

AGENDA
SANTA CRUZ METRO BOARD OF DIRECTORS
REGULAR MEETING OF JUNE 14, 2013
8:30 AM



Mission Statement: "To provide a public transportation service that enhances personal mobility and creates a sustainable transportation option in Santa Cruz County through a cost-effective, reliable, accessible, safe, clean and courteous transit service."

**THE BOARD MEETING AGENDA PACKET CAN BE FOUND ONLINE AT
WWW.SCMTD.COM AND IS AVAILABLE FOR INSPECTION AT SANTA CRUZ METRO'S
ADMINISTRATIVE OFFICES LOCATED AT 110 VERNON STREET, SANTA CRUZ, CALIFORNIA**


- | | | |
|--------------------------|---|------------------------------|
| <input type="checkbox"/> | <i>Director Margarita Alejo</i> | <i>City of Watsonville</i> |
| <input type="checkbox"/> | <i>Director Hilary Bryant</i> | <i>City of Santa Cruz</i> |
| <input type="checkbox"/> | <i>Director Dene Bustichi, Vice Chair</i> | <i>City of Scotts Valley</i> |
| <input type="checkbox"/> | <i>Director Daniel Dodge, Chair</i> | <i>City of Watsonville</i> |
| <input type="checkbox"/> | <i>Director Zach Friend</i> | <i>County of Santa Cruz</i> |
| <input type="checkbox"/> | <i>Director Ron Graves</i> | <i>City of Capitola</i> |
| <input type="checkbox"/> | <i>Director Michelle Hinkle</i> | <i>County of Santa Cruz</i> |
| <input type="checkbox"/> | <i>Director Deborah Lane</i> | <i>County of Santa Cruz</i> |
| <input type="checkbox"/> | <i>Director John Leopold</i> | <i>County of Santa Cruz</i> |
| <input type="checkbox"/> | <i>Director Bruce McPherson</i> | <i>County of Santa Cruz</i> |
| <input type="checkbox"/> | <i>Director Lynn Robinson</i> | <i>City of Santa Cruz</i> |
| <input type="checkbox"/> | <i>Ex-Officio Director Donna Blitzer</i> | <i>UC Santa Cruz</i> |

Leslie R. White, General Manager / Secretary of the Board
Leslyn K. Syren, District Counsel

TITLE 6 - INTERPRETATION SERVICES / TÍTULO 6 - SERVICIOS DE TRADUCCIÓN

Spanish language interpretation and Spanish language copies of the agenda packet are available on an as-needed basis. Please make advance arrangements with Tony Tapiz, Administrative Services Coordinator at 831-426-6080. Interpretación en español y traducciones en español del paquete de la agenda están disponibles sobre una base como-necesaria. Por favor, hacer arreglos por adelantado con Tony Tapiz, Coordinador de Servicios Administrativos al numero 831-426-6080.

AMERICANS WITH DISABILITIES ACT

 *The Board of Directors meets in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, or to access the agenda and the agenda packet (including a Spanish language copy of the agenda packet), should contact Tony Tapiz, Administrative Services Coordinator, at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting Santa Cruz METRO regarding special requirements to participate in the Board meeting. For information regarding this agenda or interpretation services, please call Santa Cruz METRO at 831-426-6080.*

**AGENDA
SANTA CRUZ METRO BOARD OF DIRECTORS
REGULAR MEETING OF JUNE 14, 2013**

**MEETING LOCATION:
SANTA CRUZ METRO – ADMIN OFFICE
110 VERNON STREET
SANTA CRUZ, CA**

8:30 A.M.

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

SECTION I: OPEN SESSION

1. CALL TO ORDER
2. ROLL CALL
3. ANNOUNCEMENTS
4. COMMUNICATIONS TO THE BOARD OF DIRECTORS
This time is set aside for Directors and members of the general public to address any item not on the Agenda which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Santa Cruz METRO will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. Any Director may place matters brought up under Oral and Written Communications on a future agenda. In accordance with District Resolution 69-2-1, speakers appearing at a Board meeting shall be limited to three minutes in his or her presentation. Any person addressing the Board may submit written statements, petitions or other documents to complement his or her presentation. When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.
- 4-1 CORRESPONDENCE REGARDING BUS SERVICE IN SANTA CRUZ COUNTY
Tad Jones, Davenport, California
5. LABOR ORGANIZATION COMMUNICATIONS
6. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

All items appearing on the Consent Agenda are recommended actions which are considered to be routine and will be acted upon as one motion. All items removed will be considered later in the agenda. The Board Chair will allow public input prior to the approval of the Consent Agenda items.

- 7-1. STATUS REPORTS OF FEDERAL AND STATE LEGISLATION AND CURRENT LEGISLATIVE ISSUES
- 7-2. NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION
- 7-3. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH GP STRATEGIES CORPORATION TO EXTEND THE TERM OF THE CONTRACT THROUGH DECEMBER 31, 2013

AGENDA
SANTA CRUZ METRO BOARD OF DIRECTORS
REGULAR MEETING OF JUNE 14, 2013

- 7-4. CONSIDERATION OF FUNDING THE CONTRACT WITH ALLIANT INSURANCE SERVICES, INC., FOR INSURANCE BROKER SERVICES AND PAYMENT OF THE PREMIUM FOR EXCESS WORKERS' COMPENSATION INSURANCE THROUGH THE CALIFORNIA STATE ASSOCIATION OF COUNTIES EXCESS INSURANCE AUTHORITY (CSAC EIA)
- 7-5. CONSIDERATION OF AWARD OF CONTRACT WITH GREYHAWK TECHNOLOGIES, INC. FOR PURCHASE AND IMPLEMENTATION OF A MOBILE DATA SYSTEM FOR THE PARACRUZ FLEET IN AN AMOUNT NOT TO EXCEED \$400,000
- 7-6. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH FIRST ALARM SECURITY & PATROL, INC. FOR SECURITY GUARD SERVICES IN AN AMOUNT NOT TO EXCEED \$384,000
- 7-7. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH DAY WIRELESS SYSTEMS FOR THE LAND MOBILE RADIO SYSTEM UPGRADE PROJECT IN AN ADDITIONAL AMOUNT NOT TO EXCEED \$150,000
- 7-8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH TRAPEZE SOFTWARE GROUP, INC. FOR SUPPORT MAINTENANCE OF TRAPEZE PASS, PASS-CERT, PASS IVR(CALLBACKS), IVR(CANCEL/CONFIRM), AND VOICE GENIE MODULES IN THE AMOUNT OF \$209,674.00 WITH EXPIRATION DATE OF JUNE 30, 2019
- 7-9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH PROOFPOINT, INC. FOR SUPPORT MAINTENANCE OF EMAIL SECURITY THREAT CLASSIFICATION AND EMAIL SECURITY MANAGEMENT SOLUTION IN THE AMOUNT OF \$35,368.00 WITH EXPIRATION DATE OF JUNE 30, 2016
- 7-10. CONSIDERATION OF METROBASE STATUS REPORT
- 7-11. CONSIDERATION OF TORT CLAIMS: REJECT THE CLAIM OF SARAH WOOD, #13-0006; REJECT THE CLAIM OF REBECCA BARRAZA, #13-0009

REGULAR AGENDA

- 8. ORAL REPORT OF THE RECRUITMENT TASK FORCE
Presented by Daniel Dodge, Chair
- 9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE AGREEMENT WITH MOHAMED ALSAIDI, DBA SANTA CRUZ COFFEE SHOP FOR A NEW BUSINESS AT PACIFIC STATION
Presented by Leslyn K. Syren, District Counsel
- 10. CONSIDERATION OF AMENDMENTS TO METRO'S CONFLICT OF INTEREST CODE TO ADD NEW POSITIONS AND SPECIFY DEADLINES FOR FILING STATEMENTS OF ECONOMIC INTEREST AND OPEN THE WRITTEN COMMENT PERIOD
Presented by Leslyn K. Syren, District Counsel

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11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH NEW FLYER FOR THE PURCHASE OF FIVE (5) 35' XCELSIOR BUSES, VIA THE MINNESOTA COOPERATIVE PURCHASING VENTURE, IN AN AMOUNT NOT TO EXCEED \$2,500,000
Presented by Ciro Aguirre, Operations Manager
12. SERVICE OPTIONS FOR THE LA POSADA RESIDENTS AT FREDERICK/GAULT ST
Presented by Erich Friedrich, Senior Transit Planner
13. MAY 2013 DROPPED SERVICE REPORT
Presented by Erich Friedrich, Senior Transit Planner
14. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION
Presented by Leslyn K. Syren, District Counsel
15. COMMUNICATIONS REGARDING CLOSED SESSION
16. ORAL ANNOUNCEMENT

The next regularly scheduled Board meeting will be held Friday, June 28, 2013 at 9:00 a.m. at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, California.

SECTION II: CLOSED SESSION - Immediately following Open Session

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Pursuant to Government Code Section 54956.9(b))

Potential Cases: One
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Pursuant to Government Code Section 54956.9)

Workers' Compensation Claims of Juanita Archibeque

SECTION III: RECONVENE TO OPEN SESSION

17. REPORT OF CLOSED SESSION: District Counsel
18. ADJOURNMENT

Adjourn to the next Board of Directors meeting.

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmtd.com subject to staff's ability to post the document before the meeting.



County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069
(831) 454-2200 • FAX: (831) 454-3262 TDD: (831) 454-2123

JOHN LEOPOLD
FIRST DISTRICT

ZACH FRIEND
SECOND DISTRICT

NEAL COONERTY
THIRD DISTRICT

GREG CAPUT
FOURTH DISTRICT

BRUCE MCPHERSON
FIFTH DISTRICT

June 4, 2013

Tad Jones
624 Swanton Road, Apt. A
Davenport, CA 95017

Dear Mr. Jones:

Thank you for your June 3, 2013, letter regarding the bus service in Santa Cruz County. You may not know this but I do not serve on the Transit District Board of Directors and, therefore, have no direct authority over the County's bus service. However, I am happy to pass on your letter to the Transit District Board so that they may be aware of your concerns and questions.

Thanks again for contacting me.

Sincerely,

NEAL COONERTY, Supervisor
Third District

NC:ted

cc: ✓ SCMTD Board of Directors

1907A3

June 3rd

Dear Mr. Coonerty

I wanted to thank you for your support of a

bus shelter in Davenport on HWY 1 for those north bound.

The first matter is the departure times for the 40 and 41 buses that take the High School kids home from school. The Davenport bus (40) leaves the Metro Station at 3:25. The Bonnie Doon bus leaves at 3:30.

My personal interest is that when I arrive in Santa Cruz on the Veterans Administration bus from San Jose the last two times I just missed the 40 bus but would have caught the 41.

Safety in numbers.

How about the 41 and 40 both leave the Metro Station at the same time; 3:30.

The next matter is the

configuration of the fare boxes on the buses. If a person boarding a bus is burdened by packages, getting on in years, and not in the best of health and can't get her dollar bill to be accepted; the bus driver is in an awkward position on the other side of the fare box to insert the bill for her.

So I suggest that dollar bills be accepted on the top of fare boxes so the driver can help.

I thought of this after witnessing the above event. The driver said "I'll do that for you and took the dollar bill and hadn't put it in the box by the time I got off the bus."

Sincerely

TAD JONES



Tad L. Jones
624 Swanton Rd #4
Davenport, CA 95017

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013
TO: Board of Directors
FROM: Tove Beatty, Grants/Legislative Analyst
SUBJECT: STATUS REPORTS OF FEDERAL AND STATE LEGISLATION AND CURRENT LEGISLATIVE ISSUES

I. RECOMMENDED ACTION

That the Board of Directors accepts and files the status reports of Federal and State legislation and current legislative issues through June 6, 2013.

II. SUMMARY OF ISSUES

- Status reports on Congress's, the State Assembly's and Senate's legislative issues are provided monthly to inform the Board of the status of Federal and State legislation of interest to Santa Cruz METRO.
- This month's Federal and State reports reflect pertinent legislative activities which occurred April 18, 2013 – June 6, 2013.
- Natural disasters have taken front-burner status at the federal level at the time of this report. Expect public transportation safety and rebuilding of infrastructure, such as bridges, to be one of the issues this continues to fuel nationwide.
- On June 10th, it is expected that DOT Secretary nominee, Charlotte Mayor Anthony Foxx, will officially be our nation's newest Cabinet member, replacing Secretary Ray LaHood, whose colorful tenure included the successful oversight of the nation's ARRA and first TIGER projects.
- In May, the Senate voted to let states reach beyond their borders to require online retailers to collect each state's sales taxes on goods sold. Both Virginia and Maryland have passed such laws and used the revenue to pay for transit.
- In regard to the FY13 federal budget, House appropriations are being made assuming "Sequester" spending limits, and information about Santa Cruz Metro's appropriations will be available in the monthly Grants' Report.
- On March 26, 2013, Congress approved a Continuing Budget Resolution (CR) to keep the doors open through September 30, 2013.
- The General Manager attended an APTA Small Operators' summit in part about "State of Good Repair" funding in MAP-21. Much remains to be worked out regarding this and other issues and challenges in the next surface transportation act.
- An estimated \$2 billion in federal grants are in danger of being held as pension reform continues to be a state issue, something which impacts transit providers at

- both levels. The federal government is watching California closely and Assemblymember Alejo is advocating strongly for a transit exemption (AB 160).
- Please see **Attachments A and B** for these and all other federal legislation and issues being monitored, including those which impact the state and vice-versa.
 - State bills being watched, including legislation on cap and trade which names public transit as a specific recipient of proceeds, have been held in committee at the time of this report including the popular AB 574 (Lowenthal). See **Attachment D**.
 - Assemblyperson Stone's proposed legislation (AB 946), the "buses on shoulders bill" to allow buses to use certain stretches of highway shoulder to bypass traffic (in Santa Cruz and Monterey counties only), was snagged by a tie vote in committee and may be reconsidered at a later date.
 - Transportation Oriented Development advocates (called TOD, it is the form of development favored by the Air Resources Board, the biggest voice in cap and trade) are following a group of bills regarding funding for Sustainable Communities' Strategies' (SCS) Development, mandated by AB 32, the "greenhouse gas" (GHG) law, and a process in which Santa Cruz METRO is very involved.
 - Additionally being watched and moved along is the restoration of the 55% majority (SCA 4), which CTA strongly supports. The main bill currently moving is SB 1, by the speaker (Steinberg).
 - Finally, two "fracking" bills (AB 669, and SB 34, regarding mining of natural gas supplies) garnered press attention but remain in committee at the time of this report.
 - Please see **Attachments C and D** for these and all other state legislation and issues being monitored.

III. DISCUSSION

Status reports on Congress's, the State Assembly's and Senate's legislative issues are provided monthly to inform the Board of the status of Federal and State legislation of interest to Santa Cruz METRO. This month's Federal and State reports reflect pertinent legislative activities which occurred April 18, 2013 – June 6, 2013.

Natural disasters have taken front-burner status at the federal level at the time of this report. Expect public transportation safety and rebuilding of infrastructure, such as bridges, to be one of the issues this continues to fuel nationwide. With May officially designated as "National Transportation Month," it was sadly ironic that so many systems nationwide were impacted by the season's formidable and deadly weather patterns.

Stepping up to deal with these and other substantial problems will be, it is presumed that on June 10th, DOT Secretary Nominee, Charlotte, NC Mayor Anthony Foxx. He will officially be our nation's newest Cabinet member, replacing Secretary Ray LaHood, whose colorful tenure included the successful oversight of the nation's ARRA and first TIGER projects. Foxx is best known for his city's light rail system and is a strong supporter of transit. He smoothly sailed through hearings with few bumps and inherits a strong administrative team if confirmed.

Many have been watching what is called “The Amazon [as in “dot com”] Tax” on internet sales as a potential source of revenue for just about anything that is short of funding in DC, which is everything. In May, the Senate voted to allow states to reach beyond their borders and require online retailers to collect each state’s sales taxes on goods sold. Both Virginia and Maryland have passed such laws and used resulting revenues to pay for infrastructure, specifically road and transit upgrades. This is of course expected to meet opposition in the House, which will cite the burden of reporting and filing taxes to small businesses as overwhelming and job-killing.

In regard to the FY13 federal budget, House appropriations are being made assuming “Sequester” spending limits and information about Santa Cruz Metro’s appropriations is available in the monthly Grants’ Report to the Board. As previously reported, on March 26, 2013, Congress approved a Continuing Budget Resolution (CR) through September 30, 2013.

Santa Cruz METRO’s General Manager attended an American Public Transportation Association’s (APTA) Small Operators’ summit about “State of Good Repair” funding (and lack thereof in MAP-21). Much remains to be worked out regarding this and other pressing challenges issue in the next surface transportation act. The underlying issue is how to shore up the Highway Trust Fund, one of Congress’s most pressing infrastructure issues (more pressing with each natural disaster). Thus, the consideration of “The Amazon Tax” as a source or the much whispered-about “*gas tax increase*,” which last occurred under a Republican President (as it did the time before that), are on the table, as are many other issues regarding formulation of the program and how much will be in a discretionary pot for “lumpy purchases” such as buses.

At both the federal and state levels, an estimated \$2 billion in federal grants are in danger of being held up as pension reform continues to be a state issue, something which impacts transit providers at both levels. The federal government is watching California closely and local Assemblymember Alejo has taken the lead in advocating for a transit exemption (AB 160). Santa Cruz METRO’s Board Chair, General Manager and union leaders went to Sacramento to advocate for this urgency bill. At issue is the protection of collective bargaining rights, which are in place in Santa Cruz METRO contracts. AB 160 also allows room for the issue to be solved in other ways than legislation if appropriate. At the time of this report, the bill could be pulled from committee to the floor at any time.

Other state bills being watched, including legislation on cap and trade naming public transit as a specific recipient of proceeds, have been held in committee: the popular Lowenthal bill, AB 574, and AB1051 (Bocanegra), which does not specify transit, are being held in Appropriations Committee. As \$223 million was raised at the 2/19/13 carbon credits’ auction, every impacted industry is watching, since only \$84 million is going to the Governor’s “special fund” per the state’s Air Resources Board. That fund is associated with allowances given to sources of GHGs, such as transit. The rest of the money will go to a fund at the CPUC (California Public Utilities’ Commission), as the remainder of the allowances is associated with electricity at this time. First auction proceeds went to high-speed rail. Staff (and CTA, Transform, and other industry groups) are continuing to closely monitor and vocally advocate for this potential funding source.

Assemblyperson Stone, previously of this Board, proposed legislation (AB 946) regarding buses using certain stretches of state highway shoulder to bypass traffic in designated zones at designated times as agreed to with all pertinent entities and applicable to Santa Cruz and

Monterey counties only. The bill did not pass out of committee, but it was a tie vote and it could be reconsidered at a later time.

The transportation industry and anyone interested in Transportation Oriented Development (TOD, the form of development favored by the Air Resources Board, who are the biggest voice in determining the proceeds of cap and trade) are following a group of bills regarding funding mechanisms for Sustainable Communities' Strategies' Development, which were mandated by AB-32, as well as restoration of the 55% majority (SCA 4), which the California Transit Association strongly supports. If this is changed during the Democratic majority, it will have a potentially dramatic impact on fiscal and other issues related to state revenue and taxation. The main bill that is moving is SB1, by the speaker (Steinberg), onto the Senate floor. There are two bills (AB 669, and SB 34) related to the mining practice of hydraulic fracturing of wells (or "fracking") for natural gas supplies, which remained in committee but brought the issue to the public's attention at the state legislative level.

Please see **Attachments C** and **D** for further updates, including on legislation regarding how communities propose to revisit what used to be RDA projects.

IV. FINANCIAL CONSIDERATIONS

As most potential legislation carries a fiscal impact, staff will report on a monthly basis of newly implemented federal and/or state legislation which financially impacts Santa Cruz METRO.

Since MAP-21 funding levels were, for the most part, retained in the Continuing Budget Resolution (CR), Santa Cruz METRO expects approximately \$5.7 million in formula funding in FY13. Santa Cruz METRO is expected to receive formula Bus and Bus Facilities funding in the amounts of ~\$561,000 in FY13 and ~\$588,000 in FY14, enough for the purchase of one bus per year. This problem of the severe shortage of designated and/or competitive funds for "lumpy purchases" like rolling stock is revenue remains unresolved at this time. Please see the agency's Budget going forward in the June 2013 Board of Directors' packet for the most updated numbers for expected grants' revenues.

Still to be determined are potential cap-and-trade auction revenues and internet sales tax proceeds at the state level.

V. ATTACHMENTS

- Attachment A:** Federal Legislative Issues and Status Report, June 6, 2013
- Attachment B:** Federal House and Senate Bills Status Report, June 6, 2013
- Attachment C:** State of California Legislative Issues and Status Report, June 6, 2013
- Attachment D:** State of California Assembly and Senate Bills Status Report, June 6, 2013

ATTACHMENT A

Federal Legislative Issues and Status Report June 6, 2013

Current Legislative Issues

New Transportation Secretary (Almost)

Report at 6/6/13: On June 10th, it is expected that DOT Secretary nominee, Charlotte, NC Mayor Anthony Foxx, will officially be our nation's newest Cabinet member, replacing Secretary Ray LaHood, whose colorful tenure included the successful oversight of the nation's ARRA and first TIGER projects. LaHood leaves behind a strong team to support the new Secretary. Foxx is best known for starting a light rail program in Charlotte, and is a transit supporter. His top priorities, if given the job, would be improving systems' safety, efficiency, and performance, as well as leaving behind modern infrastructure for the next generation. He will also face any and all challenges and impacts of the Sequester the minute he takes office.

Accidents/Disasters Highlighting Infrastructure Needs

Report at 6/6/13: Relief for Sandy has almost faded from people's memories (unfortunately, but DOT and FEMA have not forgotten and continue to support the area as needed) as giant tornadoes ripped through "tornado alley" since the last report, causing damage heretofore unseen and the largest fronted storm in known history. The focus on repairing and assisting these areas of the country, in addition to the Skagit Bridge collapse in Washington state last month, have placed attention on infrastructure needs and for reliable funding streams to support restoration and repair of essential services to get people back to school and work after a disaster, or to access needed assistance. This issue is mentioned to highlight the hopeful beginning of a trend of the public supporting additional fees and taxation to be responsibly used to repair and restore the nation's infrastructure, including essential services provided by a transit system in good repair.

Possible Funding to States from Internet Tax Revenue (the "Amazon Tax")

Report at 6/6/13: In early May, the Senate voted to let states reach beyond their borders to require online retailers to collect each state's sales taxes on goods sold. Both Virginia and Maryland have passed such laws and use the windfall to pay for more road and transit upgrades. The House, no doubt, will push-back seriously on this proposal, likely citing its impact on small businesses bearing the administrative burden and expense of reporting and paying taxes to many states, a reasonable concern for small internet ventures.

Continuing Budget Resolution and Surface Transportation Act (MAP-21)

Background: A Continuing Budget Resolution (CR) was passed on 3/26/13 to keep the federal doors open until 9/30/13. The higher levels of transportation funding contained in MAP-21 were in the approved CR, which is good news for transit. This was in line with the Senate version of the CR. The House version was less all around.

FY13, FY14 Federal Budgets

ATTACHMENT A

Background and update at 6/6/13: The latest news is that in the House appropriations are being made assuming Sequester spending limits and information about Santa Cruz Metro's various appropriations will be available in the monthly Grants' Report. Regarding the FY14 proposed budgets, the President's contained \$3.8 trillion in spending, \$3.034 trillion in revenue and a 6% deficit of \$744 billion. Among the transportation highlights of the Obama budget are: the "Partnership for America," which includes the \$50 billion "Fix-It-First" front-loaded transportation infrastructure program focused on public-private partnerships. As stated above, Congress passed another CR through 9/30/13, as budget issues have remained unresolved for going on three years. On the House side, the "new Ryan Budget" was introduced in March, and is "the old Ryan Budget" with a different date. The "fiscal cliff" was averted at 2 AM EST on 1/1/13 with the passage of the American Taxpayer Relief Act (ATRA).

The "Sequester"

Background and Update at 6/6/13: The "Sequester" hit with scheduled deep federal budget cuts supposedly to be implemented by the end of March. Many departments have implemented furloughs and staffing reductions. Some cuts (such as to air control towers) have been restored, one way or another. Impacts are still being felt, implemented or delayed, depending on department, as \$85.4 billion in cuts to mostly discretionary spending are now hitting the FY13 budget. Meanwhile, the political brinkmanship has died down a bit in the face of natural and human disasters. Scheduled cuts across the board to national security, defense, human services and public transportation will likely throw some federal agencies into turmoil, although the slowdown of implementation may help avoid some of these challenges and buy some time.

