



BART Silicon Valley Extension Phase II

Funding Strategies Workshop

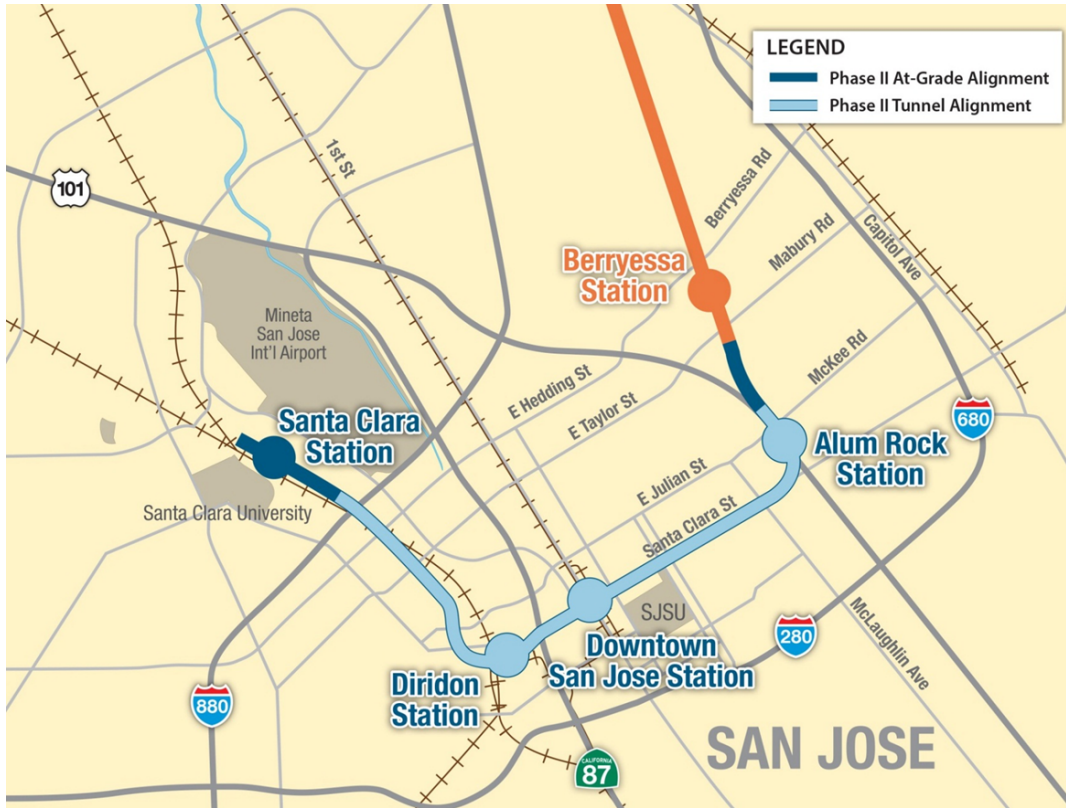
January 20, 2016



BART Silicon Valley Phase II Project Update

Kevin Kurimoto
BART Silicon Valley Project Team

Phase II Extension Update



- ▶ 6-mile extension
- ▶ Four stations
 - ▶ Alum Rock
 - ▶ Downtown San Jose
 - ▶ Diridon
 - ▶ Santa Clara
- ▶ Maintenance facility
- ▶ Anticipated 2035 ridership: 55,000
- ▶ Pending funding, construction in 2019 and anticipated opening in 2025/2026

Phase I Extension Progress



View of the Berryessa Station taking shape from the third floor of the parking structure.



Rendering of future Berryessa Station.

Phase I Extension Progress



Rendering of future Milpitas Station and campus.

The structure for the pedestrian overcrossing connecting Milpitas Station to VTA's Montague Light Rail Station has been installed.

Phase I Extension Progress



Milpitas Station platform level with concourse level in view above.



Rendering of completed Milpitas platform.

