

BOARD OF DIRECTORS WORKSHOP/SPECIAL MEETING

Friday, April 21, 2017

9:00 AM

PLEASE NOTE MEETING DATE, TIME, AND LOCATION

Board of Supervisors' Chambers


County Government Center
70 West Hedding Street
San Jose, CA 95110

AGENDA

To help you better understand, follow, and participate in the meeting, the following information is provided:

- Persons wishing to address the Board of Directors on any item on the agenda or not on the agenda are requested to complete a blue card located at the public information table and hand it to the Board Secretary staff prior to the meeting or **before the item is heard**.
- Speakers will be called to address the Board when their agenda item(s) arise during the meeting and are asked to limit their comments to 2 minutes. The amount of time allocated to speakers may vary at the Chairperson's discretion depending on the number of speakers and length of the agenda. **If presenting handout materials, please provide 25 copies to the Board Secretary for distribution to the Board of Directors.**
- The Consent Agenda items may be voted on in one motion at the beginning of the meeting. The Board may also move regular agenda items on the consent agenda during Orders of the Day. If you wish to discuss any of these items, please request the item be removed from the Consent Agenda by notifying the Board Secretary staff or completing a blue card at the public information table prior to the meeting or prior to the Consent Agenda being heard.

- All reports for items on the open meeting agenda are available for review in the Board Secretary's Office, 3331 North First Street, San Jose, California, (408) 321-5680, the Monday, Tuesday, and Wednesday prior to the meeting. This information is available on our website, www.vta.org, and also at the meeting. Any document distributed less than 72-hours prior to the meeting will also be made available to the public at the time of distribution. Copies of items provided by members of the public at the meeting will be made available following the meeting upon request.

In accordance with the Americans with Disabilities Act (ADA) and Title VI of the Civil Rights Act of 1964, VTA will make reasonable arrangements to ensure meaningful access to its meetings for persons who have disabilities and for persons with limited English proficiency who need translation and interpretation services. Individuals requiring ADA accommodations should notify the Board Secretary's Office at least 48-hours prior to the meeting. Individuals requiring language assistance should notify the Board Secretary's Office at least 72-hours prior to the meeting. The Board Secretary may be contacted at (408) 321-5680 or *e-mail: board.secretary@vta.org or (408) 321-2330 (TTY only). VTA's home page is on the web at: www.vta.org or visit us on  Facebook at: www.facebook.com/scvta. (408) 321-2300: 中文 / Español / 日本語 / 한국어 / tiếng Việt / Tagalog.

**NOTE: THE BOARD OF DIRECTORS MAY ACCEPT, REJECT OR MODIFY
ANY ACTION RECOMMENDED ON THIS AGENDA.**

[70 West Hedding](#) St., San Jose, California is served by bus lines *61, 62, 66, 181, and Light Rail. (*61 Southbound last trip is at 8:55 pm for this location.)

For trip planning information, contact our Customer Service Department at (408) 321-2300 between the hours of 6:00 a.m. to 7:00 p.m. Monday through Friday and 7:30 a.m. to 4:00 p.m. on Saturday. Schedule information is also available on our website, www.vta.org.

1. CALL TO ORDER AND ROLL CALL

1.1 Roll Call

2. PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board of Directors on any item within the Board's jurisdiction. Speakers are **limited to 2 minutes**. The law does not permit Board action or extended discussion of any item not on the agenda except under special circumstances. If Board action is requested, the matter can be placed on a subsequent agenda. All statements that require a response will be referred to staff for reply in writing.

3. DISCUSSION & ACTION ITEMS

3.1. Biennial Budget Related Items

3.1.A. INFORMATION ITEM - Review and discuss the Fiscal Years 2018 and 2019 Proposed Biennial Budget.

3.1.B. INFORMATION ITEM - Review and discuss the Fare Policy.

3.2. ACTION ITEM - Authorize suspension of the FY 2017 VTA Transit Fund transfer to capital in the amount of \$21.9M and authorize staff to begin the process required to establish a commercial paper program to fund the local portion of the VTA Transit Fund capital program.

3.3. DISCUSSION ITEM - Review and discuss Draft 2016 Measure B Program Area Guidelines.

4. OTHER ITEMS

4.1. ANNOUNCEMENTS

5. ADJOURN



Date: April 13, 2017
 Current Meeting: April 21, 2017
 Board Meeting: N/A

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Chief Financial Officer, Raj Srinath

SUBJECT: FY 2018 and FY2019 Proposed Biennial Budget

FOR INFORMATION ONLY

BACKGROUND:

The April 21, 2017 Board Workshop is the beginning of the public process designed to create discussion and receive input on the Fiscal Years 2018 and 2019 Proposed Budget. The Workshop provides staff with the opportunity to present the Board an overview of the Proposed Budget, respond to questions, and gather input for items requiring additional research.

DISCUSSION:

The basic assumptions used in the development of the Proposed Budget are outlined below. The details of the proposal may be found in the Fiscal Years 2018 and 2019 Proposed Budget Booklet (Attachment A). The Proposed Budget is a working document, and will continue to be revised based on direction from the Board, stakeholder input, updated revenue projections, identification of additional savings opportunities and other changes. The Final Proposed Budget will be presented to the Board for adoption on June 1, 2017.

BASIC ASSUMPTIONS:

VTA Transit Fund-Operating Budget

Service

The Proposed Budget assumes an overall service increase of 6.4% from FY 2017 projections in FY 2018, and an increase of 2.0% over FY 2018 budgeted levels in FY 2019. These service changes are detailed in the proposed FY 2018-FY 2019 Transit Service Plan scheduled to be presented for approval at the May 4, 2017 Board meeting.

Ridership

Ridership forecasts for this two year budget cycle are primarily driven by the increase in service referenced above. The FY 2018 and FY 2019 ridership projections reflect a 2.2% and 5.2% increase, respectively.

Revenues

Fares

The Proposed Budget includes the following changes in fares:

- Base Fare increase of 25% phased over two years starting January 2018
 - Adult Single Ride fare increase from \$2.00 to \$2.25 in January 2018
 - Adult Single Ride fare increase from \$2.25 to \$2.50 in January 2019
 - All associated fares increase proportionately except paratransit which would remain unchanged
- Youth Fare decreased and aligned with Senior/Disabled Fare
- Free VTA-to VTA transfers-valid for 90 minutes of travel, Clipper® only
- Change in Eco Pass pricing structure
- Elimination of Community Bus Fare type

Sales Tax Based Revenues

To determine the growth assumption for FY 2018 and FY 2019, staff reviewed various scenarios including “Optimistic”, “Most Likely”, and “Conservative”. The Proposed Budget reflects projected growth of 2.4% and 2.0% in FY 2018 and FY 2019, respectively. These growth rates are between the “Most Likely” and “Conservative” scenarios.

2000 Measure A Sales Tax-Operating Assistance

The Proposed Budget assumes an increase in the 2000 Measure A sales tax revenue to be used towards funding VTA Transit operations from 18.5% to 20.75%. This additional funding will be used to partially offset the cost of enhanced light rail service.

2016 Measure B – Transit Operations

2016 Measure B, a one-half cent countywide sales tax that began collection on April 1, 2017, includes a program category for Transit Operations. Candidate projects and programs included in the ballot language for this category include: Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders; Enhance Frequent Core Bus Network; Improve amenities at bus stops to increase safety, security and access; and, Support new innovative transit service models to address first/last mile connections.

The Proposed VTA Transit Fund Operating Budget includes funding from the Transit Operations program category for expanded/new evening, late-night and weekend bus service included in the proposed FY 2018-FY 2019 Transit Service Plan, and the youth and low-income related fare proposals. A total of \$14.1M and \$14.5M funding from 2016 Measure B

for FY 2018 and FY 2019, respectively is proposed. Funding from 2016 Measure B for the improvement of amenities at bus stops and innovative transit service models is included in the Proposed VTA Transit Fund Capital Budget

State Transit Assistance (STA)

The Proposed Budget assumes VTA's portion of STA, which is derived from the state sales tax on diesel fuel, at \$10.3 million per year.

Federal Formula Grants

The Proposed Budget includes \$3.8M and \$3.9M for FY 2018 and FY 2019, respectively for the Americans with Disabilities Act (ADA) set-aside. The remainder of projected formula grants are directed towards the capital program.

Financing Proceeds

The Proposed Budget includes \$18.5M and \$22.1M for FY 2018 and FY 2019, respectively for financing proceeds from a Commercial Paper program to fund the cost of parts for the mid-life overhaul of light rail vehicles.

Expenditures

Labor Cost

Contracts for all bargaining units are currently scheduled to expire during the next biennial budget cycle.

Bargaining Unit	Expiration Date
AFSCME ¹	June 19, 2019
ATU ²	September 30, 2018
SEIU ³	August 5, 2018
TAEA ⁴	June 30, 2019

The Proposed Budget reflects the following assumptions related to labor costs:

- Reflects wage increases included in currently negotiated contracts. Budgeting of additional costs, if any, for subsequent contracts will be addressed upon contract ratification by the Board of Directors.
- Pension and Retiree Health contributions based on latest available actuarial information.
- Net addition of 39 positions. The vast majority (30) of these additional positions are Light Rail Operators in support of the enhanced service included in the FY 2018-FY 2019 Transit Service Plan.

¹ American Federation of State, County, and Municipal Employees, Local 101

² Amalgamated Transit Union, Local 265

³ Service Employees International Union, Local 521

⁴ Transportation Authority Engineers and Architects Association, Local 21

Fuel

The Proposed Budget assumes \$2.25 per gallon (including taxes and fees) for diesel in FY 2018 and \$2.50 in FY 2019.

Paratransit

The bus service changes in the FY 2018-FY 2019 Transit Service Plan include earlier and later daily service and additional weekend service on several routes. At full implementation, this expanded service is expected to increase paratransit trips by 4% over current levels. A general growth in trips of 3% per year is also anticipated. The Proposed Budget is based on an assumption of 26,300 more trips in FY 2018 (5.2%) and an increase of 25,665 trips in FY 2019 (4.8%). Due to a change in VTA's paratransit contract from a broker model to a directly contracted model, paratransit fares are now reported separately as revenues. Previously fare revenues were reported as a net against the paratransit expense.

Caltrain

VTA's current contribution to Caltrain is approximately 43% of the net operating expenses, based on a ridership formula agreed to by the partner agencies. The Proposed Budget reflects VTA's contribution at approximately \$9.0 million for each fiscal year.

Transfer to Capital Reserve

The Proposed Budget reflects an annual transfer of \$5.0M to the Capital Reserve.

Capital ProgramsVTA Transit

The FY 2018 and FY 2019 VTA Transit Capital Program looks to maintain capital infrastructure and keep VTA assets in a state of good repair. The two-year combined program of \$174.8 million utilizes \$112.1 million of grants or other outside funding and requires a total local funding commitment of \$62.7 million, a portion of which may be funded through a Commercial Paper program. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program.

2000 Measure A Transit Improvement Program

The FY 2018 & FY 2019 Proposed 2000 Measure A Program Fund Capital Budget includes additional appropriation of \$701.7M of which \$503.5M is funded from 2000 Measure A sales tax revenues with the remainder coming from other sources. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program.

VTP (Valley Transportation Plan) Highway Improvement Program

The VTP Highway Program appropriation for the next two-year period includes projects related to express lanes, freeway and highway improvements, local streets and roads, and bicycle/pedestrian improvements. The total additional appropriation for the identified VTP Highway Improvement Program Capital Projects for FY 2018 and FY 2019 is \$79.6 million. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program.

Miscellaneous Programs

2008 Measure B – BART Operating Sales Tax Program

2008 Measure B revenues are dedicated to provide funding for the BART Silicon Valley Extension operating, maintenance and capital reserve costs. The Proposed Budget assumes the extension will begin operations at the end of 2017.