California's Pension Reform's Federal Impact (Department of Labor)

Background and Update at 6/6/13: A bill introduced by local State Assemblymember Alejo (AB160), which has the support to make it to the floor at the time of this report, but was still in committee, contains the "transit exemption" language in regard to PEPPRA, which impacts federal concerns. Santa Cruz METRO staff and union representatives attended a hearing on this bill in Sacramento to testify in favor of the bill. The history is that the federal Department of Labor (DOL) reviews all of Santa Cruz METRO's grant applications and issues an opinion on the allocation of funds. At this time, there is some question as to whether PEPPRA is in violation of Section 13(c) at the federal level, a regulation related to collective bargaining. Santa Cruz METRO is seeking to be exempted via AB160, as the district has collective bargaining agreements in place. Over \$2 billion in federal grants to the state may be held back by DOL due to this, including any Caltrans' Planning grants for which Santa Cruz METRO has applied.

Natural Gas and "Fracking" (Hydraulic Fracturing)

Background on Natural Gas and Update at 6/6/13: In May 2012, the Obama Administration tightened regulations on hydraulic fracturing ("fracking"). Santa Cruz METRO gets its natural gas supplies from non-fracked sources. So far. At the time of this report, Assemblymember Stone had introduced a "fracking" bill at the state level requiring the disclosure of fluids and impacts on water supply related to this mining practice (see **Attachment D**) that did not make it out of committee due to a tie vote, which means that it could be brought back.

Federal Bills House & Senate	Subject	Introduced/ Amended	Status
The "Sequester"	Impacts are still being felt, implemented or delayed, depending on department, as \$85.4 billion in cuts to mostly discretionary spending are now hitting the FY13 budget. Meanwhile, the political brinkmanship has died down in the face of recent news stories like tornadoes, the IRS and Benghazi. Scheduled cuts across the board to national security, defense, human services and public transportation will likely throw some federal agencies into turmoil, although the slowdown of implementation may help avoid some of these challenges and buy time.	3/1/13	6/6/13: Continuing to monitor impacts.
Continuing Budget Resolution/ FY13 Federal Budget	On 3/26/13, a Continuing Budget Resolution (CR) was enacted through 9/30/13 and which contains the higher transportation funding levels, for the most part, of MAP-21.	3/26/13	6/6/13: A Continuing Budget Resolution passed through 9/30/13.
FY14 Federal Budget Proposals (Obama's and the FY14 "Ryan Budget")	The President's FY14 budget is \$3.8 trillion spending, \$3.034 trillion revenue and a 6% deficit of \$744 billion. Includes a plan to reduce deficit to \$439 billion in 10 years. Transportation highlights are: the "Partnership for America," which includes private investment; the \$50 billion "Fix-It-First" front-loaded transportation infrastructure program focused on public-private partnerships; a National Infrastructure Bank; and, high-speed rail investment. On the House side, the "new Ryan Budget" was introduced in March, and is "the old Ryan Budget" with a different date.	3/15/13 (Ryan) and 4/8/13 (Obama)	6/6/13: Continuing to monitor.

ATTACHMENT B

ATTACHMENT B

Federal Bills	Subject	Introduced/ Amended	Status
<p>Alternative Fuels (Natural Gas)</p>	<p>The 50-cent per gallon-equivalent tax credit for natural gas was passed with the "Tax Extenders Package" through 12/31/13 and retroactive to 1/1/12. The bigger issue rising to the fore with natural gas is the mining practice known as "fracking" (hydraulic fracturing), which now faces both federal and state regulation.</p>	<p>N/A</p>	<p>6/6/13: More and more states are considering regulation of "fracking" drilling practices for natural gas (except Texas, of course). Continuing to monitor.</p>

ATTACHMENT C

State of California Legislative Issues and Status Report June 6, 2013

PEPRA/Pension Reform/AB 340 and AB 160

Background and Update at 6/6/13: This is under close review at the state level and it has potential to stall the appropriation of \$2 billion in federal monies to the state, due to protection of Section 13(c) and collective bargaining rights specifically. These rights are in place where Santa Cruz METRO is concerned. Advice at the federal level has been to pursue state solutions first, and they are tracking the issue closely. Assemblymember Alejo and co-author Assemblymember Stone are gaining support for AB 160, which is an urgency bill, introduced to exempt transit districts from certain provisions of SB 340, state pension reform. Discussion is ongoing and Santa Cruz METRO staff and Board members attended the hearing on AB 160 on April 24, 2013 in Sacramento. Since the bill is an urgency bill, it can be pulled from committee at any time.

Carbon Credit Auctions/Cap and Trade

Background and Update at 6/6/13: Some bills that we were watching, including the Californai Transit Association's bill on cap and trade, naming public transit as a specific recipient of proceeds, have been held in committee, specifically the Lowenthal bill, AB 574 (See Attachment D). Another cap and trade bill (AB1051, Bocanegra-D) not specifically mentioning transit has also been held in the Appropriations Committee at this time. Staff is continuing to monitor the issue. \$223 million was raised at the 2/19/13 auction, but only \$84 million is going to the Governor's "special fund" per the Air Resources Board. That fund is associated with allowances given to sources of GHGs, such as transit. The rest of the money will go to a fund at the CPUC (California Public Utilities Commission), as the remainder of the allowances is associated with electricity. First auction proceeds went to high-speed rail.

FY13 State Budget and Proposition 1B Bond Programs

Background and update at 6/6/13: No change other than ongoing discussions and staff is continuing to monitor. California is predicted to recover economically within three years with new revenues from Proposition 30 and the Democratic majority's review of other funding/taxation mechanisms for education and at-risk safety-net programs, among others (i.e. cap-and-trade, discussed above). However, with conservative Democrats in the state Senate the "super majority" talk is dying down and some roadblocks are being hit with retirements, special elections in districts at risk, etc., so though Demoncarts have the majority, it is not as solid as originally touted. In regard to transit funding, look for a push from the industry for funding sources to replace "lumpy purchases" such as rolling stock, such as bonds and cap and trade (see above). A solution must be found either at the state or federal (new surface reauthorization within the next 12-24 months) level or bus systems nationwide will continue to operate older, dirty equipment as safely as possible simply out of community need and demand for transit.

ATTACHMENT C

The California Legislature: Bills of Interest

Background and Update at 6/6/13: Assemblymember Stone, formerly of this Board, has introduced AB 946, a bill in regard to the use of road shoulders for transit buses in Santa Cruz and Monterey Counties as one way of addressing traffic challenges and run times. This bill moved to the Senate Appropriations Committee on May 24, 2013. Of course, feasibility studies for this use of the shoulder are being proposed via Caltrans, so much remains to be seen. Cap and trade and pension reform bills are mentioned above and are on the grid in **Attachment D**.

Also of interest are bills regarding funding mechanisms for Sustainable Communities' Strategies' Development, mandated by AB-32, as well as restoration of the 55% majority (SCA 4), which the California Transit Association strongly supports. The main bill that is moving is SB1, by the speaker (Steinberg), which is moving onto the Senate floor. There are two bills (AB 669, and SB 34) related to the mining practice of hydraulic fracturing of wells (or "fracking") for natural gas supplies, which fuel our buses. Please see **Attachment D** for further updates, including on legislation regarding how communities propose to revisit what used to be RDA projects.

Restoration of the California Vehicle Licensing Fee (VLF)

Background: Staff is continuing to monitor this, as such a fee would require the restoration of the 55% majority, instead of the current 2/3rds required. With a Democratic majority, it is possible that restoration of the fee may be a mechanism for transportation funding. The Schwarzenegger-rescinded VLF 2004 cut has never been restored. The VLF fee, rescinded by Schwarzenegger, resulted in state losses of \$6 billion annually, roughly the size of the growth of the state deficit each year he was in office.

The State's New Combined Transportation Agency

Background: State sources promise this will be a painless process, and is currently underway. In January, Governor Brown proposed a single agency comprised of: Caltrans, the Department of Motor Vehicles (DMV), High Speed Rail Authority (HSRA), California Highway Patrol (CHP), California Transportation Commission (CTC) and Board of Pilot Commissioners (pilot boats).

Public Transportation Account \$26 million "Loan" to HSR

Update at 6/6/13: State Department of Finance (DOF) has requested a short-term "loan" of \$26 million from the Public Transportation Account (PTA) to pay "state operations costs" until cap-and-trade auction proceeds are distributed, at which point the "loan" will be paid back to the PTA. Staff will continue to monitor.

Santa Cruz METRO
State of California Assembly and Senate Bills of Interest @ 6/6/13

Bill ID/Topic	Location	Summary	Position
<p>AB 37 Perea D</p> <p>Environmental quality: California Environmental Quality Act: record of proceedings.</p>	<p>@ 5/24/13 – Amended and referred to Com. on Approps.</p>	<p>The California Environmental Quality Act (CEQA) requires a lead agency to prepare and certify the completion of an environmental impact report (EIR) on a project that it proposes that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid/mitigate that effect and there is no substantial evidence that the revised project would have a significant effect on the environment. This bill would require until January 1, 2017, the lead agency to, among other things, prepare a record of proceedings concurrently with negative declarations, mitigated negative declarations, EIRs, or other environmental documents for specified projects. Because the bill would require a lead agency to prepare the record of proceedings as provided, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</p>	
<p>AB 160 Alejo D</p> <p>California Public Employees' Pension Reform Act of 2013: exceptions.</p>	<p>@ 5/29/13 retained in Approps Committee, Urgency bill, can still move to floor</p>	<p>The California Public Employees' Pension Reform Act of 2013 (PEPRA), on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with the act. Among other things, PEPRA prohibits a public employer from offering a defined benefit pension plan exceeding specified retirement formulas, requires new members of public retirement systems to contribute at least a specified amount of the normal cost for their defined benefit plans, and prohibits an enhancement of a public employee's retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement. This bill would except from PEPRA, by excepting from the definition of public retirement system, certain multiemployer plans authorized under federal law and retirement plans for public employees whose collective bargaining rights are protected by a specified provision of federal law. (Co-author @ 4/17/13: Assemblymember Mark Stone.)</p>	<p>CTA Neutral SCMTD Supports</p>
<p>AB 179 Bocanegra D</p> <p>Public transit: electronic transit fare collection systems: disclosure of personal information.</p>	<p>@ 5/24/13 - Referred to Com. on TRANS.; Set for hearing 6/18/13</p>	<p>Existing law prohibits a transportation agency from selling or providing personally identifiable information of a person obtained through the person's participation in an electronic toll collection system or use of a toll facility that uses an electronic toll collection system. Existing law, with certain exceptions, requires a transportation agency to discard personally identifiable information after 4 1/2 years, as specified. Existing law provides various remedies in that regard. This bill would make these and other related provisions applicable to a transportation agency that employs an electronic transit fare collection system for payment of transit fares. The bill would require transportation agencies that obtain personally identifiable information of a person from electronic toll collection or electronic transit fare collection systems to discard that information after 6 months, as specified. This bill contains other related provisions and other existing laws.</p>	<p>Ref. 2011 Simitan SB24, Chaptered August 11, 2011</p>
<p>AB 185 Hernández, Roger D</p> <p>Open and public meetings: televised</p>	<p>@ 5/24/13 -Ref to Com.on LOCAL GOV</p>	<p>The Ralph M. Brown Act requires that an audio or video recording of an open and public meeting made at the direction of a local agency is subject to inspection pursuant to the California Public Records Act and may be erased or destroyed 30 days after the recording. Existing law requires that any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency. The bill would provide that an audio or video recording of an open and public meeting made at the direction of a local agency may be erased or destroyed 2 years after the recording.</p>	

**Santa Cruz METRO
State of California Assembly and Senate Bills of Interest @ 6/6/13**

<p>AB 229 John A. Perez D</p> <p>Local government: infrastructure and revitalization financing districts.</p>	<p>@ 6/5/13: moved to Senate Gov & Finance</p>	<p>Existing law authorizes the creation of infrastructure financing districts, as defined, for the sole purpose of financing public facilities, subject to adoption of a resolution by the legislative body and affected taxing entities proposed to be subject to division of taxes and 2/3 voter approval. Existing law authorizes the legislative body to, by majority vote, initiate proceedings to issue bonds for the financing of district projects by adopting a resolution, subject to 2/3 voter approval. Existing law requires an infrastructure financing plan to include the date on which an infrastructure financing district will cease to exist, which may not be more than 30 years from the date adopted. Existing law prohibits a district from including any portion of a redevelopment project area. Existing law, the Polanco Redevelopment Act, authorizes a redevelopment agency to take any action that the agency determines is necessary and consistent with state and federal laws to remedy or remove a release of hazardous substances on, under, or from property within a project area, whether the agency owns that property or not, subject to specified conditions. Existing law also declares the intent of the Legislature that the areas of the district created be substantially undeveloped, and that the establishment of a district should not ordinarily lead to the removal of dwelling units. This bill would authorize the creation of an infrastructure and revitalization financing district, as defined, and the issuance of debt with 2/3 voter approval. The bill would authorize the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years, as specified. The bill would authorize a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases. The bill would authorize the legislative body of a city to dedicate any portion of its funds received from the Redevelopment Property Tax Trust Fund to the district, if specified criteria are met. The bill would authorize a city to form a district to finance a project or projects on a former military base, if specified conditions are met. This bill contains other related provisions.</p>	<p>Passed out of house of origin to the Senate Re: RDAs and infrastructure financing districts; potential partners to SCMTD in various projects</p>
<p>AB 669 Stone D</p> <p>An Act to Amend the Public Resources Code, related to oil and gas</p>	<p>@ 4/17/13: Amended, to Asm Com on APPROPS; Third Reading</p>	<p>Under existing law, the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation regulates the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. The State Oil and Gas Supervisor supervises the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities related to oil and gas production within an oil and gas field regarding safety and environmental damage. Existing law further requires a person who acquires the right to operate a well or production facility, whether by purchase, transfer, assignment, conveyance, exchange, or other disposition, to meet specific requirements before drilling operations. This bill would additionally require the operator prior to drilling, <i>redrilling, or deepening</i> operations to submit proof to the supervisor that the applicable regional water quality control board has approved the <i>disposal</i> method and location of wastewater disposal for the well.</p>	<p>Re: Contents of "fracking" fluids/water SCMTD support?</p>
<p>AB 946 Stone D</p>	<p>@ 5/24/13, didn't pass committee (tie vote); to Reconsider</p>	<p>Existing law creates the Monterey-Salinas Transit District and the Santa Cruz Metropolitan Transit District with various powers and duties relative to the operation of public transit in those counties. Existing law generally requires vehicles to be driven upon the right half of a roadway, defined to include only that portion of a highway improved, designed, or ordinarily used for vehicular travel. Bill would authorize MST and SCMTD, in conjunction with the Department of Transportation, to conduct a transit-bus only program using the shoulders of certain state highways as transit-bus only traffic corridors, with the segments to be determined jointly by the districts and the department. This bill would require the districts to work with the department and the Department of the California Highway Patrol to develop guidelines that ensure driver and vehicle safety and the integrity of the infrastructure.</p>	<p>SCMTD Watching</p>

**Santa Cruz METRO
State of California Assembly and Senate Bills of Interest @ 6/6/13**

<p><u>SB 1 Steinberg D</u> Sustainable Communities Investment Authority.</p>	<p>@ 5/29/13: To Assembly (passed out of house of origin)</p>	<p>Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies. This bill would authorize certain public entities of a Sustainable Communities Investment Area, as described, to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law in a specified manner. The bill would require the Authority to adopt a Sustainable Communities Investment Plan for a Sustainable Communities Investment Area and authorize the Authority to include a provision for the receipt of tax increment funds provided that certain economic development and planning requirements are met. The bill would authorize the legislative body of a city or county forming an Authority to dedicate any portion of its net available revenue, as defined, to the authority through its Sustainable Communities Investment Plan. The bill would require the Authority to contract for an independent audit every 5 years. This bill contains other related provisions and other existing laws.</p>	<p>CTA Supports SCMTD Support</p>
<p><u>SB 33 Volk D</u> Infrastructure financing districts: voter approval: repeal.</p>	<p>@ 4/3/13- Referred to Assembly LOCAL GOV— hearing 6/12/13</p>	<p>Existing law authorizes a legislative body, as defined, to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon voter approval. Existing law authorizes an infrastructure financing district to fund infrastructure projects through tax increment financing, pursuant to the infrastructure financing plan and agreement of affected taxing entities, as defined. This bill would revise and recast the provisions governing infrastructure financing districts. The bill would eliminate the requirement of voter approval for creation of the district and for bond issuance, and would authorize the legislative body to create the district subject to specified procedures. The bill would instead authorize a newly created public financing authority, consisting of 5 members, 3 of whom are members of the city council or board of supervisors that established the district, and 2 of whom are members of the public, to adopt the infrastructure financing plan, subject to approval by the legislative body, and issue bonds by majority vote of the authority by resolution.. This bill contains other related provisions and other existing laws.</p>	<p>Re: infrastructure financing districts, potential partners to SCMTD in various projects</p>
<p><u>SCA 4 Liu D</u> Local government transportation projects: special taxes: voter approval.</p>	<p>@ 5/30/13 – Referred to Sen Com on GOV AND FINANCE</p>	<p>The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, except that certain school entities may levy an ad valorem property tax for specified purposes with the approval of 55% of the voters within the jurisdiction of these entities. This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition. The measure would also make conforming and technical, nonsubstantive changes.</p>	<p>CTA Supports SCMTD Support?</p>
<p><u>SCA 6 DeSaulnier D</u> Initiative measures: funding source.</p>	<p>@ 5/24/13 – placed on Sen Com on APPROPS: ordered Third Reading</p>	<p>The California Constitution provides that the electors may propose statutes or amendments to the state Constitution through the initiative process by presenting to the Secretary of State a petition that sets forth the text of the proposed statute or amendment to the Constitution and is certified to have been signed by a certain number of electors. This measure would prohibit an initiative measure that would result in a net increase in state or local government costs, other than costs attributable to the issuance, sale, or repayment of bonds, from being submitted to the electors or having any effect unless and until the Legislative Analyst and the Director of Finance jointly determine that the initiative measure provides for additional revenues in an amount that meets or exceeds the net increase in costs.</p>	<p>Watching</p>

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

NOTICE OF ACTION TAKEN IN CLOSED SESSION MEMORANDUM

DATE: June 14, 2013

TO: Board of Directors

FROM: Leslyn K. Syren, District Counsel

SUBJECT: Notification Of Actions Taken In Closed Session Regarding The Following Claims: Christopher Lanagan v. Santa Cruz Metropolitan Transit District (Before the Worker's Compensation Appeals Board)

1. Settlement with Christopher Lanagan;
Christopher Lanagan v. Santa Cruz Metropolitan Transit District, et al;
Case # ADJ6690324

On March 22, 2013, the Board of Directors authorized Santa Cruz METRO's attorneys to settle this workers' compensation claim with a Stipulation with Request for Award in the sum of \$72,403.54 less \$30,521.00 for permanent disability already paid to the claimant.

Pursuant to this direction, fully executed Stipulations with Request for Award were submitted to the Workers' Compensation Appeals Board (WCAB) and an Award was made by Judge Crymes, Workers' Compensation Administrative Law Judge on May 6, 2013.

The following directors authorized the settlement: Directors Bryant, Dodge, Friend, Hinkle, Lane, McPherson and Robinson. Directors Alejo, Bustichi, Graves and Leopold were absent.

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013

TO: Board of Directors

FROM: Erron Alvey, Purchasing Agent

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH GP STRATEGIES CORPORATION TO EXTEND THE TERM OF THE CONTRACT THROUGH DECEMBER 31, 2013

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to execute an amendment to the contract with GP Strategies Corporation to extend the contract for Construction to Install LNG Fuel Storage Tank through December 31, 2013.

II. SUMMARY OF ISSUES

- Santa Cruz METRO entered into a contract with GP Strategies Corporation for Construction to Install LNG Fuel Storage Tank on July 16, 2012.
- Santa Cruz METRO authorized GP Strategies Corporation to provide the Programmable Logic Controller for the Fuel & Service building required to accommodate the second LNG fuel storage tank recently installed.
- GP Strategies Corporation requires additional time to complete and implement this task.
- This contract will expire on July 15, 2013. Staff recommends extending the contract by five and a half months under the remaining terms and conditions.

III. DISCUSSION

Santa Cruz METRO entered into a contract with GP Strategies Corporation for Construction to Install LNG Fuel Storage Tank on July 16, 2012. The contract will expire on July 15, 2013. On April 12, 2013, Santa Cruz METRO authorized GP Strategies Corporation to provide the required Programmable Logic Controller (PLC) for the Fuel & Service building due to propriety issues with the current PLC installed by NorthStar. GP Strategies Corporation requires additional time to complete and implement this task. The contract allows for extension upon written mutual consent.

Staff recommends that the Board of Directors authorize the General Manager to execute an amendment to the contract with GP Strategies Corporation for Construction to Install LNG Fuel Storage Tank to extend the term of the contract to December 31, 2013, with Frank Cheng,

Project Manager & I.T. Manager, continuing to serve as the Contract Administrator. This will be a time extension only and there will be no additional contract compensation.

IV. FINANCIAL CONSIDERATIONS

No additional funding is required for this action. The attached Contract Amendment reflects the additional funds approved at the April 12, 2013 Board of Director's Meeting. The amendment is covering both items.

V. ATTACHMENTS

Attachment A: Letter to Extend from GP Strategies Corporation

Attachment B: Contract Amendment with GP Strategies Corporation

Attachment A



Letter of Intent

May 20, 2013

GP Strategies Corporation
2835 Progress Place
Escondido, CA 92029

Erron Alvey
Purchasing Agent
110 Vernon Street
Santa Cruz, CA 95060

Dear Erron Alvey:

GP Strategies requests to extend Santa Cruz Metro Contract No. 12-30 for Construction to Install LNG Fuel Storage Tank from July 16, 2013 through December 31, 2013 under the same terms and conditions per your letter dated May 15, 2013. Due to change orders and additional work related we need additional time to complete our original scope of work.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Nina Gillette', is written over a light blue horizontal line.

Nina Gillette

Administrative Assistant

135 Alternative Fuels Division

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FIRST AMENDMENT TO CONTRACT NO. 12-30 FOR CONSTRUCTION TO INSTALL LNG FUEL STORAGE TANK

This First Amendment to Contract No. 12-30 for Construction to Install LNG Fuel Storage Tank is made effective April 12, 2013 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“Santa Cruz METRO”), and GP Strategies Corporation (“Contractor”).

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for Construction to Install LNG Fuel Storage Tank (“Contract”) on July 16, 2012.
- 1.2 The Contract allows for the extension upon mutual written consent.
- 1.3 Santa Cruz METRO and Contractor desire to amend the Contract to incorporate an approved change order.

Therefore, Santa Cruz METRO and Contractor amend the Contract as follows:

II. TERM

- 2.1 Article 3.02 is replaced in its entirety by the following:

The term of this Contract shall be from July 16, 2012 to December 31, 2013.

Santa Cruz METRO and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

III. COMPENSATION

- 3.1 Article 4.01 is amended to include the following language:

Pursuant to Contractor’s quote dated April 1, 2013 (Attachment A to this First Amendment), Santa Cruz METRO shall compensate Contractor in an amount not to exceed \$13,388.00 for extra mobilization to install the 2nd LNG Fuel Storage Tank under the terms of this First Amendment. Additionally, pursuant to Contractor’s quote dated April 1, 2013 (Attachment B to this First Amendment), Santa Cruz METRO shall compensate Contractor in an amount not to exceed \$75,674.06 for providing a new Programmable Logic Controller and for providing programming to Santa Cruz METRO when the tank installation is complete. Santa Cruz METRO and Contractor agree that the total amount payable pursuant to this First Amendment shall not exceed \$89,062.06.

The new Contract total not to exceed amount is \$665,398.06. Contractor understands and agrees that if he/she exceeds the \$665,398.06 maximum amount payable under this Contract, that it does so at its own risk.

IV. REMAINING TERMS AND CONDITIONS

4.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

V. AUTHORITY

5.1 Article 7 is amended to include the following language:

Each party has full power to enter into and perform this First Amendment to the Contract and the person signing this First Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this First Amendment to the Contract, understands it, and agrees to be bound by it.

Signed on _____

Santa Cruz METRO – SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

Contractor – GP STRATEGIES CORPORATION

By _____
Mike Mackey
PE/Vice President Alternative Fuels

Approved as to Form:

Leslyn Syren
Santa Cruz METRO Counsel

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013

TO: Board of Directors

FROM: Robyn Slater, Manager of Human Resources

SUBJECT: CONSIDERATION OF FUNDING THE CONTRACT WITH ALLIANT INSURANCE SERVICES, INC., FOR INSURANCE BROKER SERVICES AND PAYMENT OF THE PREMIUM FOR EXCESS WORKERS' COMPENSATION INSURANCE THROUGH THE CALIFORNIA STATE ASSOCIATION OF COUNTIES EXCESS INSURANCE AUTHORITY (CSAC EIA).

I. RECOMMENDED ACTION

That the Board of Directors authorize funding to pay for the excess workers compensation insurance premium and the broker fee for fiscal year 2014.