Phase II Extension Current Activities and Next Steps

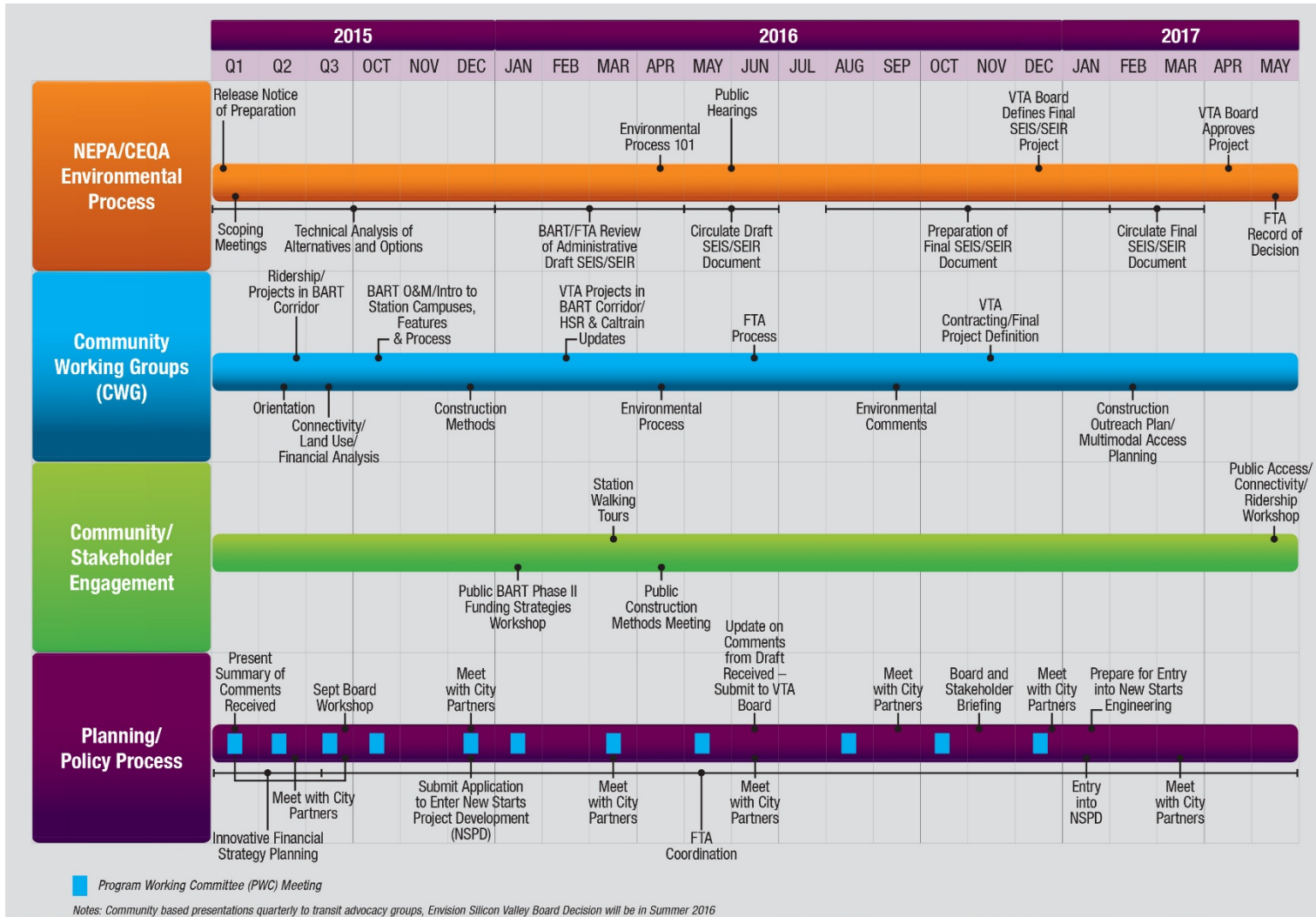
- ▶ Pursuing funding sources
- ▶ Federal Transit Administration's New Starts Project Development
- ▶ Draft State/Federal environmental document (May 2016)
- ▶ Anticipate VTA Board defining final Phase II Project (Q4 2016)
- ▶ Community Working Groups

Phase II Extension Current Activities and Next Steps

▶ Community Working Groups

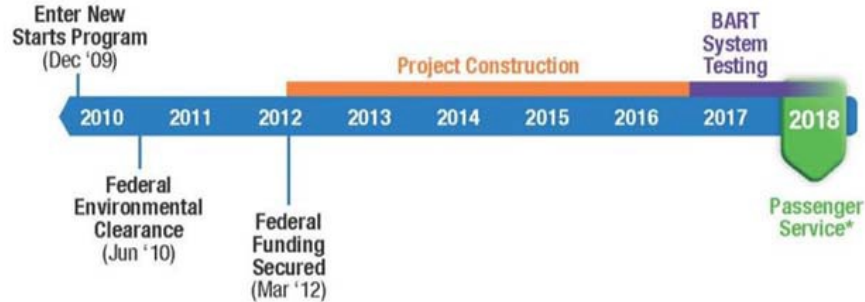
- ▶ CWG role – To gain a strong understanding about project and act as information conduits for community at large
- ▶ Bi-monthly meetings with work plans
- ▶ Organizations vetted with respective Board members and elected officials

