

2000 Measure A Transit Improvement Program

Citizens Watchdog Committee Report on Fiscal Year 2016



COMPREHENSIVE ANNUAL REPORT

The Citizen Watchdog Committee (CWC) provides this report to inform the community on the status of 2000 Measure A projects and to report its conclusion that during this period Measure A tax dollars were spent as intended by the ballot. This report is a snapshot of Measure A projects completed or significant milestones achieved during Fiscal Year 2016 (7/1/2015 – 6/30/2016).

In November 2000, Santa Clara County voters approved Measure A, a 30-year half cent sales tax dedicated to enhancing the public transit system in the county. The ballot both listed specific projects and VTA as the implementing agency. Voters, by approving Measure A, entrusted the CWC with oversight for the tax collected under Measure A, for keeping county residents informed, and other specific responsibilities. The VTA Board of Directors is responsible for implementation of the Measure A Program and for all policy-related decisions including the composition, implementation schedule and funding level of projects.

VTA delivers transportation solutions that are critical to the health, vitality, prosperity and quality of life for those who live, work, study or play in Santa Clara County. This commitment can be seen in VTA's successful implementation of Measure A. Although most of the ballot-defined projects are massive and very complex, requiring years to plan, design and construct, VTA has delivered significant results during the first 10 years of the 30 year program (revenue collection did not occur until April 2006, upon expiration of a previous measure); these accomplishments are summarized in the project section of this report. The CWC has also prepared a brief summary report highlighting a few key milestones achieved during Fiscal Year 2016 and how Measure A projects are enhancing the quality of life for residents, commuters, businesses and workers in Santa Clara County. This report, Benefits and Key Achievements, is available at:

www.vta.org/projects-and-programs/Programs/2000-Measure-A-Citizens-Watchdog-Committee



The remainder of this report consists of three major components: (1) the CWC's conclusion that during Fiscal Year 2016 Measure A tax dollars were spent as intended by the ballot; (2) the report by the CWC's independent compliance auditor; and (3) the description and end of Fiscal Year 2016 status of individual 2000 Measure A projects.

CITIZENS WATCHDOG COMMITTEE FINDING

The CWC appreciates the importance of the role entrusted to us by voters in Santa Clara County to provide oversight for the tax collected under 2000 Measure A and for keeping county residents informed. To that end, we reviewed expenditures for the reporting period, evaluated the results of an independent audit we commissioned of Measure A expenditures, and conducted a public hearing on May 10, 2017 to obtain input from the community on the 2000 Measure A Program. After thorough review and careful consideration of all information and input received:

It is the conclusion of the Citizens Watchdog Committee that, for the period of FY 2016, 2000 Measure A tax dollars were spent in accordance with the intent of the Measure.

Respectfully submitted,

Herman H. Wadler
Chairperson, Citizens Watchdog Committee



Solutions that move you

Citizens Watchdog Committee members:

MEMBER	REPRESENTS
Stephen C. Blaylock	Mass Transit Users
Aneliza Del Pinal	Senior Citizens
Aaron S. Morrow.....	Disabled Community
Chris C. Elias.....	Environmentalists
Herman H. Wadler	Bicyclists and Pedestrians
Martin B. Schulter	Disabled Persons
William Hadaya	Santa Clara County Chamber of Commerce Coalition
<i>vacant</i>	South Bay AFL-CIO Labor Council
Ray Hashimoto	Builders Industry Association – Bay Area
Sharon Fredlund	Building Owners and Managers Association – Silicon Valley
Chris O’Connor.....	Silicon Valley Leadership Group
Charlotte B. Powers	City of San Jose
Noel Tebo	City of San Jose
<i>Vacant</i>	North County Cities
Connie Rogers	South County Cities
<i>Vacant</i>	West Valley Cities
<i>Vacant</i>	County of Santa Clara

**SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY
2000 Measure A Transit
Improvement Program**
[A Fund of the Santa Clara Valley
Transportation Authority]
Independent Accountant's Report on Compliance
Examination and Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016



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SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

2000 Measure A Transit Improvement Program

[A Fund of the Santa Clara Valley Transportation Authority]

For the Fiscal Year Ended June 30, 2016

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Independent Accountant's Report on Compliance Examination

2000 Measure A Citizens Watchdog Committee
3331 North First Street
San Jose, California 95134

We have examined the Santa Clara Valley Transportation Authority's (VTA) compliance with the requirements of the 2000 Measure A Transit Improvement Program (2000 Measure A Program), an activity of VTA, for the year ended June 30, 2016. The financial activity of the 2000 Measure A Program is included in the accompanying Budgetary Comparison Schedule and related notes. Management is responsible for the VTA's compliance with those requirements. Our responsibility is to express an opinion on VTA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting VTA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of VTA's compliance with specified requirements.

In our opinion, VTA complied, in all material respects, with the aforementioned requirements that are applicable to the 2000 Measure A Program for the fiscal year ended June 30, 2016.

Our examination was conducted for the purpose of assessing compliance with 2000 Measure A Program, as reported in the Budgetary Comparison Schedule. The supplementary information is presented for the purposes of additional analysis and is not a required part of the Budgetary Comparison Schedule. The supplementary information has not been subjected to the compliance procedures of the 2000 Measure A Program and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the 2000 Measure A Citizens Watchdog Committee and is not intended to be and should not be used by anyone other than this specified party.

Macias Gini & O'Connell LLP

Walnut Creek, CA
March 22, 2017

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 Measure A Transit Improvement Program
[A Fund of the Santa Clara Valley Transportation Authority]
Budgetary Comparison Schedule (on a Budgetary Basis)
For the Fiscal Year Ended June 30, 2016
(in thousands)

	Original Operating Budget *	Final Operating Budget	Actual	Variance with Final Budget
Revenues:				
Sales tax receipts	\$ 207,439	\$ 207,439	\$ 205,636	\$ (1,803)
Investment earnings	5,170	5,170	7,088	1,918
Federal subsidy for Build America Bonds	8,722	8,722	8,748	26
Other income	391	391	366	(25)
Total revenues	<u>221,722</u>	<u>221,722</u>	<u>221,838</u>	<u>116</u>
Non-project expenditures:				
Professional, special and other services	719	719	643	76
Operating assistance to VTA Transit (Note B4)	38,287	38,287	37,954	333
Contributions to other agencies	150	150	218	(68)
Repayment of debt service to VTA Transit (Note D)	15,306	15,306	15,006	300
Principal payment, bond interest and other bond charges (Note E)	26,326	31,336	30,810	526
Total non-project expenditures	<u>80,788</u>	<u>85,798</u>	<u>84,631</u>	<u>1,167</u>
Total revenues less non-project expenditures	<u>\$ 140,934</u>	<u>135,924</u>	<u>137,207</u>	<u>\$ 1,283</u>
Project expenditures (Note B3):				
Silicon Valley Rapid Transit Corridor (VTA's BART Silicon Valley Program)			396,296	
Light Rail Program			26,127	
Commuter Rail Program			10,262	
Bus Program			39,293	
Swap payments to Congestion Management & Highway Program (Note C)			4,984	
Total project expenditures			<u>476,962</u>	
Capital contributions (Note G)			255,800	
Change in net position, on a budgetary basis			<u>(83,955)</u>	
GAAP reconciliation and unbudgeted items (Note B1):				
Project expenditures capitalized as construction in progress			435,840	
Caltrain Access Fee			(1,234)	
Unrealized gain/(loss) on investments			3,719	
Amortization of premium/discounts on investment			(1,163)	
Bond principal payment			26,965	
Total GAAP reconciliation and unbudgeted items			<u>464,127</u>	
Change in net position, on a GAAP basis			380,172	
Net position, beginning of year			1,798,262	
Net position, end of year			<u>\$ 2,178,434</u>	

** The original operating budget's total revenue and total non-project expenditures differ slightly from the published adopted budget due to minor adjustments made for exactness.*

The notes to the budgetary comparison schedule are an integral part of this schedule.

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

2000 Measure A Transit Improvement Program

[A Fund of the Santa Clara Valley Transportation Authority]

Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2016

NOTE A – DESCRIPTION OF REPORTING ENTITY

The Santa Clara Valley Transportation Authority's (VTA) 2000 Measure A Transit Improvement Program (the Measure A Program) was created in response to the Measure A ballot approved by the voters of Santa Clara County on November 7, 2000. The Measure A Program is responsible for a number of key capital transit improvement projects, among them the connection of the San Francisco Bay Area Rapid Transit District (BART) to Santa Clara County, increased bus and light rail service, and to provide for related operating expenses.

The Measure A Program is funded by a half-cent sales tax imposed for a period of 30 years effective April 1, 2006 upon expiration of the County of Santa Clara 1996 Measure B half-cent sales tax on March 31, 2006. Prior to revenue collection, VTA aggressively moved forward, leveraging its capital structure by issuing sales tax revenue bonds to provide funding for part of the Measure A Program, including engineering and design of the Silicon Valley Rapid Transit (SVRT) project (now called VTA's BART to Silicon Valley Extension) and the procurement of Low Floor Light Rail Vehicles. VTA also secured funding under the State's Traffic Congestion Relief Program (TCRP) and the Federal Transit Administration's (FTA) grant programs to facilitate this effort, which are reported as capital contributions on the Budgetary Comparison Schedule (financial schedule).