2016 Measure B Program

On November 8, 2016, the voters of Santa Clara County approved 2016 Measure B, a 30-year, one-half cent countywide sales and use tax to enhance transit, highways, expressways and active transportation (bicycles, pedestrians and complete streets). The 2016 Measure B ballot identified nine program categories. Guidelines for each of the categories are currently under development with the final draft guidelines scheduled to be presented to the Board of Directors in May.

The FY 2018 and FY 2019 Proposed 2016 Measure B Program Fund Budget represents the anticipated program revenues and expenditures over the next two fiscal years. Funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program. Similar to a capital budget, appropriation for the program will not expire at the end of the fiscal year and will be carried forward until the 2016 Measure B Program is completed.

The anticipated expenditures include the reimbursement of \$1.65M to the VTA Transit Fund for payment made to the Registrar of Voters for 2016 Measure B's share of costs of the November 8, 2016 General Election.

NEXT STEPS:

Subsequent to this workshop, staff will present the budget at the following community meetings.

Date	Location	Time
Monday, May 1, 2017	Morgan Hill Community & Cultural Center 17000 Monterey Road, Morgan Hill	6:00 pm
Tuesday, May 2, 2017	Santa Clara County Government Center Board of Supervisors' Chambers 70 West Hedding Street, San Jose	3:00 pm
Tuesday, May 2, 2017	City of Sunnyvale, Community Room 550 E. Remington Drive, Sunnyvale	6:00 pm
Monday, May 8, 2017	Mountain View City Hall Council Chambers 500 Castro Street, Mountain View	6:00 pm
Tuesday, May 9, 2017	Mexican Heritage Plaza 1700 Alum Rock Avenue, San Jose	6:00 pm

The Proposed Budget will also be presented at Advisory Committee Meetings on Wednesday, May 10, and Thursday, May 11 at VTA's Headquarters, 3331 North First Street, San Jose.

In accordance with the VTA Administrative Code, the proposed budget, containing appropriations for both operations and capital, will be reviewed by the Administration & Finance Committee at their May 18, 2017 meeting and the Final Proposed Budget will be submitted to the Board for adoption on June 1, 2017.

Prepared By: Carol Lawson, Fiscal Resources Manager
Memo No. 6063

April 2017

Proposed Budget

Fiscal Year 2018
and
Fiscal Year 2019

Search Instructions

Items in this PDF version of the FY 2018 and FY 2019 Proposed Budget can be found using one of the following 4 methods:

- 1) Hyperlinks in the Table of Contents.
- 2) Hyperlinks in the Bookmarks Panel
- 3) Find Function (Ctrl+F).
- 4) Search function (Shft+Ctrl+F). Please note: in some versions of Adobe Acrobat, it may be necessary to click on the “Arrange Windows” icon in the Search dialogue box for a side-by-side view of the Search dialogue box and the document text.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

TABLE OF CONTENTS

Introduction.....	1
 VTA TRANSIT	
Overview	3
Major Budget Assumptions	4
Comparison of Revenues and Expenses	12
Sources and Uses of Funds Summary.....	13
5-Year Projection	14
Capital Program Overview	15
Schedule of FY 2018 & FY 2019 Appropriation	16
Descriptions of FY 2018 & FY 2019 Appropriated Projects	18
 2000 MEASURE A TRANSIT IMPROVEMENT PROGRAM	
Program Overview	35
Comparison of Revenues and Expenses	36
Sources and Uses of Funds Summary.....	37
Capital Program Overview	38
Schedule of FY 2018 & FY 2019 Appropriation	38
Descriptions of FY 2018 & FY 2019 Appropriated Projects	39
 CONGESTION MANAGEMENT PROGRAM	
Program Overview	43
Comparison of Revenues and Expenses	44
Sources and Uses of Funds Summary.....	44
Member Assessments	45
 VTP HIGHWAY IMPROVEMENT PROGRAM	
Program Overview	47
Schedule of FY 2018 & FY 2019 Appropriation	48
Descriptions of FY 2018 & FY 2019 Appropriated Projects	49
 JOINT DEVELOPMENT PROGRAM	
Program Overview	57
Comparison of Revenues and Expenses	58

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Sources and Uses of Funds Summary.....	58
Schedule of FY 2018 & FY 2019 Appropriation	59
Description of FY 2018 & FY 2019 Appropriated Project	59

SILICON VALLEY EXPRESS LANES PROGRAM

Program Overview	61
Comparison of Revenues and Expenses	62
Sources and Uses of Funds Summary.....	63
Designated Reserves	63

2008 MEASURE B—BART OPERATING SALES TAX PROGRAM

Program Overview	65
Comparison of Revenues and Expenses	66
Sources and Uses of Funds Summary.....	66

2016 MEASURE B PROGRAM

Program Overview	67
Projected Revenues.....	68
Proposed Funding Allocation	68

APPENDICES

Job Classifications and Pay Range	69
VTA Transit Fund Unrestricted Net Assets/Reserves	78

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Introduction

This document presents the Santa Clara Valley Transportation Authority's (VTA) Proposed Biennial Budget for Fiscal Years 2018 and 2019. The FY 2018 and FY 2019 Proposed Budget represents the quantification of planned activities and initiatives over the next two-year period and lays the groundwork to support VTA's Strategic Plan Core Values of Safety, Integrity, Quality, Sustainability, Diversity and Accountability.

One significant endeavor reflected in the Proposed Budget is the inauguration of BART service into Santa Clara County, anticipated at the end of 2017. Construction of Phase I of VTA's BART Silicon Valley project, the 10-mile extension to Milpitas and Berryessa, is nearing completion and system testing is underway. In order to connect passengers to the two new BART stations in the county, as well as increase overall ridership and improve cost-effectiveness, VTA is in the process of completely redesigning its transit network. The bus portion of the redesign includes reallocation of service from low-ridership areas to high-ridership areas; increased morning, midday, evening and weekend service on several routes; and re-routed or new routes to serve the Milpitas and Berryessa BART stations. The light rail portion of the redesign features introduction of a new line from Alum Rock to Mountain View which will provide a direct connection from the Milpitas BART station to the employment areas in North Mountain View, Sunnyvale, Santa Clara and San Jose.

Another component of the Proposed Budget is the continuation and advancement of VTA's capital programs. As mentioned earlier, the first phase of the BART to Silicon Valley project is scheduled to begin service in late 2017. Efforts are also underway for engineering, right-of-way acquisition and utility relocation activities for Phase II of the project, the remaining six miles of the extension through Downtown San Jose to Santa Clara. In addition, the Proposed Budget includes funding for state of good repair projects including replacement of buses which have exceeded their useful life, rail replacement and rehabilitation, overhead catenary system rehabilitation, and continuation of the mid-life overhaul of the light rail fleet.

The document is divided into sections which cover the eight separate Funds for which a budget is to be adopted:

- VTA Transit
- 2000 Measure A Transit Improvement Program
- Congestion Management Program
- VTP Highway Improvement Program
- Joint Development Program
- Silicon Valley Express Lanes Program
- 2008 Measure B - BART Operating Sales Tax Program
- 2016 Measure B Program

Each section contains an overview of the program and various schedules and narratives which detail the specific budget proposal.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

The table below summarizes the Proposed Budget amount for each program.

Fiscal Years 2018 and 2019 Proposed Budget Summary¹
(Dollars in Thousands)

Fund	Fiscal Year 2018	Fiscal Year 2019
VTA Transit-Operating	475,478	493,195
VTA Transit-Capital	174,833	--- ²
2000 Measure A Transit Improvement Program-Operating	100,407	108,304
2000 Measure A Transit Improvement Program-Capital	701,709	--- ²
Congestion Management Program-Operating	5,954	5,815
VTP Highway Improvement Program-Capital	79,551	--- ²
Joint Development Program-Operating	400	200
Joint Development Program-Capital	2,800	--- ²
Silicon Valley Express Lanes Program-Operating	1,974	1,193
2008 Measure B - BART Operating Sales Tax Program-Operating	14,670	24,744
2016 Measure B Program	294,560	--- ²

¹ Includes transfers between funds

² Total Appropriation for FY 2018 and FY 2019 reflected in FY 2018

VTA FY 2018 & FY 2019 PROPOSED BUDGET

VTA TRANSIT

VTA FY 2018 & FY 2019 PROPOSED BUDGET



VTA FY 2018 & FY 2019 PROPOSED BUDGET

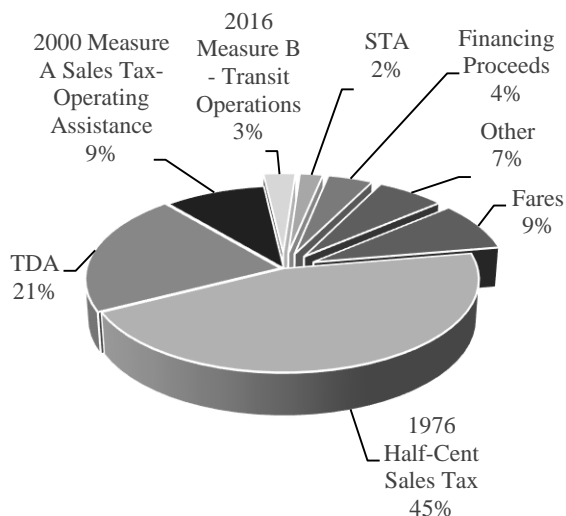
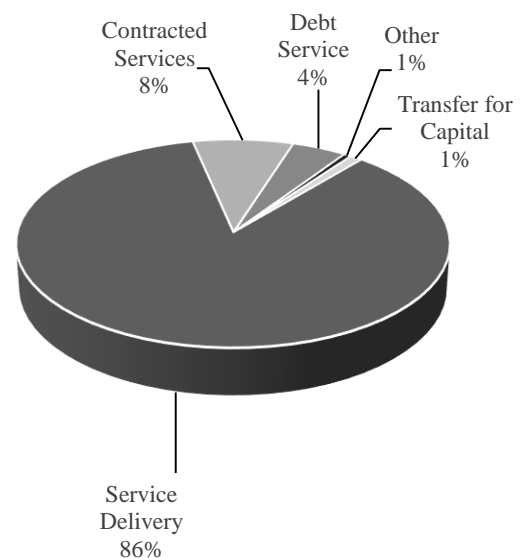
VTA Transit**Overview**

Countywide public transit service in Santa Clara County began on June 6, 1972, with the creation by state legislation, of the Santa Clara County Transit District. This organization initiated countywide bus service, expanded the bus fleet, and developed an initial light rail system. Following the merger in 1995 with the Santa Clara County Congestion Management Agency, the name of the organization was changed to the Santa Clara Valley Transportation Authority (VTA) effective January 1, 2000.

VTA is an independent public agency responsible for bus and light rail operation, regional commuter and inter-city rail service, Americans with Disabilities Act (ADA) paratransit service, congestion management, specific highway improvement projects, and countywide transportation planning. The VTA Transit Fund encompasses the operation and development of transit activities for VTA, which includes bus and light rail operation, regional commuter and inter-city rail service, and ADA paratransit service.

The VTA Transit Proposed Budget is a quantification of VTA's service and capital project delivery plan for the two-year period. As such, the budget incorporates the projected impact of service changes and improvements from the Annual Transit Plan as well as the impact of new programs and initiatives.

The charts below illustrate the sources and uses of funds for the VTA Transit Operating Budget for FY 2018 and FY 2019

Where the Dollars Come From**Where the Dollars Go**

VTA Transit Major Budget Assumptions

Service Levels

VTA updates its transit service plan every two years to coincide with the budget development—typically making small adjustments based on rider input and performance data. However, for the FY 2018 and FY 2019 transit service plan, VTA is completely redesigning its transit network in order to connect to BART at the Milpitas and Berryessa Stations, increase overall ridership and improve cost-effectiveness. The redesign was framed in terms of balancing the competing goals of ridership and coverage.