II. SUMMARY OF ISSUES

- Santa Cruz METRO has a contract with Alliant Insurance Services, Inc for Licensed Broker Services for Excess Workers' Compensation Coverage.
- In order to access the joint powers agreement with the California State Association of Counties Excess Insurance Authority (CSAC EIA) for low rates for excess workers' compensation insurance, Santa Cruz METRO must contract with the services of Alliant Insurance Services.
- The Board authorized a contract for two years with three additional one year terms at the time the original board report was presented on June 24, 2011.
- The original board report did not provide information on the cost of the premium for fiscal year 2014.
- There is a projected increase of \$21,294 due to a reported increase in payroll costs from fiscal year 2013 and updated claims information.
- Payment for the insurance premium fees are included in the fiscal year 2014 budget.
- Staff is recommending that the Board of Directors authorize funding the premium and brokerage costs for fiscal year 2014 in an amount not to exceed \$124,500.

III. DISCUSSION

Santa Cruz METRO currently has an insurance policy for individual workers compensation claims exceeding \$350,000 from the California State Association of Counties Excess Insurance Authority (CSAC EIA) through Alliant Insurance Services, Inc.. Coverage is provided above

various self-insured retentions or the Primary Workers' Compensation Program is pooled with excess reinsurance purchased to \$50,000,000 in limits. Forty-eight counties and one hundred and thirteen public agencies currently participate in the Excess Workers Compensation Program. Santa Cruz METRO must use a broker, Drivers Alliant, to access the lower premium fees of the CSAC EIA.

When Santa Cruz METRO initially awarded the contract to Drivers Alliant and the CSAC EIA in June 2011 information regarding future costs were not included. As a result a staff report has been prepared annual to provide the Board with information regarding the premium and broker costs for excess workers compensation insurance for the upcoming fiscal year.

Santa Cruz METRO's insurance premium for excess workers' compensation insurance coverage for the new fiscal year is estimated to be \$113,947. The required broker cost is \$10,000. The final cost for the premium will be provided by August or September 2013 and will not exceed \$124,500 when combined.

Staff is recommending that the Board of Directors authorize funding the premium and brokerage costs for fiscal year 2014 in an amount not to exceed \$124,500.

IV. FINANCIAL CONSIDERATIONS

There is no fiscal impact since funding for workers compensation costs have already been included in the fiscal year 2014 budget.

V. ATTACHMENTS

Prepared By: Robyn D. Slater, Manager of Human Resources
Date Prepared: May 23, 2013

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013

TO: Board of Directors

FROM: Erron Alvey, Purchasing Agent

SUBJECT: CONSIDERATION OF AWARD OF CONTRACT WITH GREYHAWK TECHNOLOGIES, INC. FOR PURCHASE AND IMPLEMENTATION OF A MOBILE DATA SYSTEM FOR THE PARACRUZ FLEET IN AN AMOUNT NOT TO EXCEED \$400,000

I. RECOMMENDED ACTION

Authorize the General Manager to execute a contract with GreyHawk Technologies, Inc. for Purchase and Implementation of a Mobile Data System in an amount not to exceed \$400,000 and designate April Warnock, Paratransit Superintendent, as Contract Administrator.

II. SUMMARY OF ISSUES

- ParaCruz currently communicates primarily through voice communications and performs other daily functions in a variety of manners. Mobile data computers will consolidate these functions and improve the efficiency of overall operations.
- A formal request for proposals was conducted to solicit proposals from qualified firms.
- Two firms submitted proposals for Santa Cruz METRO's review.
- A three-member evaluation committee comprised of Santa Cruz METRO staff reviewed and evaluated the proposals, and is recommending an award to GreyHawk Technologies, Inc.

III. DISCUSSION

Santa Cruz METRO's ParaCruz division currently communicates primarily through voice communications during the performance of daily duties. Functions such as schedule changes, vehicle tracking for on-time performance rating, and various data reporting requirements are currently performed separately. Mobile data computers will consolidate these functions and improve the overall efficiency of operations.

On December 28, 2012, Santa Cruz METRO Request for Proposal No. 13-13 was mailed to forty (40) firms, was legally advertised, a notice was posted on Santa Cruz METRO's web site and a GovDelivery notice was sent to subscribers. On January 30, 2013, proposals were received and opened from two firms. A three-member evaluation committee comprised of Ciro Aguirre,

Operations Manager, April Warnock, Paratransit Superintendent, and Daniel Zaragoza, Assistant Paratransit Superintendent, reviewed and evaluated the proposals. Trapeze Software Group Inc. was selected as the vendor offering the highest technically ranked proposal; however, Santa Cruz METRO was unable to successfully negotiate a proposed contract with them. After many months spent attempting to resolve the issues, the proposal was ultimately rejected due to the many deviations and exceptions taken.

The proposal from the next offeror, GreyHawk Technologies, Inc., was further evaluated, and found to meet all requirements of the RFP without taking any exceptions. The price was analyzed, and GreyHawk's pricing was found to be fair and reasonable. However, Trapeze Software Group Inc. had provided a quote to GreyHawk (or any successful offeror other than themselves) for a required interface for currently used scheduling software in the amount of \$162,879, which they themselves had proposed to provide to Santa Cruz METRO at no additional cost had they been selected. This put GreyHawk at a an unfair disadvantage when ranking price. Attempts to negotiate the cost for this interface with Trapeze have also been unsuccessful, even though Santa Cruz METRO is a current client.

The evaluation committee used the following criteria as contained in the Request for Proposals:

Criteria	Priority
Qualifications and Experience	1
Understanding and Approach	2
Overall Quality of the Submittal	3
Cost proposal	4

The evaluation committee is recommending that a contract be established with GreyHawk Technologies, Inc. for Purchase and Implementation of a Mobile Data System in an amount not to exceed \$400,000 with April Warnock, Paratransit Superintendent, to serve as the Contract Administrator. Contractor will provide all services meeting all Santa Cruz METRO specifications and requirements of the contract, and the Contract Administrator will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS

Funds to support contract are included in the SGR_2 FY11 grant.

V. ATTACHMENTS

Attachment A: Contract with GreyHawk Technologies, Inc.

Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of Santa Cruz METRO.

Attachment A

PROFESSIONAL SERVICES CONTRACT FOR PURCHASE AND IMPLEMENTATION OF A MOBILE DATA SYSTEM (13-13)

THIS CONTRACT is made effective on June 17, 2013 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California (“Santa Cruz METRO”), and GREYHAWK TECHNOLOGIES, INC. (“Contractor”).

1. RECITALS

1.01 Santa Cruz METRO’s Primary Objective

Santa Cruz METRO is a public entity whose primary objective is providing public transportation and which has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 Santa Cruz METRO’s Need for Purchase and Implementation of a Mobile Data System

Santa Cruz METRO has the need for Purchase and Implementation of a Mobile Data System. In order to obtain these services, Santa Cruz METRO issued a Request for Proposals, dated December 28, 2012, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor’s Proposal

Contractor is a firm/individual qualified to provide Purchase and Implementation of a Mobile Data System and whose principal place of business is 12406 NE 60th Way, Suite AA, Vancouver, Washington 98682. Pursuant to the Request for Proposals by Santa Cruz METRO, Contractor submitted a proposal for Purchase and Implementation of a Mobile Data System, which is attached hereto and incorporated herein by reference as Exhibit B

1.04 Selection of Contractor and Intent of Contract

On May 30, 2013, Santa Cruz METRO selected Contractor as the offeror whose proposal was most advantageous to Santa Cruz METRO to provide the Purchase and Implementation of a Mobile Data System described herein. This Contract is intended to fix the provisions of these services.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents listed below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties’ contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14 of the General Conditions to the Contract.

A. Exhibit A

Santa Cruz Metropolitan Transit District’s “Request for Proposals” dated December 28, 2012.

B. Exhibit B (Contractor's Proposal)

Contractor's Proposal to Santa Cruz METRO for Purchase and Implementation of a Mobile Data System, signed by Contractor and dated February 7, 2013.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits A and B. Where in conflict, the provisions of Exhibit A supersede Exhibit B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14 of the General Conditions to the Contract.

3.01.02 CONTRACTOR - The Contractor selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued December 28, 2012.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued December 28, 2012.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed **one (1)** year and shall commence upon the execution of the contract by Santa Cruz METRO.

At the option of Santa Cruz METRO, this contract agreement may be renewed upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by Santa Cruz METRO. Santa Cruz METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of Santa Cruz METRO's written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$400,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by Santa Cruz METRO on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by Santa Cruz METRO (or any grantor of Santa Cruz METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to Santa Cruz METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested, to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

Santa Cruz METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060

Attention: General Manager

CONTRACTOR

GreyHawk Technologies, Inc.
12406 NE 60th Way, Suite AA
Vancouver, Washington 98682

Attention: Robert Dukes, President

7. **AUTHORITY**

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

Contractor –
GREYHAWK TECHNOLOGIES, INC.

By _____
Robert Dukes
President

Approved as to Form:

Leslyn Syren
Santa Cruz METRO Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013

TO: Board of Directors

FROM: Erron Alvey, Purchasing Agent

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH FIRST ALARM SECURITY & PATROL, INC. FOR SECURITY GUARD SERVICES IN AN AMOUNT NOT TO EXCEED \$384,000

I. RECOMMENDED ACTION

Authorize the General Manager to execute a contract amendment for additional coverage with First Alarm Security & Patrol, Inc. for security guard services in an amount not to exceed \$384,000.

II. SUMMARY OF ISSUES

- Santa Cruz METRO requires additional security guard patrol services at the new 165 Dubois Street Operations location.
- Santa Cruz METRO currently has a contract with First Alarm Security & Patrol, Inc. for security guard services.
- The contract would require to be amended to add additional funding and coverage at this site; therefore, a contract amendment is recommended.

III. DISCUSSION

Santa Cruz METRO has a contract with First Alarm Security & Patrol, Inc. for Security Guard Services. The Operations department has been temporarily relocated to facilitate an accelerated construction schedule for the Judy K. Souza Operations Facility. There are security concerns in this section of the Harvey West neighborhood due to its proximity to Harvey West Park and previous access the public had through this property to Pogonip.

Staff recommends that the Board of Directors authorize the General Manager to execute a contract amendment on behalf of Santa Cruz METRO. Ciro Aguirre, Operations Manager, will continue to serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS

This contract has a total not to exceed of 1,099,981. Additional funds in an amount of \$384,000 are requested for approval at this time. The new contract total not to exceed would be

\$1,483,981. A price analysis of the hourly rates proposed has been performed and the price requested was determined to be fair and reasonable for this service.

Funds to support this contract amendment are included in the MetroBase Operations Building budget.

V. ATTACHMENTS

Attachment A: Contract Amendment with First Alarm Security & Patrol, Inc.

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FIRST AMENDMENT TO CONTRACT NO. 12-28 FOR SECURITY GUARD SERVICES

This First Amendment to Contract No. 12-28 for Security Guard Services is made effective February 27, 2013 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“Santa Cruz METRO”), and First Alarm Security and Patrol, Inc. (“Contractor”).

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for Security Guard Services (“Contract”) on June 1, 2012.
- 1.2 Santa Cruz METRO requires additional security guard patrol services at the new 165 Dubois Street Operations location.
- 1.3 Santa Cruz METRO and Contractor desire to amend the Contract to add security guard coverage at this site and add additional funding to the contract for this coverage.

Therefore, Santa Cruz METRO and Contractor amend the Contract as follows:

II. COMPENSATION

- 2.1 Article 5.01 is amended to include the following language:

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the rates agreed upon and set forth in Contractor’s revised proposal dated April 30, 2013, Attachment A to this Amendment. Santa Cruz METRO shall compensate Contractor in an amount not to exceed \$384,000 under the terms of this First Amendment.

The new Contract total not to exceed amount is \$1,483,981. Contractor understands and agrees that if he/she exceeds the \$1,483,981 maximum amount payable under this Contract, that it does so at its own risk.

III. REMAINING TERMS AND CONDITIONS

- 3.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

IV. AUTHORITY

4.1 Article 7 is amended to include the following language:

Each party has full power to enter into and perform this First Amendment to the Contract and the person signing this First Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this First Amendment to the Contract, understands it, and agrees to be bound by it.

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

Contractor –
FIRST ALARM SECURITY AND PATROL, INC.

By _____
Cal Horton
President

Approved as to Form:

Leslyn Syren
Santa Cruz METRO Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013

TO: Board of Directors

FROM: Erron Alvey, Purchasing Agent

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH DAY WIRELESS SYSTEMS FOR THE LAND MOBILE RADIO SYSTEM UPGRADE PROJECT IN AN ADDITIONAL AMOUNT NOT TO EXCEED \$150,000

I. RECOMMENDED ACTION

Authorize the General Manager to execute a contract amendment to increase the contract amount with Day Wireless Systems for the Land Mobile Radio System Upgrade Project in an additional amount not to exceed \$150,000.

II. SUMMARY OF ISSUES

- Santa Cruz METRO was unable to negotiate a lease at Loma Prieta as a repeater location site.
- Santa Cruz METRO enlisted Day Wireless to secure an alternate site on its behalf, and the required leases for two sites, Mt. Allison and Mt. Umunum, were successfully negotiated. It has been recommended that these two sites will be needed to achieve the same level of receptivity as the superior Loma Prieta site.
- Santa Cruz METRO will be responsible for the related lease costs, and additional equipment will need to be procured for the second site.
- These actions are required to complete the final phase of the Land Radio System Upgrade Project; therefore, a contract amendment with the additional funding is recommended.

III. DISCUSSION

Santa Cruz METRO has a contract with Day Wireless Systems for the Land Mobile Radio System Upgrade Project. After many months of attempts, Santa Cruz METRO was unable to negotiate a lease at Loma Prieta as a primary repeater location site for its communication system. Santa Cruz METRO enlisted Day Wireless to research and secure an alternate site on its behalf and if acceptable sites were found, to negotiate the required leases. Day Wireless was able to locate two sites, Mt. Allison and Mt. Umunum, and successfully negotiated site leases on Santa Cruz METRO's behalf. It has been recommended that these two sites will be needed to achieve the same level of receptivity as the superior Loma Prieta site.

Staff recommends that the Board of Directors authorize the General Manager to execute a contract amendment on behalf of Santa Cruz METRO. Ciro Aguirre, Operations Manager, will continue to serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS

This contract has a total not to exceed of \$670,000. Additional funds in an amount of \$150,000 are requested for approval at this time. An amount of \$107,300 will be added to the contract and funds in the amount of \$42,700 will be held as a contingency. The new contract total not to exceed would be \$777,300, with a total of \$820,000 authorized for the Project.

The California Transit Security Grant Program (CTS GP) funded by Proposition 1B pays 100% of the contract cost.

V. ATTACHMENTS

Attachment A: Contract Amendment with Day Wireless Systems

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SECOND AMENDMENT TO CONTRACT NO. 11-03 FOR THE LAND MOBILE RADIO NETWORK UPGRADE

This Second Amendment to Contract No. 11-03 for the Land Mobile Radio Network Upgrade is made effective June 17, 2013 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“Santa Cruz METRO”), and Day Wireless Systems (“Contractor”).

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for the Land Mobile Radio Network Upgrade (“Contract”) on February 4, 2011.
- 1.2 Santa Cruz METRO enlisted Contractor to secure an alternate repeater location site on its behalf, which Contractor has successfully accomplished. The related charges will be billed initially to Day Wireless Systems and Santa Cruz METRO will reimburse the costs.
- 1.3 Santa Cruz METRO and Contractor desire to amend the Contract to increase the compensation amount allowable for payment to Contractor.

Therefore, Santa Cruz METRO and Contractor amend the Contract as follows:

II. COMPENSATION

- 2.1 Article 5.01 is amended to include the following language:

Santa Cruz METRO shall compensate Contractor in an amount not to exceed \$107,300 as per Change Order 530-01 dated May 13, 2013 (Attachment A) and under the terms of this Second Amendment.

The new Contract total not to exceed amount is \$777,300. Contractor understands and agrees that if he/she exceeds the \$777,300 maximum amount payable under this Contract, that it does so at its own risk.

III. REMAINING TERMS AND CONDITIONS

- 3.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

IV. AUTHORITY

4.1 Article 7 is amended to include the following language:

Each party has full power to enter into and perform this Second Amendment to the Contract and the person signing this Second Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this Second Amendment to the Contract, understands it, and agrees to be bound by it.

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

Contractor –
DAY WIRELESS SYSTEMS

By _____
Gordon D. Day
President

Approved as to Form:

Leslyn Syren
Santa Cruz METRO Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013

TO: Board of Directors

FROM: Frank L. Cheng, Project Manager / IT Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH TRAPEZE SOFTWARE GROUP, INC. FOR SUPPORT MAINTENANCE OF TRAPEZE PASS, PASS-CERT, PASS IVR(CALLBACKS), IVR(CANCEL/CONFIRM), AND VOICE GENIE MODULES IN THE AMOUNT OF \$209,674.00 WITH EXPIRATION DATE OF JUNE 30, 2019.

I. RECOMMENDED ACTION

Consideration of authorizing the General Manager to execute a contract amendment with Trapeze Software Group, Inc. for Support Maintenance of Trapeze PASS, PASS-CERT, PASS IVR (Callbacks), PASS IVR (Cancel/Confirm), and Voice Genie modules in the amount of \$209,674.00 with expiration date of June 30, 2019.

II. SUMMARY OF ISSUES

- Trapeze Software Group, Inc. is the developer for software utilized by METRO to track ParaCruz ADA clients and create driver runs.
- The current Trapeze software being used includes PASS, PASS-CERT, PASS IVR(Callbacks, PASS IVR (Cancel/Confirm), and Voice Genie modules.
- A Support Maintenance contract is needed to continue 24 hour, 7 days a week support.
- Trapeze Software Group, Inc. is the only company that can provide support maintenance for the software and modules METRO is currently using on a daily basis.

III. DISCUSSION

Trapeze Software Group, Inc. is the developer for software utilized by METRO to track ParaCruz ADA clients and create driver runs. The current Trapeze software being used includes PASS, PASS-CERT, PASS IVR(Callbacks, PASS IVR (Cancel/Confirm), and Voice Genie modules. Staff requested Trapeze Software Group, Inc. to provide quotes to align the support maintenance contract with METRO's current fiscal year ending on June 30, 2019.

The following are the Trapeze module descriptions:

- PASS is for 8 workstations and can have up to 400 booked trips.
- PASS-CERT can have up to 1725 Registered Clients.
- PASS IVR (Callbacks) can have up to 400 booked trips.
- PASS-IVR (Cancel/Confirm) can have up to 400 booked trips.
- Voice Genie can have up to 6 lines.

A Support Maintenance contract is needed to continue 24 hour, 7 days a week support. Other features available with Support Maintenance contract are access to standard documentation, online training courses, product upgrades, newsletter, and many more.

Attachment A shows the Maintenance Schedule for each component until June 30, 2019. The following is maintenance cost per year:

- 1) July 1, 2013 – June 30, 2014 (\$30,825.00)
- 2) July 1, 2014 – June 30, 2015 (\$32,368.00)
- 3) July 1, 2015 – June 30, 2016 (\$33,986.00)
- 4) July 1, 2016 – June 30, 2017 (\$35,685.00)
- 5) July 1, 2017 – June 30, 2018 (\$37,468.00)
- 6) July 1, 2018 – June 30, 2019 (\$39,342.00)

Staff has reviewed and recommends that the Board of Directors authorize the General Manager to execute a contract amendment with Trapeze Software Group, Inc. for Support Maintenance of Trapeze PASS, PASS-CERT, PASS IVR (Callbacks), PASS IVR(Cancel/Confirm) and Voice Genie modules in the amount of \$209,674.00 with expiration date of June 30, 2019.

IV. FINANCIAL CONSIDERATIONS.

Funds have been allocated in the FY13 IT Budget.

V. ATTACHMENTS

ATTACHMENT A: Trapeze Maintenance Schedule

Prepared by:

Frank L. Cheng, Project Manager & IT Manager

Santa Cruz Metropolitan - Maintenance Schedule

Product	Term	Operational Characteristics	Proposed	Notes
PASS PASS PASS PASS PASS PASS	July 1, 2013 - June 30, 2014 July 1, 2014 - June 30, 2015 July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017 July 1, 2017 - June 30, 2018 July 1, 2018 - June 30, 2019	up to 400 booked trips & 8 w/s up to 400 booked trips & 8 w/s up to 400 booked trips & 8 w/s up to 400 booked trips & 8 w/s up to 400 booked trips & 8 w/s up to 400 booked trips & 8 w/s	\$ 15,675 \$ 16,459 \$ 17,282 \$ 18,146 \$ 19,053 \$ 20,006	Invoiced #13-1050900
PASS CERT PASS CERT PASS CERT PASS CERT PASS CERT PASS CERT	July 1, 2013 - June 30, 2014 July 1, 2014 - June 30, 2015 July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017 July 1, 2017 - June 30, 2018 July 1, 2018 - June 30, 2019	up to 1725 registered clients up to 1725 registered clients up to 1725 registered clients up to 1725 registered clients up to 1725 registered clients up to 1725 registered clients	\$ 3,400 \$ 3,570 \$ 3,749 \$ 3,936 \$ 4,133 \$ 4,339	Invoiced #13-1050901
VOICE GENIE VOICE GENIE VOICE GENIE VOICE GENIE VOICE GENIE VOICE GENIE	July 1, 2013 - June 30, 2014 July 1, 2014 - June 30, 2015 July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017 July 1, 2017 - June 30, 2018 July 1, 2018 - June 30, 2019	6 lines 6 lines 6 lines 6 lines 6 lines 6 lines	\$ 3,550 \$ 3,728 \$ 3,914 \$ 4,110 \$ 4,315 \$ 4,531	Invoiced #13-1050902
PASS IVR (CALLBACKS) PASS IVR (CALLBACKS) PASS IVR (CALLBACKS) PASS IVR (CALLBACKS) PASS IVR (CALLBACKS) PASS IVR (CALLBACKS)	July 1, 2013 - June 30, 2014 July 1, 2014 - June 30, 2015 July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017 July 1, 2017 - June 30, 2018 July 1, 2018 - June 30, 2019	up to 400 booked trips up to 400 booked trips up to 400 booked trips up to 400 booked trips up to 400 booked trips up to 400 booked trips	\$ 4,350 \$ 4,568 \$ 4,796 \$ 5,036 \$ 5,287 \$ 5,552	Invoiced #13-1050903
PASS IVR (CANCEL/CONFIRM) PASS IVR (CANCEL/CONFIRM) PASS IVR (CANCEL/CONFIRM) PASS IVR (CANCEL/CONFIRM) PASS IVR (CANCEL/CONFIRM) PASS IVR (CANCEL/CONFIRM)	July 1, 2013 - June 30, 2014 July 1, 2014 - June 30, 2015 July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017 July 1, 2017 - June 30, 2018 July 1, 2018 - June 30, 2019	up to 400 booked trips up to 400 booked trips up to 400 booked trips up to 400 booked trips up to 400 booked trips up to 400 booked trips	\$ 3,850 \$ 4,043 \$ 4,245 \$ 4,457 \$ 4,680 \$ 4,914	Invoiced #13-1050904

* Fees shown for only those products currently in Trapeze Customer Care

Santa Cruz Metropolitan - Maintenance Schedule

7-8.a2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013

TO: Board of Directors

FROM: Frank L. Cheng, Project Manager / IT Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH PROOFPOINT, INC. FOR SUPPORT MAINTENANCE OF EMAIL SECURITY THREAT CLASSIFICATION AND EMAIL SECURITY MANAGEMENT SOLUTION IN THE AMOUNT OF \$35,368.00 WITH EXPIRATION DATE OF JUNE 30, 2016.

I. RECOMMENDED ACTION

Consideration of authorizing the General Manager to execute a contract amendment with Proofpoint, Inc. for support maintenance of email security threat classification and email security management solution in the amount of \$35,368.00 with expiration date of June 30, 2016.

II. SUMMARY OF ISSUES

- Proofpoint, Inc. is the developer for comprehensive email security threat classification and email security management solution against phish, virus, spam emails, and other borne malware.
- Proofpoint provided several quotes for single year and multi year.
- Santa Cruz METRO reviewed and recommends the multi year due to the added savings.

III. DISCUSSION

Proofpoint, Inc. is the developer for comprehensive email security threat classification and email security management solution against phish, virus, spam emails, and other borne malware.