The Measure A Program provides funding for the following ballot-specified projects:

- Extending BART from Alameda County to the Santa Clara County cities of Milpitas, San Jose and Santa Clara (previously known as the SVRT project and now referred to as VTA's BART Silicon Valley Extension).
- Providing connections from the Norman Y. Mineta San Jose International Airport to BART, Caltrain and VTA light rail.
- Extending light rail from downtown San Jose to the East Valley.
- Purchasing low-floor light rail vehicles.
- Improving Caltrain by double-tracking to Gilroy and electrifying from Palo Alto to Gilroy.
- Increasing the level of Caltrain service.
- Constructing a new Palo Alto Intermodal Transit Center.
- Improving service in major bus corridors.
- Upgrading the Altamont Commuter Express (ACE) service.
- Improving Highway 17 Express bus service.
- Connecting Caltrain with the Dumbarton Rail Corridor.
- Purchasing zero-emission buses and constructing support facilities.
- Developing new light rail corridors.
- Funding operating and maintenance costs for increased bus, rail and paratransit services.

As provided by the 2000 Measure A ballot, the VTA Board of Directors is responsible for implementation of the 2000 Measure A Program and for all policy-related decisions including the composition, implementation schedule and funding level of projects. The Citizens Watchdog Committee is responsible for reviewing 2000 Measure A expenditures to ensure funds are being spent in accordance with the intent of the ballot and for informing the public on how the funds are being spent.

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 Measure A Transit Improvement Program
[A Fund of the Santa Clara Valley Transportation Authority]
Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Presentation

The accompanying financial schedule presents only the financial activities of the Measure A Program on a budgetary basis, and is not intended to present the financial position, changes in financial position and cash flows of the VTA in conformity with accounting principles generally accepted (GAAP) in the United States of America. The reconciliation to GAAP on the accompanying financial schedule is presented to facilitate an understanding of the Measure A Program activities on a GAAP basis.

2) Basis of Accounting

The financial activity of the Measure A Program is accounted for as an enterprise fund. Enterprise funds are used to account for government operations in a manner similar to private business enterprises. Enterprise funds are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. With this measurement focus, all revenues and expenditures associated with the operation of the Measure A Program are included on the accompanying financial schedule. Revenues are recognized when earned, and expenses are recognized when incurred. There are no operating revenues or expenses, as the purpose of the Measure A Program is to collect sales taxes and other grant revenues for carrying out the capital projects and service improvements of Measure A Program. Revenues from capital grants are recognized in the period in which all eligibility requirements imposed by the provider have been satisfied.

3) Budgetary Control

VTA budgets biennially for its enterprise fund operation which includes the Measure A Program. The annual appropriations for the operating budget lapse at the end of the fiscal year to the extent that they have not been expended. Only the operating budget is displayed in the Budgetary Comparison Schedule, as the project budget is a cumulative budget over the length of the project and is not considered a meaningful comparison on an annual basis.

4) Operating Assistance to VTA Transit

The Measure A ballot identified funding for increased bus, rail, and paratransit services. In October 2014, the VTA Board of Directors adopted the Valley Transportation Plan (VTP) 2040; VTP 2040 is VTA's 25-year countywide long-range multimodal transportation plan. As part of VTP 2040, the Board of Directors allocated 18.457% of VTA Transit operating costs to the Measure A Program to provide operating assistance to VTA related to increased bus, rail and paratransit services. The allocation percentage is the basis for determining the amount of actual 2000 Measure A Sales Tax revenues that were used by the VTA Transit Fund for operating activities.

5) Program-wide Expenditures

VTA has incurred expenditures for general tasks identified as part of the Measure A Program but not allocated to a specific project. These include the preparation of progress and cost reports, financial forecasting, and ballot-required activities of the Citizens Watchdog Committee including independent compliance audits, public hearings, and publication in local newspapers of audit results, public hearing notices and annual reports. VTA developed an allocation methodology for these expenditures during fiscal year 2010 that uses the actual amount of direct project expenditures as the base for allocating the program-wide expenditures. (See Note F for further details)

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Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2016

6) Use of Estimates

The preparation of the Budgetary Comparison Schedule in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE C – SWAP PAYMENTS TO CONGESTION MANAGEMENT & HIGHWAY PROGRAM

On February 1, 2007, the Board of Directors approved a swap of \$57.54 million of 2000 Measure A Sales Tax revenues for anticipated future grant funding from the State Transportation Improvement Program (STIP). The swapped 2000 Measure A Sales Tax revenues would fund a number of non-Measure A transportation projects. In exchange, the anticipated future STIP funds would be used to pay the Measure A Program's obligation for the Capitol Expressway Light Rail Extension Project.

On December 13, 2007, the Board of Directors approved an additional swap of \$50.44 million of 2000 Measure A Sales Tax revenues for anticipated future grant funding through the STIP. The swapped 2000 Measure A Sales Tax revenues would fund a number of highway improvement projects, as well as local street and county road projects. In exchange, the anticipated future STIP funds would be used to pay a portion of the Measure A Program's obligation for concurrent non-project activities related to VTA's BART Silicon Valley Berryessa Extension. The reprogramming of the anticipated STIP funds from a portion of the Measure A Program's obligation for the Mineta San Jose Airport People Mover Project to the BART Silicon Valley Berryessa Extension was approved by the Board of Directors on December 9, 2010.

On November 7, 2013, the Board of Directors approved an additional swap of \$14.50 million of 2000 Measure A Sales Tax revenues for anticipated future STIP grant funding. The 2000 Measure A Sales Tax revenues were to fund the Express Lanes Program Fund Exchange related to BART Silicon Valley Santa Clara Extension.

The VTA Board of Directors programmed \$57.54 million in STIP funds to the Capitol Expressway Light Rail Extension on June 7, 2007 as part of a Measure A fund exchange. To date, VTA has accessed \$42.88 million to build pedestrian, bus and bicycle facilities on Capitol Expressway, and to reconstruct and expand the Eastridge Transit Center. Approximately \$1.66 million lapsed back to the county share.

The remaining \$13.0 million was programmed for the utility relocations required to construct track, signal and way for the Light Rail extension on Capitol Expressway. The \$13.0 million had a June 30, 2013 STIP fund allocation deadline, and required National Environmental Policy Act (NEPA) clearance. VTA was unable to obtain NEPA clearance from the Federal Transit Administration (FTA) in time to meet the June 30, 2013 allocation deadline, and requested a 20-month one-time maximum-legally-allowable extension from the California Transportation Commission (CTC). CTC granted the extension, which expired February 15, 2015. VTA has been unable to obtain NEPA clearance for the project in that time, and the \$13.0 million STIP grant lapsed back to Santa Clara County's unprogrammed STIP share on February 16, 2015.

VTA is expected to have access to the \$13.0 million during the 2018 STIP cycle. The VTA Board of Directors will prioritize projects for the 2018 STIP in Fall 2017. VTA staff will recommend re-programming the lapsed \$13.0 million, and the aforementioned \$1.66 million lapse to a Measure A Program project at that time.

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Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2016

The Board of Directors believed that these swaps would accelerate project delivery because it releases the highway and road projects from the administrative burdens imposed by the state or federal governments. This was done by using the swapped 2000 Measure A Sales Tax revenues to fund in part the Local Program Reserve (LPR), a source of funds that the VTA Board programs and therefore does not require going through the lengthy federal or state approval processes. In addition, certain highway projects were part of the Corridor Mobility Improvement Account (CMIA) and had to begin construction no later than December 31, 2012 to avoid losing this funding. The swap payments ensured that the projects met this deadline. The anticipated STIP funds were to be used to fully repay the 2000 Measure A program, both principal and prescribed interest.

The source of the STIP funds is the California State Highway Account (SHA), which itself is funded by state and federal fuel taxes, sales taxes, excise taxes, weight fees and state general obligation bond funds. VTA programmed STIP funding for use in the Measure A Program in fiscal years 2011 through 2018.

The following table shows the changes in activity related to the swap payments made during the fiscal year as well as the cumulative swap payments made to the Congestion Management & Highway Program Fund as of June 30, 2016 (in thousands):

Swap funds authorized:	
Swap funds authorized on February 1, 2007	\$ 57,540
Swap funds authorized on December 13, 2007	50,440
Swap funds authorized on November 7, 2013	<u>14,500</u>
Total swap funds authorized	<u>\$ 122,480</u>
Swap payments made:	
Cumulative swap payments made as of July 1, 2015	\$ 94,473
Swap payments made during the current fiscal year	<u>4,984</u>
Cumulative swap payments made as of June 30, 2016	<u>\$ 99,457</u>
Swap funds repaid to the Measure A Program:	
Swap funds received as of July 1, 2015	\$ 74,780
Swap funds received during the current fiscal year	<u>-</u>
Cumulative swap funds received as of June 30, 2016	<u>\$ 74,780</u>

The outstanding balance due from VTA as of June 30, 2016 was \$24.7 million.