Because of the enormity of the redesign, VTA used a community-based planning process which included multiple stages of community outreach, and numerous avenues for input. The Draft Transit Service Plan, which focused on increasing the allocation of bus services to ridership-purposed routes and decreasing services to coverage-purposed routes, was released in early January 2017. An additional round of community engagement was undertaken in January and February in order to receive input on potential improvements to the plan. Following review of over 3,000 public comments, staff developed a proposed final plan that made 34 bus-related changes to the draft plan including retaining service to some areas where discontinuations were previously proposed. The proposed Final Transit Service Plan for FY 2018 and FY 2019 was released in early April and is scheduled to be considered by the VTA Board of Directors in May.

The bus portion of the redesign includes reallocation of service from low-ridership areas to high-ridership areas; increased morning, midday, evening and weekend service on several routes; and re-routed or new routes to serve the Milpitas and Berryessa BART stations. Overall, the bus redesign results in a 7% increase in service hours from the projected FY 2017 service level.

The light rail service enhancements listed below will result in a 25% increase in annual light rail service hours upon full implementation.

- Introduction of a new line from Alum Rock to Mountain View.
- The existing Winchester to Mountain View line is modified to a Winchester to Old Ironsides line. The service is improved from the current 15 minute peak hour frequencies to 15 minute frequencies all day.
- The Commuter Express, which currently operates three trips each peak period between Santa Teresa and Baypointe, will operate from Santa Teresa to St. James Station and be expanded to six trains each peak period.

Implementation of the approved plan for both bus and light rail would be coordinated with the commencement of BART service to Santa Clara County, currently scheduled for the end of 2017.

The table on the following page shows a comparison of total service miles and hours for bus and light rail for FY 2016 to FY 2019.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Service Levels
(In Thousands)

	FY 2016 Actual	FY 2017 Projected Actual	FY 2018 Proposed Budget	FY 2019 Proposed Budget
<u>Service Miles</u>				
Bus	19,440	19,632	20,734	20,970
Light Rail Train	2,263	2,262	2,560	2,779
Total Service Miles	21,703	21,895	23,294	23,750
% change		0.9%	6.4%	2.0%
<u>Service Hours</u>				
Bus	1,484	1,499	1,583	1,601
Light Rail Train	153	154	176	192
Total Service Hours	1,637	1,652	1,759	1,793
% change		1.0%	6.4%	1.9%

Note: Totals and percentages may not be precise due to independent rounding

Ridership

Currently, transit ridership is on a downward trend across the nation. FY 2016 VTA system ridership was 2.4% lower than FY 2015 and through February, FY 2017 system ridership is down 12.2% from FY 2016 levels. The primary goal of the changes in the FY 2018 and FY 2019 Final Transit Plan discussed above is to improve VTA bus and light rail ridership.

Ridership projections for this two year budget cycle are primarily driven by the enhancements to the bus and light rail service plan described above. The development of a more extensive frequent core network and new connecting services to BART are anticipated to increase bus ridership by 8-10%. Light rail ridership is estimated to increase by 15-20% from the new additional services. These projected increases will be phased-in over time as existing riders develop new travel patterns and new riders start using the services. The projected ridership for FY 2018 and FY 2019 incorporates both the phase-in of the increases and timing of service implementation.

Ridership
(In Thousands)

Category	FY 2016 Actual	FY 2017 Projected Actual	% Var	FY 2018 Proposed Budget	% Var	FY 2019 Proposed Budget	% Var
Bus	32,195	28,625	-11.1%	29,129	1.8%	30,385	4.3%
Light Rail	10,723	9,164	-14.5%	9,498	3.6%	10,254	8.0%
Total	42,918	37,789	-12.0%	38,627	2.2%	40,639	5.2%

Note: Totals and percentages may not be precise due to independent rounding

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Revenues**Fares**

VTA has not had a fare increase since 2009. Since then, the cost of providing service has increased while the share of operating expenses recovered from fares (Fare Box Recovery Ratio) has declined. In early January, staff began a review of VTA's fare policy focusing on six major areas: an increase in the base fares, Youth fares, free VTA-to-VTA transfers, fares for Low Income riders, Community Bus fares, and Eco Pass fares. As part of the review, VTA staff presented the fare policy concepts at nine community meetings across the county in coordination with the outreach efforts conducted for the redesign of VTA's bus network. In addition to the community meetings, VTA conducted an online survey to receive additional public input.

The Proposed Budget includes a 25% increase phased over two years starting January 1, 2018. The adult single ride fare would increase from \$2.00 to \$2.25 on January 1, 2018 and to \$2.50 on January 1, 2019. All associated fares would increase proportionately with the exception of paratransit fares which would remain unchanged. In addition, the proposed fare structure includes the following:

- A decrease in Youth Fares
- Free VTA-to-VTA transfers for 90 minutes of travel, Clipper® only
- Continuation of the Transit Assistance Program (TAP) for low income riders
- Elimination of the Community Bus Fare type
- Restructuring of the Eco Pass program into three categories based on type of participant

A table of proposed fares is included below:

Current vs. Proposed Fixed-Route Fares
Effective January 1, 2018 and January 1, 2019

Fare Type	Current Fare	Proposed Fare January 1, 2018	Proposed Fare January 1, 2019
ADULT			
Single Ride Cash	\$2.00	\$2.25	\$2.50
Community Bus	\$1.25	n/a	n/a
Light Rail Excursion Pass	\$4.00	\$4.50	\$5.00
Day Pass	\$6.00	\$7.00	\$7.50
Day Pass Token (bag of 5)	\$15.00	\$17.50	\$18.75
Express Cash	\$4.00	\$4.50	\$5.00
Express Day Pass	\$12.00	\$13.50	\$15.00
Monthly Pass	\$70.00	\$80.00	\$90.00
Annual Pass	\$770.00	\$880.00	\$990.00
Express Monthly Pass	\$140.00	\$160.00	\$180.00
Express Annual Pass	\$1,540.00	\$1,760.00	\$1,980.00

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Fare Type	Current Fare	Proposed Fare January 1, 2018	Proposed Fare January 1, 2019
YOUTH			
Single Ride Cash	\$1.75	\$1.00	\$1.25
Community Bus	\$0.75	n/a	n/a
Light Rail Excursion Pass	\$3.50	\$2.00	\$2.50
Day Pass	\$5.00	\$3.00	\$3.75
Day Pass Token (bag of 5)	\$12.50	\$7.50	\$9.50
Monthly Pass	\$45.00	\$30.00	\$35.00
Summer Blast Pass	\$75.00	\$60.00	\$70.00
Annual Pass	\$495.00	\$330.00	\$385.00
SENIOR/DISABLED			
Single Ride Cash	\$1.00	\$1.00	\$1.25
Community Bus	\$0.50	n/a	n/a
Light Rail Excursion Pass	\$2.00	\$2.00	\$2.50
Day Pass	\$2.50	\$3.00	\$3.75
Monthly Pass	\$25.00	\$30.00	\$35.00
Annual Pass	\$275.00	\$330.00	\$385.00

Current vs. Proposed Paratransit Fares
Effective January 1, 2018 and January 1, 2019

Service Type	Current Fare	Proposed Fare January 1, 2018	Proposed Fare January 1, 2019
One-Way Trip (2x Adult Base Fare)	\$4.00	\$4.00	\$4.00
Same Day Trip (4x one-way trip)	\$16.00	\$16.00	\$16.00
Extended Service Area (4x one-way trip)	\$16.00	\$16.00	\$16.00

Sales Tax Based Revenues

Sales tax based revenues include 1976 half-cent local sales tax, a quarter-cent state sales tax (from Transportation Development Act or TDA), and 2000 Measure A Sales Tax-Operating Assistance which is derived from 2000 Measure A half-cent sales tax revenues. The majority of VTA's proposed operating revenues are generated from these sales tax measures, which are driven by the local economy.

During FY 2016, sales tax receipts from 1976 half-cent sales tax increased 3.1%, following an increase of 6.9% in FY 2015. Year-to-date growth in FY 2017 has been more modest with year over year increases of 1.7% for each of the first two quarters.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

To determine the growth assumption for FY 2018 and FY 2019, staff reviewed various scenarios including “Optimistic”, “Most Likely”, and “Conservative”. The Proposed Budget reflects projected growth of 2.4% and 2.0% in FY 2018 and FY 2019, respectively. These growth rates are between the “Most Likely” and “Conservative” scenarios.

2000 Measure A Sales Tax-Operating Assistance

The Proposed Budget assumes an increase in the 2000 Measure A sales tax revenue to be used towards funding VTA Transit operations from 18.5% to 20.75%. This additional funding will be used to partially offset the cost of enhanced light rail service described on page 4.

2016 Measure B – Transit Operations

2016 Measure B, discussed in more detail on page 67, includes a program category for Transit Operations. Candidate projects and programs included in the ballot language for this category include: Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders; Enhance Frequent Core Bus Network; Improve amenities at bus stops to increase safety, security and access; and, Support new innovative transit service models to address first/last mile connections.

The Proposed VTA Transit Fund Operating Budget includes funding from the Transit Operations program category for the expanded/new evening, late-night and weekend bus service described on page 4, and the youth and low-income related fare proposals described on page 6. A total of \$14.1M and \$14.5M funding from 2016 Measure B for FY 2018 and FY 2019, respectively is proposed. Funding from 2016 Measure B for the improvement of amenities at bus stops and innovative transit service models is included in the Proposed VTA Transit Fund Capital Budget discussed on page 15.

State Transit Assistance (STA)

Beginning in FY 2012, the state diesel sales tax rate was increased to 6.75% in conjunction with a corresponding drop in the per-gallon diesel fuel excise tax to ensure that consumers felt no impact at the pump. High-speed rail/transit bond debt service has first call on the revenues generated by the diesel sales tax. Any remaining revenues are split 75% to STA and 25% to intercity rail and other miscellaneous state transit programs. The FY 2018 and FY 2019 Proposed Budget assumes a VTA share of \$10.3 million per year.

Federal Operating Grants

President Obama signed the FAST (Fixing America’s Surface Transportation) Act into law on December 4, 2015. For the most part, FAST continues the programs put in place by its predecessor MAP-21 (Moving Ahead for Progress in the 21st Century).

FAST made the following changes to FTA (Federal Transit Administration) funding programs:

- Reinstated the discretionary bus program, with a small set-aside for Low and No Emission buses;
- Capped the FTA share of the Capital Investment Program at 60%; This includes New Starts, Small Starts and Core Capacity at 60%; and
- Phases in increased Buy-America Requirements – up to 70% by 2020.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

The FAST Act Federal funding programs from which VTA receives transit funding and their primary uses are as follows:

- *Section 5307 - Urbanized Area Funds:* This is the largest and most flexible FTA formula fund. This fund encompasses eligible capital activities including preventive maintenance and the set aside for support of Americans with Disabilities Act of 1990 (ADA) paratransit services.
- *Section 5337 - State of Good Repair Funding:* This program replaces the old Section 5309 Fixed Guideway program and is restricted to rail system uses.
- *Section 5337 - High Intensity Bus, Section 5339 - Bus and Bus Facilities Funding, and Surface Transportation Program (STP):* These funds are available for bus and bus facility projects. Only VTA's Express Bus-related services are eligible for Section 5337 bus funding.

The FY 2018 and FY 2019 Proposed Budget includes \$3.8M and \$3.9M, respectively for the Americans with Disabilities Act (ADA) set-aside. The remainder of projected formula grants are directed towards the capital program.

Financing Proceeds

The Proposed Budget includes \$18.5M and \$22.1M for FY 2018 and FY 2019, respectively for financing proceeds from a Commercial Paper program to fund the cost of parts for the mid-life overhaul of light rail vehicles.

Expenses

Labor Cost

Contracts for all bargaining units are currently scheduled to expire during the next biennial budget cycle.

