

MEMORANDUM OF UNDERSTANDING – Draft version 2

AGREEMENT TO PURSUE A TRANSIT PROJECT BETWEEN THE CITY OF MILPITAS AND SUSTAINABLE HABITAT

The authorized representative of the City of Milpitas, hereafter referred to as the "City," and the authorized representative of Sustainable Habitat and its successor (a not-for-profit, Type B Corporation), hereafter referred to as the "Cooperative," do hereby jointly accept and agree to all the terms and conditions set forth in this Memorandum of Understanding (hereinafter "MOU").

WHEREAS, the City of Milpitas experiences regular and persistent congestion due to a regional housing-jobs imbalance that is beyond the City's control, and;

WHEREAS, congestion in and around the Transit Area is bad and expected to get worse due to increased traffic to/from the Transit Center, and any mitigation of congestion achieved by this project will be filled by latent demand, and;

WHEREAS, Personal Rapid Transit (PRT) technology deployed as shown in the [PRT Poster](#) could provide a convenient, safe, and affordable alternative to driving for a significant percentage of Milpitas Transit Area residents and workers, and;

WHEREAS, such a transit infrastructure project is expected to help reduce carbon emissions, enhance the City's reputation, promote transportation equity, bolster business and commerce, improve public health, and provide a model that could be used in other cities;

WHEREAS, Milpitas residents expect major infrastructure projects with a significant public benefit to have high levels of transparency and accountability;

Therefore, the City encourages the project outlined in the [PRT Poster](#) by hereby indicating the intention to grant a franchise for such a project when presented to the City in accordance with the following expectations:

1. The Cooperative will lead the effort to build a locally owned and operated PRT Mini-Loop to serve the BART/VTA Transit Center, Great Mall, proposed grocery store, park/school, and housing across Capital Avenue from the Transit Center. Success there will be followed by a second loop that includes 7 more stations.
2. Major design decisions by the Cooperative shall be guided by Milpitas residents, civic and business groups, and the various property owners, including the City, and the Cooperative's employees if the Cooperative hires them when operations commence.
3. Capital costs for design, construction and testing is expected from foundations and government agencies with an interest in reducing CO₂ emissions and/or supporting transit. The goal of free PRT service for Milpitas residents will require on-going O&M financing from stakeholders and advertisers, not patrons/users.
4. Due to obstacles presented by state and federal securities laws, no solicitation or acceptance of donations or grants shall imply that any or all of the funds donated will be returned. However, a record will be kept of donations, and the Cooperative will have the authority to benefit donors

in any appropriate ways.

5. Until the system goes operational, the Cooperative will contract work out as appropriate while giving priority to businesses located within Santa Clara County that pay prevailing wages. Once public transit operations commence, the Cooperative may choose to hire O&M staff.
6. The Cooperative will make readily available to the City and the public its financial, strategic and operational information to demonstrate its transparency and accountability.
7. The City expects that the Cooperative will need a year or more to reach agreements with other property owners and line up the funding required to approach the City with designs and plans as would be expected of any developer seeking permits.
8. While this MOU may be shared with other property owners, the Cooperative does not expect the City to commit any other resources to supporting the PRT Mini-Loop until the permitting stage – at which time the City is expected to provide necessary and appropriate City resources.
9. The effective term for this MOU shall be for two years following the date of execution of the Memorandum. Prior to expiration of the MOU, progress of the Mini-Loop project shall be reviewed by the Economic Development Commission to evaluate the progress of the project and make a recommendation as to whether this MOU shall continue and/or be modified by the parties.

This Memorandum of Understanding represents the entire agreement between the City and the Cooperative. It may not be changed or modified without a resolution signed by the leaders of both parties.

City of Milpitas
On its behalf

Sustainable Habitat
On its behalf

Rich Tran, Mayor

Robert S. Means, Owner

Date Signed:

Date Signed:

On-line Attachments:

PRT Poster of project showing proposed technology, guideway paths and station locations
<http://sunnyhillsneighborhood.org/poster.pdf>