NOTE D – REPAYMENT OF DEBT SERVICE TO VTA TRANSIT

VTA issued bonds prior to the commencement of Measure A sales tax collection, in order to incur project expenditures under the Measure A Program. On an annual basis, the Measure A Program reimburses the VTA Transit Fund for debt principal, interest and related expenditures incurred. The reimbursement will continue until the debt obligations are extinguished. There are no formal reimbursement arrangements or loan terms in place. Accordingly, any reimbursements made by the Measure A Program will be recorded in the period in which they occur. For the fiscal year ended June 30, 2016, the Measure A Program paid \$15,006,519 in debt service, consisting of \$10,165,000 in principal and \$4,841,519 in interest and other bond charges.

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The following table presents the projected aggregate annual amount of principal and interest payments required to repay the outstanding debt as of June 30, 2016:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest *</u>
2017	\$ 10,465,000	\$ 4,254,805
2018	10,775,000	3,924,868
2019	11,095,000	3,585,156
2020	11,425,000	3,235,353
2021	11,760,000	2,875,159
2022-2026	80,640,000	7,559,008
Total	<u>\$ 136,160,000</u>	<u>\$ 25,434,349</u>

* Interest based on the fixed rate of the swap, 3.145%

The 2008 Sales Tax Revenue Refunding Bonds are hedged with a swap agreement whereby VTA pays a fixed rate of 3.145% on the outstanding balances to the counterparties, in return for a variable rate that is tied to the 1-month LIBOR rate. Additional information regarding the swap agreement is presented in the notes of the VTA's basic financial statements.

NOTE E – ALLOCATION OF CAPITALIZED BOND INTEREST

VTA has incurred expenditures associated with the issuance of debt used to finance project expenditures for the Measure A Program. VTA developed an allocation methodology for these expenditures that was approved during fiscal year 2011 that uses the amount of bond proceeds spent on a project as a percentage of total bond proceeds spent as the base for allocating the capitalized bond interest. Prior to the approval of the allocation methodology, all capitalized bond interest was recorded as part of the BART Silicon Valley Extension project, as most of the bond proceeds were spent on this project. For the fiscal year ended June 30, 2016, the Measure A Program recorded \$44,054,685 in capitalized bond interest and other bond charges, of which \$30,047,573 relates to 2010 Bond. During 2016, VTA started to allocate capitalized interest and bond charges related to 2010 Bond. Total capitalized interest related to all bonds that was allocated to projects amounts to \$106,888,204.

A portion of the bond proceeds was spent on the Low Floor Light Rail Vehicles project, which was placed into service in June 2003. As such, the cumulative bond interest through June 30, 2016 allocated to this project was expensed and reported as repayment of debt interest and other bond charges in the Budgetary Comparison Schedule. For the year ended June 30, 2016, the Measure A Program recorded \$40,055 in interest expense and other charges, in addition to the \$3,804,879 interest expense relating to closed projects, that are not capitalized as part of the project expenditures.

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Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

The following table shows the allocation of cumulative capitalized bond interest through June 30, 2016 as well as the allocation of capitalized bond interest for fiscal year 2016 based on the approved allocation methodology (in thousands). This includes only open projects.

<u>Program Name</u>	Cumulative Through June 30, 2015	Fiscal Year 2016	Cumulative Through June 30, 2016
Silicon Valley Rapid Transit Corridor	\$ 120,722	\$ 99,404	\$ 220,126
Light Rail Program:			
Santa Clara Pocket Track	-	3,151	3,151
Double Track	-	2,058	2,058
Eastridge Transit Center - CELR	-	716	716
Light Rail Extension	13,411	1,065	14,476
New Light Rail Corridor Development	196	17	213
DTEV-CELR To Eastridge	-	32	32
LRT Extension to Vasona Junction	-	22	22
Bus Program	-	32	32
Commuter Rail Program:			
Dumbarton Rail Corridor	128	-	128
Caltrain Service Upgrades	4,138	348	4,486
Measure A Program-Wide	514	43	557
Total Allocated Capitalized Bond Interest	<u>\$ 139,109</u>	<u>\$ 106,888</u>	<u>\$ 245,997</u>

NOTE F – ALLOCATION OF PROGRAM-WIDE EXPENDITURES

VTA has incurred expenditures for general tasks that have been identified as part of the Measure A Program, but not allocated to a specific project. These include the preparation of progress and cost reports, financial forecasting, ballot-required activities of the Citizens Watchdog Committee including independent compliance audits, public hearings, and publication in local newspapers of audits results, public hearings notices and annual reports. VTA developed an allocation methodology for these expenditures during fiscal year 2010 that uses the actual amount of direct project expenditures as the base for allocating the program-wide expenditures.

In fiscal year 2010, the allocation of the current quarter's program-wide expenditures occurred in the following quarter. The methodology was changed in fiscal year 2011 such that current quarter's program-wide expenditures are allocated in the same quarter.

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Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

The following table shows the allocation of program-wide expenditures in fiscal year 2016 (in thousands):

Program	Project Description	Amount
BUS PROGRAM	Downtown East Valley (DTEV) - Santa Clara/ Alum Rock Corridor Bus Rapid Transit (BRT)	\$ 668
	El Camino Real BRT	10
	CE/Environmental for Stevens Creek BRT	10
	Procurement of 40 BRT Articulated Buses	6
	King Road BRT	2
	BART Transit Integration Analysis	5
	De Anza College Transit Center Improvements	2
	Modification of Chaboya & North Divisions for BRT Buses	10
	COMMUTER RAIL PROGRAM	Caltrain Electrification Invest. Program
	Caltrain Electrification: SF to Tamien	1
	SC Station Pedestrian Underpass Extension	20
LIGHT RAIL PROGRAM	New Rail Corridors Study	5
	CELR- Eastridge Transit Center	64
	Northern Light Rail Express	345
	Guadalupe Express	2
	Santa Clara Pocket Track	20
TOTAL ALLOCATION OF PROGRAM-WIDE EXPENDITURES		<u>\$ 1,306</u>

NOTE G – CAPITAL CONTRIBUTIONS

The Measure A Program received capital contributions totaling \$255,800,000 during the fiscal year. The composition of these contributions was as follows (in thousands):

Grant/Funding Source	Program	Amount
Federal	Full Funding Grant Agreement (FFGA)	\$ 158,085
	Federal pass-through & others: ITS, TSGP, Transit, CMAQ, Section 9 and Section 3	2,360
State	Public Transportation Accounts & Clean Air Transportation Improvements Act	1,518
	Traffic Congestion Relief Program	13,099
	AB 1462	35,000
	Public Transportation Modernization Improvement and Services Enhancement Act	26,532
	Highway-Railroad Crossing Safety Account	569
Local	Cities of Fremont, Milpitas and San Jose, Santa Clara Valley Water District, Alameda County, County of Santa Clara	18,637
		<u>\$ 255,800</u>

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Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2016

The Measure A Program has received a majority of its external capital contributions from the Federal government as a result of the Full Funding Grant Agreement. The Measure A Program has used these funds to assist in the financing of: (1) the Bart Silicon Valley Extension Project that will extend BART from Fremont to Santa Clara County; and (2) procurement of Bus Rapid Transit vehicles.

NOTE H – SUBSEQUENT EVENTS

Federal Funding Grant Agreement

Relative to VTA's Silicon Valley Berryessa Extension Project, another \$150 million Federal Section 5309 New Starts grant was awarded in September 2016. Of the \$900 million commitment under the Federal Funding Grant Agreement, \$702.6 million has been awarded as of February 28, 2017.

SUPPLEMENTARY INFORMATION

VTA'S EXTENSION OF BART TO SILICON VALLEY

BART Silicon Valley Berryessa Extension (SVBX)

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$1,273.34
FY2016	344.30
Total Expenditures through FY2016	\$1,617.64

Project Description:

This project is the first phase of the 16.1 mile Silicon Valley Rapid Transit (SVRT) extension of BART.

The Berryessa Extension (SVBX) is a 10 mile segment that runs from Warm Springs in Fremont to Las Plumas Avenue in San Jose, and includes two stations.

Project Status:

The SVBX project is under construction.

Activity This Fiscal Year:



Structure for the End-of-Line Building at the Berryessa Station in San Jose

Line, Track, Stations and Systems (LTSS)

During FY16, the design/build contractor neared completion of guideway trench structures. Ballast, track, and special trackwork installation was completed north of Kato Road, and the following items were underway at the end of the fiscal year:

- Ballast, track, and special trackwork installation in Milpitas
- Civil, system, and building work at the future Milpitas and Berryessa Stations
- System cable pulling and testing of train control houses and traction power substations
- Weekly systems Startup Meetings

Campus and Parking Garages

- The design/build Campus Parking Structures contract (C730) continued with the building interior, elevator installation and site work at the Berryessa and Milpitas sites.
- The Milpitas Campus surface parking lot construction contract (C740) was completed in April 2016.
- The Berryessa Station Campus and Roadways construction contract (C742) continued with the building interior and mechanical, electrical, and plumbing installation at the Police Zone Facility and Ancillary Building.

Hayward Maintenance Complex and BART Revenue Vehicles

- On BART's Component Repair Facility and Hayward Shop Modification contract, demolition was completed and foundation work and reinforcing steel installation is underway.
- BART received the first pilot vehicle in March 2016 and commenced qualification testing and train operator training.