The following are the Proofpoint capabilities:

- Phishing Protection and Management
- Spam Detection
- Virus Protection
- Dynamic Email Reputation
- Zero-Hour Threat Detection
- Email Firewall
- Quarantine Folders by Threat
- Smart Search: Real-Time Message Tracing

Staff requested Proofpoint to provide several quotes for single year and multi year. The following shows a per year comparison between individual years and multi year:

	1 year	2 year
2013	\$ 14,236.67	\$ 27,526.00
2014	\$ 14,948.50	
TOTAL:	\$ 29,185.17	\$ 27,526.00
Savings:	\$ 1,659.17	

	1 year	3 year
2013	\$ 14,236.67	\$ 35,368.00
2014	\$ 14,948.50	
2015	\$ 15,740.77	
TOTAL:	\$ 44,925.95	\$ 35,368.00
Savings:	\$ 9,557.95	

Santa Cruz METRO reviewed and recommends the multi year due to the added savings. Savings include extended hardware warranty cost.

Staff recommends that the Board of Directors authorize the General Manager to execute a contract amendment with Proofpoint, Inc. for support maintenance of email security threat classification and email security management solution in the amount of \$35,368.00 with expiration date of June 30, 2016.

IV. FINANCIAL CONSIDERATIONS.

Funds have been allocated in the FY13 IT Budget.

V. ATTACHMENTS

None

Prepared by:
Frank L. Cheng, Project Manager & IT Manager

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013
TO: Board of Directors
FROM: Frank L. Cheng, Project Manager & I.T. Manager
SUBJECT: CONSIDERATION OF METROBASE STATUS REPORT

I. RECOMMENDED ACTION

That the Board of Directors accept and file the MetroBase Status Report.

II. SUMMARY OF ISSUES

- Judy K. Souza Operations Building
 - On April 16, 2013, Lewis C. Nelson & Sons commenced the indicator pile driving.
 - Pile driving will again commence and complete in July month.
- Second LNG tank Installation Project
 - On April 29, 2013, United Industries delivered the second LNG tank to the site.
 - On April 29, 2013, GP Strategies installed the second LNG tank on the Service & Fueling Building.

III. DISCUSSION

Judy K. Souza Operations Building

On April 16, 2013, Lewis C. Nelson & Sons commenced the indicator pile driving. The indicator piles provided data for verification on the rest of the piles to be driven in early July and estimated to last three weeks. Notifications will be sent out to neighbors to inform them of the pile driving procedure and duration.

Second LNG tank Installation Project

On April 29, 2013, United Industries delivered the second LNG tank to the site. On April 29, 2013, GP Strategies installed the second LNG tank on the Service & Fueling Building. GP Strategies is working on the PLC controller & programming in order to connect the second LNG tank and variable speed fan to the existing system without any disruption to fueling Santa Cruz METRO fleet. Installation estimated to be approximately two months.

Previous project status:

- Judy K. Souza Operations Building
 - On March 2, 2013, Operations Building staff relocated from 1200 River Street to 165 Du Bois Street.
 - On March 4, 2013, Lewis C. Nelson & Sons commenced site work at 1200 River Street.
 - On March 22, 2013, the Board of Director authorized the General Manager to be the authorizing officer to implement changes according to the California Public Contract Code for the Judy K. Souza Operations Building.
 - On March 22, 2013, the Board of Director authorized the General Manager to execute a contract amendment with Lewis C. Nelson & Sons, Inc. to incorporate administrative change order process.

- Second LNG tank Installation Project
 - On April 12, 2013, the METRO staff is presenting the Board of Directors a contract amendment with GP Strategies Corporation to provide a Programmable Logic Controller and additional scope to mobilize LNG tank installation for the Fuel & Service Building.
 - On April 12, 2013, the METRO staff is presenting the Board of Directors a contract amendment with Raymundo Engineering to provide architect and engineering services for the second LNG tank and equipment installation in an amount not to exceed \$10,000.00.

IV. FINANCIAL CONSIDERATIONS

Funds for the Judy K. Souza Operations Building component and the Second LNG tank Installation component of the MetroBase Project are available with the funds METRO has secured for the Project.

V. ATTACHMENTS

Attachment A: None

Prepared By: Frank L. Cheng, Project Manager & I.T. Manage

GOVERNMENT TORT CLAIM

RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Wood, Sarah
Date of Incident: 2/24/13

Received: 5/8/13 Claim #: 13-0006
Occurrence Report No.: SC 02-13-19

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late claim.
- 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$_____ and reject the balance.

By  _____
Leslyn Syren
DISTRICT COUNSEL

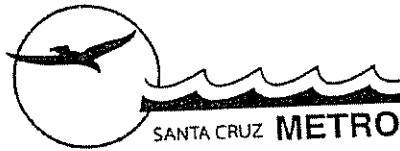
Date: 6/6/13

I, Anthony Tapiz, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of June 14, 2013.

By _____
Anthony Tapiz
RECORDING SECRETARY

Date: _____

LS/lg
Attachment(s)



Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060

CLAIM FOR DAMAGES

(Pursuant to Section 910 et Seq., Government Code)

Claim # 13-00076
(To be completed by METRO staff)

Please Print or Type:

The name and post office address of the claimant:

Claimant's Legal First Name: Sarah

Claimant's Legal Last Name: Wood

Address to which notices are to be sent: _____

Telephone (Home): _____

Telephone (Business/Cell): _____

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), a new federal law that became effective January 1, 2009, requires that the Santa Cruz Metropolitan Transit District report specific information about Medicare beneficiaries who have other insurance coverage. This reporting is to assist Centers for Medicare and Medicaid Services and other insurance plans to properly coordinate payment of benefits among plans so that (your) claims are paid promptly and correctly. We are asking you to answer the following questions so that we may comply with this law.

Are you presently, or have you ever been, enrolled in Medicare Part A or B? Yes or No

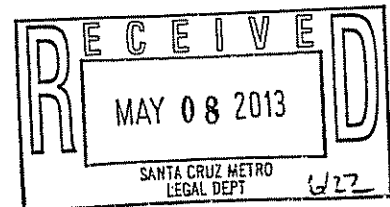
IF YES, please provide the following information:

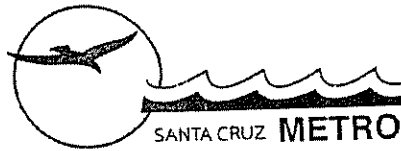
Medicare Claim Number: _____

Date of Birth: _____

Social Security Number: _____

Gender: M or F





Claimant Name: Sarah F. Wood

CLAIM FOR DAMAGES

The date, place and other circumstances of the occurrence or transaction that gave rise to the claim asserted:

Date of Incident/Accident: Feb. 24, 2013

Time of Incident/Accident: 1 pm AM PM

Location of Incident/Accident

Street/City: McLaughlin Dr., Santa Cruz

A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the at the time of presentation of the claim. Please state the known facts surrounding the loss and use additional paper if needed.

I was on the 16 Metro bus on Feb. 24, 2013 around 1 pm when a white commuter car stopped suddenly for no apparent reason in the middle of McLaughlin Drive in between the Science Hill and Kresge stops. Our bus driver ~~slammed~~ slammed on the brakes and I fell out of my seat during the sharp stop, hitting my face on the right side after being wrenched to the left and then right in my seat from the momentum. I had swelling and bruising near my right brow bone, a concussion, scar tissue in my neck from the sharp wrench, and a misaligned spine due to muscle spasms from the same wrenching.



Claimant Name: Sarah F. Wood

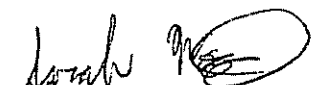
CLAIM FOR DAMAGES

The name or names of the METRO employee or employees causing the injury, damage, or loss, if known:

The metro bus driver at the time of the incident. I do not know her name or the bus number, but I filled out a report at the scene after the accident that had all of that information and turned it in to the driver.

If the claim totals less than \$10,000, the amount claimed as of the date of the presentation of the claim: \$ 787.06

If the amount exceeds \$10,000.00, this claim would be: Less than \$25,000 (Limited Civil Case) More than \$25,000

Claimant: 
Signature/Print Name

Date: April 26, 2013

Attorney or Representative: _____
Signature/Print Name

Date: _____

GOVERNMENT TORT CLAIM

RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Barraza, Rebecca
Date of Incident: 3/26/13

Received: 6/7/2013 Claim #: 13-0009
Occurrence Report No.: MISC 13-04

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late claim.
- 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$_____ and reject the balance.

By 
Leslyn Syren
DISTRICT COUNSEL

Date: 6/7/13

I, Anthony Tapiz, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of June 14, 2013.

By _____
Anthony Tapiz
RECORDING SECRETARY

Date: _____

LS/Ig
Attachment(s)



SANTA CRUZ METRO

RECEIVED

2013 JUN 7 AM 8 47

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060

SANTA CRUZ METRO
ADMIN DEPARTMENT

CLAIM FOR DAMAGES

(Pursuant to Section 910 et Seq., Government Code)

Claim # _____
(To be completed by METRO staff)

Please Print or Type:

The name and post office address of the claimant:

Claimant's Legal First Name: Rebecca

Claimant's Legal Last Name: BARRAZA

Address to which notices are to be sent: _____

Telephone (Home): Confidential

Telephone (Business/Cell): V.M.#

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), a new federal law that became effective January 1, 2009, requires that the Santa Cruz Metropolitan Transit District report specific information about Medicare beneficiaries who have other insurance coverage. This reporting is to assist Centers for Medicare and Medicaid Services and other insurance plans to properly coordinate payment of benefits among plans so that (your) claims are paid promptly and correctly. We are asking you to answer the following questions so that we may comply with this law.

Are you presently, or have you ever been, enrolled in Medicare Part A or B? _____

IF YES, please provide the following information:

Medicare Claim Number: _____

Date of Birth: _____

Social Security Number: _____



Claimant Name: Rebecca Baraza

CLAIM FOR DAMAGES

The date, place and other circumstances of the occurrence or transaction that gave rise to the claim asserted:

Date of Incident/Accident: March 26, 2013

Time of Incident/Accident: 11:25 AM AM PM

Location of Incident/Accident

Street/City: Dominican Hospital, Soquel Drive, Santa Cruz
CA.

A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the at the time of presentation of the claim. Please state the known facts surrounding the loss and use additional paper if needed.

please see attached complaint. Injury:
Infliction of Emotional Distress,
Negligence, Violation of First Amendment
Right to Free Speech, Willful Disregard
for Passenger's Safety.
Loss: Time missed from Cabrillo College
classes and Lab hours missed from
Cabrillo College library in March + April, 2013.



Claimant Name: Rebecca Barraza

CLAIM FOR DAMAGES

The name or names of the METRO employee or employees causing the injury, damage, or loss, if known:

BUS OPERATOR # 552 on bus # 9830
and
91X BUS OPERATOR driving bus on 3/26/13 @
11:43 am

If the claim totals less than \$10,000, the amount

claimed as of the date of the presentation of the claim: \$ 10,000

If the amount exceeds \$10,000.00, this claim would be:

Less than \$25,000
(Limited Civil Case)

More than
\$25,000

Claimant:

Rebecca Barraza
Rebecca Barraza Date: May 16, 2013
Signature/Print Name

Attorney or
Representative:

In Pro Per

Rebecca Barraza Date: May 16, 2013
Signature/Print Name

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
PERSONAL INJURY INCIDENT
TUESDAY MARCH 26, 2013
TIME 11:40 AM TIL 12:15 PM

The morning of Tuesday March 26, 2013, I left my home at approximately 11:20 AM. I walked down the street to the Dominican Hospital bus stop where I could catch the 91X Santa Cruz Metro bus. I arrived at approximately 11:30 AM and sat down on the bus stop bench in front of the Dominican Hospital.

I took the latest bus schedule out of my purse that is dated March 14th, 2013 through June 5th, 2013 and checked the arrival time of bus 91X. It's arrival was scheduled for 11:43 AM. The 71 bus was going to arrive at the bus stop at 11:34 AM. A few minutes went by and bus number 71 had not shown up and was now 7 minutes late. I looked at the time on my cell phone and it was now approaching 11:42 AM. The bus number 71 was now eight minutes late to the Dominican Hospital bus stop. I looked at my watch and it was 11:43 AM and bus number 71 was now 9 minutes late in its arrival to the D.H. bus stop. I kept checking the time because I didn't want to miss catching the 91X.

Then all of a sudden, I saw two buses coming toward us instead of one bus which should have been the 91X bus at 11:43 AM. It was now 11:43 AM and bus 71 was about ten minutes late. Two not one bus was approaching me but, two buses were now arriving. I stood up before the buses arrived and got ready to signal bus number 91X in order to meet its arrival. But as I stood at the bus stop bus number 71 arrived first (because it was late), and bus number 91X which was right behind bus 71 suddenly got into the LEFT LANE and drove around bus 71 without stopping to pick me up as I ran after the bus and, was flagging him down. As I stood there at the back of bus number 71 and was waving it down bus 91X just drove by me without

picking me up. Bus number 91X should have stayed in the right lane behind bus number 71, but he did not do that and it drove right by me.

At this point in time I started to yell at bus number 91X to stop and pick me up but, it sped right by me because it was now in the LEFT lane instead of the RIGHT lane. I panicked and kept waving my arms and yelling at bus number 91X to stop but it never stopped and kept on going. I felt humiliated at this point.

I was in a hurry to get downtown because I had to be at Cabrillo College later that afternoon to do some lab work for my Counseling and Guidance 205 class. By this time I missed bus number 91X which just passed me by and thought nothing of picking me up and that showed no respect for the person waiting for its arrival. I got a good look at the bus operator and he was about 6 feet tall, white and gray hair, he was Caucasian, and he was about 55-65 years old. He had an obligation and duty to stop at the Dominican Hospital bus stop to pick passengers up. He showed disrespect for the public as it was his responsibility and he was negligent in his duty as a bus operator. I really felt insulted by his actions. This made me upset and humiliated.

So, I had no choice but to board bus number 71 and took this bus to the Santa Cruz Metro bus station in downtown Santa Cruz. I boarded the bus and reminded the bus driver he was ten minutes late and that I wanted to catch bus number 91X instead of his bus. I asked the driver to call bus number 91X and ask him why he didn't stop to pick me up. He said something like, "It's gone now." I told him I wanted to take the 91X to get downtown faster. I told him I missed the 91X bus because his bus was late!

He didn't like hearing the "truth" and gave me a hard time when I am a disabled passenger and covered under the "Americans with Disabilities Act." How dare he argue with a

disabled passenger that didn't do anything wrong but, rather he was the one that was late in the arrival at the Dominican Hospital bus stop and, because he was late this made me miss the 91X Express bus.

Bus operator number 552 told me he could not call the other bus I had just missed and for me to wait until we got to the Metro bus station downtown if I wanted to file a complaint. What good does a complaint do when they do absolutely nothing about the complaints? I told bus operator #552 that I would go downtown to file the complaint.

As I was speaking with bus operator number 552 on bus number 9830, at around 11:48 AM, some drunk and or bum was sitting in the front row seat where the disabled seating is and he blurted out some words and I turned and told him that I was speaking with the bus driver and that it was none of his business and that he should not get into my business with the bus driver and to please stay out of my business.

I made the statement to him in an assertive and firm way but never was I rude or insulting to this passenger. I think he mumbled something and I turned and told him that my business was not his business. I wasn't even speaking to him. I was speaking with the bus driver and I was not talking to this alcoholic passenger. I believe he was drunk and or had a hangover. I was not talking to anyone on the bus except bus operator number 552. It is not the public's business when I am talking to the bus operator especially, when it does not concern them.

That's what is wrong with society and the public these days. They just can't keep their noses out of anyone's business and they think they have a RIGHT to get into my business when I am speaking with the bus operator. I don't think he had a right to interfere with my conversation with the bus driver. Let me stop here and make a point. If a police officer is on the street

making a stop and the public is nearby do you think the public will interfere with the police officer's duty or conversation with a criminal or someone they are talking to at the moment in time? No they would not. Because that person knows they can get into trouble if they interfere with a police officer's duty and or conversation they are having with someone they stopped.

Well, it's the same principle here in this matter even though I am not a police officer. The public would not dare to interfere with the police if they are having a conversation with someone they stop. Right? No way would they do this. Like I said it's the same principle here in this matter. I wasn't speaking with the public. I was speaking solely with the bus operator.

The foolish and ignorant passenger's on the bus think that my business with the bus driver is their business. After this another foolish man in the back row seats started cussing and swearing at me by the time we got to Jeffrey's Restaurant on Soquel Drive around 11:49 AM. I was being harassed and verbally abused by the two men and I immediately told the bus driver that I wanted him to call the police and or expel this man from his bus to have this ignorant and verbally violent abusive man apprehended.

The bus driver was running late and therefore he did not call the police and he thought his job was more important than my life. The verbally violent man could have pulled out a gun and shot me and other people on the bus if he became violent and was carrying a concealed weapon of some sort. Thank God nothing like this happened even though he was violently abusive with his language and mouth.

The verbally abusive man got off the bus near Hageman Street in Santa Cruz but before he got off the bus several blocks back the bus driver stopped the bus and told the other people to stop talking. Then he looked at me and told me NOT to say another word. This violated my "First Amendment Right" to free speech even though I had not done anything wrong.

The bus operator is a government employee. Not me. I am not a bus operator but rather he is an employee of the Santa Cruz Metropolitan Transit District. Therefore, he works as an employee of the government and this makes him liable for violating my "First Amendment Right" to free speech under constitutional law. It was the bus operators that had number one been late and, number two didn't stop at the designated time and bus stop to pick up their passenger. The two bus drivers were in the wrong for the aforementioned duties that they had a responsibility to do. They were both negligent when they failed to do their duties as bus operators for the county.

Bus operator number 552 did not call the police when I requested him to do so because he was running late. He ignored my request because his bus was running late. He put his job and time ahead of my safety first. While the man kept on screaming and yelling obscenities to me while I was standing up front near the bus operator and as I walked to sit down and take a seat. That verbally violent man could have turned into a physically violent man and pulled out a knife or gun and started shooting at all of us passengers on this bus or attacking any one of us. I was not verbally abusive but rather I was assertive and firm.

Furthermore, bus operator number 552 violated my first amendment right to "free speech" when he told me that I could not talk and or speak anymore when I was not a distraction to him performing his job duties but, rather it was the public passengers on the bus that were distracting to him because of all the stupid and ignorant behavior "they" displayed. He had to stop his bus to discipline them. The public passengers acted just like clowns in a circus.

The verbally assaulting man got off the bus at approximately 11:50 AM. Bus number 9830 continued on his way downtown and it was a big relief that the verbally abusive man got off the bus. We continued on our way to the Santa Cruz Metro bus station where I filed a verbal

complaint with one of the supervisors for the transit district. I did not get his name but his employee ID number is S-28.

Upon arriving at the Metro bus station downtown I was approached by supervisor S-28 while I was still on the bus. I could not get off the bus until I made the complaint and told him what had happened. I told him that bus operator for the 91X bus did not stop at the Dominican Hospital to pick me up but rather he kept on driving. Then he got into his left lane and I don't even know why he did that instead of stopping to see if there were any passengers at the DH bus stop. I told the supervisor bus operator number 552 arrived ten minutes late and because he was late he made me miss bus number 91X. I told him what I stated above in this complaint.

After explaining the initial details, I reminded the supervisor that it was none of the public's business what I was discussing with the bus operator. The passengers on the bus decided that my business was part of their business which was ludicrous and ridiculous. He agreed with me when I asked him if this was so. I asked him, "If I am talking to the bus driver is it anyone else's business?" He looked at me and replied, "No." I replied, "Your right! It's not the passengers business, my conversation with the bus driver." He nodded and agreed again.

Then I reminded him that bus operator number 552 did not protect me nor did he call the police as I instructed him to do because that man was verbally cussing at me and calling me names which I did not deserve. I asked the bus driver if they have a policy when someone acts stupid or violent on the bus toward another passenger. I asked him, "What is your policy when someone gets violent or swears at another passenger?" He told me that the bus driver has a responsibility to tell that person to get off the bus because of his or her behavior. I told him that I requested for the bus driver to tell that man to get off his bus. The supervisor knew that I was highly upset and felt like a victim in this matter when I had done nothing wrong. As a matter-of-

fact, he agreed with me that the public and or passengers had no right or business interfering with my conversation I had with bus operator #552.

Upon arriving home at approximately 4:30 PM, I realized I hadn't gone to Cabrillo College as planned to do my work in the lab. I was too upset emotionally and started to cry. I made a telephone call to my personal injury attorney Mr. Christopher Landis and spoke with his secretary. Then I called my therapist and left him a message. Next, I called a friend of mine because I was so upset and left a message on his answering machine as I was talking loud and yelling.

My therapist called me back on Wednesday March 27, 2013, in the morning and we spoke for about 20 minutes. I told him that I could not ride the buses anymore because I was afraid and traumatized to take the bus. I told him, "I'm not getting on the SCMTD buses." I told him I did not know how long this would last but that I am not going to ride the buses. I am too upset and traumatized. I told him that I am not riding the bus because I'm tired of getting upset when they are late. I told him that I was not going to ride the bus because I'm afraid of the passengers that ride the bus system because they are alcoholics and drug addicts. I told him that I feared for my life. He gave me some feedback and agreed with me and told me if I didn't feel safe that it was alright for me to stay off the buses for now. We wrapped up our conversation and hung up.

Today is Thursday March 28th, 2013, and my morning has not been productive because I'm not riding nor getting on the buses to attend college. I'd much rather walk than have my life put in jeopardy. I'm not going to allow myself to be put in danger when I know that the ignorant and violent public is dangerous. I called my personal injury attorney Christopher Landis once again and left a message with his answering service and told them I cannot take the bus today to

my Cabrillo College classes. I told the man that took this message that I didn't feel safe.

I missed classes on March 26th, 27th, 28th, and the 29th. I cannot take the buses to do my work because I don't feel safe. I'm afraid to take the buses. Until I feel safe and secure I will not ride the bus. And, they make me upset when they are late. To prove my exact point let me give you an example.

On Monday March 11th, 2013, I left my night class at Cabrillo College and walked to the bus stop to catch the 71 bus line. As I waited and waited for bus number 71, it NEVER showed up at 8:36 PM, and it NEVER showed up at 9:06 PM which were the designated pick-up times according to the schedule booklet dated December 6, 2012 through March 13, 2013. By the time bus number 71 showed up, it was 9:30 PM approximately. There had to be at least 20 students there that night that were waiting for the buses to arrive and of course as usual they were LATE. At least 75% of the students were pissed off that night of March 11th, 2013.

The next day I called the SCMTD which was Tuesday March 12th, 2013, and left a telephone message complaint with Les the General Manager. I left the general manager a message that said I would follow up with a written statement to his office. I guess you could say this is part of that written complaint I was going to hand deliver in the early part of March 2013. Some of the students said they were going to call and file a complaint the next day. I know of one female student that did do this as I saw her later and she told me she called the complaint in. I'm filing this lawsuit also on behalf of the students from Cabrillo Community College that were frustrated with the Santa Cruz Metropolitan Transit District buses that night. It is the principle of the matter.

Today is Friday March 29th, 2013, and I called my personal injury lawyer and left him another message. I left a message letting him know the same thing I've been saying all week

from Tuesday March 26, 2013, through Friday March 29th, 2013, that is, I cannot take the bus in fear of my life. I told the man at the answering service that I'm not taking the bus today because I fear for my life and am too afraid to ride the buses. I highly regard my life and it is precious.

I had made plans to attend church for Passover Services on Friday March 29th, 2013. I telephoned a brother from the church by the name of Alistair and told him to pick me up at around 6 PM. I tried taking a nap between 3:00 PM and 4:00 PM but could not sleep because of agitation and worry. Then I felt very depressed and started to get this overall feeling of sickness inside of me. I jumped out of bed, got dressed and walked to the Dominican Hospital Behavioral Unit. I arrived at approximately 4:55 PM. Then I waited to talk with a R.N. at around 5:20 PM. A nurse by the name of "Joel" came out and interviewed me.

We sat in the lobby and I told Joel that I might go into the crisis center because I was feeling very depressed and had this over all feeling of sickness. He continued to interview me and we sat there and talked for about half an hour. I told him what happened to me on Tuesday March 26th, 2013, at the bus stop in front of the Dominican Hospital. He sat there and just listened to me. As I relayed the story to nurse Joel, my voice got louder and louder and he knew I was highly agitated and upset. He told me to calm down several times during our interview. I also told him that I missed my college classes the rest of the week from Tuesday March 26, 2013, through Friday March 29th, because I was afraid to take the metro buses.

I told him about the man that was cussing and swearing at me on the bus and told him the bus driver didn't even ask the man to get off the bus or call the police. He agreed with me that the experience must have been traumatizing. I told him that I might file a lawsuit against the SCMTD. I also told him that it was not a good feeling to have to sue this agency but that I felt like my rights were violated under State and Federal ADA laws.

I told Joel, "I just needed to talk to someone because I was feeling very depressed about what happened to me on the bus. He wrote down his name and phone number to the unit and told me to call if I needed to talk with someone again. We ended our conversation and told him I would call if I needed to talk with someone again. He told me to take care and then I left. As for church, I never went to the Passover Services because I was at the hospital in a crisis. As the days continue to pass by I feel depressed.