Bargaining Unit	Expiration Date
AFSCME ¹	June 19, 2019
ATU ²	September 30, 2018
SEIU ³	August 5, 2018
TAEA ⁴	June 30, 2019

The Proposed Budget reflects the following assumptions related to labor costs:

- Reflects wage increases included in currently negotiated contracts. Budgeting of additional costs, if any, for subsequent contracts will be addressed upon contract ratification by the Board of Directors.
- Pension and Retiree Health contributions based on latest available actuarial information.

¹ American Federation of State, County, and Municipal Employees, Local 101

² Amalgamated Transit Union, Local 265

³ Service Employees International Union, Local 521

⁴ Transportation Authority Engineers and Architects Association, Local 21

VTA FY 2018 & FY 2019 PROPOSED BUDGET

- Net addition of 39 positions. The vast majority (30) of these additional positions are Light Rail Operators in support of the service changes described on page 4. The table below shows the approved positions by division for FY 2016 through FY 2019.

Positions by Division

Division	FY16¹	FY17²	FY18	FY19
Business Services	203	202	202	202
Engineering & Transp. Infrastructure Development	86	85	85	85
Finance & Budget	82	80	82	83
Government & Public Relations	26	29	30	30
Office of the Chief of Staff	10	10	10	10
Office of the General Counsel	15	15	15	15
Office of the General Manager	2	2	2	2
Operations	1,828	1,846	1,876	1,876
Planning & Program Development	49	48	52	53
System Safety & Security	35	34	34	34
Total³	2,336	2,351	2,388	2,390

Fuel

The Proposed Budget assumes \$2.25 per gallon for diesel in FY 2018 and \$2.50 in FY 2019, including taxes and fees. Assumptions include 20.7 million miles of service for FY 2018, and 21.0 million miles of service for FY 2019. Annual usage is estimated at approximately 4.8 million gallons in both FY 2018 and FY 2019. The actual average cost per gallon of diesel including taxes, was \$1.74 for FY 2016 and \$1.90 for FY 2017 through March.

Paratransit

The bus service changes in the FY 2018-FY 2019 Transit Service Plan described above include earlier and later daily service and additional weekend service on several routes. At full implementation, this expanded service is expected to increase paratransit trips by 4% over current levels. A general growth in trips of 3% per year is also anticipated. The Proposed Budget is based on an assumption of 26,300 more trips in FY 2018 (5.2%) and an increase of 25,665 trips in FY 2019 (4.8%). Due to a change in VTA's paratransit contract from a broker model to a directly contracted model, paratransit fares are now reported separately as revenues. Previously fare revenues were reported as a net against the paratransit expense. The table on the following page details the anticipated paratransit trips, expenses and offsetting fare revenues for the next two-year period.

¹ As of 6/30/16 adjusted for subsequent reorganizations

² Projected 6/30/17

³ Does not include Long-Term Leave, Student Intern or Extra-Help positions

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Paratransit Trips, Fares & Expenses
(In Thousands)

	FY 2018 Proposed Budget	FY 2019 Proposed Budget
Client Trips	531	556
Fares-Paratransit	\$2,328	\$2,723
Paratransit Expense		
Primary Provider-Fixed	\$3,234	\$3,365
Primary Provider-Revenue Vehicle Hour	13,320	13,795
Supplemental Service	2,291	2,891
Eligibility	894	1,244
Vehicle Maintenance	1,000	1,050
Fuel	1,553	1,579
Facilities/Maint/Utilities	509	529
Fare Processing	100	100
Software/Hardware	370	384
VTA Staff Services	1,400	1,400
Total Paratransit Expense	\$24,671	\$26,338

Note: Totals may not be precise due to independent rounding

Caltrain

VTA's current contribution to Caltrain is approximately 43% of the net operating expenses, based on a ridership formula agreed to by the partner agencies. The Proposed Budget reflects VTA's contribution at approximately \$9.0 million for each fiscal year.

Transfer to Capital Reserve

The VTA Transit Fund does not have a dedicated local revenue source for capital expenditures. Any capital enhancements, improvements or state of good repair not covered by grants or other outside sources must be funded from the same sources as the Operating Budget, primarily sales tax based revenues. The FY 2018 and FY 2019 Proposed Budget reflects a transfer of \$5.0M to the Capital Reserve in each year.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

VTA Transit

Comparison of Revenues and Expenses

(Dollars in Thousands)

Line	Category	FY16 Actual	FY17 Current Budget ¹	FY17 Projected Actual ²	FY18 Proposed Budget	Variance from FY17 Projection	% Var	FY19 Proposed Budget	Variance from FY18 Budget	% Var
1	Fares-Transit	37,663	41,599	33,564	35,742	2,178	6.5%	40,568	4,827	13.5%
2	Fares-Paratransit ³	0	0	1,234	2,328	1,094	88.6%	2,723	396	17.0%
3	1976 Half-Cent Sales Tax	205,418	216,835	210,296	215,343	5,047	2.4%	219,650	4,307	2.0%
4	TDA	98,519	101,912	99,605	101,211	1,607	1.6%	103,235	2,024	2.0%
5	Measure A Sales Tax-Oper. Asst.	37,954	40,021	38,814	44,684	5,869	15.1%	45,577	894	2.0%
6	2016 Measure B – Transit Operations	0	0	0	14,060	14,060	N/A	14,500	441	3.1%
7	STA	13,632	14,765	8,965	10,300	1,335	14.9%	10,300	0	0.0%
8	Federal Operating Grants	4,105	3,704	4,092	3,831	(261)	-6.4%	3,910	79	2.1%
9	State Operating Grants	1,984	1,420	2,186	1,373	(813)	-37.2%	960	(413)	-30.1%
10	Investment Earnings	2,580	1,425	3,250	3,584	334	10.3%	4,526	941	26.3%
11	Advertising Income	2,515	2,258	2,522	2,800	278	11.0%	2,909	109	3.9%
12	Measure A Repayment Obligation	15,007	15,247	15,247	15,596	349	2.3%	15,499	(97)	-0.6%
13	Other Income	2,937	2,556	4,539	4,173	(365)	-8.1%	2,420	(1,754)	-42.0%
14	Transfer to Capital Reserve ⁴	(13,635)	(21,907)	0	0	0	N/A	0	0	N/A
15	Financing Proceeds	0	0	0	18,450	18,450	N/A	22,130	3,680	19.9%
16	Total Revenue	408,680	419,836	424,313	473,474	49,161	11.6%	488,907	15,433	3.3%
17	Labor Cost	300,238	323,067	310,932	329,982	19,050	6.1%	339,746	9,764	3.0%
18	Materials & Supplies	22,949	19,374	27,913	38,191	10,278	36.8%	42,351	4,160	10.9%
19	Security	11,420	15,119	12,619	17,409	4,790	38.0%	17,880	471	2.7%
20	Professional & Special Services	5,829	7,187	6,975	8,715	1,741	25.0%	7,215	(1,501)	-17.2%
21	Other Services	7,748	7,584	7,591	10,488	2,897	38.2%	10,831	343	3.3%
22	Fuel	7,830	12,517	8,354	10,716	2,363	28.3%	12,022	1,306	12.2%
23	Traction Power	4,241	3,898	4,198	5,312	1,114	26.5%	6,189	877	16.5%
24	Tires	2,068	2,266	2,266	2,387	121	5.3%	2,524	137	5.7%
25	Utilities	3,105	2,895	3,195	3,593	398	12.5%	3,712	119	3.3%
26	Insurance	4,923	5,752	6,012	6,467	456	7.6%	6,862	394	6.1%
27	Data Processing	3,916	4,746	4,746	5,022	277	5.8%	4,987	(35)	-0.7%
28	Office Expense	425	425	425	425	(1)	-0.1%	412	(13)	-2.9%
29	Communications	1,562	1,606	1,606	1,620	14	0.9%	1,644	24	1.5%
30	Employee Related Expense	1,048	1,031	1,023	1,124	101	9.9%	1,124	0	0.0%
31	Leases & Rents	919	791	791	904	114	14.4%	904	0	0.0%
32	Miscellaneous	911	714	714	878	164	23.0%	860	(19)	-2.1%
33	Reimbursements	(36,374)	(38,769)	(31,536)	(36,555)	(5,019)	15.9%	(37,332)	(777)	2.1%
34	Subtotal Operating Expense	342,758	370,201	367,822	406,679	38,857	10.6%	421,928	15,249	3.7%
35	Paratransit ³	19,805	26,184	20,627	24,671	4,044	19.6%	26,338	1,667	6.8%
36	Caltrain	8,414	8,390	8,390	8,967	578	6.9%	8,967	0	0.0%
37	Altamont Corridor Express	4,838	5,323	4,888	5,177	289	5.9%	5,307	129	2.5%
38	Highway 17 Express	270	384	333	370	37	11.0%	381	11	3.0%
39	Monterey-San Jose	35	35	35	35	0	0.0%	35	0	0.0%
40	Contribution to Other Agencies	890	2,624	2,624	998	(1,626)	-62.0%	1,006	8	0.8%
41	Debt Service	21,351	21,641	21,641	21,581	(61)	-0.3%	22,233	652	3.0%
42	Subtotal Other Expense	55,603	64,581	58,539	61,799	3,261	5.6%	64,267	2,468	4.0%
43	Operating and Other Expense	398,361	434,782	426,361	468,478	42,118	9.9%	486,195	17,717	3.8%
44	Transfer to Capital Reserve	0	0	0	5,000	5,000	N/A	5,000	0	0.0%
45	Contingency	0	665	0	2,000	2,000	N/A	2,000	0	0.0%
46	Total Expense/Contingency/Cap Trsf	398,361	435,447	426,361	475,478	49,118	11.5%	493,195	17,717	3.7%
46	Operating Balance	10,319	(15,611)	(2,047)	(2,004)			(4,288)		

Note: Totals and percentages may not be precise due to independent rounding

¹ Reflects Adopted Budget approved by the Board on June 4, 2015 and \$4.0M, \$2.5M, and \$5.3M augmentations approved by the Board on October 1, 2015, October 6, 2016, and November 3, 2016, respectively

² Projection as of March 27, 2017

³ Beginning in November 2016 Paratransit Fares are reported separately. Previously these revenues were reported as a net against paratransit expense

⁴ Beginning in FY18 Transfer to Capital Reserve is reflected as an expense instead of a reduction of revenues

VTA FY 2018 & FY 2019 PROPOSED BUDGET

VTA Transit
Sources and Uses of Funds Summary
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Proposed Budget</u>	<u>FY19 Proposed Budget</u>
<u>Operating Balance</u>					
1	Total Operating Revenues	408,680	424,313	473,474	488,907
2	Total Operating Expenses	(398,361)	(426,361)	(475,478)	(493,195)
3	Operating Balance	10,319	(2,047)	(2,004)	(4,288)
<u>Operating Balance Transfers</u>					
4	Operating Balance (Line 3)	10,319	(2,047)	(2,004)	(4,288)
5	Transfers From/(To) Sales Tax Stabilization Fund	0	2,047	0	0
6	Transfers From/(To) Operating Reserve	(1,210)	0	2,004	4,288
7	Transfers From/(To) Capital Reserve	(9,109)	0	0	0
8	Balance to Undesignated Reserves	0	0	0	0
<u>Operating Reserve</u>					
9	Beginning Operating Reserve	62,937	64,147	64,147	62,143
10	Transfer From/(To) Operating Balance	1,210	0	(2,004)	(4,288)
11	Ending Operating Reserve	64,147	64,147	62,143	57,855
12	Operating Reserve % ²	14.7%	13.5%	12.6%	11.3% ³

Note: Totals and percentages may not be precise due to independent rounding

¹ Projection as of March 27, 2017

² Line 11 divided by subsequent fiscal year budgeted Operating Expenses (Line 2)

³ Based on projected FY20 Operating Expenses

VTA FY 2018 & FY 2019 PROPOSED BUDGET

5-Year Projection

In order to provide a broader picture beyond the two-year budget horizon, the table below shows projected Revenues, Expenses, and Operating Balance through FY 2022 (in millions).