*P-0728, P-0800, P-0801, P-0861

VTA'S EXTENSION OF BART TO SILICON VALLEY

SVRT Corridor Establishment and Maintenance

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$313.64
FY2016	7.40
Total Expenditures through FY2016	\$321.04

Project Description:

Relocate freight railroad from VTA-purchased right-of-way to existing UPRR right-of-way, between UPRR's Warm Springs Yard and Calaveras Blvd. Build a new railroad overcrossing structure at Mission Boulevard and a new roadway underpass at Warren Avenue and Kato Road, and sever shipper freight service south of Montague Expressway.

Provide flood control improvements at Berryessa, Wrigley, Scott Creeks and Line B, as well as creek improvements and environmental mitigation at Wrigley and Lower Penitencia Creeks.

Widen Montague Expressway and make flood improvements made near the intersection of South Milpitas Boulevard in conjunction with SVBX.

Construct a shared-use trail, a new traffic signal, and intersection improvements to connect to the Upper Penitencia Creek (UPC) Trail.

Secure environmental clearance and complete final design of a pedestrian overcrossing (POC) that spans Montague Expressway and connects to the new Milpitas BART Station.

Install a solar photovoltaic system on the roof of the Berryessa Station parking garage, adjacent to the future BART station.

Project Status:

The Montague Expressway Reconstruction and Upper Penitencia Creek (UPC) Trail Connector projects are in the construction phase.

The Montague POC design contract and the Berryessa Station solar power system are in the procurement stage.

Activity This Fiscal Year:

Warren Avenue was opened to traffic in August 2014. Mission Boulevard was fully opened in Spring 2015. On the Mission Boulevard/Warren Avenue/Union Pacific Railroad Relocation Construction contract (C101), punch list and closeout items were underway at the end of the fiscal year.

On the Montague Expressway Reconstruction Project, utility installation and civil construction are underway. On the Upper Penitencia Creek (UPC) Trail Connector, utility relocations and intersection improvements are proceeding, as well as rough grading for the trail alignment. For the Montague POC design contract, cost sharing arrangements are being negotiated with the City of Milpitas.



Aerial View of Montague Expressway Reconstruction

*P-3100, P-3121 through P-3129, P-0508, P-0832, P-0890, P-0985, P-0992

VTA'S EXTENSION OF BART TO SILICON VALLEY

BART Silicon Valley Project Development

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$589.68
FY2016	44.59
Total Expenditures through FY2016	\$634.27

Project Description:

When work began on the Silicon Valley Rapid Transit (SVRT) extension, environmental clearance and preliminary engineering was performed for the entire 16-mile extension. However, in 2009, this approach was changed to focus on the first 10 miles of the extension, the Silicon Valley Berryessa Extension (SVBX), leading to the execution of a Full Funding Grant Agreement (FFGA) in 2012.



A portion of the initial project development costs have been transferred to the SVBX project and are included in the FFGA budget.

Remaining costs are associated with early work on the six-mile Santa Clara Extension (SVRT Phase II), as well as previously allocated Measure A program-wide and bond costs.

Ongoing planning and programming efforts are focused on the SVRT Phase II extension.

Also, VTA has assigned TCRP and State Local Partnership Program (SLPP) grants and is contributing 2000 Measure A funds to the BART Warm Springs Extension, which is being constructed by BART.

Project Status:

The SVRT Phase II extension is in the planning and programming phase. The BART Warm Springs Extension, which is being completed by BART, is in the construction phase, with completion projected for Spring 2017.

Activity This Fiscal Year:

A Second Administrative Draft SEIS/SEIR document was submitted to FTA on June 28, 2016. This document reflects revisions based on comments provided by FTA and BART. New options for the station location at Diridon and a single-bore tunnel were also included in the document.

A Request for Proposals (RFP) was issued, and proposals received, for a single-bore tunnel technical study focusing on areas such as station configurations, ventilation and emergency egress.

Phase II Community Working Group meetings continued to be held, and SVRT program management continued along with allocations of Measure A bond costs.

*P-0500 through P-0507, P-0509, P-0732, P-3101

**Warm Springs Extension cost does not include \$8M in SLPP and \$111.4M in TCRP grant funds designated directly to BART.

Light Rail Program

Extension to Vasona Junction

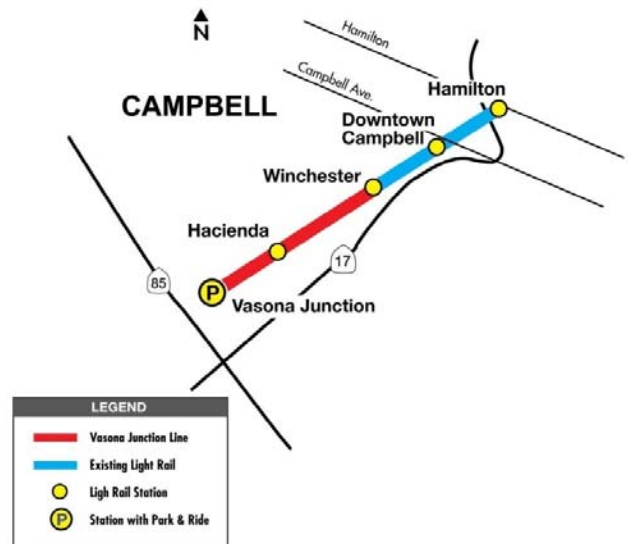
Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$0.88
FY2016	0.00
Total Expenditures through FY2016	\$0.88

Project Description:

The 5.3-mile Vasona Light Rail line (Phase 1) between Downtown San Jose and Campbell was opened in October 2005.

The Phase 2 extension from the end of the line at Winchester Station in Campbell to Vasona Junction (Winchester Boulevard at Route 85) in Los Gatos will add another 1.5 miles, two stations, and a transit center with parking at Vasona Junction.



Project Status:

Since 2000, environmental and design conditions have changed; therefore, the extension project was re-evaluated in a Supplemental Environmental Impact Report (SEIR)/Environmental Assessment (EA). The VTA Board of Directors certified the SEIR and approved the project in March 2014. FTA approved the project in August 2014. Funding has been approved to proceed with design, right-of-way acquisition and utility relocation. Construction phase is dependent on securing funding.

Activity This Fiscal Year:

In June 2016, the VTA Board of Directors approved funding to complete design, acquire right-of-way and relocate utilities.



Railroad alignment in Los Gatos, terminus of the Vasona extension

Light Rail Program

Capitol Expressway Light Rail to Eastridge

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$136.15
FY2016	4.29
Total Expenditures through FY2016	\$140.44

Project Description:

This project will transform Capitol Expressway into a multi-modal boulevard offering bus rapid transit (BRT), light rail transit, and safe pathways with connections to the regional trail system.

Phase I includes pedestrian and bus improvements along Capitol Expressway to accommodate pedestrian access and to improve safety. During this phase, reconstruction of the Eastridge Transit Center will also take place.

Phase II will extend light rail from the existing Alum Rock Light Rail Station to the Eastridge Transit Center.



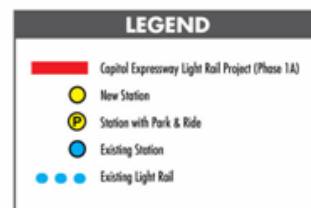
Project Status:

Construction of pedestrian improvements along Capitol Expressway was completed in Spring 2013. Construction of the new Eastridge loop road and pump station is complete and was opened to traffic in July 2014. Construction of the Eastridge Transit Center, Bus Operators Facility and Park and Ride lot was completed and opened to the public in May 2015.

Funding has been approved to proceed with design, right-of-way acquisition and utility relocation.

Activity This Fiscal Year:

In June 2016, the VTA Board of Directors approved funding to complete design, acquire right-of-way and relocate utilities. Construction phase is dependent on securing funding.



Completed Bus Shelter and Bus Bay at the Eastridge Transit Center

Light Rail Program

Light Rail System Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$61.09
FY2016	21.83
Total Expenditures through FY2016	\$82.92

Description Of Efforts:

The **Light Rail Systems Analysis** provides an evaluation of infrastructure and operational deficiencies of the existing light rail system along with a three-phase improvement plan for immediate action. The Light Rail Systems Analysis was adopted by the VTA Board in May 2010.

Near-term recommended projects from the Light Rail Systems Analysis are as follows:



Turnout and switch machine installation in progress near Stevens Creek Bridge

Santa Clara Pocket Track. This project will install an additional track and supporting infrastructure to store additional cars on Tasman near the Old Ironsides Station in the City of Santa Clara.

Northern Light Rail Express. This project will implement a series of improvements including double-tracking in Mountain View to establish a new line from Mountain View to Alum Rock to connect with Caltrain and the new Milpitas BART Station, in conjunction with the opening of the BART to Silicon Valley Berryessa Extension.

Southern Light Rail Express. This project will reconfigure the southern half of the light rail system to allow express trains and integrate the Almaden shuttle trains into the larger system.

North First Street Speed Improvements. This project will construct improvements to increase Light Rail Transit (LRT) speeds along the North First Street corridor to 45 miles per hour.