Today, I don't feel safe. I don't want to ride the bus anymore. I don't trust the public. I don't even trust the bus operators anymore to make me feel safe. I'm getting more and more depressed as I miss my classes and lab work at Cabrillo College. On Monday April 8th, 2013, I went to see my therapist. I met my therapist at 2:10 PM and discussed the Santa Cruz Metro bus incident. I told my therapist that I was humiliated, traumatized, and afraid to take the buses after this unfortunate bus incident. I did not ride the bus from 3/27/13 through approximately 4/8/13.

Therefore, for the above mentioned facts in this case I am filing this lawsuit against the Santa Cruz Metropolitan Transit District and its employee's to prohibit this kind of behavior from happening to another disabled woman. I'm suing for Infliction of Emotional Distress, Negligence, in violation of my First Amendment Right to Free Speech, and a Willful Disregard to protect the public as a county and or city employee while operating the bus.

Respectfully submitted,

Rebecca Barraza
March 29, 2013

c//

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013

TO: Board of Directors

FROM: Leslyn K. Syren, District Counsel

SUBJECT: CONSIDER AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE AGREEMENT WITH MOHAMED ALSAIDI DBA SANTA CRUZ COFFEE SHOP FOR A KIOSK SPACE AT PACIFIC STATION

I. RECOMMENDED ACTION

Authorize the General Manager to execute a Lease Agreement with Mohamed Alsaidi, dba SANTA CRUZ COFFEE SHOP for a kiosk space at Pacific Station.

II. SUMMARY OF ISSUES

- Bronson Baker leased kiosk space for his business BREW BAR at Pacific Station since the year 2000.
- Brew Bar terminated its lease and moved out of the premises on May 31, 2013.
- Mohamed Alsaidi has been leasing the inside terminal space for his business, Metro Market since the end of 2008, taking over a Lease Assignment from the prior owners and tenants at that time.
- Mr. Alsaidi has presented a proposal to lease the outside kiosk for a new business, SANTA CRUZ COFFEE SHOP, which would be very similar to the coffee-to-go retail business that was operated by BREW BAR.
- It is recommended at this time to authorize the General Manager to execute a new Lease Agreement with Mr. Alsaidi for this new business and to commence the lease period once the kiosk is ready for occupancy.

III. DISCUSSION

Bronson Baker, dba BREW BAR, leased a kiosk at Pacific Station (formerly the Santa Cruz Metro Center) prior to August of 2000. Mr. Baker terminated his lease at the end of May, 2013. The space was advertised on Santa Cruz METRO's website during the months of April and May and two proposals were provided in response. Staff recommends acceptance of one of the proposals.

Mohamed Alsaidi has been an excellent tenant since he took over the Lease for the Metro Market on a Lease Assignment at the end of 2008. Mr. Alsaidi expressed an interest in the kiosk space and submitted a proposal to open "SANTA CRUZ COFFEE SHOP" at Pacific Station.

Mr. Alsaïdi is proposing to offer coffee, tea, (including organic fair trade), espresso, iced beverages, pastries, freshly prepared daily fruit cups (including organic fruits), natural organic healthy smoothies, healthy breakfast items such as oatmeal and other general coffee merchandise items.

The Lease Agreement proposes one initial five-year term with an option to extend the Lease for an additional five years with the agreement of both landlord and tenant. The space is less than 300 square feet and the utilities are approximately \$435.00/month for electricity, water and garbage.

The rent schedule for the first five (5) year term has been proposed:

\$700.00	-	Year 1
\$750.00	-	Year 2
\$800.00	-	Year 3
\$850.00	-	Year 4
\$900.00	-	Year 5

IV. FINANCIAL CONSIDERATIONS

If the Lease is authorized, the annual rent will be as follows for the first five-year term:

First year:	\$8,400.00
Second year:	\$9,000.00
Third year:	\$9,600.00
Fourth year:	\$10,200.00
Fifth year:	\$10,800.00

V. ATTACHMENTS

Attachment A: Draft Lease Agreement

ATTACHMENT A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

THIS LEASE is made on _____, 2013, between the **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, a political subdivision of the State of California ("Landlord"), whose address is 110 Vernon Street, Santa Cruz, California, 95060, and, **Mohamed Alsaidi, dba Santa Cruz Coffee Shop** ("Tenant"), whose address is 202 Buena Vista Drive, Freedom, California 95019, who agree as follows:

RECITALS

This lease is made with reference to the following facts and objectives:

1. Landlord is the owner of certain real property commonly known as the Pacific Station, (hereinafter "Center") at 920 Pacific Avenue, Santa Cruz, California. Said real property includes, without limitation, "Premises" which consists generally of approximately 290 square feet of space located at Booth #1 of the island concession area in the building commonly known as Pacific Station, located in Santa Cruz, California
2. Tenant is willing to lease the Premises from Landlord pursuant to the provisions stated in this lease.
3. Tenant wishes to lease the Premises for the purposes of operating, generally a coffee-to-go retail outlet.
4. Tenant has examined the Premises and is fully informed of their condition.

ARTICLE 1: PREMISES

1.1 General

Landlord leases to Tenant and Tenant leases from Landlord the real property located in the City of Santa Cruz, County of Santa Cruz, State of California, identified as the "Premises" above, outlined in yellow in Exhibit A at the Center at 920 Pacific Ave., Santa Cruz, Ca 95060

1.2 Airspace Rights

This lease confers no rights either with regard to the subsurface of the land in which the Premises are located or with regard to airspace above the ceiling in which the Premises are located

ARTICLE 2: TERM

2.1 Fixed Term

The term shall commence on _____, 2013 and shall expire at 12:01 a.m. on _____, 2018, unless sooner terminated in accordance with the provisions herein.

2.2 Inability to Deliver Possession

Landlord has delivered possession of the premises to Tenant and Tenant by his acceptance of the premises warrants that the premises are in good condition and meet Tenant's business needs.

2.3 Option to Extend Term

Tenant shall have one (1) option to extend the term of its lease for an additional five (5) year period under the same terms and conditions specified herein provided Landlord receives written notification from Tenant exercising said option not later than ninety (90) days prior to the expiration of the initial five (5) year term. Tenant shall have no other right to extend the term beyond the option to extend the term as described herein.

ATTACHMENT A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

2.4 Tenant's Notice and Default

- a. If Tenant fails to give Landlord an option notice, Tenant's rights under this Article 2 shall be deemed waived, and Landlord shall be free (without any further obligation to Tenant) to lease premises to anyone upon the same or any other terms and conditions and without any further obligation to Tenant, whether or not the terms and conditions of such lease are more or less favorable than those offered to Tenant.
- b. Tenant's extended term option shall be suspended during any period in which Tenant is in default under any provision of this Lease until said default has been cured. If Tenant fails to exercise its extension option in any instance when such rights may arise, Tenant's rights to the extension shall thereafter be deemed null and void and of no further force or effect. The period of time within which the extension option may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise such rights because of the foregoing provisions. All rights of Tenant to the extension option shall terminate and be of no further force or effect even after Tenant's due and timely exercise thereof, if, after such exercise, but prior to the commencement date of the term of the extension option: (1) Tenant fails to pay to Landlord a monetary obligation of Tenant for a period of thirty (30) days after such obligation becomes due (without any necessity of Landlord to give notice thereof to Tenant); (2) Tenant fails to cure a material non-monetary default within thirty (30) days after Landlord gives written notice to Tenant of such default; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, the Tenant shall not be in default if it begins such cure within the thirty (30) day period described above and, thereafter, diligently prosecutes such cure to completion; or (3) Landlord gives to Tenant three (3) or more notices of default (and Tenant was in fact in default in such instances), whether or not such defaults are ultimately cured. Landlord's waiver of its right to terminate this Lease due to Tenant's default in any instance shall not be deemed a waiver of the foregoing conditions precedent and conditions subsequent to the exercise of the extension option.

2.5 Extension Option Not Separately Assignable

The extension options shall not be assignable separate and apart from this lease.

ARTICLE 3: RENT

3.1 Minimum Monthly Rent

Tenant shall pay to Landlord as minimum monthly rent, without deduction, setoff, prior notice, or demand, the sum of seven hundred dollars (\$700.00), per month in advance on the first day of each month commencing on _____, 2013. Minimum monthly rent for the first month or portion thereof shall be paid on the day that Tenant's obligation to pay minimum monthly rent commences. Minimum monthly rent for any partial month shall be prorated at the rate of 1/30th of the minimum monthly rent per day.

3.2 Annual Rent Adjustment

The minimum monthly rent provided for in Section 3.1 shall be subject to adjustment at the commencement of the second year of the term and each year thereafter (the "adjustment date"), as follows:

- a. On _____, 2014, rent shall be increased to \$750.00.
- b. On _____, 2015, rent shall be increased to \$800.00.
- c. On _____, 2016, rent shall be increased to \$850.00.
- d. On _____, 2017, rent shall be increased to \$900.00.

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3.3 Refund of Prepaid and Unearned Minimum Monthly Rent

If this lease terminates before the expiration date for reasons other than the Tenant's default, minimum monthly rent shall be prorated to the date of termination, and Landlord shall immediately repay to Tenant all minimum monthly rent then prepaid and unearned.

3.4 Due Dates and Delinquent Dates for Rent Payments

- a. Amounts due Landlord for minimum monthly rent (Section 3.1) late rent charges (Section 3.5), "increase in insurance due to use" (Section 5.2.1), "fire and other perils insurance" (Section 10.3), and other rent for which specific payment dates or periods are identified in this lease, are due and payable, without deduction, setoff, prior notice or demand, on the dates indicated herein, and are delinquent on the second business day thereafter. All rent payments for which no specific due dates are specified in this lease, including, without limitation, security deposit (Article 4), maintenance (Article 6), Utilities and Services (Article 9) and insurance (Article 10), are due and payable upon receipt of Landlord's invoice, and are delinquent eight (8) calendar days thereafter, if served personally, or ten (10) calendar days after the date of postmark, if sent by prepaid, first-class mail.
- b. A "business day" for purposes of this Article is any day on which the administrative office of the Santa Cruz Metropolitan Transit District is open for regular business.

3.5 Late Rent Charges

Rent not paid when due shall bear interest from the first day after it is due until paid at the rate of 10 per cent per annum. Tenant acknowledges that late payment by Tenant to Landlord of any rent shall cause Landlord to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges. Therefore, if any amount of rent due from Tenant is not received by Landlord when due, for any cause, Tenant shall pay to Landlord an additional sum of ten percent (10%) of the overdue rent as a late charge, in addition to the interest charge specified above. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the rights and remedies available to Landlord.

3.6 Taxes Paid by Tenant; Additional Rent

- a. Tenant agrees to pay before delinquency all taxes, assessments, license fees, and other charges which at any time may be levied by the State of California, County of Santa Cruz, City of Santa Cruz (including, without limitation any promotional tax due), or any other tax or assessment, levied upon any interest in this lease or any possessory right which Tenant may have in or to be the Premises covered hereby or to the improvements thereon by reason of its ownership, use, or occupancy thereof or otherwise, as well as all taxes, assessments, fees, and charges on commodities, goods, merchandise, foods, beverages, fixtures, appliances, equipment and property owned by it in, on, or about said Premises. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments. Amounts paid through Landlord for any aforementioned expense (including, without limitation, promotional tax) shall be considered additional rent for purposes of this lease.
- b. If this Lease expires prior to the determination of the amount of such taxes and assessments for the last year in which the Lease expiration occurs, Tenant shall nevertheless promptly pay such percentage following notice from Landlord appropriately prorated for the portion of the Lease term that falls within such last year.
- c. This lease may create a possessory interest subject to property taxation. Tenant is hereby notified that the lease may be subject to property taxes. (See California Revenue and Tax Code §107.7.)

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3.7 Payment for Permits

Tenant shall be solely responsible to obtain and pay for use permits, necessary design review permits and building permits for any approved Tenant improvements.

3.8 Negation of Partnership

Landlord shall not become or be deemed a partner or a joint-venturer with Tenant by reason of the provisions of this lease.

3.9 Payment of Rent

All rent shall be paid in United States currency and shall be paid to Landlord at the address below.

Santa Cruz Metropolitan Transit District
ATTN.: Finance Department
110 Vernon Street
Santa Cruz, CA 95060

ARTICLE 4: SECURITY DEPOSIT

Tenant has deposited with Landlord One thousand eight hundred dollars (**\$1,800.00**), as a security deposit for the performance by Tenant of the provisions of this lease upon execution of this lease. If Tenant is in default, Landlord can use the security deposit, or any portion of it, to cure the default or to compensate Landlord for all damages sustained by Landlord resulting from Tenant's default including reasonable attorney's fees. Tenant shall within 10 days of demand pay to Landlord a sum equal to the portion of the security deposit expended or applied by Landlord as provided in this Article so as to maintain the security deposit in the sum initially deposited with Landlord. Tenant's failure to do so shall be a material default under this Lease. If Tenant is not in default at the expiration or termination of this lease, Landlord shall return the security deposit to Tenant within thirty (30) days. Landlord's obligations with respect to the security deposit are those of a debtor and not a trustee. Landlord can maintain the security deposit separate and apart from Landlord's general funds or can commingle the security deposit with Landlord's general funds. Landlord shall not be required to pay Tenant interest on the security deposit.

ARTICLE 5: USE; LIMITATIONS ON USE

5.1 Use

- a. Tenant shall use premises for a coffee-to-go retail outlet as more particularly set forth herein, and for no other use without Landlord's written consent. Said use (including, without limitation, limitations on use) is further described in Exhibit B attached hereto and made a part hereof.
- b. No other business shall be conducted on the Premises by Tenant except upon the prior written consent of the Landlord. Landlord shall not be a guarantor or otherwise liable to Tenant for Landlord's exercise of discretion in allowing any type of business to lease space at the Center or in consenting to a change of any other Tenant's business use located at the Center. Landlord shall not be a guarantor of Tenant's business or of insuring that individuals who ride landlord's buses shop or utilize tenant's business.
- c. Tenant shall continuously use the Premises for the uses specified in this lease and shall continuously merchandise the Premises, during the hours specified in Exhibit B. If the Premises are destroyed or partially condemned and this lease remains in full force and effect, Tenant shall continue operation of its business at the Premises to the extent reasonably practicable from the standpoint of good business judgment during any period of reconstruction. Tenant shall not use any space in the Premises for office, clerical, and other non-service or non-selling purposes.

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- d. Tenant specifically agrees that the premises are not to be used for any interior or exterior storage of toxic or hazardous chemicals or materials other than those associated with Tenant's business subject to Landlord's approval. The business conducted by the Tenant on the Premises shall be of a character and nature that will not be detrimental to the value of the Premises. No use shall be made or permitted to be made of the Premises, nor acts done in or about the Premises, which will in any way conflict with any law, ordinance, rule or regulation affecting the occupancy or use of the Premises, which are or may hereafter be enacted or promulgated by any public authority, or which will increase the existing rate of insurance upon the building or cause a cancellation of any insurance policy covering the building or any part thereof. Nor shall Tenant permit to be kept, or use in or about the Premises, any article which may be prohibited by the standard form of fire insurance policy maintained by Landlord. Tenant shall not commit, or suffer to be committed, any waste upon the Premises, or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant(s) in the Metro Center, nor, without limiting the generality of the foregoing, shall Tenant allow said Premises to be used for an improper, immoral, unlawful, or unethical purpose.

5.2 Limitations on Use

Tenant's use of the Premises as provided in this lease shall be in accordance with the following:

5.2.1 Cancellation of Insurance; Increase in Insurance Rates

- a. Tenant shall not do, bring, or keep anything in or about the Premises that will cause a cancellation of any insurance or an increase in the rate of any insurance covering the Premises.
- b. If the rate of any insurance (including, without limitation, any fire, casualty, liability, or other insurance policy insuring Landlord, Landlord's property, and Tenant at the Center, or any of Tenants' property) carried by Landlord is increased as a result of Tenant's changed use, Tenant shall pay to Landlord a sum equal to the difference between the original premium and the increased premium. Said payment shall be made within ten (10) days before the date Landlord is obligated to pay premium on the insurance, or within ten (10) days after Landlord delivers to Tenant a certified statement from Landlord's insurance carrier stating that the rate increase was caused solely by a changed activity of Tenant on the Premises as permitted in this lease, whichever date is later.
- c. Tenant shall comply at its expense, to the requirements of applicable fire control agencies having jurisdiction over the Premises, including, without limitation, any restrictions on occupancy and the provision of fire extinguishers. Tenant's obligation under this section shall include at Tenant's cost the obtaining and maintaining of any business license, use permits, design review permits for signs, and the building permits for any tenant improvements, or any other federal, state or local government requirement.
- d. Except that Tenant shall not be obligated to comply with any law that requires alterations, maintenance, or restoration to the Premises unless the alterations, maintenance, or restoration are required as a result of Tenant's particular and specific use of the Premises at the time or as a result of Tenant's own construction on the Premises or is include in another section of this lease as an obligation of Tenant. Landlord shall make any alterations, maintenance, or restoration to the Premises required by such laws that Tenant is not obligated to make. Notwithstanding, the foregoing Tenant shall not alter the premises in any fashion without Landlord's written approval.

5.2.2 Deliveries

Tenant shall not allow deliveries of any kind to use the bus lanes at the Center. Additionally, Tenant's employees and customers shall be restricted to park in areas other than the bus lanes.

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5.2.3 Waste; Nuisance

- a. Tenant shall not use the Premises or common area, or permit or suffer the Premises to be occupied or used, in any manner that will constitute waste, nuisance, or unreasonable annoyance (including, without limitation, the use of loudspeakers or sound or light apparatus that can be heard or seen outside the Premises) to other users of the Center.
- b. Tenant shall not use the Premises or common area for sleeping, for residential purposes or washing clothes, or the preparation, manufacture, or mixing of anything that might emit any objectionable odor or objectionable noises or lights into the Center.
- c. No secondhand store, auction, distress or fire sale, or bankruptcy or going-out of-business sale may be conducted on the Premises or common area without Landlord's written consent. Tenant shall not sell or display merchandise outside the confines of the Premises or in the common area.

5.2.4 Overloading

- a. Tenant shall not do anything on the Premises that will cause damage to the Premises or to the Center.
- b. The Premises shall not be overloaded. No machinery, apparatus, or other appliance shall be used or operated in or on the Premises that will in any manner injure, vibrate, or shake the Premises and or the Center including the parking areas.

5.2.5 Hours of Operation

- a. Tenant agrees not to leave the Premises unoccupied or vacant during regular business hours as defined by the Landlord. Tenant shall continuously during the entire term hereof conduct and carry on Tenant's aforesaid business on the Premises, and shall keep said Premises open for business and cause such business to be conducted thereon, during each and every day and for such number of hours each day, as is established in Exhibit B of this Lease.
- b. Landlord may, at its option, change the hours of operation for Tenant's business, which are set forth in Exhibit B. Landlord may, at its option, and for good cause, permit Tenant to temporarily close down said business or otherwise limit operations. However, Tenant must submit a written request to the Board of Directors of Landlord for any change or to temporarily close its business. The decision of the Board of Directors shall be final and binding.

5.2.6 Rules and Regulations/Common Area

- a. Tenant acknowledges that this lease is made on property owned by Landlord and under Landlord's exclusive control. Said property is primarily devoted to the provision of transit services for the public. Tenant agrees that it shall do nothing to interfere with Landlord's transit services. Tenant further acknowledges that the primary duties of Landlord are to operate transit services safely; and Tenant hereby agrees to abide by all laws, ordinances, directives, rules and regulations existing or hereafter made for the government, management, maintenance, and operation of the Center, including such directives as to usage of the Center as may be promulgated by any government agency including the Board of Directors, officers or representatives of the Landlord in their official or departmental capacity. Tenant further agrees that such directives, rules, regulations, ordinances and conditions as may be imposed by any governmental agency or Landlord through its Board of Directors, administrative officers, department heads or duly authorized representatives, shall be subject to immediate compliance by Tenant. Tenant acknowledges that it has read and reviewed the Center Rules and Regulations, which are attached hereto as Exhibit C and incorporated herein by reference and agrees to follow them.

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- b. Certain areas have been constructed by Landlord within the Premises for the general use, convenience and benefit of the users and occupants of the Center and their customers and employees, including the lobby, sidewalks, landscaped areas and other areas for pedestrian use (herein called the "Common Area"). Except as may be limited herein, Tenant shall have the non-exclusive right for itself and for its customers, invitees, employees, contractors, subtenants and licenses to use the Common Area in common with Landlord and other persons permitted to use the same for pedestrian ingress, egress and access. Tenant shall do nothing to interfere with anyone's use of the common area.
- c. Tenant shall be responsible for its proportionate share of the costs of the Common Area including the maintenance costs, and all improvements and facilities situated thereon and required in connection therewith. Any increases to common area charges shall be assessed based upon the useful life of the improvement taking into account the remaining term of the lease.

5.2.7 Limitation

This lease is made for commercial purposes related to the operation of the Center, and no use shall be made of the Premises by Tenant that would, in Landlord's opinion, interfere with transit operations and operation of the Center or any other Center's business in any manner or form.

ARTICLE 6: MAINTENANCE

6.1 Landlord's Maintenance

Landlord shall not be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers or any other person in or about the Premises; whether such damage or injury is caused by or results from: 1) fire, steam, electricity, water, gas or rain; 2) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; 3) conditions arising in or about the Premises or upon other portions of any building which the Premises is part, or from other sources or places; or 4) any act or omission of the Tenant, Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Tenant. Tenant, as a material part of the consideration to be rendered to Landlord, hereby waives all claims against Landlord for the foregoing damages from any cause arising at any time.

6.2 Tenant's Maintenance

- a. Tenant at its cost shall maintain, in good condition, all portions of the Premises, both inside and out, including, without limitation, all signs, storefronts, plate glass, show windows, all Tenant's personal property, restrooms, fixture maintenance (I i.e. light bulbs.), and periodic services of heating and ventilation, electric and electronic equipment as recommended by the manufacturer (HVAC system, door maintenance etc.). Tenant is responsible for building upkeep including cleaning of interior paint, exterior and interior graffiti and broken plate glass.
- b. Tenant shall be liable for any damage to the building in which the Premises are located resulting from the acts or omissions of Tenant or its authorized representatives or its employees or its customers. Landlord is not responsible for the repair of the Premises for damage caused by third parties, including Tenant, its employees, its representatives, or its customers.

ARTICLE 7: REPAIRS AND ALTERATIONS

- a. Tenant will take good care of the Premises and promptly notify the Landlord in writing of any damage caused thereto by Tenant, its employees or invitees and will not make any repairs or alterations without written permission of Landlord first had and obtained, and consent for same shall not be unreasonably withheld by Landlord. If Tenant performs any fixturing or alterations of the Premises

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such work shall be done in accordance with Exhibit D. Any alterations or improvements made shall remain on and be surrendered with the Premises on expiration or termination of the term, except that Landlord can elect within thirty (30) days before expiration of the term, or within five (5) days after termination of the term, to require Tenant to remove any alterations or improvements that Tenant has made to the Premises. If Landlord so elects, Tenant at its cost shall restore the Premises to the condition designated by Landlord in its election before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later, and Tenant shall be liable for rent during any such period. Tenant shall keep the premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.

- b. Landlord shall be under no obligation to make any repairs, alterations or improvements to or upon the Premises, or any part thereof, at any time except as provided in this Lease. Landlord shall at its sole cost and expense, at all times during the term hereof, repair and maintain the roof and exterior walls (other than plate glass, and doors, and roll-up doors) and foundations of the building in which the Premises are located; provided that Tenant shall reimburse Landlord for the cost and expense of repairing any and all damage to the roof, foundation or exterior walls of the Premises resulting from the acts or omissions of Tenant, Tenant's agents, employees, customers or invitees.
- c. Tenant shall, except for the intentional or negligent acts or omissions of Landlord, its agents, or employees, at its sole cost and expense, at all times during the term hereof, keep and maintain the Premises, the improvements thereon and every part thereof (including but not limited to plate glass, heating, ventilating, and air conditioning equipment, store fronts and doors, awnings and roll-up doors) in good and sanitary order, condition and repair and in compliance with all laws and regulations applicable thereto.
- d. Landlord may, at any time and for any reason during the term and any extensions thereof, remodel all or any part of the Center. Landlord's rights to remodel include, without limitation, the right to enclose, cover, re-configure, reposition or otherwise modify any part of the building in which the Premises are a part. Landlord shall not unreasonably interfere with Tenant's business as a result of alterations or improvements.