Phase II Extension Current Activities and Next Steps

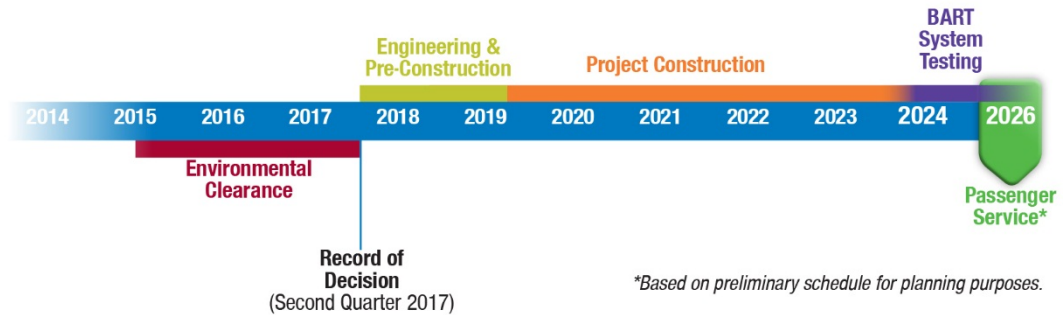


BART Extension Schedule Overview

Berryessa Extension Project



Phase II Extension



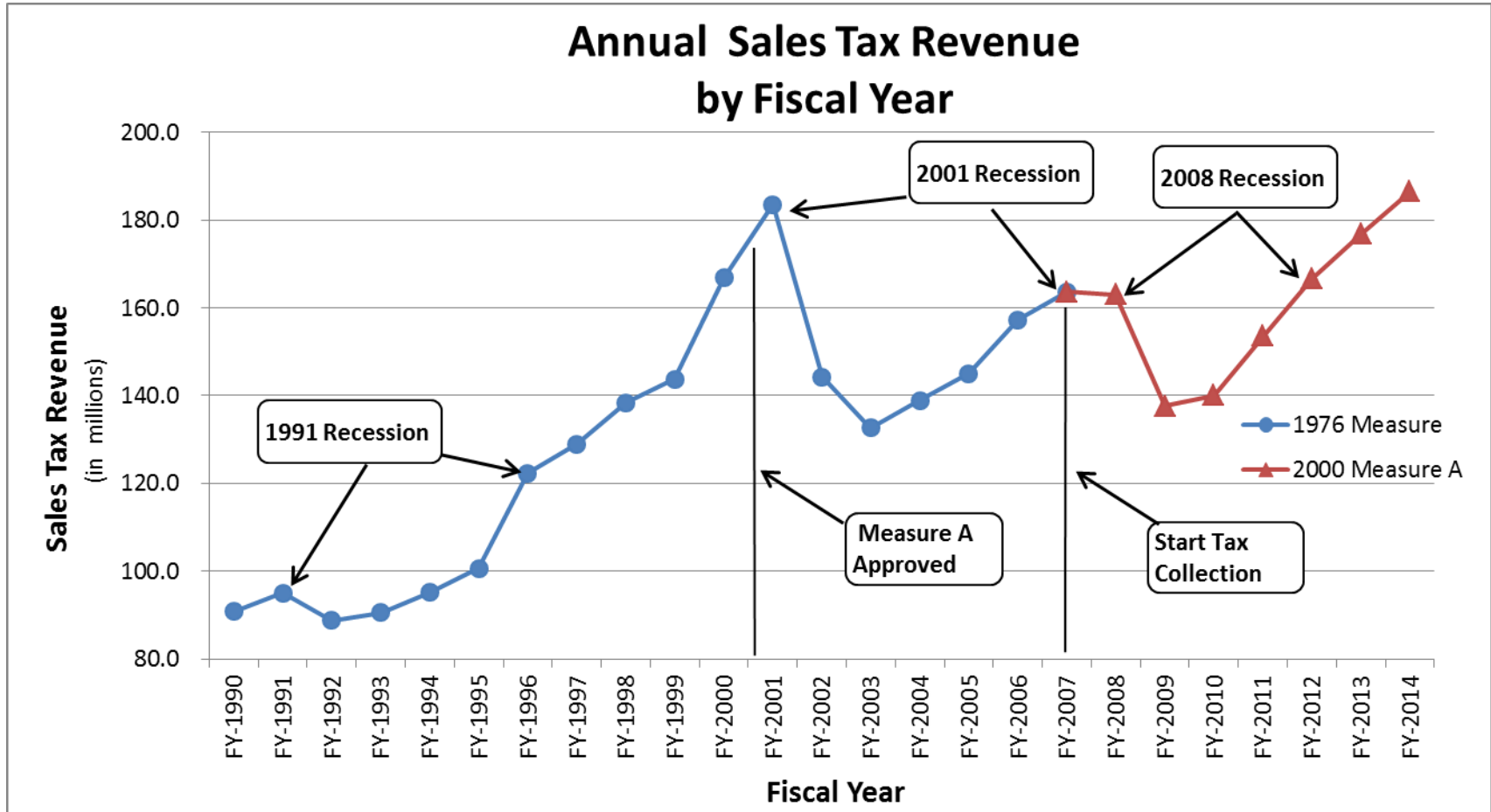
**Based on preliminary schedule for planning purposes.*