Project Status: Construction on the Tasman Drive Pocket Track was completed in August 2014. Contract closeout is in progress. The Northern Light Rail Express (Mountain View Double Track) construction was completed in December 2015. Construction contracts have been closed out and project closeout is ongoing. Southern Light Rail Express project has been closed out. Findings from this study will be used for future operating plan analysis. This study did not result in a capital construction project. Project team is reviewing alternatives and developing conceptual plans and estimate for the North First Street Speed Improvements.

Activity This Fiscal Year:

Planning, construction and close-out.

Light Rail Program

Low Floor Light Rail Vehicles

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$198.35
FY2016	0.00
Total Expenditures through FY2016	\$198.35

Project Description:

Purchase of 70 low floor light rail vehicles to serve the entire VTA Light Rail system. Low floor vehicles provide enhanced ADA accessibility and improved service by minimizing boarding and exit times for all riders. Low floor light rail vehicles enable VTA to enhance ADA service by eliminating the need for wheelchair lifts and by providing level boarding for all VTA riders, as well as providing additional space for bicycles.



Project Status: Completed.

Activity This Fiscal Year: None.

Project Disposition: Vehicles are VTA assets and are in service.



Low Floor Vehicle at Baypointe Station



Low Floor Vehicles Provide Level Passenger Boarding

Light Rail Program

Capitol Expressway Eastridge to Nieman

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$0.00
FY2016	0.00
Total Expenditures through FY2016	\$0.00

Project Description:

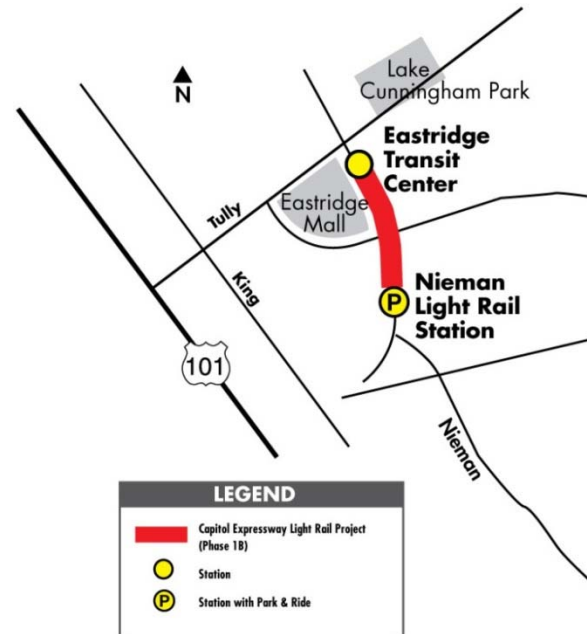
The extension from Eastridge to Nieman includes 0.6 miles of side-running double-track light rail along Capitol Expressway, with grade separations at the entrance to the Eastridge Mall and at Quimby Road. The project also includes a new station at Nieman Boulevard and a light rail storage facility at Quimby Road.

Project Status:

Final design will proceed when funding is secured.

Activity This Fiscal Year:

None.



Aerial View of Project Alignment

Commuter Rail Program

Caltrain Service Upgrades

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$57.42
FY2016	1.44
Total Expenditures through FY2016	\$58.86

Project Description:

Capital improvement projects to the Caltrain system with the goals of improving service, ridership and passenger accessibility.

Project Status:

Mountain View Parking – Project is on hold.

Blossom Hill Pedestrian Grade Separation – Construction was completed and the bridge opened to the public in September 2012.

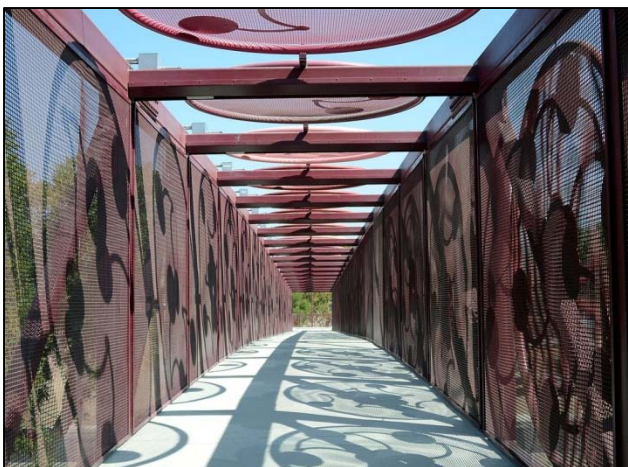
Santa Clara Station Pedestrian Underpass Extension - Project will provide an extended pedestrian tunnel under the UPRR tracks at the Santa Clara Station. Final engineering was completed and the construction contract was awarded in June 2016.

Santa Clara and Diridon Station Upgrades – Work on these two stations has been consolidated into a single contract, with construction now complete.

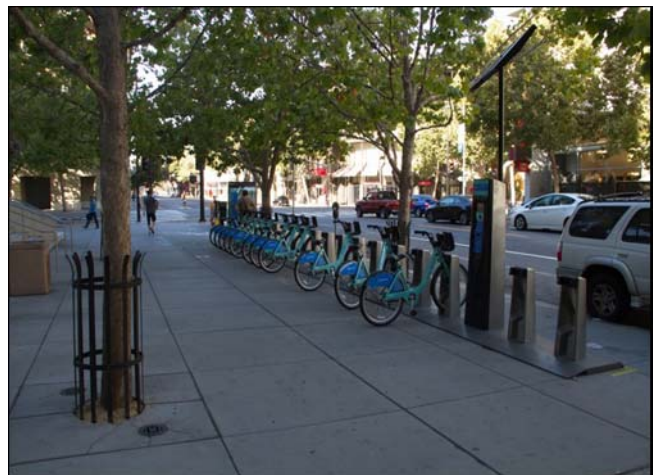
Bike Share Pilot Program – The first phase of the pilot program was launched in August 2013.

Activity This Fiscal Year:

Project Development, Design and Construction.



Blossom Hill Pedestrian Bridge



Bike Share Station at San Fernando and 4th Street

Commuter Rail Program

Caltrain South County

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$17.54
FY2016	0.00
Total Expenditures through FY2016	\$17.54

Project Description:

16.5 miles of double track on the Union Pacific Railroad (UPRR) corridor between the Coyote area of south San Jose and Gilroy. Capacity improvements for storage of additional train sets at Gilroy.

Project Status: Initial work to clear the right-of-way of utilities was completed in July 2011.

This project was put on hold due to uncertainties with the High Speed Rail (HSR) alignment and how it could potentially impact planned improvements for this project. Since Caltrain ridership forecast for South County can be accommodated with the current track configuration, applying Measure A funds to improvements that will increase long-term capacity of the South County segment would not be prudent at this time as it may then be displaced by future HSR construction.

At the request of the Transportation Authority of Monterey County (TAMC), VTA recommended transferring the remaining state funds on this project to TAMC. TAMC is administering a project to extend passenger rail service from Salinas to Santa Clara County (68 miles). The service is projected to start with two round trips, expanding to up to six round trips as demand warrants. The project includes critical improvements at the Gilroy yard to handle northbound trains. On June 11, 2013, the California Transportation Commission (CTC) took action to transfer remaining state funds in the VTA project to the TAMC project.

Additionally, Measure B, passed by Santa Clara County voters in November 2016, includes funding for Caltrain Corridor Capacity Improvements with specific mention of South County service.

Activity This Fiscal Year: None.



Typical South County Crossing

Commuter Rail Program

Caltrain Electrification / High Speed Rail

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$11.91
FY2016	8.82
Total Expenditures through FY2016	\$20.73

Project Description:

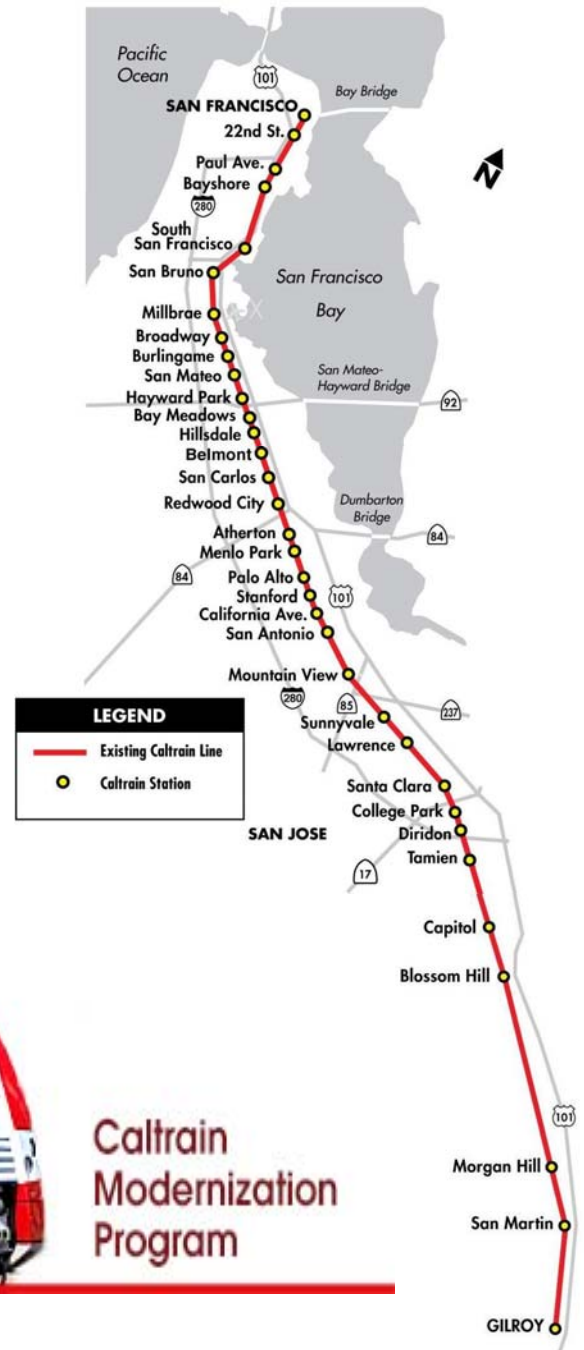
Caltrain from San Jose to San Francisco will be upgraded to an electric, fully grade separated system in conjunction with the California High Speed Rail Project. The High Speed Rail Project will also serve south Santa Clara County through Gilroy and Pacheco Pass.