ARTICLE 8: TRADE FIXTURES

Subject to the provisions of Paragraph 7, above, Tenant may install and maintain its trade fixtures on the Premises, provided that such fixtures, by reason of the manner in which they are affixed, do not become an integral part of the Center or Premises. Tenant, if not in default hereunder, may at any time or from time to time during the term hereof, or upon the expiration or termination of this Lease, alter or remove any such trade fixtures so installed by Tenant, and any damage to the Premises caused by such installation, alteration or removal of such trade fixtures shall be promptly repaired by Tenant at the expense of Tenant. If not so removed by Tenant within thirty (30) days of the expiration or sooner termination of this Lease, said trade fixtures shall, at Landlord's option, become the property of Landlord or Landlord, at its option, may remove said trade fixtures and any damage to the Premises caused by such installation, alteration or removal of such trade fixtures and the cost of such removal shall be paid by Tenant to Landlord upon demand.

ARTICLE 9: UTILITIES AND SERVICES

Landlord and Tenant shall be responsible for electrical utilities and services as follows:

- a. Tenant shall make all arrangements for and pay for all utilities and services furnished to or used by it, including, without limitation, gas, electric, water and telephone service, and for all connection charges and taxes;
- b. If Landlord is required to construct new or additional utility installations, including, without limitation, wiring, plumbing, conduits, and mains resulting from Tenant's changed or increased utility requirements, Tenant shall on demand pay to Landlord the total cost of these items;

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- c. Landlord shall not be liable for failure to furnish utilities or services to the premises, but in case of the failure, Landlord will take all reasonable steps to restore the interrupted utilities and services;
- d. Tenant shall reimburse Landlord on a monthly basis (or other period as may be established by Landlord) for Landlord's costs in furnishing trash collection services to the premises at the rate of Two and six-tenths percent (**2.6%**) of Landlord's cost, which shall be billed to Tenant. Tenant shall pay for such services within ten (10) calendar days from the date Landlord bills Tenant. If Landlord determines that Tenant's trash collection costs should be increased due to Tenant's actual use of the service, Tenant shall be provided with 10 days notice of such increase.
- e. Tenant agrees to keep premises free and clear of any lien or encumbrance of any kind whatsoever created by Tenant's acts or omissions.
- f. Utility charges may be separately determined by Landlord based on utility rating of Tenant's use of premises and the common areas, as a percentage of the total utility use by those sharing the same meter, or as metered use. Landlord shall bill the Tenant as deemed appropriate (i.e. if the kiosks are both leased, then electrical is 50% of the concession island bill, water is 50% of the concession island water bill and gas is 50% of the concession island bill). If deemed appropriate by Landlord, Tenant shall pay directly to the appropriate supplier the cost of all heat, light, power, and other utilities and services supplied to the premises. If Landlord authorizes Tenant's premises to be separately metered, then Tenant shall pay for the full cost of the installation of the meter.
- g. Landlord can discontinue, without notice to Tenant, any of the utilities or services furnished to the premises for which Tenant fails to reimburse Landlord on a prompt basis as provided in this Article, and no such discontinuance shall be deemed an actual or a constructive eviction.

ARTICLE 10: INDEMNITY AND EXCULPATION; INSURANCE

10.1 Tenant's Indemnification of District

Tenant shall exonerate, indemnify, defend, and hold harmless Landlord (which shall include, without limitation, its officers, agents, employees and volunteers) and the property of Landlord from and against any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which Landlord may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the Tenant's lease or use of the Premises under the terms of this Lease including any condition of the Premises or any portion thereof over which Tenant has control and/or a duty to repair and/or maintain under the terms of this Lease. Such indemnification includes any damage to the person(s), or property (ies) of Tenant and third persons. Notwithstanding the foregoing Landlord shall be solely responsible for claims, demands, losses, damages, defense costs or liability of any kind or nature arising from its own transit operation at the Center so long as such claim, demand, loss, damage, defense costs or liability is not due to Tenant's negligence, intentional act or omission or due to Tenant's failure to meet its obligations under this lease.

10.2 Liability Insurance

- a. Tenant further agrees to take out and keep in force during the life hereof, at Tenant's expense, public liability insurance, property damage insurance and products liability insurance, with a company or companies satisfactory to Landlord to protect Landlord against any liability incident from the use of, or resulting from, any accident or occurrence in or about said Premises, with a single combined public and products liability and property damage limit of at least ONE MILLION DOLLARS (\$1,000,000) for any one accident or occurrence.
- b. All public liability insurance, products liability insurance, and property damage insurance shall insure performance by Tenant of the indemnity provisions of Section 10.1. Said policy or policies shall require that in the event of cancellation of any policy, the insurance carrier shall notify Landlord in writing at least thirty (30) days prior thereto, and Tenant agrees, if Tenant does not keep such

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insurance in full force and effect, that Landlord may, at its option either terminate this lease, or take out the necessary insurance and pay the premium, and the repayment thereof shall be deemed due and owing to landlord on the next day upon which rent becomes due. Tenant shall have the insurance carrier(s) also notify Landlord thirty (30) days in advance of any modifications reducing the coverage of said policy (ies), and in the event that any of said insurance carriers do not notify Landlord of any modification, Tenant shall do so upon receiving notice of such modification. Tenant agrees that Landlord shall be named on said insurance coverage as an additional insured party in accordance with the foregoing covenants, and that cross-liability coverage in favor of Landlord shall be provided. Tenant shall furnish Landlord with evidence of insurance satisfactory to Landlord upon execution of this Lease and at such times as Landlord deems appropriate. Said policy or policies shall further provide that any insurance carrier of Landlord's shall be excess insurance only, as to the liability insured thereby.

- c. Landlord may increase or decrease the amount of public liability, products liability, and property damage insurance required, based upon a general review by Landlord of the standard insurance requirement as determined by the Board of Directors of Landlord to be in the public interest and required for all other Tenant's at the Center. Changes in insurance amounts shall occur not more frequently than once a year.

10.3 Fire and Other Perils Insurance

- a. Landlord shall provide Fire and Other Insurance with respect to the Premises, except that Landlord shall not provide earthquake and flood insurance. Insurance shall be obtained in the name of Landlord covering said leased Premises and all fixtures therein against loss by reason of the perils of fire, lightning, vandalism and malicious mischief, and endorsed to include extended coverage, said policy to be on a replacement cost basis, and to be maintained in full force and effect throughout the term of this lease. Said policy or policies shall provide that the loss payable shall be paid to Landlord.
- b. The "full replacement value" of the building and other improvements to be insured shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three (3) years, either party shall have the right to notify the other party that it elects to have the replacement value determined by an insurance company. The determination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the determination.
- c. The pro rata cost (based on the percentage of Tenant's Premises square footage in the Center) of said insurance shall be paid by Tenant, and shall reflect Tenant's business nature and size insofar as they measurably affect the Landlord's premiums. If any other tenant of the building of which the demised Premises are a part is conducting a business or otherwise engages in an activity or omits to take a precaution that the insurer identifies as producing a specified higher insurance rate than would be produced by the business and conduct of Tenant, such additional insurance rates will not be passed on to Tenant, even on a pro rata basis. Landlord will be the final authority regarding Tenant's share of the cost of the insurance. Landlord shall inform Tenant of its actual cost of the insurance at the commencement of the lease. Payment of Tenant's insurance cost shall be in addition to all other required rent and is due within ten (10) calendar days of mailing.
- d. Landlord may increase or decrease the amount of fire and other perils insurance required based upon a general review by Landlord of the standard insurance requirement as resolved by the Board of Directors of Landlord to be in the public interest.
- e. Landlord is not responsible for the acts or omissions of third parties against Tenant.

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10.4 Tenant's Fire and Malicious Mischief Insurance

Tenant shall maintain on all its personal property (including unattached movable business equipment) in, on, or about the Premises, a policy of standard fire and extended and malicious mischief endorsements, to the extent of one hundred percent (100%) of their full replacement value. Landlord shall be named as an additional insured.

10.5 Tenant's Business Interruption Insurance

Tenant at its cost shall maintain business interruption insurance insuring that the minimum monthly rent will be paid to Landlord for a period of up to two (2) years if the Premises are destroyed or rendered inaccessible by a risk insured against by a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements.

10.6 Proof of Insurance

Tenant shall provide proof of insurance evidencing at least the minimum levels of coverage described herein on or before the date of execution of this lease and thereafter on an annual basis or at such times as Landlord requests such proof of insurance.

10.7 Other Insurance Matters

All insurance required under this lease shall:

- a. Be issued by insurance companies authorized to do business in the State of California, with a financial rating of at least an A + 3A status as rated in the most recent edition of Best's Insurance Reports.
- b. Be issued as a primary policy.
- c. Contain an endorsement requiring thirty (30) days written notice from the insurance company to both parties before cancellation or change in the coverage, scope, or amount of any policy.
- d. Each policy, or a certificate of the policy, together with evidence of payment of premiums, shall be deposited with the other party at the commencement of the term, and on renewal of the policy not less than twenty (20) days before expiration of the term of the policy.

ARTICLE 11: DESTRUCTION

DAMAGE OR DESTRUCTION

In the event the premises, or the building or other improvements in which the premises are located, shall be damaged by and the cause of said damage is covered by insurance so that the damage thereto is such that the premises, or the building and other improvements in which the premises are located, may be repaired, reconstructed or restored within a period of ninety (90) days, landlord shall promptly commence the work or repair, reconstruction and the restoration, and shall diligently prosecute the same to completion through the use of the insurance proceeds. . If the insurance is not sufficient to fully pay for the repairs, reconstruction or restoration, Landlord shall notify Tenant in writing of same and Tenant shall have the option to pay the cost of said repairs, reconstruction or restoration over and above the available insurance proceeds. Should Tenant not elect to pay said excess costs, either party may terminate this Lease by giving written notice of same to the other party. During this period of time, this Lease shall continue in full force and effect except that Tenant shall not be liable for monthly rent if the Premises are totally destroyed or unusable for safety and health reasons as determined by the applicable municipal safety and health departments, so long as this restriction is not caused by Tenant. Tenant would be liable only for monthly rent in proportion to usable space if partially destroyed. If the Premises, or the building

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or other improvements in which the Premises are located, cannot be restored within ninety (90) days, either Tenant or Landlord has the option to terminate this Lease by giving written notice to the other

ARTICLE 12: ASSIGNMENT

12.1 ASSIGNMENT AND SUBLETTING

- a. Tenant shall not, either voluntarily or by operation of law, assign, sell, encumber, pledge or otherwise transfer all or any part of Tenant's leasehold estate hereunder, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees, or sublet the Premises or any portion thereof, without Landlord's prior written consent. Landlord's consent shall not be unreasonably withheld provided:
1. The same quality of business and financial soundness of ownership and management is maintained and will continue to be maintained in a manner compatible with the high standards contemplated by this Lease.
 2. That each and every covenant, condition or obligation imposed upon Tenant by this Lease, and each and every right, remedy or benefit afforded Landlord by this Lease is not thereby impaired or diminished;
 3. Tenant remains liable for performance of each and every obligation under this Lease to be performed by Tenant;
 4. As to subletting, Landlord shall receive One Hundred Percent (100%) of the gross rent paid by any assignee/sub-tenant in excess of the gross rent otherwise payable to Landlord pursuant to this Lease;
 5. Tenant reimburses Landlord for Landlord's reasonable costs and professional fees (legal and/or accounting) incurred in conjunction with the processing and documentation of any such requested assignment or subletting of this Lease by Tenant.
- b. If Tenant desires at any time to assign this Lease, or sublet any portion of the Premises, Tenant shall first notify Landlord of its desire to do so and shall submit in writing to Landlord, at least sixty (60) days but not more than one hundred and twenty (120) days before the intended date of assignment/subletting, the name of the proposed assignee/subtenant, the nature of the proposed assignee's/subtenant's business to be carried on in the Premises, the terms and provisions of the proposed assignment/subletting, and such reasonable financial information as Landlord may request, certified by the proposed assignee/subtenant as being true and correct as of the date of certification.

ARTICLE 13: DEFAULT

13.1 Tenant's Default

- a. The occurrence of any of the following shall constitute a default by Tenant:
1. Failure to pay rent when due and in the manner provided in the lease if the failure continues for three (3) weekdays after a notice has been sent to Tenant; or additional rent or any other monetary sums required to be paid;
 2. Failure to occupy the Premises and/or operate the Tenant's business as described herein on the Premises; (Tenant shall be conclusively presumed to have defaulted if Tenant leaves the Premises closed or unoccupied continuously for fifteen (15) days, whether or not the tenant is in default as to its rental obligation;

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3. Failure to perform any other provision of this lease if the failure to perform is not cured within three (3) weekdays after notice has been given to Tenant. If the provisions of the lease violated by the Tenant cannot be performed within the three-day notice period described herein, Landlord shall not be required to give notice demanding the performance of the violated provisions of the lease;
4. The filing or commencement of any proceeding by or against Tenant under the Federal Bankruptcy code whether voluntary or involuntary, if not dismissed within sixty (60) days from the date of filing, shall constitute a default under this Lease;
5. Either the appointment of a receiver to take possession of all, or substantially all, of the assets of Tenant or garnishment of or levy or writ of execution on, all or substantially all of the assets of Tenant which remains in effect for more than sixty (60) days, or a general assignment by Tenant for the benefit of creditors, shall constitute a default of this Lease by Tenant. Notices given under this Article shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, as the case may be, within applicable period of time, or quit the Premises. No such notice shall be deemed forfeiture or a termination of this lease unless Landlord so elects in the notice;

13.2 Landlord's Remedies

13.2.1 Cumulative Nature of Remedies

Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law or in equity.

13.2.2 Tenant's Right to Possession Not Terminated

- a. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and re-let them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in re-letting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the re-letting, and like costs. Re-letting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting. No act by Landlord allowed by this Article shall terminate this lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent Tenant shall have the right to assign or sublet its interest in this lease, but Tenant shall not be released from liability under the lease terms. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld.
- b. If Landlord elects to re-let the Premises as provided in this Article, rent that Landlord receives from re-letting shall be applied to the payment of:
 1. First, any indebtedness from Tenant to Landlord other than rent due from Tenant;
 2. Second, all costs, including for maintenance, incurred by Landlord in re-letting;
 3. Third, rent due and unpaid under this lease. After deducting the payments referred to in this Article, any sum remaining from the rent Landlord receives from re-letting shall be held by Landlord and applied in payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this lease, the rent received from the re-letting is less than the rent due on that date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs, including for maintenance,

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Landlord incurred in re-letting that remain after applying the rent received from the re-letting as provided in this Article.

13.2.3 Termination of Tenant's Right to Possession

- a. Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving written notice to Tenant shall terminate this lease. Acts of maintenance, efforts to re-let the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:
1. The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this lease;
 2. The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;
 3. The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and,
 4. Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.
- b. "The worth, at the time of the award," as used in items "1" and "2" of this Article 13.2.3, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth at the time of the award," as referred to in item "3" of this Section 13.2.3, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

13.2.4 Landlord's Right to Cure Tenant's Default

Landlord, at any time after Tenant commits a default, can cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and shall bear interest at the maximum rate an individual is permitted by law to charge from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it, shall be additional rent.

ARTICLE 14: SIGNS

- a. Tenant shall not have the right to place, construct, or maintain on the glass panes or supports of the show windows of the Premises, the doors, or the exterior walls or roof of the building in which the Premises are located or any interior portions of the Premises that may be visible from the exterior of the Premises, any signs, advertisements, names, insignia, trademarks, descriptive material, or any other similar item without Landlord's written consent and any necessary approval from the City of Santa Cruz. Any signs approved by Landlord and placed on the Premises shall be at Tenant's sole cost. Landlord at Tenant's cost can remove any item placed, constructed, or maintained that does not comply with the provisions of this paragraph.
- b. Tenant shall not, without Landlord's written consent, place, construct, or maintain on the Premises any advertisement media, including, without limitation, searchlights, flashing lights, loudspeakers, phonographs, or other similar visual or audio media. Tenant shall not solicit business in, on, or about the public areas, or distribute handbills or other advertising or promotional media in, on, or about the public areas at Metro Center without written consent of landlord, except that Tenant shall be entitled

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to engage in radio, television, and newspaper advertising as is customarily used for the type of business in which Tenant is engaged.

- c. Any sign that Landlord grants Tenant the right to place, construct, and maintain shall comply with all laws and Tenant shall obtain any approval required by such laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.
- d. Landlord shall have the right to use for its signs the exterior walls and roof of the building in which the Premises are located.

ARTICLE 15: LANDLORD'S ENTRY ON PREMISES

- a. Tenant will permit Landlord and its agents to enter into and upon the Premises at all reasonable times and upon reasonable notice for the purpose of inspecting the same, or for the purpose of protecting the interest therein of Landlord, or to post notices of non-responsibility, or to service or make alterations, repairs or additions to the Premises or to any other portion of the building in which the Premises are situated, including the erection of scaffolding, props, or other mechanical devices and will permit Landlord at any time within ninety (90) days prior to the expiration of this Lease, to bring prospective tenants, broker or agents upon the Premises for purposes of inspection or display. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Article.
- b. Tenant shall not be entitled to an abatement or reduction of rent if Landlord exercises any rights reserved in this Article.
- c. Landlord shall conduct its activities on the Premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance, or disturbance to Tenant.

ARTICLE 16: SUBORDINATION AND OFFSET STATEMENT

Tenant agrees that this Lease is subordinate to any mortgage, trust deed or like encumbrance heretofore or hereafter placed upon said Premises by Landlord or his successors in interest to secure the payments or moneys loaned, interest thereon and other obligations. Tenant also agrees to promptly execute and deliver to Landlord from time to time, as demanded by Landlord, an offset statement or estoppel certificate containing such acts: as are within the knowledge of and are available to Tenant pertaining to this Lease, as a purchaser of the leased property or a lender may reasonably require if said statement is prepared for signing by Landlord. Failure to deliver the executed offset statement or estoppel certificate to Landlord within ten (10) days from receipt of same, shall be conclusive upon Tenant for the benefit of the party requesting the statement or certificate, or his successor, that this Lease is in full force and effect and has not been modified except as may be represented by Landlord in the statement or certificate delivered to Tenant.

ARTICLE 17: NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally by depositing the same in the United States Postal Service, registered or certified mail, return receipt requested with the postage prepaid, addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address by compliance with this section. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this Article 17.

Landlord: Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
ATTN: Legal Department

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Tenant: Mohamed Alsaïdi
202 Buena Vista Drive
Freedom, CA 95019

ARTICLE 18: WAIVER

- a. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.
- b. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved.
- c. No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the lease.
- d. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.
- e. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the lease.

ARTICLE 19: SURRENDER OF PREMISES; HOLDING OVER

19.1 Surrender of Premises

- a. On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations to the Premises in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises, except for alterations that Tenant has the right to remove or is obligated to remove under the provisions herein. Tenant shall remove all its personal property within the above stated time. Tenant shall perform all restoration made necessary by the removal of any alterations or tenant's personal property within the time periods stated in this Article.
- b. Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the Premises on expiration or termination of the term as allowed or required by this lease by giving at least ten (10) days' notice to Tenant. Title to any such alterations or Tenant's personal property that Landlord elects to retain or dispose of on expiration of the ten (10) day period shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing, and disposition of any alterations or tenant's personal property.
- c. If Tenant fails to surrender the Premises to Landlord on expiration as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

19.2 Holding Over

If Tenant, with Landlord's written consent, remains in possession of the Premises after expiration or termination of the term, or after the date in any notice given by Landlord to Tenant terminating this lease, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable on thirty (30)

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days' written notice given at any time by either party. All provisions of this lease, except those pertaining to term, option to extend, and option to acquire the Premises, shall apply to the month-to-month tenancy.

ARTICLE 20: MISCELLANEOUS PROVISIONS

20.1 General Conditions

20.1.1 Time of Essence

Time is of the essence of each provision of this lease.

20.1.2 Corporate Authority

If Tenant is a corporation, Tenant shall deliver to Landlord on execution of this lease a certified copy of a resolution of its board of directors authorizing the execution of this lease and naming the officers that are authorized to execute this lease on behalf of the corporation.

20.1.3 Successors

This lease shall be binding on and inure to the benefit of the parties and their successors, except as provided in Article 12.

20.1.4 Rent Payable in U.S. Money

Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

20.1.5 Real Estate Brokers; Finders

Each party represents that it has not had dealings with any real estate broker, finder, or other person, with respect to this lease in any manner. Each party shall hold harmless the other party from all damages resulting from any claims that may be asserted against the other party by any broker, finder, or other person, with whom the other party has or purportedly has dealt.

20.1.6 Status of Parties on Termination of Lease

In the event of termination, the rights and obligations of the parties, which by their nature survive termination covered by this Lease, shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Lease shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended, and the hold harmless agreement and insurance provisions, contained in Article 10 shall survive.

20.1.7 Exhibits--Incorporation in Lease

All exhibits referred to are attached to this lease and incorporated by reference.

20.1.8 Licenses and Permits

It shall be Tenant's responsibility, at Tenant's sole cost and expense, to obtain all necessary licenses and permits to carry out the terms of this lease and to operate the business above mentioned on the leased Premises. Landlord makes no representation as to the availability of and opportunity for licenses and permits for any leased Premises at the Center.

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20.1.9 Pest Control

Landlord shall contract with a licensed pest control firm for the control of pests in the Premises. The duration, extend, and frequency of pest control measures shall be determined by Landlord. Tenant shall reimburse Landlord for the costs incurred by Landlord for this service on a quarterly basis.

20.1.10 Drug and Alcohol Policy

Tenant and its employees shall not use, possess, manufacture, or distribute alcohol or illegal drugs while on the premises at Metro Center or at any District facility, or distribute same to Landlord's employees, passengers, or the general public.

20.1.11 Smoke Free

The Center is a smoke free facility. Tenant shall comply with State law and the City Ordinance regarding smoking. Tenant and its employees and customers shall not smoke tobacco products on the premises.

20.1.12 Information Form

Tenant shall provide to Landlord a completed information form containing names and telephone numbers of contact person, on a semi-annual basis or when changes occur.

20.1.13 Termination for Convenience

The lease may be terminated by the Landlord upon fifteen (15) days notice at any time without cause for any reason in whole or in part, whenever the Landlord determines that such termination is in the Landlord's best interest.

20.1.14 Publicity

Tenant agrees to submit to Landlord all advertising, sales promotion, and other public matter relating to any service furnished by Tenant wherein the Landlord's name is mentioned or language used from which the connection of Landlord's name therewith may, within reason, be inferred or implied. Tenant further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of the Landlord.

20.1.15 Consent to Breach Not Waiver

No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

20.1.16 Prohibition of Discrimination against Qualified Handicapped Persons

Tenant shall comply with the provisions of the Americans With Disabilities Act and Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally-assisted programs.

20.1.17 Cal OSHA/Hazardous Substances

- 20.1.17.1 Tenant shall not bring, or permit to be brought, upon the premises, any hazardous or toxic materials or chemicals, except for ordinary and customary cleaning supplies used in Tenant's business. All materials brought onto the premises shall be used, stored, and removed in compliance with all applicable laws, statues, ordinances and governmental rules, regulations or requirements.

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- 20.1.17.2 Tenant shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on Landlord's property, (2) ensure that its employees take appropriate protective measures, and (3) provide the Landlord's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on Landlord's property.
- 20.1.17.3 Tenant shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, Tenant shall indemnify the Landlord against any and all damage, loss, and injury resulting from non-compliance with this Article.
- 20.1.17.4 Tenant shall comply with Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 – 25249.13. Tenant will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.
- 20.1.17.5 Tenant shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Tenant. Tenant shall be solely responsible for all clean-up efforts and costs.
- 20.1.17.6 Tenant shall indemnify and defend Landlord and his successors and assigns against and hold them harmless from any and all claims, demands, liabilities, damages, including punitive damages, costs and expenses, including reasonable attorney's fees caused by Tenants actions, herein collectively referred to as "Claims":
- (i) Any Claim by a federal, state or local governmental agency arising out of or in any way connected with the environmental condition of the Premises caused by Tenants action, including, but not limited to, Claims for additional clean-up of the Premises; and
 - (ii) Any Claim by a successor in interest of Tenant (including a mortgagee who acquires title to the Premises through foreclosure or by accepting a deed in lieu of foreclosure), or by any subtenant licensee, or invitee of Tenant arising out of or in any way connected with the environmental condition of the Premises caused by Tenants or Subtenants actions.

20.1.18 All Amendments in Writing

No amendment to this Lease shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

20.1.19 Responsibility for Equipment

Landlord shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment or furniture used by Tenant, or any of its employees, even though such equipment or furniture be furnished, rented or loaned to Tenant by Landlord.

20.1.20 Equipment

Tenant is responsible to return to the Landlord in good condition any equipment, including keys, issued to it by the Landlord pursuant to this Agreement. If the tenant fails or refuses to return Landlord-issued equipment, furniture or keys within five days of the conclusion of the tenant use of the premises the Landlord shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to tenant or take other appropriate legal action at the discretion of the Landlord.

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20.1.21 Nondiscrimination

Tenant shall not discriminate on the grounds of race, religion, color, sex, age, marital status, medical condition, disability, national origin or sexual preference in any manner or as a result of or arising out of this lease agreement.