	FY18	FY19	FY20	FY21	FY22
Revenues	\$473.5	\$488.9	\$503.5	\$504.6	\$517.9
Expenses	475.5	493.2	510.4	516.2	534.2
Operating Balance	(\$2.0)	(\$4.3)	(\$6.9)	(\$11.6)	(\$16.3)

Revenue growth during the FY20-FY22 projection period reflects sales tax related revenue growth using a “most likely” scenario and 2.5% inflation on most other sources. Expenditure growth is also based on an average inflation rate of 3.5%.

As with all forecasts, there is uncertainty regarding the revenue and expenditure estimates above. In particular sales tax based revenues may exceed or fall below expectations based on changes in economic or non-economic conditions. Additionally, actual expenditures could differ from projections based on final service levels implemented; volatility in fuel, pension, and healthcare costs; and impacts of negotiated contracts.

VTA Transit Capital Program Overview

The FY 2018 and FY 2019 Proposed VTA Transit Capital Program strives to maintain capital infrastructure and keep VTA assets in a state of good repair. Eighty-nine projects were submitted for consideration. Each project was reviewed and rated based upon the project's overall merit using a previously developed evaluation criteria scale. The projects were then ranked based on their overall score.

Once the projects are ranked, the Capital Improvement Program Oversight Committee (CIPOC), which is composed of the Division Chiefs and Directors, matches the VTA Transit requested projects with available levels of grant and local funding in order to develop the Proposed Capital Budget.

The FY 2018 and FY 2019 Proposed Budget creates 35 new VTA Transit Capital projects and augments 13 existing projects. The Proposed Budget also includes \$4.0 million to fund capital contingency. It utilizes \$112.1 million of grants or other outside funding and requires a total new VTA Transit Fund commitment of \$62.7 million. Any shortfall in anticipated grant funding could require either the use of additional VTA Transit funds if alternate sources are not available, or a reduction in project scope. The \$174.8 million VTA Transit Capital appropriation reflects the planned capital spending to be incurred or committed in the next two years. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program.

The table on the following pages lists each project by category and general funding source. The subsequent pages provide a brief description of each project, identified funding sources for the FY 2018 and FY 2019 requested appropriation, potential operating cost impacts, estimated total project cost, and anticipated completion date.

Capital project appropriations, with the exception of the VTA Transit Capital Contingency, do not expire at the end of the fiscal year and are carried forward until the project is completed. Appropriation for the VTA Transit Capital Contingency expires at the end of the two-year budget cycle. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The local share of capital carryover is specifically earmarked for previously appropriated capital needs in VTA's Comprehensive Annual Financial Report.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

VTA Transit
Schedule of FY 2018 & FY 2019 Appropriation
(Dollars in Thousands)

Project	FY 2018 & FY 2019				
	Funding Source				Total
	Federal	State	Other	VTA Transit	
1. 40' Bus Procurement FY18	44,000	0	0	11,000	55,000
2. 60' Articulated Bus Procurement	6,944	0	0	1,736	8,680
3. Automatic Passenger Counters (APC)	0	0	0	1,835	1,835
4. Paratransit Fleet Program FY18	4,195	0	0	1,049	5,244
5. Upgrade Fault Monitoring System on Light Rail Vehicles	2,255	0	0	564	2,819
Revenue Vehicles & Equipment Total	57,394	0	0	16,184	73,578
6. Non-Revenue Vehicle Procurement FY18	0	0	0	1,300	1,300
Non-Revenue Vehicles Total	0	0	0	1,300	1,300
7. Cerone Emergency Generator Replacement	0	0	0	1,260	1,260
8. Facilities and Equipment Emergency Repair FY18	0	0	0	750	750
9. Facilities Maintenance Equipment Program FY18	0	0	0	1,770	1,770
10. HVAC Replacement Program FY18	0	0	0	1,944	1,944
11. Painting Management Program FY18	0	0	0	800	800
12. Paving Management Program FY18	0	0	0	1,800	1,800
13. Procure and Install Wheel Truing Machine	0	0	0	3,210	3,210
14. Roofing Management Program FY18	0	0	0	1,300	1,300
15. SCADA and TVM Network Separation	0	0	0	3,565	3,565
16. Sustainability Program FY18	0	0	0	700	700
Operating Facilities & Equipment Total	0	0	0	17,099	17,099
17. Bridge Repair/Hamilton Structural Stabilization	320	0	0	80	400
18. Guadalupe Overhead Catenary System Rehab	6,460	0	0	1,615	8,075
19. Rail Replacement and Rehabilitation FY18	13,680	0	0	3,420	17,100
20. Roadway Protection System for Light Rail	1,551	0	0	388	1,939
21. Track Intrusion Abatement FY18	1,600	0	0	400	2,000
22. Upgrade Highway Rail Grade Crossing Control Equip.	4,368	0	0	1,092	5,460
Light Rail Way, Power & Signal Total	27,979	0	0	6,995	34,974
23. Bus Stop Improvement Program FY18	0	0	2,000	0	2,000
24. Diridon Transportation Facilities Master Plan	0	0	3,500	1,500	5,000
25. North San Jose Transportation Improvements	0	0	3,000	0	3,000
26. Pedestrian Swing Gates Replacement	2,720	0	0	680	3,400
27. Shelters at LR Stations--Tasman, Orchard, Component	0	0	1,800	0	1,800
28. Transit Center Park & Ride Upgrades FY18	0	0	0	500	500
29. Vasona Corridor Pedestrian Back Gates	1,280	0	0	320	1,600
Passenger Facilities Total	4,000	0	10,300	3,000	17,300
30. Emergency IT Infrastructure Replacement	0	0	0	240	240
31. Integrated Land Use-Transportation Model	0	0	75	0	75
32. Mobile Network Upgrade	0	0	0	550	550

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Project	FY 2018 & FY 2019				
	Funding Source				Total
	Federal	State	Other	VTA Transit	
33. Office 365 Deployment	0	0	0	350	350
34. PCI and EMV Compliance Enhancements	0	0	0	1,500	1,500
35. SCADA Control Center and System Replacement	3,015	0	0	754	3,769
36. SCADA Middleware Replacement	1,150	0	0	288	1,438
37. Survey and Data Collection Program	0	0	220	220	440
38. Virtual Transit Ride Visualization APP	0	0	50	50	100
39. VTA Big Data Analytics Program	0	0	50	50	100
40. VTA Gigabit Network Project	0	0	0	470	470
Information Sys & Technology Total	4,166	0	395	4,471	9,032
41. Bus-on-Shoulder Feasibility Study	0	288	0	72	360
42. Caltrain Capital – Annual Local Match	0	0	0	10,000	10,000
43. Capital Contingency	0	0	2,000	2,000	4,000
44. Condition Assessment for Rail & Bus Infrastructure	0	0	0	550	550
45. Express Bus Service Plan	0	380	0	95	475
46. Facilities Assessments	0	0	0	550	550
47. Innovative First/Last-Mile Services Program	0	0	3,000	0	3,000
48. North Bayshore Transportation Study	0	0	1,250	0	1,250
49. VA Pilot Smart Shuttle	0	0	995	370	1,365
Miscellaneous Total	0	668	7,245	13,637	21,550
Grand Total	93,539	668	17,940	62,686	174,833

Note: Totals may not be precise due to independent rounding

VTA FY 2018 & FY 2019 PROPOSED BUDGET

VTA Transit Capital Program

Descriptions of FY 2018 & FY 2019 Appropriated Projects

Revenue Vehicles & Equipment

1. 40' Bus Procurement FY18

Purchase up to 138 forty-foot buses in order to retire existing buses which are beyond their designed economic life. This initial appropriation will provide funding for the first 62 replacement buses. Funding for the remaining 76 buses will be requested as an augmentation in the FY 2020 Capital Budget.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$44,000,000
VTA Transit	11,000,000
Total	\$55,000,000

Operating Cost Impact: Operating savings estimated at \$25 thousand per bus, per year.

Estimated Total Project Cost: \$125.0 million

Anticipated Completion Date: December 2020

2. 60' Articulated Bus Procurement

This project augmentation will provide the balance needed for the planned procurement of 55 60' articulated buses. The purchase will allow the retirement of older buses which are beyond their designed economic life.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$1,038,744
Federal - Sec 5339	5,905,256
VTA Transit	1,736,000
Total	\$8,680,000

Operating Cost Impact: Operating savings estimated at \$60 thousand per bus, per year.

Estimated Total Project Cost: \$60.7 million

Anticipated Completion Date: May 2018

3. Automated Passenger Counters (APC)

This project will fund the purchase and installation of the latest Iris Automatic Passenger Counters (APC) equipment that are compatible with VTA's ridership processing tools.

Funding Source	FY18 & FY19
VTA Transit	\$1,835,000

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating Cost Impact: Annual savings from operational efficiencies and reduced preventive maintenance/repairs estimated at \$20,000. Additional annual maintenance estimated at \$8,000 after warranty period expires.

Estimated Total Project Cost: \$1.8 million

Anticipated Completion Date: June 2019

4. Paratransit Fleet Program FY18

This project is to procure new paratransit vehicles to replace vehicles that have exceeded their useful life. Planned procurement to include 99 Dodge Caravans and 5 El Dorado National Aerolite 210 vehicles including associated equipment and graphics.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$4,195,200
VTA Transit	1,048,800
Total	\$5,244,000

Operating Cost Impact: Projected maintenance savings for the first year vehicles are in service due to warranty.

Estimated Total Project Cost: \$5.2 million

Anticipated Completion Date: June 2019

5. Upgrade Fault Monitoring System on Light Rail Vehicles

The project will upgrade the existing Fault Monitoring System (FMS) Network equipment on the Light Rail Vehicles. The existing FMS is no longer supported by the original equipment manufacturer.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$2,255,200
VTA Transit	563,800
Total	\$2,819,000

Operating Cost Impact: Annual costs associated with maintenance/repair of the equipment is estimated at \$30,000.

Estimated Total Project Cost: \$2.8 million

Anticipated Completion Date: June 2020

Non-Revenue Vehicles

6. Non-Revenue Vehicle Procurement FY18

This ongoing program schedules the acquisition of Non-Revenue Vehicles to replace existing units that have high mileage, have had a history of mechanical failures, or have been decommissioned because of mechanical failures which were not cost-effective to repair. This project also includes an option to replace retired vehicles with vehicles that are hybrid/electric and higher mile per gallon (MPG) when possible per our Sustainable Fleet Policy.

MTA FY 2018 & FY 2019 PROPOSED BUDGET

Funding Source	FY18 & FY19
MTA Transit	\$1,300,000

Operating Cost Impact: *Projected maintenance savings for the first year vehicles are in service due to warranty.*

Estimated Total Project Cost: *\$1.3 million*

Anticipated Completion Date: *February 2018*

Operating Facilities & Equipment

7. Cerone Emergency Generator Repair

This project will remove and replace two 500kw Liquid Propane Gas (LPG) generators with one 1200kw diesel generator. The LPG generators were installed in 1978 and are at the end of their useful life. The project includes purchase and installation of the new generator and plumbing tie-in to the diesel tanks at the fuel island. Tie-in to the diesel tanks will extend the runtime and more than double the available fuel capacity of the generators in a large emergency. Additional project requirements include the decommissioning, removal, and disposal of the existing generators; building restoration after removal; and inspection and permitting by the Bay Area Air Quality Management District (BAAQMD). The requested budget augmentation will fund this project through completion.

Funding Source	FY18 & FY19
MTA Transit	\$1,260,000

Operating Cost Impact: *There is no anticipated impact on operating costs.*

Estimated Total Project Cost: *\$2.5 million*

Anticipated Completion Date: *September 2018*

8. Facilities and Equipment Emergency Repair FY18

This project allows MTA to expedite unplanned repairs that may be required at facilities or to equipment that is essential to normal or safe operations. These funds are administered by the Chief Operating Officer and are not used for regular anticipated maintenance activities.