In cooperation with Caltrain and the High Speed Rail Authority, VTA will participate in planning and engineering activities that will ultimately lead to an upgraded Caltrain system.

Project Status: The environmental process for electrification and new electric trains was completed in January 2015. On July 7, 2016, Caltrain Board of Directors approved \$1.25 billion in contracts to begin work on the Peninsula Corridor Electrification Project (PCEP). The contract for design and construction of the corridor's electrification infrastructure was awarded to Balfour Beatty Infrastructure, Inc. The contract for the manufacture of high-performance electric trains was awarded to Stadler US, Inc. Caltrain expects to begin rollout of electrified passenger service in winter 2020. VTA continues to reimburse Caltrain for project related cost.

Activity This Fiscal Year:

Bid and award of design and construction contract and contract for procurement of electric trains.



Caltrain
Modernization
Program

Caltrain Modernization

Commuter Rail Program

Dumbarton Rail Corridor

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$2.25
FY2016	0.00
Total Expenditures through FY2016	\$2.25

Project Description:

This project represents VTA's share of matching funds for a partnership with Alameda and San Mateo counties for the rebuilding of the Dumbarton Rail Corridor.

The project will rehabilitate rail bridges and tracks that span the bay between Redwood City and Newark and make improvements to existing tracks in Union City and Fremont. The project will involve the construction of two new rail stations at Menlo Park and Newark, as well as upgrades to the Fremont Centerville Station and a new intermodal station at the Union City BART station.

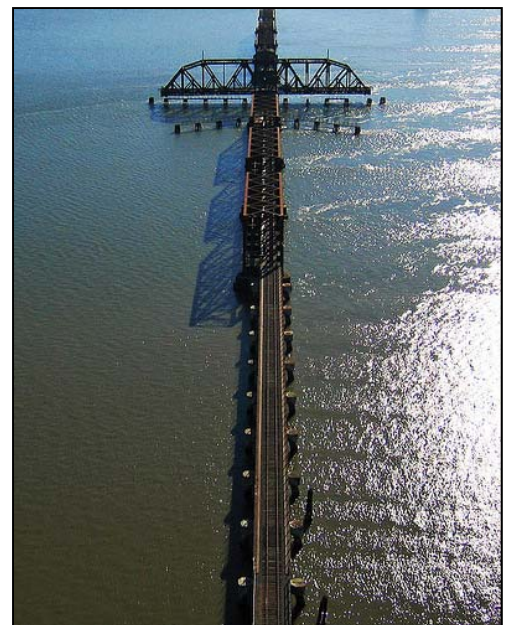
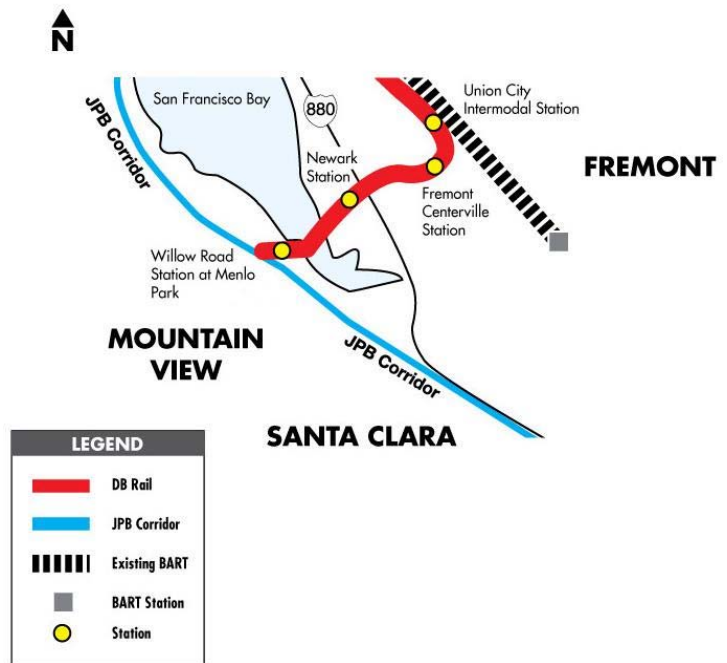
Project Status: This project is inactive.

Based on the detailed cost estimate prepared by the Peninsula Corridor Joint Powers Board (JPB), the project is now projected to cost between \$700 million and \$1 billion. In response, JPB is exploring various strategies to close the funding shortfall and redefine the project.

MTC has also reprioritized \$91 million in Regional Measure 2 funding from the Dumbarton project to the Warm Springs BART extension, with those funds being paid back by the Alameda County Congestion Management Agency. VTA is participating in a partnership of regional transit providers to analyze the cost and benefits of providing additional Express Bus service in the Dumbarton corridor in lieu of rail service

Activity This Fiscal Year:

None.



Aerial view of the existing alignment

Commuter Rail Program

Palo Alto Intermodal Transit Center

Project Expenditures (In millions)

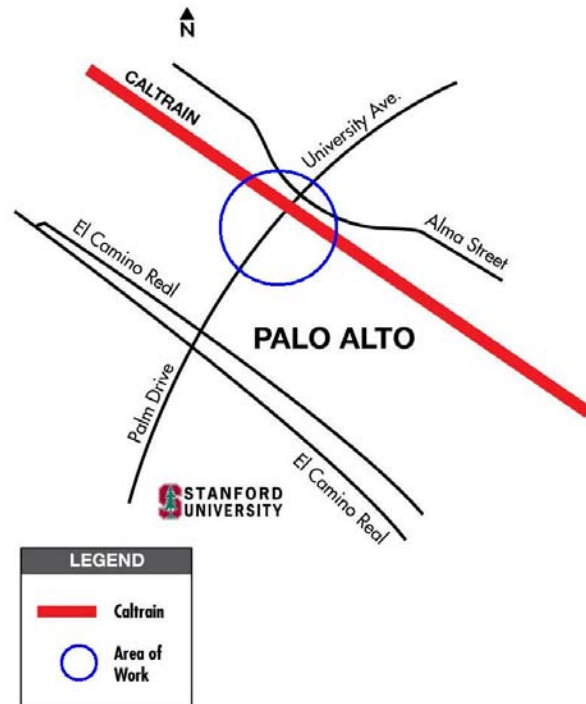
Period	Amount
Inception-to-FY2015	\$0.21
FY2016	0.00
Total Expenditures through FY2016	\$0.21

Project Description:

This project will create an intermodal facility for trains, buses, bicycles, autos and pedestrians, and act as a gateway to both Downtown Palo Alto and Stanford University. The project will expand rail and bus passenger service capacity, realign existing roadways, construct pedestrian and bicycle grade-separated crossings, create an urban park and civic space, install public art and incorporate urban design elements.

Project Status: This project is inactive.

Significant issues related to the High Speed Rail project will need to be resolved before further planning work can proceed for this project.



Activity This Fiscal Year: None.



Architectural Model of One Proposed Scheme for the 4-Track Crossing of University Avenue

Bus Program

Bus Rapid Transit

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$ 38.89
FY2016	1.99
Total Expenditures through FY2016	\$40.88

Project Description:

Bus Rapid Transit (BRT) is an enhanced bus transit service that offers many of the same service attributes as rail transit, such as specialized vehicles, large stations, real-time information, and more frequent and reliable operations. VTA intends to develop an integrated BRT network throughout the county, providing high quality service to areas not served by light rail transit (LRT).

Project Status:

Stevens Creek Rapid 523

Design for new shelters, seating, lighting and other associated bus stop improvements for the Stevens Creek Rapid 523 is currently ongoing. Construction contract will be advertised in late 2016.

De Anza College Transit Center Improvements

Conceptual engineering for an interim transit facility has been completed.