BART Silicon Valley Phase II Project Funding Update

Michael Smith
VTA Fiscal Resources Manager

Measure A Revenue Chart

- ▶ The Measure A tax will generate less funding than originally anticipated

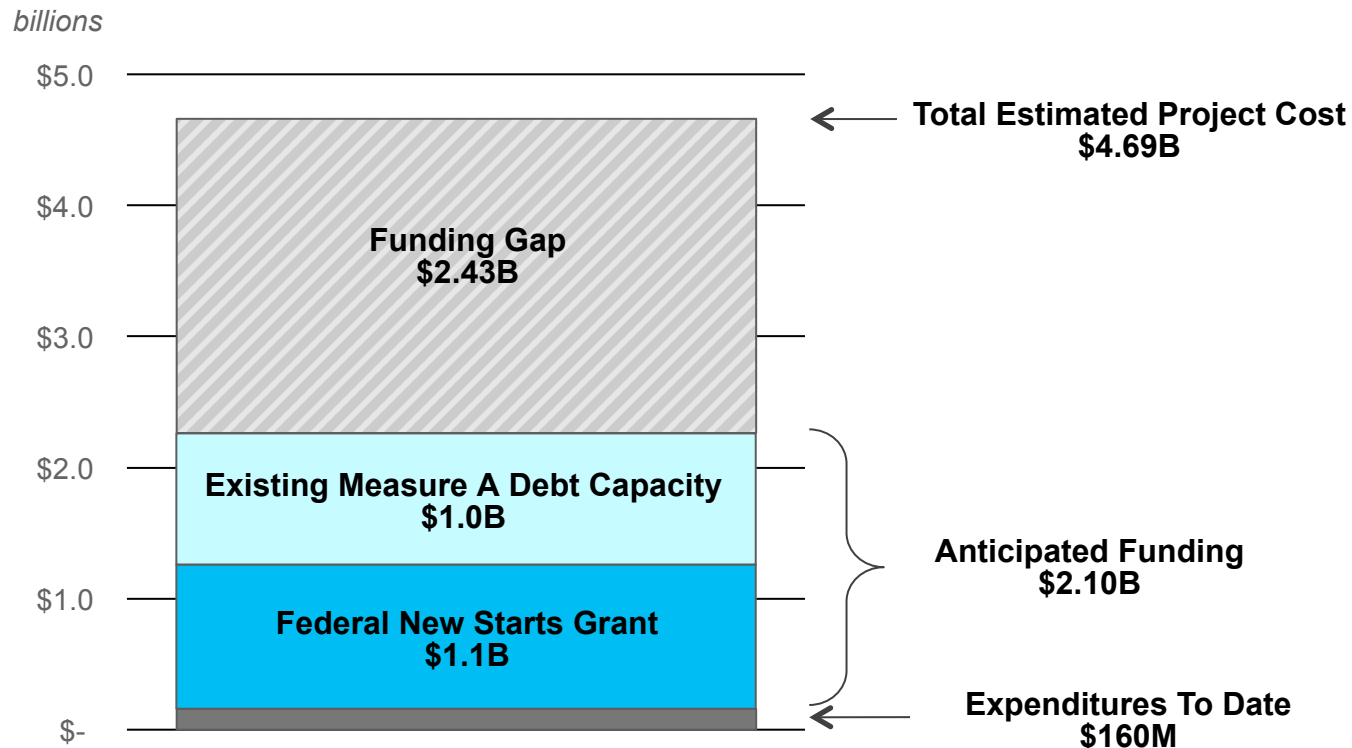


Overview of Funding Strategy

- ▶ Maximize funding from Federal and State sources
 - ▶ Baseline strategy for filling the gap targets significant discretionary allocations from Federal and State funding sources
- ▶ Raise local funding that will have greatest impact on closing the gap
 - ▶ Strong local funding support bolsters case for Federal and State funding
 - ▶ Transit projects have a history of spurring and facilitating business activity and property value growth; A portion of that value should be captured to fund the project
 - ▶ A dependable local funding source is key to mitigating the risk that discretionary funding is reduced or delayed
- ▶ Fill \$2.4B Funding Gap
 - ▶ Phase 2 has a \$4.7B cost and only \$2.1B in identified funding
 - ▶ Gap will increase if cost estimate increases

Project Funding Goals

- ▶ \$2.4 billion gap remaining to fund Phase II Project (could increase/decrease with cost increases/savings)
- ▶ A wide range and number of potential funding sources to help fill the funding gap were investigated



Funding Strategy Objectives

- ▶ Show high level of local commitment for Federal and State discretionary grant programs
- ▶ Meet key New Starts milestones for funding commitments
- ▶ Reduce reliance on funding provided by additional taxes
- ▶ Target local funding sources that capture the benefits created by transit
- ▶ Develop robust funding plan that provides cushion for future funding and cost uncertainties
- ▶ Implement financing approach that lowers the use and cost of debt

Methodology: Prioritization

- ▶ The existing and potential funding sources were prioritized into the following 3 categories:

Category	Number of Sources	Potential Value Range*	Description / Purpose of these Tools
Core Funding Sources (includes \$2.26B already expended or identified funding)	5 sources	\$1.74B – \$6.50B	VTA may pursue aggressively and immediately to help fund the project.
Complementary Funding Sources	13 sources	\$260M – \$1.42B	These sources take longer and/or are more complex to develop and implement. VTA may investigate further and/or pursue to provide backup sources of funding.
Other Funding Sources	15 sources	\$50M - \$572M	VTA may pursue some of these sources in the normal course of business but not rely on these to provide any meaningful funding for the project.

* Excludes estimated funding from sources which are anticipated to be available only after construction

Pursue Core Funding Sources Aggressively

- ▶ VTA may aggressively pursue Core Funding Sources; however uncertainty will remain for some time
- ▶ Assuming reduced reliance on the new Sales Tax Measure X revenues, greater amounts of other Core Funding Sources or complementary sources may be needed

Funding Status	Source	Potential Value	Target Value
SPENT	Measure A Sales Tax and TCRP	\$160M	\$160M
ANTICIPATED	Existing Measure A Sales Tax	\$1.00B	\$1.00B
ANTICIPATED	FTA New Starts (anticipated)	\$1.10B	\$1.10B
Subtotal - Already Expended + Anticipated Funding		\$2.26B	\$2.26B
Pursue (New)	Sales Tax Measure X	\$1.50B-\$2.65B	\$1.50B
Pursue (Additional)	FTA New Starts (additional)	Up to \$400M (\$1.5B total)	\$400M additional (\$1.5B total)
Pursue (New)	Cap & Trade Program (TICRP)	\$750M	\$750M
Pursue (New)	Mello Roos Community Facilities Districts (CFD)	\$85M-\$345M	\$170M
Pursue (New)	Enhanced Infrastructure Financing Districts (EIFD)	\$50M-\$95M	\$70 M
Subtotal - Additional Core Funding		\$1.74B - \$4.24B	\$2.89B
TOTAL CORE FUNDING SOURCES (compare to \$4.69B estimated project cost)		\$4.0B - \$6.50B	\$5.15B

Core Funding Commitment Schedule