20.1.22 Liens

Tenant shall keep the Premises and building and the property on which the Premises are situated, free of any liens arising out of work performed, materials furnished or obligations incurred by Tenant.

This lease shall be construed and interpreted in accordance with the applicable laws of the State of California and of the United States of America. Each party shall perform its obligation hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect.

20.1.23 Integrated Agreement; Modification

This lease including all exhibits constitutes the entire understanding and agreement between the Landlord and the Tenant and supersedes, revokes, and cancels any and all previous negotiations, representations, and understanding between the parties and cannot be amended or modified except by a written agreement.

20.1.24 Provisions are Covenants and Conditions

All provisions, whether covenants or conditions, on the part of Tenant shall be deemed to be both covenants and conditions.

20.1.25 Use of Definitions

The definitions contained in this lease shall be used to interpret this lease.

20.1.26 Definitions

As used in this lease, the following words and phrases shall have the following meanings:

- a. ALTERATION: Any addition or change to, or modification of, the Premises made by Tenant after the fixturing period, including, without limitation, fixtures, but excluding trade fixtures as defined here, and tenant's improvements as defined here.
- b. AUTHORIZED REPRESENTATIVE: Any officer, agent, employee, or independent contractor retained or employed and acting within authority given him/her by that party.
- c. CONSENT: Landlord's or Tenant's express, prior, written approval on the party's letterhead.
- d. DAMAGE: Injury deterioration or loss to a person or property caused by another person's acts or omissions. Damage includes death.
- e. DAMAGES: A monetary compensation or indemnity that can be recovered in the courts by any person who has suffered injury to his/her person, property, or rights through another's act or omission.
- f. DESTRUCTION: Damage, as defined here, to or disfigurement of the Premises.
- g. ENCUMBRANCE: Any deed of trust, mortgage, or other written security device or agreement affecting the Premises, and the note or other obligation secured by it that constitutes security for the payment of a debt or performance of an obligation.

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- h. **EXPIRATION:** The coming to an end of the time specified in the lease as its duration, including any extension of the term resulting from the exercise of an option to extend.
- i. **GOOD CONDITION:** The good physical condition of the Premises and each portion of the Premises, including, without limitation, signs, windows, show windows, appurtenances, and tenant's personal property as defined here. "In good condition" means first-class, neat, clean, and broom-clean, and is equivalent to similar phrases referring to physical adequacy in appearance and for use.
- j. **HOLD HARMLESS:** To defend and indemnify from all liability, losses, penalties, damages as defined here, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims, or judgments arising out of or related to any damage, as defined here, to any person or property.
- k. **LAW:** Any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirements of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the parties or the Premises, or both, in effect either at the time of execution of the lease or at any time during the term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).
- l. **LENDER:** The beneficiary, mortgagee, secured party, or other holder of an encumbrance, as defined here.
- m. **LIEN:** A charge imposed on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act. Most of the liens referred to in this lease are mechanics' liens.
- n. **MAINTENANCE:** Repairs, replacement, preventive maintenance, repainting, and cleaning.
- o. **PERSON:** One or more human beings, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, trusts, estates, associations, and any combination of human beings and legal entities.
- p. **PROVISION:** Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulations in the lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.
- q. **PUBLIC AREA:** Any area outside Premises in Metro Center to which the public commonly is allowed access by Landlord. Public area is the common area.
- r. **RENT:** Minimum monthly rent, rent for fixtures, equipment and cookware, percentage rent, additional rent, security deposit, maintenance expenses, operating costs, insurance, utilities and services, other similar charges, and any other money owed by Tenant to Landlord under the provisions of this Lease.
- s. **RESTORATION:** The reconstruction, rebuilding, rehabilitation, and repairs that are necessary to return destroyed portions of the Premises and other property to substantially the same physical condition as they were in immediately before the destruction.
- t. **SUBSTANTIAL COMPLETION:** Completion of Landlord's construction obligation as evidenced by Landlord's architect or by the general contractor performing Landlord's construction obligation.
- u. **SUCCESSOR:** Assignee, transferee, personal representative, heir, or other person or entity succeeding lawfully, and pursuant to the provisions of this lease, to the rights or obligations of either party.
- v. **TENANT'S IMPROVEMENT:** Any addition to or modification of the Premises made by Tenant before, at, or near the commencement of the term, including,

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- w. **TENANT'S PERSONAL PROPERTY:** Tenant's equipment, furniture, merchandise, and movable property placed in the Premises by Tenant, including tenant's trade fixtures, as defined here as set forth in Exhibit E.
- x. **TENANT'S TRADE FIXTURE:** Any property installed in or on the Premises by Tenant for purposes of trade, manufacture, ornament, or related use as set forth in Exhibit E.
- y. **TERM:** The period of time during which Tenant has a right to occupy the Premises.
- z. **TERMINATION:** The ending of the term for any reason before expiration, as defined here.

20.1.27 Captions

The captions of this lease shall have no effect on its interpretation.

20.1.28 Singular and Plural

When required by the context of this lease, the singular shall include the plural.

20.1.29 Joint and Several Obligations

"Party" shall mean Landlord or Tenant; and if more than one person or entity is Landlord or Tenant, the obligations imposed on that party shall be joint and several.

20.1.30 Severability

The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

ARTICLE 21: ATTORNEYS' FEES

In the event suit is brought to enforce or interpret any part of this Lease Agreement, the prevailing party shall be entitled to recover as an element of costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover his costs shall not recover attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover his costs of attorney's fees.

ARTICLE 22: AUTHORITY

Each party has full power and authority to enter into and perform this lease, and the person(s) signing this lease on behalf of each has been properly authorized and empowered to enter into this lease. Each party further acknowledges that it has read this lease, understands it, and agrees to be bound by it.

IN WITNESS WHEREOF, Landlord and Tenant execute this lease and affix his/her signature(s) the day and year first herein above written.

LANDLORD-SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BY: _____
LESLIE R. WHITE, General Manager

Date

ATTACHMENT A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

TENANT – Mohamed Alsaidi, DBA Santa Cruz Coffee Shop

BY: _____
MOHAMED ALSAIDI Date _____

Approved as to Form:

BY: _____
LESLYN K. SYREN, District Counsel Date _____

Attachments:

- Exhibit A - Premises - Diagram
- Exhibit B - Use-Menu, hours of operation
Closure for Transit District Holidays- Thanksgiving (4th Thursday in November),
Christmas (December 25), New Year's Day (January 1)
- Exhibit C - Rules and Regulations
- Exhibit D - Tenant Personal Property

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: June 14, 2013

TO: Board of Directors

FROM: Leslyn K. Syren, District Counsel

SUBJECT: CONSIDERATION OF AMENDMENTS TO METRO'S CONFLICT OF INTEREST CODE TO ADD NEW POSITIONS AND SPECIFY DEADLINES FOR FILING STATEMENTS OF ECONOMIC INTEREST AND OPEN THE WRITTEN COMMENT PERIOD

I. RECOMMENDED ACTION

Review METRO's Amended Conflict of Interest Code to Determine Whether any Additional Changes are Needed and Open the Written Comment Period Commencing on June 14, 2013 and Terminating on August 8, 2013.

II. SUMMARY OF ISSUES

- Every agency, including all local government agencies and special districts are required by Government Code §87300 to adopt and promulgate a Conflict of Interest Code.
- The Code must be amended when circumstances change, such as when new positions are created or duties of existing positions change.
- The Code was amended to include deadlines for filing Statements of Economic Interest.
- Staff recommends that the Board of Directors open the public comment period and accept written comments on the proposed amendments to METRO's Conflict of Interest Code from June 14, 2013 through August 8, 2013.

III. DISCUSSION

The Political Reform Act (the PRA) controls conflicts of interests of public officials through disclosure of financial interests and prohibitions on participation in the making of decisions in which the official knows or has reasons to know he or she has a financial interest. The PRA's standards are found in California Government Code Sections 81000 et seq. The Fair Political Practices Commission (FPPC) has also adopted regulations implementing the PRA, see Title 2 of the California Code of Regulations Section 18109 et. seq., and issues formal opinions and advice letters on the application of the PRA to particular situations. The FPPC maintains a website at www.fppc.ca.gov which contains the PRA regulations, opinions and advice letter summaries.

In accordance with the PRA, all government agencies must adopt and promulgate a Conflict of Interest Code. This code must be amended when circumstances change, such as when new positions are created or duties of existing positions change. The code must be consistent with the

minimum requirements of the PRA. Such Conflict of Interest Code has the force of law and any violation of the Conflict of Interest Code by a designated employee shall be deemed a violation of Government Code §87300, et seq.

Since the last amendment to Santa Cruz METRO's Conflict of Interest Code, several new positions have been added. As a result, the code has been amended to include those positions whose duties of the position makes their inclusion in the Code appropriate.

METRO's amended Conflict of Interest Code (*Attachment A*) and supporting information regarding METRO's Conflict of Interest Code will be available for public inspection at METRO's Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060 from June 14, 2013 through August 8, 2013.

Staff recommends that the Board review the proposed amendments to the Code and adopt the Notice of Intention to Amend (*Attachment B*). Once the Board has adopted this Notice, staff will provide a Memorandum (*Attachment C*) to all affected employees listed in Appendix A. This matter will return to the Board for final adoption of the Amended Conflict of Interest Code after receiving comments to the same through August 8, 2013.

IV. FINANCIAL CONSIDERATIONS

None at this time.

V. ATTACHMENTS

- Attachment A: Santa Cruz METRO's Amended Conflict of Interest Code
- Attachment B: Notice of Intention to Amend the Conflict of Interest Code
- Attachment C: MEMO: Notice of Intention to Amend The Conflict of Interest Code

ATTACHMENT A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Regulation Number: AR-1025

Computer Title: conflict.int

Effective Date: December 15, 2006

Pages: 64

TITLE: CONFLICT OF INTEREST CODE FOR DESIGNATED OFFICIALS, EMPLOYEES, MEMBERS AND CONSULTANTS

Procedure History

NEW POLICY	SUMMARY OF POLICY	APPROVED
12-15-06	Consolidation of Policies and requirements into regulation format and specific use of required language, including designated positions including Senior Account Technician, and disclosure categories.	M.R.
12-19-08	Amending list of designated positions in Appendix A.	J.B.
<u>08-9-13</u>	<u>Addition of deadlines for providing Statements and amend the list of designated positions in Appendix A.</u>	

I. POLICY

1.01 The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission (FPPC) has adopted a regulation, Article 2 of the California Code of Regulations Section 18730, which contains the terms of a standard conflict of interest code. The terms of Article 2 of the California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission (FPPC) are hereby incorporated by reference and, all officials, employees, members and consultants designated herein and disclosure categories set forth herein, constitute the Conflict of Interest Code of the Santa Cruz Metropolitan Transit District (METRO).

1.02 Designated Officials, Employees, Members and Consultants shall file Statements of Economic Interests (Form 700) with the METRO at its Administrative Offices located at ~~370 Encinal Street, Suite 100~~ 110 Vernon Street, Santa Cruz, California 95060 on forms prescribed by the FPPC and supplied by the METRO no later than April 1st of each year, at the times specified in (Title 2 of the California Code of Regulations, Section 18730). Such forms can be obtained from METRO's Administrative Services Coordinator.

ATTACHMENT A

1.021.03 Designated Officials, Employees, Members and Consultants assuming positions after the April 1st deadline of this code shall file Statements of Economic Interests (Form 700) within thirty (30) days after assuming the designated positions with METRO's Administrative Services Coordinator.-

1.031.04 METRO will retain the completed Form 700s prepared by all designated officials, employees, members and consultants. METRO will make the Form 700s available for public inspection and reproduction upon request.

1.05 Designated Officials, Employees, Members and Consultants violating any provision of this regulation are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code Sections 81000-91014. Additionally, any violation may subject a METRO employee to disciplinary action up to and including employment termination.

1.041.06 In the event that the Conflict of Interest Code is amended, all newly designated officials, employees, members and consultants added to Appendix A, shall provide Santa Cruz METRO with an Economic Statement (Form 700) within thirty (30) days after adoption of the amended Code. Such forms shall be submitted to METRO's Administrative Services Coordinator.

II. DESIGNATED POSITIONS

2.01 The persons holding positions listed in *Appendix A* are designated Officials, Employees, Members or Consultants for purposes of METRO's Conflict of Interest Code. It has been determined that these persons through their METRO employment position or their status as a METRO Official, Member or Consultant make or participate in the making of governmental decisions which may foreseeably have a material effect on economic or financial interests of their own or others.

2.02 METRO Officials, Employees and Members listed in *Appendix A* shall complete their Form 700s pursuant to the Disclosure Category set forth in *Appendix A*.

2.03 Designated Consultants listed in *Appendix A* shall disclose pursuant to the broadest disclosure category (Category 1) unless METRO's General Manager determines in writing that a particular Consultant, although holding a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

2.04 All persons who leave designated positions shall file Statements of Economic Interest (Form 700) within thirty (30) days after leaving office with METRO's Administrative Services Coordinator.

2.042.05 An individual holding one of the positions listed in *Appendix A* may contact the Fair Political Practices Commission for assistance or written advice regarding their filing

ATTACHMENT A

obligations if he/she believes that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200 and as a result the individual holding such position is required to complete a Statement of Economic Interest (Form 700).

III. DISCLOSURE CATEGORIES (Form 700):

3.01 Disclosure Categories are the following:

Full Disclosure-Category 1:

All interests in real property located within the jurisdiction, as well as investments, business positions and sources of income, including gifts, loans and travel payments.

Full Disclosure (excluding interest in real property)-Category 2:

All investments, business positions in business entities, and sources of income, including gifts, loans and travel payments.

Interests in Real Property-Category 3

All interests in real property located in the jurisdiction.

General Contracting Categories-Category 4

- a) All investments, business positions and income, including gifts, loans and travel payments, from sources that provide leased facilities, goods, equipment, vehicles, machinery or services, including training or consulting services, of the type utilized by the METRO.
- b) All investments, business positions and income, including gifts, loans and travel payments, from sources that provide leased facilities, goods, equipment, vehicles, machinery or services, including training or consulting services, of the type utilized by the employee's department or area of authority.

Grant/Service Providers/Agencies that Oversee Programs-Category 5

- a) A designated employee in this category must report all investments, business positions and income, including gifts, loans and travel payments, or income from a nonprofit organization, if the source is of the type to receive grants or other monies from or through the METRO.
- b) All investments, business positions and income, including gifts, loans and travel payments, or income from a nonprofit organization, if the source is of the type to offer or provide consulting, rehabilitative or educational services concerning the prevention, treatment or rehabilitation of persons suffering from (alcohol related problems/drug abuse).

ATTACHMENT A

IV. DISQUALIFICATION

4.01 No designated individual shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable ~~from~~ its effect on the public generally, on the official or a member of his or her immediate family in violation of 2 Cal. Code of Regs. Section 18730.

4.02 No designated employee shall be prevented from making or participating in making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

~~4.024.03~~ If a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

ATTACHMENT A

Appendix A

Position	Assigned Disclosure Category
METRO Directors	Category 1
General Manager	Category 1
District Counsel	Category 1
Assistant General Manager	Category 1
Maintenance Manager	Category 1
Finance Manager	Category 1
Assistant Finance Manager	Category 1
Project Manager	Category 1
Purchasing Agent	Category 4a
<u>Purchasing Assistant</u>	<u>Category 4a</u>
Senior Account Technician (Purchasing Department Only)	Category 4a
Designated Consultants <u>Designated by Contract Who meet the Requirements Herein</u>	Category 1
Human Resources Manager	Category 4b
Assistant Human Resources Manager	Category 4b
Information Technology Manager/ <u>Project Manager</u>	Category 1 <u>4b</u>
<u>Assistant Manager of Information Technology Services</u>	<u>Category 4b</u>
Senior Database Administrator	Category 4b
Paratransit Superintendent	Category 4b
Assistant Paratransit Superintendent	Category 4b

ATTACHMENT A

Appendix A

Position	Assigned Disclosure Category
<u>Operations Manager</u>	<u>Category 4b</u>
<u>Fixed Route Superintendent</u>	<u>Category 4b</u>
<u>Facilities Maintenance Supervisor</u>	<u>Category 4b</u>
<u>Financial Analyst</u>	<u>Category 4b</u>
<u>Accountant I</u>	<u>Category 4b</u>
<u>Accountant II</u>	<u>Category 4b</u>
<u>Grants/Legislative Analyst</u>	<u>Category 4b</u>
<u>Claims Investigator</u>	<u>Category 4b</u>

ATTACHMENT B

Santa Cruz Metropolitan Transit District

NOTICE OF INTENTION TO AMEND THE CONFLICT-OF-INTEREST CODE

NOTICE IS HEREBY GIVEN that the Santa Cruz Metropolitan Transit District (METRO) intends to amend a conflict-of-interest code pursuant to Government Code Section 87300 and 87306. Pursuant to Government Code Section 87302, the code will designate employees who must disclose certain investments, income, interests in real property and business positions, and who must disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

A written comment period has been established commencing on June 14, 2013 and terminating on August 8, 2013. Any interested person may present written comments concerning the proposed code no later than August 8, 2013 to METRO's District Counsel: Attn: Leslyn K. Syren, Santa Cruz METRO, 110 Vernon Street, Santa Cruz, CA 95060. Any interested person or his/her duly authorized representative may request, no later than 15 days prior to the close of the written comment period, a public hearing. METRO's Board of Directors will review all public comments and consider whether to implement the amendments at the Board Meeting on August 9, 2013 at METRO's Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060. METRO has prepared a written explanation of the reasons for the designations and the disclosure responsibilities and has available all of the information upon which its proposal is based.

METRO is amending its Conflict of Interest Code to include specific deadlines for providing Statements, to update the Code with the current Administrative Office address, and to add new positions which require the filing of Statements. The following information has been added:

1. METRO's Administrative Offices are located at 110 Vernon Street, Santa Cruz, CA 95060.

ATTACHMENT B

2. All Statements of Economic Interest shall be provided to METRO no later than April 1st of each year.
3. Designated Officials, Employees, Members and Consultants assuming positions after the April 1st deadline shall file Statements of Economic Interest (Form 700) within thirty (30) days after assuming the designated positions.
4. All persons who leave designated positions shall file Statements of Economic Interest within thirty (30) days after leaving office.
5. If/when the Conflict of Interest Code is amended, all newly designated officials, employees, members and consultants added to “Appendix A”, shall provide Santa Cruz METRO with an Economic Statement (Form 700) within thirty (30) days after adoption of the amended code.
6. If a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.
7. The Purchasing Assistant is being added to the list of positions that are designated in category 4a.
8. The Assistant Manager of Information Technology Services, Financial Analyst, Accountant I, Accountant II, Grants/Legislative Analyst, and Claims Investigator are being added to the list of positions that are designated in category 4b.
9. The Information Technology Manager/Project Manager has been changed from category 4b to category 1.

Copies of the proposed code and all of the information upon which it is based may be obtained from METRO’s Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060 from 8am – 12pm, and 1pm – 5pm (Mon-Fri). Any inquiries concerning the proposed code should be directed to Leslyn K. Syren, District Counsel for Santa Cruz METRO at (831) 426-6080.

ATTACHMENT C
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 21, 2013

TO: Designated Employees, Officials, Members and Consultants

FROM: Leslyn K. Syren, District Counsel

SUBJECT: Notice of Intention to Amend the Conflict of Interest Code

NOTICE IS HEREBY GIVEN to each designated official, employee, member and consultant that the Santa Cruz Metropolitan Transit District (METRO) intends to amend its conflict-of-interest code pursuant to Government Code Sections 87300 and 87306. Pursuant to Government Code Section 87302, the code will designate employees who must disclose certain investments, income, interests in real property and business positions, and who must disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

A written comment period has been established commencing on June 14, 2013 and terminating on August 8, 2013. Any interested person may present written comments concerning the proposed code no later than August 8, 2013 to METRO's District Counsel: Attn: Leslyn K. Syren, Santa Cruz METRO, 110 Vernon Street, Santa Cruz, CA 95060. Any interested person or his/her duly authorized representative may request, no later than 15 days prior to the close of the written comment period, a public hearing. METRO's Board of Directors will review all public comments and consider whether to implement the amendments at the Board Meeting on August 9, 2013 at METRO's Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060. METRO has prepared a written explanation of the reasons for the designations and the disclosure responsibilities and has available all of the information upon which its proposal is based.

METRO is amending its Conflict of Interest Code to include specific deadlines for providing Statements, to update the Code with the current Administrative Office address, and to add new positions which require the filing of Statements. The following information has been added:

1. METRO's Administrative Offices are located at 110 Vernon Street, Santa Cruz, CA 95060.
2. All Statements of Economic Interest shall be provided to METRO no later than April 1st of each year.
3. Designated Officials, Employees, Members and Consultants assuming positions after the April 1st deadline shall file Statements of Economic Interest (Form 700) within thirty (30) days after assuming the designated positions.

ATTACHMENT C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

4. All persons who leave designated positions shall file Statements of Economic Interest within thirty (30) days after leaving office.
5. If/when the Conflict of Interest Code is amended, all newly designated officials, employees, members and consultants added to “*Appendix A*”, shall provide Santa Cruz METRO with an Economic Statement (Form 700) within thirty (30) days after adoption of the amended code.
6. If a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.
7. The Purchasing Assistant is being added to the list of positions that are designated in category 4a.
8. The Assistant Manager of Information Technology Services, Financial Analyst, Accountant I, Accountant II, Grants/Legislative Analyst, and Claims Investigator are being added to the list of positions that are designated in category 4b.
9. The Information Technology Manager/Project Manager has been changed from category 4b to category 1.

A copy of the proposed amended Code is attached for your review. All of the information upon which it is based may be obtained from METRO’s Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060 from 8am – 12pm, and 1pm – 5pm (Mon-Fri). Any inquiries concerning the proposed code should be directed to Leslyn K. Syren, District Counsel for Santa Cruz METRO at (831) 426-6080.

Encl.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013

TO: Board of Directors

FROM: Ciro Aguirre, Operations Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH NEW FLYER FOR THE PURCHASE OF FIVE (5) 35' XCELSIOR BUSES, VIA THE MINNESOTA COOPERATIVE PURCHASING VENTURE, IN AN AMOUNT NOT TO EXCEED \$2,500,000

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to use the State of Minnesota Cooperative Purchasing Venture Contract as the basis upon which to execute a contract with New Flyer for the purchase of five (5) transit buses in an amount not to exceed \$2,500,000.

II. SUMMARY OF ISSUES

- Santa Cruz METRO has budgeted for the purchase of five (5) transit buses to replace aging vehicles in Santa Cruz METRO's fleet.
- The State of Minnesota has issued a cooperative vehicle procurement contract for the purchase of these vehicles. Santa Cruz METRO is a member of the cooperative.
- The Federal Circular that governs procurement for federally funded purchases encourages intergovernmental procurements when the procurement includes the applicable federally mandated clauses. The Minnesota procurement satisfies this requirement.
- Staff requests to use the State of Minnesota Cooperative Purchasing Venture contract for this procurement as a means of streamlining the procurement process and obtaining better pricing.
- Staff recommends that the Board of Directors authorize the General Manager to use the State of Minnesota Cooperative Purchasing Venture contract as the basis upon which to execute a Santa Cruz METRO contract with New Flyer for the purchase of five (5) transit buses in an amount not to exceed \$2,500,000.

III. DISCUSSION

Santa Cruz METRO has budgeted for the purchase of five (5) transit buses to replace aging vehicles in Santa Cruz METRO's fleet. Each year the State of Minnesota prepares bids for vehicles, trucks, vans and utility vehicles. The resulting cooperative purchasing contracts allow

smaller public agencies to purchase vehicles based on joint government agency needs. This process allows for better pricing than Santa Cruz METRO would normally obtain due to the greater quantities requested in the state bid.

The FTA encourages grant recipients to utilize intergovernmental and cooperative purchasing agreements whenever it is practical as a means of saving money. Federal Circular 4220.1f, which governs procurement for federally funded purchases, encourages intergovernmental procurements when the procurement includes the applicable federally mandated clauses. The Minnesota procurement satisfies this requirement.

Staff recommends that the Board authorize the General Manager to use the State of Minnesota Cooperative Purchasing Venture process and execute a contract with New Flyer for the purchase of five (5) transit buses in a total amount not to exceed \$2,500,000.

IV. FINANCIAL CONSIDERATIONS

Funds to support this procurement are included in the FY11 State of Good Repair 2 grant.

V. ATTACHMENTS

Attachment A: None

Due to the large content, the Minnesota Cooperative Purchasing Venture Agreement and contract documents are available for viewing at the Purchasing Department.