King Road Bus Stop Improvement

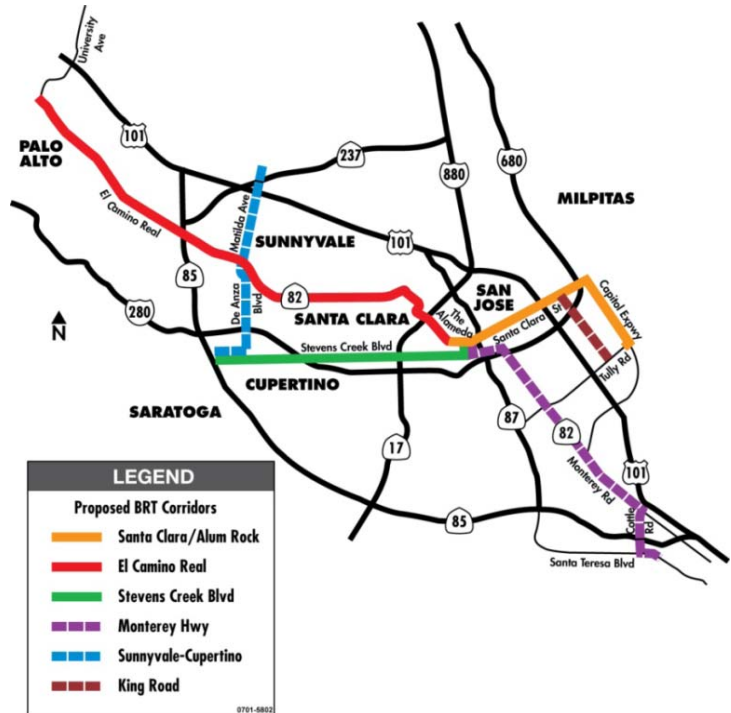
Options are being developed for the King Road/Alum Rock northbound bus stops.

Procurement of Articulated Buses

All buses have been accepted by VTA.

Facility Modifications at Chaboya and North Yard

Construction for the first phase was completed in March 2015. Design for Phase II involving modifications to the Chaboya Yard is planned for 2017.



Specialized BRT Vehicle

Activity This Fiscal Year:

Project Development and design.

Bus Program

Alum Rock – Santa Clara Rapid Transit

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$62.79
FY2016	36.66
Total Expenditures through FY2016	\$99.45

Project Description:

This project will introduce Bus Rapid Transit (BRT) in the corridor with dedicated lanes on the eastern half of the corridor and mixed flow operations in the western segment. This BRT project is being designed in an alignment consistent with light rail stations, enabling a conversion to light rail in the future, if desired.

Project Status:

After the safety shutdown of the contractor in July 2015, VTA entered into a closeout Agreement with the contractor for the prompt and orderly closeout and demobilization of contractor from the project. Using the completion contractor and certain subcontractors from the original contract, VTA prioritized critical and unfinished work along the corridor so traffic can be restored to its final configuration and all areas reopened to vehicles and pedestrians. The work scope not started by the original contractor was repackaged into two new contracts. The first contract, which started work in February 2016, was for the construction of the two BRT stations in Downtown San Jose and City Hall. The second contract for the construction of Alum Rock Avenue roadway, busway and BRT stations started work in May 2016. All construction work will be completed by early 2017.

Activity This Fiscal Year:

Construction.



Installation of BRT Station shelter

Bus Program

El Camino Real BRT

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$9.81
FY2016	0.65
Total Expenditures through FY2016	\$10.46

Project Description:

The proposed alignment extends 16.6 miles from HP Pavilion in downtown San Jose to the Palo Alto Transit Center and is an extension of the Valley Rapid –Alum Rock/Santa Clara project.

Bus Rapid Transit (BRT) improvements are projected to consist of new exclusive bus lanes, bulb outs, distinct shelters, branded hybrid vehicles, off-board fare collection and other improvements along the corridor. The project is envisioned to include 16 new BRT stations.



Project Status:

The El Camino Real Rapid Transit Policy Advisory Board of VTA is exploring new project alternatives in an effort to identify a project design that will attract widespread support from the cities along the project corridor.

Activity This Fiscal Year:

Planning.



BRT Photo Simulation at Scott Blvd.

Bus Program

ZEB: Demonstration and Facility Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$19.45
FY2016	0.00
Total Expenditures through FY2016	\$19.45

Project Description:

VTA, in a joint program with the San Mateo County Transit District (SamTrans), implemented a demonstration program to test the viability of zero-emission fuel-cell bus (ZEB) technology.

VTA procured three 40-foot low-floor ZEBs, modified facilities, installed a hydrogen fueling station, and provided training for staff, emergency responders and others. The three ZEBs started revenue service in February 2005.

Project Status:

The VTA Board adopted the strategy of partnering with other Bay Area transit properties and designating Alameda County (AC) Transit as the lead agency for procuring and deploying the Advanced ZEB Demonstration vehicles. VTA's participation will be primarily financial.

Activity This Fiscal Year:

Following the completion of the demonstration requirements, VTA continued operating the three ZEBs in accordance with Federal Transit Administration requirements.

Project Disposition:

The ZEB's are jointly owned by VTA, SamTrans, and the Federal Government, in proportion to their cost participation.



ZEB at Fueling Station



ZEB Engine

Bus Program

Highway 17 Bus Service Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$2.53
FY2016	0.00
Total Expenditures through FY2016	\$2.53

Project Description:

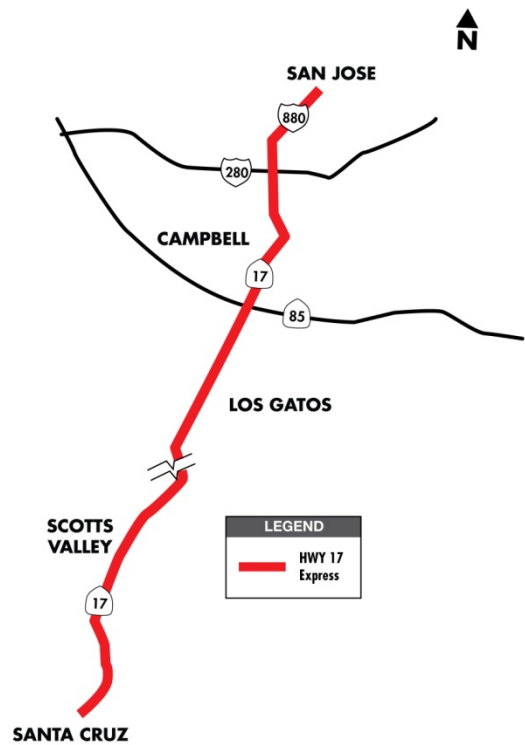
Santa Cruz Metro procured five buses necessary to operate service between Santa Cruz, Scotts Valley, and Downtown San Jose. These buses replaced existing buses that were 20 years old, with an average mileage of 950,000 each.

Project Status:

Completed. The five buses went into service in March/April 2011.

Activity This Fiscal Year:

None.



Highway 17 Express Bus



Highway 17 Express Bus

Mineta San Jose Airport

Mineta San Jose Airport People Mover

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$2.04
FY2016	0.00
Total Expenditures through FY2016	\$2.04

Project Description:

The Airport People Mover Project will provide a dedicated guideway connection from Mineta San Jose International Airport to the Caltrain and future BART stations at the Santa Clara Transit Center, and the VTA Light Rail on North First Street.

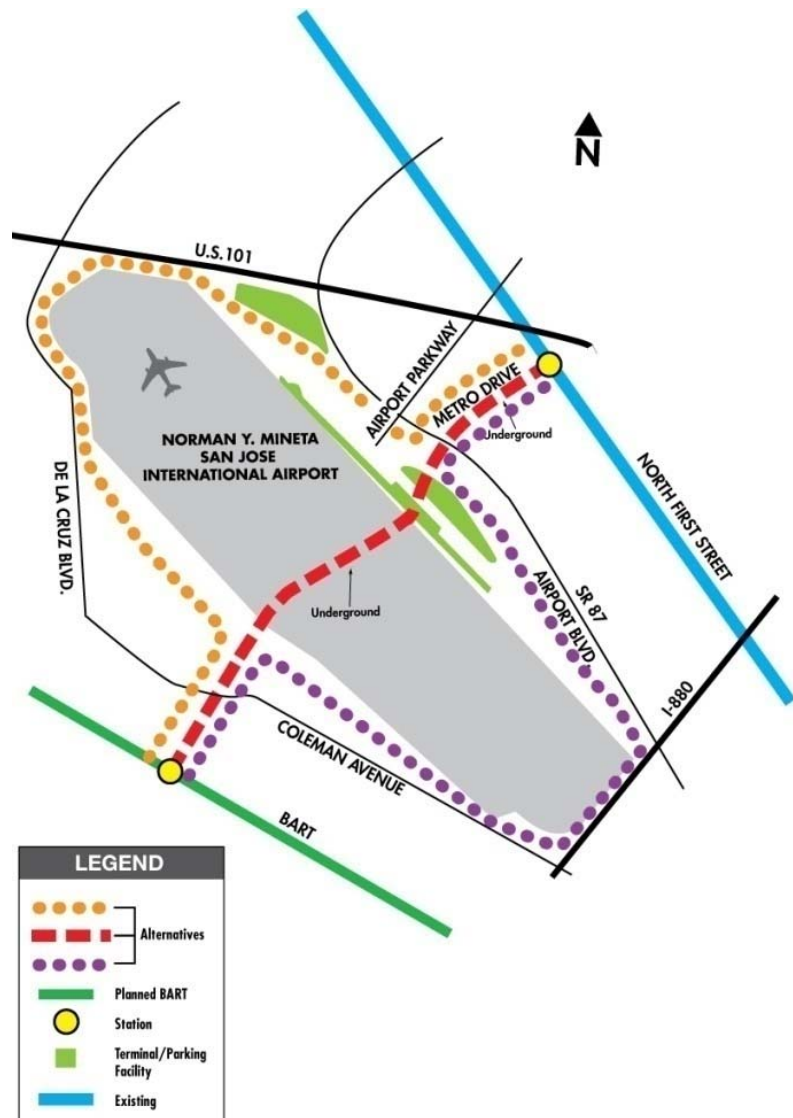
The City of San Jose Department of Transportation currently leads this effort. They envision an automated transit network - similar to a Personal Rapid Transit system - of lightweight, automated computer-controlled vehicles operated on or suspended below an elevated guideway, similar to a horizontal elevator.