Funding Source	FY18 & FY19
MTA Transit	\$750,000

Operating Cost Impact: *There is no anticipated impact on operating costs.*

Estimated Total Project Cost: *\$750 thousand*

Anticipated Completion Date: *June 2019*

9. Facility Maintenance Equipment Program FY18

This project allows for the scheduled replacement of equipment that has reached the end of its useful life. It allows MTA to proactively keep its equipment in a state of good repair, while reducing repair expenses and downtime. FY 2018 and FY 2019 scheduled replacements include forklifts, bus lifts, cranes, compressors, floor scrubbers, and parts carousels.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Funding Source	FY18 & FY19
VTA Transit	\$1,770,000

Operating Cost Impact: Potential maintenance savings associated with keeping equipment in a state of good repair.

Estimated Total Project Cost: \$1.8 million

Anticipated Completion Date: June 2019

10. Heating, Ventilation and Air Conditioning (HVAC) Replacement Program FY18

The HVAC Replacement Program is a long-term plan intended to take advantage of technological advances in HVAC equipment and stay ahead of major system failures that impact operations. This 10-year plan identifies specific HVAC equipment replacements annually based on the end of useful life calculations.

Funding Source	FY18 & FY19
VTA Transit	\$1,944,000

Operating Cost Impact: Utility savings anticipated from replacing electric heat pumps with natural gas fueled heat pumps.

Estimated Total Project Cost: \$1.9 million

Anticipated Completion Date: June 2019

11. Painting Management Program FY18

The Painting Management Program is an ongoing, comprehensive long-term preventive maintenance program that protects and extends the useful life of all facilities maintained by VTA. This program provides painting maintenance and repair to the exteriors and interiors of all VTA operational, administrative, and passenger facilities (excluding bus stops). Painting maintenance and repair includes repairs and repainting of worn areas as needed and includes scheduled repainting based on a 10-year plan.

Funding Source	FY18 & FY19
VTA Transit	\$800,000

Operating Cost Impact: There is no anticipated impact on operating costs.

Estimated Total Project Cost: \$800 thousand

Anticipated Completion Date: June 2019

12. Paving Management Program FY18

This ongoing program provides pavement maintenance and repair to all VTA operational, administrative, passenger, equipment, and Park and Ride facilities. Maintenance and repair includes slurry sealing on a five to eight-year cycle for light-duty lots and grinding with overlays for bus divisions and heavy vehicle roadways on a five-year schedule.

Funding Source	FY18 & FY19
VTA Transit	\$1,800,000

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating Cost Impact: Potential maintenance savings associated with keeping pavement in a state of good repair.

Estimated Total Project Cost: \$1.8 million

Anticipated Completion Date: June 2019

13. Procure and Install Wheel Truing Machine

Procure and install new Hegenscheidt rail wheel truing machine at the Guadalupe Light Rail facility. The requested budget augmentation is anticipated to fund this project through completion.

Funding Source	FY18 & FY19
VTA Transit	\$3,210,000

Operating Cost Impact: Eventually the existing machine will be retired thereby reducing repair cost associated with an older machine. In addition, the new machine will be less labor intensive. There will be ongoing expenditures, the existing maintenance contract will need to be amended to account for the new machine.

Estimated Total Project Cost: \$5.8 million

Anticipated Completion Date: August 2019

14. Roofing Management Program FY18

This is an ongoing, comprehensive program to maximize the useful life and integrity of VTA facilities. This program includes the proactive scheduling of roofing rehabilitation prior to major failure, as well as unscheduled repairs, seasonal cleaning, annual roof inspections, and emergency leak response.

Funding Source	FY18 & FY19
VTA Transit	\$1,300,000

Operating Cost Impact: Potential maintenance savings associated with keeping roofing in a state of good repair.

Estimated Total Project Cost: \$1.3 million

Anticipated Completion Date: June 2019

15. SCADA and TVM Network Separation

This project will separate both logically and physically, payment data (TVM) communications currently transmitted through the Supervisory Control and Data Acquisition (SCADA) network to an independent clipper network in the 65 communication cabinets on the Light Rail System. The requested budget augmentation is anticipated to fund this project through completion.

Funding Source	FY18 & FY19
VTA Transit	\$3,565,000

Operating Cost Impact: There is no anticipated impact on operating costs.

Estimated Total Project Cost: \$4.7 million

Anticipated Completion Date: December 2019

VTA FY 2018 & FY 2019 PROPOSED BUDGET

16. Sustainability Program FY18

This appropriation supports the continuation of the VTA Board approved Sustainability Program which includes energy reduction, solid waste reduction, hazardous waste reduction, recycling programs, water conservation, and solar energy projects.

Funding Source	FY18 & FY19
VTA Transit	\$700,000

Operating Cost Impact: Some operating savings anticipated from reductions in the use of potable water and the consumption of energy.

Estimated Total Project Cost: \$700 thousand

Anticipated Completion Date: June 2019

Light Rail Way, Power & Signal**17. Bridge Repairs & Hamilton Structure Stabilization**

Implement corrective actions such as soil stabilization and drainage modifications to stabilize the Hamilton Bridge Structure. The requested budget augmentation will fund this project through completion.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$320,000
VTA Transit	80,000
Total	\$400,000

Operating Cost Impact: Potential maintenance savings associated with keeping bridges and structures in a state of good repair.

Estimated Total Project Cost: \$3.2 million

Anticipated Completion Date: September 2018

18. Guadalupe Overhead Catenary System Rehabilitation

Third Phase of the Overhead Catenary System (OCS) Rehabilitation covering from North First Street and Rosemary to Old Ironsides including rehabilitation or replacement of contact wires, section insulators and under bridge supports. Project scope also includes the addition of safety light indicators within the maintenance shops at the Guadalupe Light Rail facility.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$6,460,000
VTA Transit	1,615,000
Total	\$8,075,000

Operating Cost Impact: Potential maintenance savings associated with keeping the assets in a state of good repair.

Estimated Total Project Cost: \$8.1 million

Anticipated Completion Date: June 2019

VTA FY 2018 & FY 2019 PROPOSED BUDGET

19. Rail Rehabilitation and Replacement FY18

This is part of an on-going program to ensure that the Light Rail track infrastructure remains safe, reliable and in an enhanced state of good repair. Previous projects have completed or are undertaking the rehabilitation and replacement of ties, rail, concrete panels, special track work, switches and embedded rail. The scope for this request includes further rehabilitation and replacement of various track components at various locations including special track work switches, heel blocks, timber ties and defective/worn-out rail. The majority of work will involve the repair and replacement of the Younger half-grand, including the installation of two new crossovers to accommodate single tracking operations during construction.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$3,667,559
Federal - Sec 5307	10,012,441
VTA Transit	3,420,000
Total	\$17,100,000

***Operating Cost Impact:** Potential maintenance savings associated with keeping the assets in a state of good repair.*

***Estimated Total Project Cost:** \$17.1 million*

***Anticipated Completion Date:** December 2019*

20. Roadway Protection System for Light Rail

The project will explore Roadway Worker Protection System technologies to be implemented at VTA Light Rail System to meet regulatory requirements.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$1,551,200
VTA Transit	387,800
Total	\$1,939,000

***Operating Cost Impact:** Some minor maintenance cost associated with maintaining the system on regular basis is anticipated.*

***Estimated Total Project Cost:** \$1.9 million*

***Anticipated Completion Date:** December 2018*

21. Track Intrusion Abatement FY18

This project will take steps to prevent track intrusion into light rail trackway at intersections and locations currently subject to trespassing. Planned improvements include installation of fencing, barriers, signage, flashing signs, and pavement markings at locations identified and approved by VTA's Safety Committee.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$1,600,000
VTA Transit	400,000
Total	\$2,000,000

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating Cost Impact: *There is no anticipated impact on operating costs.*

Estimated Total Project Cost: \$2.0 million

Anticipated Completion Date: June 2019

22. Upgrade Highway Rail Grade Crossing Control Equipment

This project will upgrade rail grade crossing equipment at various crossings on Tasman West and Guadalupe Line through redesign of crossings, procurement and installation of new equipment.

Funding Source	FY18 & FY19
Federal- Sec 5307	\$4,368,000
VTA Transit	1,092,000
Total	\$5,460,000

Operating Cost Impact: *Annual costs associated with maintenance/repair of the equipment is estimated at \$10,000.*

Estimated Total Project Cost: \$5.5 million

Anticipated Completion Date: June 2019

Passenger Facilities

23. Bus Stop Improvement Program FY18

The project represents an ongoing program that will upgrade bus stops throughout the VTA system at bus stops to increase safety, security and access. The project would provide funds for system wide improvements at approximately 100 bus stops, including new and replacement shelters, lighting, access improvements including safe sidewalk connections, passenger information signs and security.

Funding Source	FY18 & FY19
Other - 2016 Measure B	\$1,300,000
Other - Developer Contribution	700,000
Total	\$2,000,000

Operating Cost Impact: *The maintenance costs for new shelters will be mitigated by the advertising revenue. The actual costs will not be known until the advertising contract is complete but is currently estimated at \$5,000 per year to maintain 100 new shelters.*

Estimated Total Project Cost: \$2.0 million

Anticipated Completion Date: June 2019

24. Diridon Transportation Facilities Master Plan

This project will identify a preferred alternative and initiate preliminary design and environmental review for the Diridon Station Multimodal Transportation Center.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Funding Source	FY18 & FY19
Other - High Speed Rail	\$2,000,000
Other - Caltrain/Capitol Corridor/ACE	1,500,000
VTA Transit	1,500,000
Total	\$5,000,000

Operating Cost Impact: *If facility is constructed, maintenance expenses will occur that the various operating entities will have to fund. Separate efforts are ongoing as to how the long-term governance and operation of the center will be accomplished and funded.*

Estimated Total Project Cost: \$6.0 million

Anticipated Completion Date: June 2019

25. North San Jose Transportation Improvements

This project will plan, design and construct eligible transit projects in North San Jose using developer fees collected by the City of San Jose.

Funding Source	FY18 & FY19
Other - Developer Fees	\$3,000,000

Operating Cost Impact: *Impact depends on actual project selected but ongoing operational and maintenance costs are expected to be minimal.*

Estimated Total Project Cost: \$6.0 million

Anticipated Completion Date: December 2019

26. Pedestrian Swing Gates Replacement

This project will replace spring-hinge pedestrian swing gates at various pedestrian crossing locations along VTA's light rail system. The existing swing gates will be replaced with new and improved gravity-hinged gates that are safer and more reliable. The requested budget augmentation will fund this project through completion.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$2,720,000
VTA Transit	680,000
Total	\$3,400,000

Operating Cost Impact: *There is no anticipated impact on operating costs.*

Estimated Total Project Cost: \$4.9 million

Anticipated Completion Date: June 2019

27. Shelters at LR Stations—Tasman, Orchard, Component

This project will procure and install shelters for passenger use at the Tasman, Orchard, and Component light rail stations in the northbound direction.

Funding Source	FY18 & FY19
Other - Developer Contribution	\$1,800,000

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating Cost Impact: Anticipate minor increase in ongoing expenditures for routine maintenance.

Estimated Total Project Cost: \$1.8 million

Anticipated Completion Date: June 2019

28. Transit Center Park and Ride Upgrades FY18

This project will provide for refurbishment and repair of maintenance issues at transit center and park and ride lots throughout the VTA service area. These include major concrete damage and pavement failures at transit centers, sidewalks and park and ride lots. It will also include pavement striping, signage, tree roots and tree removal, lighting and mitigating trip hazards in the pedestrian areas.

Funding Source	FY18 & FY19
VTA Transit	\$500,000

Operating Cost Impact: Potential maintenance savings associated with keeping assets in a state of good repair.

Estimated Total Project Cost: \$500 thousand

Anticipated Completion Date: June 2019

29. Vasona Corridor Pedestrian Back Gates

This project will install pedestrian gates at several Vasona Light Rail corridor crossings. The scope will include the installation of automatic pedestrian gates, swing gates and railings, minor civil improvements and related signal modifications as necessary. The requested budget augmentation will fund this project through completion.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$1,280,000
VTA Transit	320,000
Total	\$1,600,000

Operating Cost Impact: There is no anticipated impact on operating costs.