Prepared By: Erron Alvey, Purchasing Agent
Date Prepared: June 7, 2013

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013
TO: Board of Directors
FROM: Erich R. Friedrich, Senior Transportation Planner
**SUBJECT: SERVICE OPTIONS FOR THE LA POSADA REDSIDENTS AT
FREDERICK / GAULT ST.**

I. RECOMMENDED ACTION

That the Board of Directors direct staff to pursue Capital Improvements at the Soquel and Frederick intersection in order to abate unsafe paths of travel to the current bus stops from La Posada.

II. SUMMARY OF ISSUES

- Santa Cruz METRO received a petition from the residents of La Posada Retirement Community requesting the reinstatement of transit service along Frederick St. at Gault St. in Santa Cruz.
- Santa Cruz METRO, staff has studied a range of options to address the needs expressed by La Posada residents. Staff has identified five options:
 - Status Quo
 - Capital Improvements
 - Limited Restoration of a Discontinued Service
 - Full Restoration of a Discontinued Service
 - Disrupt an Existing Route
- Santa Cruz METRO staff recommends that the Board of Directors direct staff to pursue the Capital Improvement option.

III. DISCUSSION

Background

Santa Cruz METRO received a petition from the residents of La Posada Retirement Community requesting the reinstatement of transit service along Frederick St. at Gault St. in Santa Cruz. Santa Cruz METRO staff has dedicated a significant amount of time and effort analyzing the current transportation options and transportation needs of La Posada residents, as well as gathering information regarding the current transportation services available to La Posada residents. Staff has also examined the current transportation conditions which present challenges to residents of La Posada and has met with residents in person, through email, and on the phone

to discuss opportunities for different transportation related improvements that could be made to abate the identified challenges.

In 2004, transit service to La Posada at the Frederick St. / Gault St. stop was eliminated due to budget restrictions. Prior to the 2004 cut, the Routes 6 and 65 served La Posada and the surrounding area and operated between Capitola and Santa Cruz. The Route 6 (cut in 2002) operated once per hour in a loop starting and ending at Santa Cruz Metro Center downtown from 6:50am to 6:50pm. The Route 6 averaged 8.3 passengers per trip. The Route 65 (cut in 2004) operated once per hour inbound and outbound weekdays from 6:40am to 6:50pm and weekends from 8:40am to 6:50pm. The Route 65 averaged 10.9 passengers per trip. For context on ridership levels, in 2004, the Route 66 averaged 28.1 passengers per trip. The poor ridership levels on the Routes 6 and 65, funding environment, and the availability of other transit routes (Routes 66, 68, 69A/W/N,71) lead to the elimination of both routes by September of 2004.

In late April of this year, Santa Cruz METRO Staff met with over 20 residents of La Posada to discuss the transportation challenges and options to overcome those challenges in order to increase transportation access and mobility. Much of this conversation was dominated by concerns about the lack of a safe path of travel to the Soquel/Frederick St. bus stops and the condition of the Soquel/ Frederick St. intersection. Many residents expressed dissatisfaction and great concern about the sidewalk conditions along Frederick St. and with the seemingly short crossing time given to cross the Soquel / Frederick St. intersection. The lack of a safe path of travel to the current bus stop at Soquel and Frederick St. was the primary concern voiced by the La Posada residents as the reason that current Santa Cruz METRO fixed route transit service does not meet their needs. For this reason, the residents of La Posada requested the return of bus service to the Frederick St. / Gault St. area.

Current Transportation Conditions

La Posada is located .18 miles (950 feet) from the Soquel corridor, which has the highest level of transit service METRO has to offer (**ATTACHMENT A**). The Soquel/Frederick St. bus stops are served by Routes 66, 66N, 69A, 69W, and 71, with a combined frequency of 15 minutes or less during peak hours. Transit service at this location runs from 6:10am to 11:45pm weekdays and 7:15am to 11:45pm weekends. From the Soquel/Frederick St. bus stops, riders can access downtown Santa Cruz, Live Oak, Portola, Dominican Hospital, Soquel, Capitola Mall, Capitola, Aptos, Cabrillo College, Watsonville, and all other locations served by Santa Cruz METRO.

The sidewalks along Frederick St. between Gault St. and Soquel are in poor condition with many identified hazards, and the Soquel / Frederick St. intersection is considered unsafe by La Posada residents. The curb-cuts at the intersection are not all ADA compliant, and the crossing time is insufficient for many pedestrians.

Santa Cruz METRO's current fixed route network provides a high level of service to the residents of La Posada.

There are also a variety of other transportation alternatives:

- La Posada operates a dedicated shuttle for residents
- ParaCruz, (Santa Cruz METRO's ADA mandated paratransit service) provides door to door service to those who cannot access a fixed route. This service operates the same days and hours as the fixed route transit service.
- Community Bridges' Lift Line was recently expanded to provide same-day free service to eligible citizens for medical appointments and other medical based purposes. According to Lift Line, many riders are picked up within 20-30 minutes of reserving a ride.
- Community Bridges' Lift Line also provides the Taxi Script program, which provides vouchers for discounted rides on taxis for those needing transportation for non-medical related purposes.

Santa Cruz METRO Fixed Route Options

Santa Cruz METRO staff has been working to address the petition brought forth by La Posada residents. Through an iterative meeting process, including extensive review by the Service Planning and Review Committee (SPARC), as well as using information gleaned from the On-Board Transit Survey (2012)¹ conducted by the Regional Transportation Commission with assistance from Santa Cruz METRO, staff has studied a range of options to address the needs expressed by La Posada residents. Staff has identified five options:

- status quo
- capital improvements
- limited restoration of a discontinued service
- full restoration of a discontinued service
- disrupt an existing route

Status Quo

La Posada is located .18 miles (950 feet) from the Soquel corridor, which has the highest level of transit service METRO has to offer. Current best practices specify a .25- to .5-mile walking distance from a bus stop as the standard catchment area for all users. The Federal Transit Administration (FTA) recently expanded their official defined catchment area to .5-mile as of 2011². By any industry standard, the .18 miles from La Posada to the existing stop facilities on Soquel are within a reasonable distance to access fixed route transit service.

The issue of access to fixed route transit service at Soquel/Frederick St. does not appear to be the distance to the current bus stops, but rather the lack of a safe path of travel. This is due to the condition of the sidewalks, intersections, crosswalks, and land uses. In fact, some residents have reported walking an additional mile to avoid the Soquel/Frederick intersection

¹ Onboard Transit Survey (2012).

² <http://www.dot.state.fl.us/planning/policy/bikeped/meetings/transit.pdf>

Sidewalk and safe path of travel issues fall under the jurisdiction of the City of Santa Cruz, and are beyond the responsibility of Santa Cruz METRO. The City of Santa Cruz has already approved a project to expand and improve the Soquel/Frederick St. intersection and make sidewalk and road improvements along Frederick St. and Soquel Avenue. This project is included in the City of Santa Cruz Capital Improvement Program 2012-2014 and is scheduled to begin in 2014³.

In the On-Board Transit Survey (2012), users declared their top three priorities for Santa Cruz METRO improvements as increasing service frequency, having shorter travel times, and access to real time bus information. In addition, among users who identified themselves as age 65 or older, only 6.3% identified not having enough bus stops as a barrier to fixed route transit use, while 50% cited that there were no barriers to fixed route transit use⁴. By maintaining status quo, Santa Cruz METRO staff can continue to improve on-time performance and efficient transit connections along the main transit corridors for the greatest number of passengers in the county, including La Posada residents.

This option has no financial impact.

Capital Improvements:

The City of Santa Cruz has approved a project to expand and improve the Soquel/Frederick St. intersection, including sidewalk and road improvements along Frederick St. and Soquel Avenue. Santa Cruz METRO staff is open and willing to work with City staff and contribute to this project in order to improve the access to fixed route transit service.

Santa Cruz METRO could assist with capital improvements to the area to abate safety hazards that limit the accessibility of the current Soquel / Frederick St. bus stops. Santa Cruz METRO can work with the City of Santa Cruz Public Works Department to incorporate specific pedestrian improvements to the path of travel at the Soquel Drive/Frederick Street intersection. FTA grant funding is also available for path of travel improvements within .5-miles of a bus stop facility⁵.

Path of travel improvements could include:

- sidewalk improvements
- crossing improvements
- prolonged pedestrian signal time at the Soquel/Frederick St. signalized intersection
- relocation of the Soquel / Frederick St. bus stops closer to the intersection

These capital improvements would improve the accessibility of the current Soquel/Frederick St. bus stops with no disruption to existing routing and frequency.

³ <http://www.cityofsantacruz.com/Modules/ShowDocument.aspx?documentid=20419>

⁴ Onboard Transit Survey (2012).

⁵ <http://www.dot.state.fl.us/planning/policy/bikeped/meetings/transit.pdf>

This one-time capital cost is estimated to be \$100,000 depending upon the magnitude of improvements.

Limited Restoration of a Discontinued Route:

Santa Cruz METRO could restore service to La Posada on a limited frequency and schedule following the routing of the discontinued Route 6 (**ATTACHMENT B**). The Route 6 last ran in 2002. Ridership levels averaged 8.9 passengers per trip, with off-peak ridership dropping below 4 passengers. Due to the nature of the road geometry in this area, this route requires 35' buses, which are already in short supply in the current fleet. This option would include three to four trips per day Monday through Friday, and would serve La Posada residents at the deactivated bus stop on Frederick St.

The financial impact of this option is estimated at a minimum range of \$80,000-\$130,000 annually. Because this option disrupts internal efficiencies, changes route connections, impacts schedules, and may require additional buses, a more accurate cost estimate is unavailable at this time.

Full Restoration of a Discontinued Route:

Santa Cruz METRO could restore service to La Posada following similar routing and scheduling of the past Route 65 (**ATTACHMENT C**). This service would run hourly through the Live Oak area from approximately 6:40am to 6:50pm weekdays and from 8:40am to 6:50pm weekends. As mentioned above, the average ridership of this route was low, approximately 10.9 passengers per trip. Off-peak trips frequently averaged fewer than 5 passengers during the entire trip.

Santa Cruz METRO Staff estimates the cost of restoring service to La Posada as it existed in 2004 to be over \$800,000 annually in labor costs alone. It is unlikely that Santa Cruz METRO currently has a sufficient number of operators and buses in the fleet to add this service.

Disrupt an Existing Route:

This service option would direct staff to reroute an existing fixed route to serve the Frederick St./Gault St. area. Preliminary scenarios that Santa Cruz METRO staff has discussed indicate that selected trips of the Route 68 could be diverted to serve La Posada. Route 68 currently serves Eastside Santa Cruz, the Harbor, Live Oak along Portola, and 41st Ave to the Capitola Mall. It averages 380 riders per weekday and 250-300 riders per weekend day.

Potential rerouting of the Route 68 could be diverted from the corner of Broadway and Seabright in order to loop through the La Posada area. This option would add significantly to the running time of the Route, which in turn would have impacts on the interlining of Live Oak service (Route 55, 66, and 68). The Route 68 also requires a 35' bus due to road geometry, of which Santa Cruz METRO has a limited number.

This option would negatively impact transit riders by:

- A major disruption to the well established ridership on this route
- breaks reliable transit connections for current passengers
- the number of passengers who require a mobility device could exceed the capacity
- significantly increases travel time
- lowers on-time performance
- Increases operational hazards due to traffic conditions along Frederick St.

Financial implications of this option are unknown without further modeling. Santa Cruz METRO staff anticipates that the added cost would be significant. Additional costs would include:

- Additional running time
- Major loss of scheduling efficiencies
- Greater need for 35' buses
- Increase layover time

Santa Cruz Staff highly discourages this option.

Staff recommendation:

Santa Cruz METRO staff recommends that the Board of Directors direct staff to pursue the Capital Improvement option. Staff will then work with the City of Santa Cruz on augmenting their existing project to incorporate safer sidewalks, closer bus stops, better pedestrian crossings, and prolonged time for pedestrians to cross Soquel Ave. Staff believes this course of action meets the core needs of the La Posada residents at a low cost while preserving excellent transit service along Soquel Ave.

IV. FINANCIAL CONSIDERATIONS

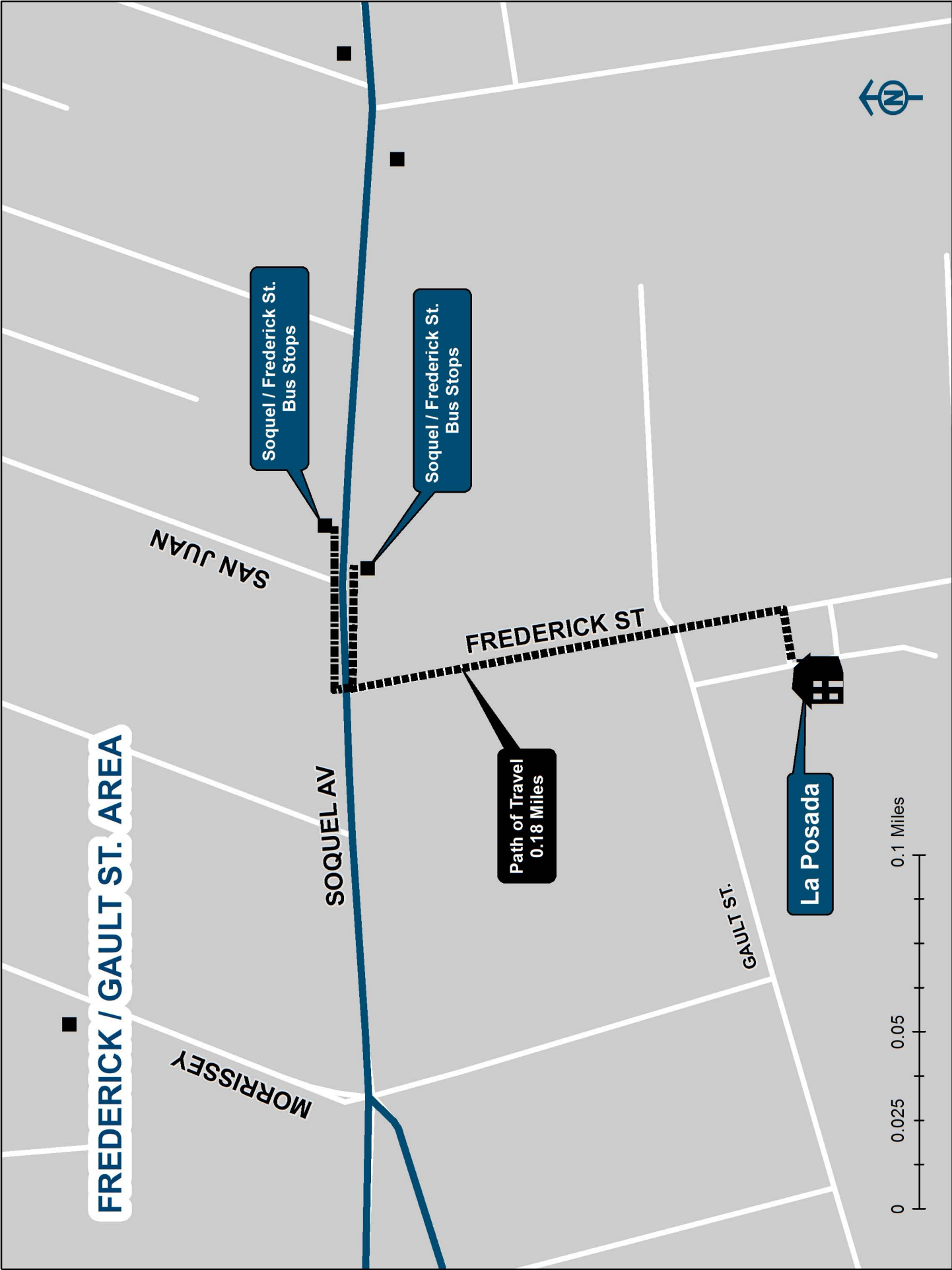
Santa Cruz METRO Staff roughly estimates that the improvements outlined in the Capital Improvement Option would cost around \$100,000 in one time capital costs.

V. ATTACHMENTS

- Attachment A:** Map – Frederick / Gault St. Area
Attachment B: Map – Route 6 Seabright
Attachment C: Map – Route 65 Live Oak via Gault St.

Prepared By: Erich R. Friedrich – Sr. Transportation Planner
Claire Fliesler – Jr. Transportation Planner
Todd Pinsky – UTU Local 23

Date Prepared: June 7, 2013



FREDERICK / GAULT ST. AREA

Soquel / Frederick St.
Bus Stops

Soquel / Frederick St.
Bus Stops

Path of Travel
0.18 Miles

La Posada



12.a1



Route 6 Seabright

La Posada

Metro Center

GAULT ST.

FREDERICK ST

SOQUEL AV

BROADWAY

OCEAN ST

SEABRIGHT

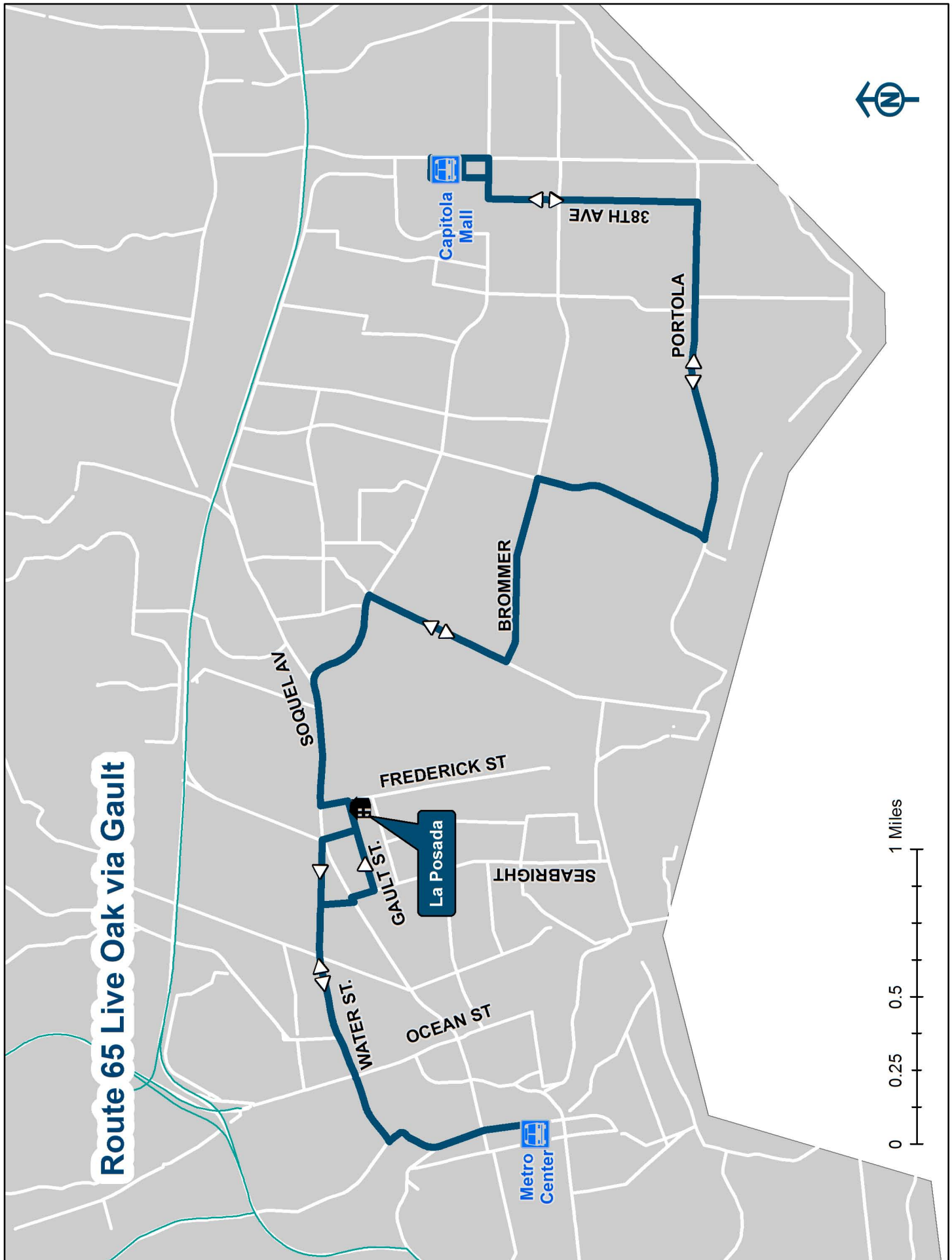
MURRAY

7TH AVE

0 0.125 0.25 0.5 Miles



Route 65 Live Oak via Gault



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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: June 14, 2013
TO: Board of Directors
FROM: Erich R. Friedrich, Senior Transportation Planner
SUBJECT: MAY 2013 DROPPED SERVICE REPORT

I. RECOMMENDED ACTION

This is an informational item only. No action is required.

II. SUMMARY OF ISSUES

- Total dropped service in the month of May 2013 was 14 trips equaling 14 hours and 264 miles, rounding to 0.08% of total service.
- The majority of service that was dropped was along the UCSC corridor during the PM Peak pull out.
- The service levels dropped in May 2013 was below average for FY 2013 YTD

III. DISCUSSION

Due to variables such as bus operator availability, traffic, mechanical failures, emergencies, and other factors, some cases scheduled transit service is canceled. This is known as dropped service. Santa Cruz METRO strives to minimize the impact of dropped service and is proactive in abating the variables that cause dropped service. However, on occasion staff cannot overcome the various situations and must cancel (drop) service.

In the month of May 2013, Santa Cruz METRO dropped 14 scheduled trips which equates to 14 hours and 264 miles of dropped service. In context this is 0.08% of the scheduled service in the month of May 2013.

Attachment A shows that the majority of dropped service occurred along the UCSC corridor during the PM Peak pull out.

The level of dropped service is below the average for FY 2013 YTD.

During the months of February and March of 2013, there was a outlying spike in dropped service. Santa Cruz METRO staff will return to the Board with a detailed report investigating the cause of those spikes in dropped service.

IV. FINANCIAL CONSIDERATIONS

None.

V. ATTACHMENTS

Attachment A: Dropped Service Statistics for May 2013

Prepared By: Erich R. Friedrich – Senior Transportation Planner
Date Prepared: Date Staff Report was prepared

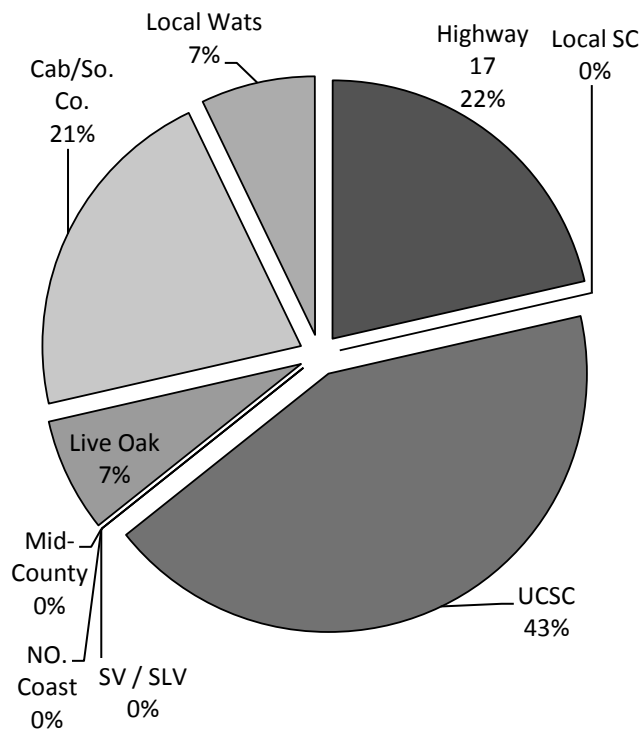
Dropped Service Statistics for May 2013

Dropped Service Data

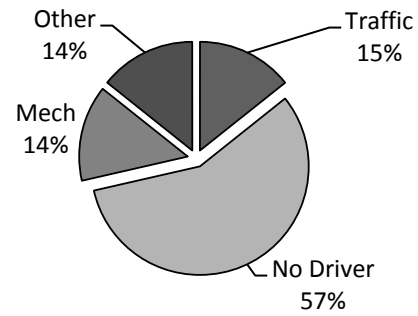
	Hours	Miles	Trips
Total Dropped	14	264	14
% of Total Service	0.07%	0.09%	0.08%

Graphic Data

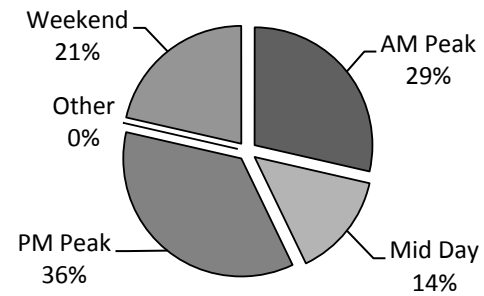
Dropped Trips by Regions



Cause of Dropped Trips



Dropped Trips by Time of Day



FY 2013 YTD Dropped Trips