Project Status:

A conceptual vehicle technology level analysis has been completed. In June 2016, the VTA Board approved additional funds for Conceptual Alternatives Analysis phase in order to further define the route options, type of vehicle technology and to develop a funding/business plan. The Conceptual Alternative Analysis would also include evaluation of a link between Diridon Station and airport facilities. Staff believes that this project will require a partnership between several agencies including the City of San Jose, City of Santa Clara, San Jose Airport, High Speed Rail and likely the private sector in order to develop and fund a fixed rail connection to the airport.

Activity This Fiscal Year:

Planning.



Programwide

Measure A Programwide

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2015	\$0.00
FY2016	0.00
Total Expenditures through FY2016	\$0.00

Project Description:

This project captures costs related to managing the overall 2000 Measure A Transit Improvement Program. Activities include preparation of progress and cost reports, financial forecasting, and other general tasks that are not attributable to individual projects. It also includes costs incurred by the 2000 Measure A Citizens Watchdog Committee (CWC) in fulfillment of its ballot-mandated responsibilities including: annual compliance audit; conducting public hearings; issuing and printing reports; and publishing in local newspapers public notices, announcements, the results of the compliance audit, and the availability of the CWC's annual report.

Project Status: Active.

Activity This Fiscal Year:

VTA continued producing cost and progress reports for the 2000 Measure A Transit Improvement Program. Additionally, the CWC incurred costs on ballot-mandated activities including public notices and announcements, preparation and publication of reports to inform the public, independent compliance auditor services, and public hearings.

COMPLETE TEXT OF 2000 MEASURE A

Shall the Board of Directors of Santa Clara Valley Transportation Authority (VTA) be authorized to enact a retail transactions and use tax ordinance imposing (a) a tax for the privilege of selling tangible personal property at retail upon every retailer in Santa Clara County, the territory of VTA; such tax to be at the rate of one-half of one percent of the gross receipts of the retailer from the sale of all tangible personal property sold by him at retail in the territory of VTA, and (b) a complimentary tax upon the storage, use, or other consumption in Santa Clara County, the territory of VTA; such tax to be at the rate of one-half of one percent of the sales price of the property whose storage, use, or other consumption is subject to the tax, such taxes to be imposed for a period not to exceed 30 years, and to take effect only upon the expiration of the current County of Santa Clara 1996 Measure B ½ cent sales tax in April, 2006, and to be used only to:

- **Extend BART from Fremont through Milpitas to Downtown San Jose and the Santa Clara Caltrain Station, specifically,**

To build a BART Extension from Fremont to Milpitas, San Jose and Santa Clara with a major connection to the Tasman Light Rail line at the Milpitas BART Station. In San Jose to include a BART subway section with stations at San Jose State University, the new San Jose City Hall, Downtown San Jose at Market Street, San Jose Arena and the Diridon Multimodal Station connecting to Caltrain, ACE, Amtrak, the Vasona Light Rail line and the VTA bus service. In Santa Clara, to serve Santa Clara University, and the Caltrain Station with a people mover connection to San Jose International Airport.

- **Provide Connections from San Jose International Airport to BART, Caltrain and the VTA Light Rail, specifically,**

To build a people mover rail line connecting the airport passenger terminals directly with BART, Caltrain and the VTA Light Rail line.

- **Extend Light Rail from Downtown San Jose to the East Valley by**

Building a Downtown/East Valley Light Rail line from Downtown San Jose serving the new San Jose City Hall and San Jose University, out Santa Clara Street to Capitol Avenue to join the Capitol Light Rail line then south to Eastridge Shopping Center.

- **Purchase Low Floor Light Rail Vehicles, specifically**

To better serve disabled, seniors and others; purchase an additional 20 low floor light rail vehicles to join the 30 low floor vehicles now being constructed for the new Tasman, Capitol and Vasona Light Rail lines and 50 new low floor vehicles to replace VTA's existing 50 light rail vehicles.

- **Improve Caltrain: Double Track to Gilroy and Electrify from Palo Alto to Gilroy**

Extend the Caltrain double track from the San Jose Tamien Station through Morgan Hill to Gilroy. Provide VTA's funds for the partnership with San Francisco and San Mateo counties to electrify Caltrain from San Francisco to Gilroy.

- **Increase Caltrain Service, specifically**

Purchase new locomotive train sets for increased Caltrain service in Santa Clara County from Gilroy to Palo Alto and provide additional facilities to support the increased service.

- **Construct a New Palo Alto Intermodal Transit Center**

In partnership with the City of Palo Alto and Stanford University, design and construct a new parkway and underpass for University Avenue from the campus to downtown Palo Alto to improve bicycle, pedestrian and transit access to the campus, Palo Alto Caltrain station and downtown Palo Alto. Upgrade passenger facilities at the historic Palo Alto Caltrain Station; upgrade transit facilities for VTA, SAMTRANS, Dumbarton Express and the Stanford Marguerita and Palo Alto shuttle services.

- **Improve Bus Service in Major Bus Corridors**

For VTA Line 22 (Palo Alto to Eastridge Center) and the Stevens Creek Boulevard Corridor, purchase new low floor articulated buses. Improve bus stops and major passenger transfer points and provide bus queue jumping lanes at intersections to permit buses quick access along the corridors.

- **Upgrade Altamont Commuter Express (ACE)**

Provide VTA's matching funds for additional train sets, passenger facilities and service upgrades for the ACE Commuter Service from San Joaquin and Alameda Counties.

- **Improve Highway 17 Express Bus Service**

Provide VTA's share of funds for the partnership with the Santa Cruz County Transit District for additional buses and service upgrades for the Highway 17 Express Bus Service.

- **Connect Caltrain with Dumbarton Rail Corridor**

Provide VTA's share of matching funds for a partnership with Alameda and San Mateo counties for the rebuilding of the Dumbarton Rail Corridor to connect to Caltrain and train sets for this new service conditioned on Alameda and San Mateo County's funding.

- **Purchase Zero Emission Buses and Construct Service Facilities**

Provide funds to supplement federal funds to expand and replace existing VTA diesel bus fleet from current size of just over 500 vehicles to 750 vehicles with the new zero emission buses and to provide maintenance facilities for this new, clean vehicle propulsion system. All new buses to be low floor for easier boarding by seniors and the disabled.

- **Develop New Light Rail Corridors**

Provide capital funds for at least two new future light rail corridors to be determined by Major Investment Studies (MIS). Potential corridors include: Sunnyvale/Cupertino; Santa Teresa/Coyote Valley; Downtown/East Valley Connection to Guadalupe Line; Stevens Creek Boulevard; North County/Palo Alto; Winchester/Vasona Junction; and, initial study of BART connection from Santa Clara through Palo Alto to San Mateo County.

- **Fund Operating and Maintenance Cost for Increased Bus, Rail and Paratransit Service**

Provide revenue to ensure funding, to at least 2014, and possibly longer, of the following: the new Tasman East, Capitol and Vasona Light Rail Lines, the commuter rail connection to BART, expanded paratransit services, expanded bus fleet of 750 vehicles, the Downtown/East Valley Light Rail line operations, which can commence in 2008, and the BART extension to San Jose which can commence operations by 2010;

all subject to the following mandatory requirements:

- The Tax Must Expire 30 Years After Implementation

If approved by the voters, this half-cent sales tax must expire 30 years after implementation. The tax will be imposed for the period commencing April 1, 2006, when current tax expires and terminate on March 31, 2036. The length of this tax cannot be extended without a vote - and the approval - of the residents of Santa Clara County.

- An Independent Citizen's Watchdog Committee Must Review All Expenditures.

The Independent Citizen's Watchdog Committee will consist of private citizens, not elected officials, who comprise the VTA's Citizen's Advisory Committee.

Responsibilities of the Citizen's Watchdog Committee are:

- **Public Hearings and Reports:** The Committee will hold public hearings and issue reports on at least an annual basis to inform Santa Clara County residents how the funds are being spent. The hearings will be held in full compliance with the Brown Act, California's open meeting law with information announcing the hearings well-publicized and posted in advance.
- **Annual Independent Audits:** An annual audit conducted by an Independent Auditor will be done each fiscal year to ensure tax dollars are being spent in accordance with the intent of this measure.
- **Published Results of Audits and Annual Reports:** The Committee must publish the results of the Independent Auditor and the Annual Report in local newspapers. In addition, copies of these documents must be made available to the public at large.

such authorization being pursuant to the provisions of Section 100250 et seq. of the Public Utilities Code and Sections 7251 et seq. of the Revenue and Taxation Code.