Estimated Total Project Cost: \$2.9 million

Anticipated Completion Date: June 2019

Information Systems & Technology

30. Emergency IT Infrastructure Replacement

This project allows VTA to address the need for replacement of critical technology infrastructure as they arise over the two-year timeframe. These funds are administered by the Chief Technology Officer and are not used for regular anticipated maintenance activities.

Funding Source	FY18 & FY19
VTA Transit	\$240,000

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating Cost Impact: Potential impact on operating cost is dependent on nature of item replaced.

Estimated Total Project Cost: \$300 thousand

Anticipated Completion Date: June 2019

31. Integrated Land Use-Transportation Model

This project augmentation will fund the completion of Phase II of development of the Integrated Land Use-Transportation Model which provides VTA with a powerful analytical tool to estimate how major transportation improvements influence land values and the redistribution of housing units and jobs by industry. This allows the quantification of benefits that cannot typically be captured in traditional benefit/cost models which can be used to provide a fuller picture of the benefits provided by transit projects.

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$75,000

Operating Cost Impact: There is no anticipated impact on operating costs.

Estimated Total Project Cost: \$150 thousand

Anticipated Completion Date: June 2019

32. Mobile Network Upgrade

This project will upgrade the mobile routers in 130 buses and non-revenue vehicles. The older routers were installed in approximately 2009 and the manufacturer announced the end-of-life support for them in March 2014. The new mobile routers will help ensure that operational communications, such as RTI and passenger internet access remains operational and serviceable on vehicles with the older mobile routers. This project will also replace and upgrade the equipment necessary to provide passenger Wi-Fi for the revenue and non-revenue vehicles with newer mobile routers

Funding Source	FY18 & FY19
VTA Transit	\$550,000

Operating Cost Impact: No operating impact anticipated. Older models will be taken out of service and the service costs transferred to the new equipment.

Estimated Total Project Cost: \$550 thousand

Anticipated Completion Date: June 2018

33. Office 365 Deployment

This project will purchase and implement a new subscription-based Microsoft Office product, Office 365. This cloud-based service is designed to meet VTA's enterprise infrastructure's need for robust security, reliability, mobility, and user productivity. VTA users will be enabled to collaborate and communicate securely across many devices from anywhere. Office 365 also provides VTA users with unlimited cloud based storage for email, SharePoint and one TB/storage per user with OneDrive.

Funding Source	FY18 & FY19
VTA Transit	\$350,000

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating Cost Impact: Annual maintenance estimated at \$175,000 is expected to be offset somewhat by elimination of older data servers resulting from transition to a cloud-based system.

Estimated Total Project Cost: \$350 thousand

Anticipated Completion Date: August 2018

34. PCI and EMV Compliance Enhancements

This project will enhance the current Ticket Vending Machine Environment with a PCI DSS (Payment Card Industry Data Security Standard) and EMV (Europay, MasterCard, AMEX and Visa) Compliant Solution that will enable VTA to accept payments via Chip Cards, Contactless cards, Google Pay, Apple Pay and future mobile wallets.

Funding Source	FY18 & FY19
VTA Transit	\$1,500,000

Operating Cost Impact: There is no anticipated impact on operating costs.

Estimated Total Project Cost: \$1.5 million

Anticipated Completion Date: June 2019

35. SCADA Control Center and System Replacement

This project will provide for upgrades to the Supervisory Control and Data Acquisition (SCADA) System hardware and software, and design Control and Data Center facility expansion. The SCADA system provides safety critical controls for operation of the light rail system, and includes the supervisory consoles, displays, servers, and other infrastructure at the Guadalupe Light Rail Operating Division such as the operations control center, way power & signal, and emergency operations center. The existing control and data center, along with the associated hardware and software, are at the end of their useful lives. Much of the software and hardware items are already obsolete or will be obsolete and unsupported in the near future.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$3,015,200
VTA Transit	753,800
Total	\$3,769,000

Operating Cost Impact: Additional operating impact, if any will be determined once this initial design phase is completed.

Estimated Total Project Cost: \$39.9 million

Anticipated Completion Date: January 2022

36. SCADA Middleware Replacement

This project will replace existing obsolete middleware software with updated software to ensure compatibility with other upgraded SCADA software and SCADA components.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Funding Source	FY18 & FY19
Federal - Sec 5337	\$1,150,400
VTA Transit	287,600
Total	\$1,438,000

Operating Cost Impact: *There is no anticipated impact on operating costs.*

Estimated Total Project Cost: *\$1.4 million*

Anticipated Completion Date: *June 2019*

37. Survey and Data Collection Program

This project will provide funding to implement a variety of transportation surveys that will provide critical information on travel patterns and behavior from residents and workers in Santa Clara County. Anticipated activities include transit surveys to collect data in support of before and after studies for major capital project implementations; existing and new transit customer attitudinal and perception surveys; and surveys of employers, residences and major activity centers for trip generation and mode share data for Congestion Management and Transit Planning analysis.

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$220,000
VTA Transit	220,000
Total	\$440,000

Operating Cost Impact: *There is no anticipated impact on operating costs.*

Estimated Total Project Cost: *\$500 thousand*

Anticipated Completion Date: *June 2019*

38. Virtual Transit Ride Visualization APP

Complete and improve the VTA virtual transit ride app. This final phase of funding will complete the transit videos on all VTA transit routes and improve various aspects of the existing app.

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$50,000
VTA Transit	50,000
Total	\$100,000

Operating Cost Impact: *Ongoing annual expenditures estimated at \$7,200.*

Estimated Total Project Cost: *\$150 thousand*

Anticipated Completion Date: *June 2019*

39. VTA Big Data Analytics Program

This project will provide funding to implement a Big Data Analytics Program at VTA, including purchase of large transportation data sets (AirSage and Strava Metro), development of analytical tools to be used for data analysis, visualization and reporting.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$50,000
VTA Transit	50,000
Total	\$100,000

***Operating Cost Impact:** There is no anticipated impact on operating costs.*

***Estimated Total Project Cost:** \$100 thousand*

***Anticipated Completion Date:** June 2019*

40. VTA Gigabit Network Project

This project will provide optic fiber installation, network equipment and materials necessary to support the increased needs for new passenger, fare payments, CCTV, audio, passenger information and other systems being installed throughout VTA's WAN and MAN. It is intended to provide upgrades to address potential capacity needs and security improvements needed to secure and distribute CCTV (closed circuit television) and the other systems installed and planned for the transit facilities. The requested augmentation will fund this project through completion.

Funding Source	FY18 & FY19
VTA Transit	\$470,000

***Operating Cost Impact:** Some operating savings are anticipated. Similar projects completed have resulted in cost avoidance of high speed data connections of over \$50,000/ year.*

***Estimated Total Project Cost:** \$1.4 million*

***Anticipated Completion Date:** June 2019*

Miscellaneous

41. Bus-on-Shoulder Feasibility Study

This study will assess the feasibility of operating VTA Express buses on Santa Clara County freeway shoulders in order to achieve transit travel time reductions by bypassing congestion. Planned study efforts include the following: a peer review of bus-on-shoulder operations (focused on California), a regulatory review of bus-on-shoulder operations, an assessment of the corridor travel markets, an assessment of the technical operations requirements, estimates of operating/maintenance/capital costs, and development of an implementation plan.

Funding Source	FY18 & FY19
State - Planning Grant	\$288,000
VTA Transit	72,000
Total	\$360,000

MTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating Cost Impact: *The project could identify opportunities to operate MTA Express service on freeway shoulders, which could achieve operational cost savings through travel time reductions.*

Estimated Total Project Cost: \$360 thousand

Anticipated Completion Date: June 2019

42. Caltrain Capital - Annual Local Match

The local capital funds that Caltrain receives from MTA and the other two funding partners (San Mateo County Transit District and the City and County of San Francisco) are used to match state and federal grant funds that are provided to Caltrain. Most Caltrain capital projects are funded with a combination of federal and local funds, and the costs are split equally by the three member agencies.

Funding Source	FY18 & FY19
MTA Transit	\$10,000,000

Operating Cost Impact: *There is no direct operating costs impact to MTA. Operating and maintenance costs for Caltrain service are incorporated in the Caltrain operating subsidy.*

Estimated Total Project Cost: \$10.0 million

Anticipated Completion Date: June 2019

43. Capital Contingency

This appropriation is a placeholder for projects that are not currently anticipated but may arise during the two-year budget cycle. These funds are administered by the Capital Improvement Program Oversight Committee, which is composed of MTA's Chief Officers, Directors and a representative of the General Manager. Unused Capital Contingency appropriation expires at the end of the two-year budget cycle.

Funding Source	FY18 & FY19
Other - TBD	\$2,000,000
MTA Transit	2,000,000
Total	\$4,000,000

Operating Cost Impact: *Potential impact on operating cost is dependent on nature of identified activities.*

Estimated Total Project Cost: \$4.0 million

Anticipated Completion Date: June 2019

44. Condition Assessment for Rail & Bus Infrastructure

This project will include efforts to compile, update and validate previously completed condition assessments of various transit system elements, conduct additional condition assessments, and develop a plan for new and ongoing assessments and reporting.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Funding Source	FY18 & FY19
VTA Transit	\$550,000

Operating Cost Impact: *There is no anticipated impact on operating costs.*

Estimated Total Project Cost: \$550 thousand

Anticipated Completion Date: June 2019

45. Express Bus Service Plan

The Express Bus Service Plan is a comprehensive service redesign of the Express Bus network that will utilize "big data" to better understand commuter travel patterns and develop a new VTA Express Bus service plan that will better serve the commuters of Santa Clara County.

Funding Source	FY18 & FY19
State - Planning Grant	\$380,000
VTA Transit	95,000
Total	\$475,000

Operating Cost Impact: *The opportunity to achieve ongoing cost savings is threefold: First, one of the project's goals is to identify opportunities to improve efficiencies within the Express Bus network, which could result in ongoing operational savings. Second, the project will seek to expand service in high-occupancy "fixed guideway" lanes, which could increase the amount of FTA 5307 and 5339 funds VTA receives. Third, the study may identify other operational cost savings through service reductions if appropriate.*

Estimated Total Project Cost: \$475 thousand

Anticipated Completion Date: December 2018

46. Facilities Assessments

Condition assessments of VTA facilities to plan rehabilitation or replacement programs to maintain assets in state of good repair.

Funding Source	FY18 & FY19
VTA Transit	\$550,000

Operating Cost Impact: *There is no anticipated impact on operating costs.*

Estimated Total Project Cost: \$550 thousand

Anticipated Completion Date: June 2019

47. Innovative First/Last-Mile Services Program

This program will support the implementation of innovative service models to address first/last mile connections including, FLEX-type services, dynamic on-demand subscription shuttles and partnerships with other demand responsive service providers serving vulnerable, underserved, and transit dependent populations.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Funding Source	FY18 & FY19
Other - 2016 Measure B	\$3,000,000

Operating Cost Impact: Potential ongoing cost savings could be realized through reallocation of existing operating funds. Ongoing annual expenditures would include potential subsidies for new services.

Estimated Total Project Cost: \$3.0 million

Anticipated Completion Date: June 2019

48. North Bayshore Transportation Study

This project will study and conceptually engineer a transportation alternative to the North Bayshore area from the NASA Bayshore Light Rail Station.

Funding Source	FY18 & FY19
Other - Google	\$1,250,000

Operating Cost Impact: There is no anticipated impact on operating costs.

