report to the Board on the status of negotiations.

Chairman Wolff then called for a vote on the Motion to authorize negotiations with the team of Houston Transit Partners. All Board Members voted their unanimous approval. The Motion carried 8-0-0.

RESOLUTION NO. 2007-2

After the vote, the meeting recessed, at noon, for a press conference. The meeting reconvened at 12:55 p.m. for the Public Comments portion of the Board Meeting. Board Member Dixon was not present for the remainder of the meeting. Vice Chairman Smith left the meeting at 12:58 p.m.

After the meeting reconvened, Chairman Wolff called upon those members of the public who had requested to speak before the Board. The persons who spoke and the substance of their comments were as follows:

1. Mr. Otto Glaser – recommended an “Aerobus” system as the preferred transit technology. Mr. Glaser stated that the Aerobus is less costly and less disruptive to the neighborhood. He stated that an Aerobus system will be operational in China for the 2008 Olympics. He also recommended a “horizontal escalator system” to move people in the downtown area, the Medical Center and the Galleria.

2. Ms. Zenobia Verner – stated that the route and technology for the Southeast Line are not the same as had been presented to the voters in 2003. She asked that METRO comply with the will of the voters. Ms. Verner expressed particular concern about the impact to Wheeler Street.

Chairman Wolff explained how numerous meetings were held in the community, and residents strongly supported an amended route. The planned transit improvements will have the added benefit of reducing the number of transit vehicles on the streets. The new guided rapid transit system has greater capacity per vehicle with lower emissions.

3. Mr. P. C. Gonzalez – objects to a transit alignment along Harrisburg. He feels that the business community has not received sufficient information about the planned transit development.

Chairman Wolff explained how he appreciates Mr. Gonzalez's concerns, although many residents strongly support a Harrisburg alignment.

Board Member Ortega stated that he initially opposed a Harrisburg alignment but changed his perspective in light of the many expressions of public support. Board Member Ortega recommended that METRO continue close communications with area stakeholders to address their concerns.

Mr. Wilson stated that community outreach was an important factor in the proposals submitted for review. When reviewing the proposals, staff looked for plans to minimize impacts to neighborhood businesses and address environmental concerns. There is shared interest in the success of the community and the success of the transit investment.

4. Mr. Timothy Campbell – complained that he has received conflicting information about the Q-card and voiced his objection to the elimination of the day pass. He previously submitted questions regarding the fare structure but expressed concern that the answers were not correct.

Mr. Wilson explained how, at the Board's request, staff revisited the impact of the new fare structure on certain customer groups. Full implementation of the Q-card has been postponed pending these reviews. In response to inquiry from Board Member Ortega, Mr. Wilson stated that a report of the final fare structure will be provided to the Board.

Mr. Campbell stated that confusing data about the Q-card make it difficult for older persons on a fixed income to plan or budget for expenses.

Mr. Wilson added that there will be an educational campaign before full implementation.

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
January 25, 2007
Page Six

5. Mr. Clifton Casimire – stated that he is generally pleased with METRO's services, but has occasionally encountered rude or inconsiderate behavior by bus operators.

6. Mr. Joseph Charles – requested the return of a paratransit disability card and certain stolen property.

7. Mr. Barry Klein – President of the Houston Property Rights Association, stated that plans for designing and building BRT and rail extensions violates the contract with the voters as of 2003. Alignments are different from those identified by the proposition language. Mr. Klein urged METRO to return to the 2003 transit plan, or hold a new election for the amended plan. He believes that bus riders and property owners will be hurt by METRO's transit plan.

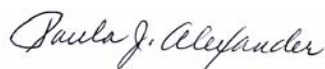
8. Mr. Paul Magaziner – asserted that METRO did not inform the public of the number of properties needed for transit development. He stated that there would be 125 "full takings" of properties for North Corridor development according to the FEIS (Final Environmental Impact Statement.)

Todd Mason, METRO's Vice President of Real Estate Services, stated that Mr. Magaziner's figures were too high although he (Mr. Mason) did not recall the exact number.

Mr. Magaziner continued with his request that METRO not execute any contracts until it announces the route for the University Line. He also questioned the accuracy of METRO's financial statements. He requested no further expenditures for feasibility studies. He also requested changes to METRO's enabling legislation, and recommended a new Board of Directors and Chief Executive Officer.

At the conclusion of the Public Comments portion of the meeting, there being no other matters for the Board's consideration, the meeting adjourned at 1:35 p.m.

Respectfully submitted,



Paula J. Alexander
Assistant Secretary