Estimated Total Project Cost: \$1.5 million

Anticipated Completion Date: December 2018

49. VA Pilot Smart Shuttle

This is a five year project with a goal to develop a "Comprehensive Autonomous Shuttle System" featuring on-demand or pre-scheduled service in and around the Palo Alto VA Hospital area, using an autonomous shuttle and pre identified Smart Stop locations. Activities during the first two years of the project include performance of initial research and development and deployment of two autonomous shuttles will be put into service around the Palo Alto VA Hospital.

Funding Source	FY18 & FY19
Other - Dept of Health & Human Services	\$995,050
VTA Transit	369,950
Total	\$1,365,000

Operating Cost Impact: Any ongoing expenditures for the first five years are anticipated to be covered by grant funding.

Estimated Total Project Cost: \$3.3 million

Anticipated Completion Date: July 2022

***2000 MEASURE A TRANSIT
IMPROVEMENT PROGRAM***

VTA FY 2018 & FY 2019 PROPOSED BUDGET



2000 Measure A Transit Improvement Program

Overview

The 2000 Measure A Transit Improvement Program, a 30-year plan of major transit improvement capital projects, was approved by Santa Clara County voters in November 2000. The 2000 Measure A Ordinance implemented a 30-year half-cent sales tax that became effective on April 1, 2006 and is scheduled to expire on March 31, 2036. Pursuant to the ballot measure, revenues from the Tax are limited to the following uses:

- Fund operating and maintenance costs for increased bus, rail and paratransit service.
- Extend BART from Fremont through Milpitas to Downtown San Jose and the Santa Clara Caltrain Station.
- Provide connections from Mineta San Jose International Airport to BART, Caltrain and VTA light rail.
- Extend Light Rail from Downtown San Jose to the East Valley.
- Purchase low-floor light rail vehicles.
- Improve Caltrain: double-track to Gilroy and electrify from Palo Alto to Gilroy.
- Increase Caltrain service.
- Construct a new Palo Alto Intermodal Transit Center.
- Improve bus service in major bus corridors.
- Upgrade Altamont Commuter Express (ACE).
- Improve Highway 17 Express bus service.
- Connect Caltrain with Dumbarton Rail Corridor.
- Purchase Zero Emission buses and construct service facilities.
- Develop new light rail corridors.

The 2000 Measure A Transit Improvement Program budget appropriation is broken into two major components. The operating budget includes appropriation for non-project specific expenditures such as professional services, debt service, and operating assistance to VTA Transit. The capital budget appropriation is comprised of the anticipated expenditures and commitments on capital projects for the two-year budget period.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

2000 Measure A Transit Improvement Program
Comparison of Revenues and Expenses
(Dollars in Thousands)

Line	Category	FY16 Actual	FY17 Adopted Budget	FY17 Projected Actual ¹	FY18 Proposed Budget	Variance from FY17 Projection	% Var	FY19 Proposed Budget	Variance from FY18 Budget	% Var
1	2000 Half-Cent Sales Tax	205,636	216,835	210,296	215,343	5,047	2.4%	219,650	4,307	2.0%
2	Federal BABs Subsidy ²	8,748	8,722	8,753	8,750	(2)	0.0%	8,750	0	0.0%
3	Investment Earnings	7,088	4,531	7,056	5,256	(1,800)	-25.5%	5,486	230	4.4%
4	Other Income	366	404	407	391	(16)	-3.8%	395	4	1.1%
5	Total Revenue	221,837	230,492	226,511	229,741	3,229	1.4%	234,282	4,541	2.0%
6	VTA Operating Assistance	37,954	40,021	38,814	44,684	5,869	15.1%	45,577	894	2.0%
7	Professional & Special Services	634	723	555	790	236	42.5%	1,002	211	26.7%
8	Miscellaneous	9	28	27	27	0	0.0%	27	0	0.0%
9	Contributions to Other Agencies	218	1,190	1,021	673	(348)	-34.1%	0	(673)	-100.0%
10	Debt Service	30,810	27,431	27,431	38,638	11,207	40.9%	46,200	7,562	19.6%
11	Repayment Obligation	15,007	15,247	15,247	15,596	349	2.3%	15,499	(97)	-0.6%
12	Total Expense	84,631	84,639	83,094	100,407	17,313	20.8%	108,304	7,896	7.9%
13	Revenues Over (Under) Expenses	137,206	145,853	143,417	129,333			125,978		

Note: Totals and percentages may not be precise due to independent rounding

¹ Projection as of March 27, 2017

² Represents remittance from the federal government for a portion of the interest cost for 2010 Sales Tax Revenue Bonds, 2010 Series A, Build America Bonds (BABs) which were issued in November 2010

VTA FY 2018 & FY 2019 PROPOSED BUDGET

***2000 Measure A Transit Improvement Program
Sources and Uses of Funds Summary***
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Proposed Budget</u>	<u>FY19 Proposed Budget</u>
1	Total Revenues	221,837	226,511	229,741	234,282
2	Total Non-Project Expenses	<u>(84,631)</u>	<u>(83,094)</u>	<u>(100,407)</u>	<u>(108,304)</u>
3	Revenues Over (Under) Expenses	137,206	143,417	129,333	125,978
4	Project Expenditures	523,358	411,950	501,247	293,679
5	Less: Funding from Grants & Other Sources	<u>(255,800)</u>	<u>(173,200)</u>	<u>(174,711)</u>	<u>(90,737)</u>
6	2000 Measure A Share of Capital	267,558	238,750	326,536	202,942
7	Beginning Available for Projects ²	560,260	429,907	334,573	137,371
8	Revenues Over (Under) Expenses	137,206	143,417	129,333	125,978
9	2000 Measure A Share of Capital	<u>(267,558)</u>	<u>(238,750)</u>	<u>(326,536)</u>	<u>(202,942)</u>
10	Ending Available for Projects ²	429,907	334,573	137,371	60,407

Note: Totals may not be precise due to independent rounding

¹ Projection as of March 27, 2017

² Undesignated Net Assets plus Remaining Bond Proceeds

VTA FY 2018 & FY 2019 PROPOSED BUDGET

2000 Measure A Capital Program Overview

The Proposed FY 2018 & FY 2019 2000 Measure A Capital Program utilizes cash-on-hand and projected cash receipts, and does not anticipate incurring additional debt in the two-year period. The total additional appropriation for the identified projects for FY 2018 and FY 2019 is \$701.7 million which reflects the planned capital spending to be incurred or committed in the next two years. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program.

The table below lists each project by category and general funding source. The subsequent pages provide a brief description of each project, identified funding sources for the FY 2018 and FY 2019 requested appropriation, potential operating cost impacts, estimated total project cost, and anticipated completion date.

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year.

Schedule of FY 2018 & FY 2019 Appropriation
(Dollars in Thousands)

Project	FY 2018 & FY 2019			
	Funding Source			Total
	Federal	Other	2000 Measure A	
1. Berryessa Extension Project - SVBX	66,811	0	105,230	172,041
2. SVRT Project Development After FY09	0	0	214,568	214,568
<i>SVRT Program Total</i>	<i>66,811</i>	<i>0</i>	<i>319,798</i>	<i>386,609</i>
3. Capitol Expressway Light Rail to Eastridge Phase II	0	130,000	98,800	228,800
4. SR 85 Major Investment Study	0	1,400	0	1,400
<i>Light Rail Program Total</i>	<i>0</i>	<i>131,400</i>	<i>98,800</i>	<i>230,200</i>
5. Caltrain Electrification - Early Investment Program	0	0	20,000	20,000
<i>Commuter Rail Program Total</i>	<i>0</i>	<i>0</i>	<i>20,000</i>	<i>20,000</i>
6. Capitalized Interest and Other Bond Costs	0	0	64,900	64,900
<i>Measure A Programwide Total</i>	<i>0</i>	<i>0</i>	<i>64,900</i>	<i>64,900</i>
<i>Grand Total</i>	<i>66,811</i>	<i>131,400</i>	<i>503,498</i>	<i>701,709</i>

Note: Totals may not be precise due to independent rounding

VTA FY 2018 & FY 2019 PROPOSED BUDGET

2000 Measure A Transit Improvement Program

Descriptions of FY 2018 & FY 2019 Appropriated Projects

SVRT Program

1. Berryessa Extension Project - SVBX

The Berryessa Extension Project consists of the design and construction of the approximate 10-mile extension of the BART system into Santa Clara County and related costs included in the FTA New Starts Candidate Project. The Berryessa Extension will connect to the track south of the planned BART Warm Springs Station in Southern Fremont to Las Plumas Avenue in San Jose, including two stations (Milpitas and Berryessa). Planned expenditures in this project for the two-year period include completion and close-out of construction contracts, construction on the Hayward Yard Primary Shop, and vehicle procurement.

Funding Source	FY18 & FY19
Federal - FFGA	\$66,811,000
2000 Measure A	105,230,000
Total	\$172,041,000

Operating Cost Impact: Any operating costs related to this project will be funded by 2008 Measure B, an eighth-cent sales tax approved in November 2008. See BART Operating Sales Tax Program on page 65.

Estimated Total Project Cost: \$2.3 billion

Anticipated Completion Date: June 2018

2. SVRT Project Development After FY09

This project captures program-level efforts to deliver the BART extension to San Jose/Santa Clara. Project delivery efforts are focused on the future extension (Phase II) beyond Berryessa. Planned expenditures in this project for the two-year period include engineering, right-of-way and utility relocation efforts, long lead construction and procurement items as well as management of these activities.

Funding Source	FY18 & FY19
2000 Measure A	\$214,568,000

Operating Cost Impact: Any operating costs related to this project will be funded by 2008 Measure B, an eighth-cent sales tax approved in November 2008. See BART Operating Sales Tax Program on page 65.

Estimated Total Project Cost: \$4.7 billion

Anticipated Completion Date: December 2025

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Light Rail Program**3. Capitol Expressway Light Rail to Eastridge Phase II**

This project will extend the Capitol light rail to the Eastridge transit center with elevated structures at Capitol Avenue, Story Road, and Tully Road. The Eastridge extension will include stations at Story Road and Eastridge.

Funding Source	FY18 & FY19
Other - Regional Funds	\$130,000,000
2000 Measure A	98,800,000
Total	\$228,800,000

Operating Cost Impact: *Ongoing maintenance costs related to new track and structures would be offset somewhat by reduced operating costs from improved speed and service reliability.*

Estimated Total Project Cost: \$377 million

Anticipated Completion Date: December 2022

4. SR 85 Major Investment Study

This project will analyze implementation of light rail on SR 85 from San Jose to Mountain View and other transit guideway alternatives such as Bus Rapid Transit (BRT) that would be a precursor to eventual implementation of light rail.

Funding Source	FY18 & FY19
Other - TBD	\$1,400,000

Operating Cost Impact: *None*

Estimated Total Project Cost: \$2.0 million

Anticipated Completion Date: December 2018

Commuter Rail Program**5. Caltrain Electrification – Early Investment Program**

This project represents VTA's portion of Caltrain's Advanced Signal System and Electrification Infrastructure projects in support of the High Speed Rail Early Investment Strategy for a Blended System. This augmentation represents appropriation for the increased commitment authorized by the Board of Directors on June 2, 2016.

Funding Source	FY18 & FY19
2000 Measure A	\$20,000,000

Operating Cost Impact: *Caltrain is responsible for the direct operation of the system.*

However, any operational cost impacts may impact future VTA operating contributions.

Estimated Total Project Cost: \$80.0 million

Anticipated Completion Date: June 2019

VTA FY 2018 & FY 2019 PROPOSED BUDGET

*Measure A Programwide***6. Capitalized Interest and Other Bond Costs**

This project represents the capitalized portion of interest and debt related ancillary charges that arise from the issuance of sales tax revenue bonds, the proceeds of which fund a portion of various 2000 Measure A capital projects.

Funding Source	FY18 & FY19
2000 Measure A	\$64,900,000

Operating Cost Impact: None

Estimated Total Project Cost: N/A

Anticipated Completion Date: March 2036

VTA FY 2018 & FY 2019 PROPOSED BUDGET



CONGESTION MANAGEMENT PROGRAM

VTA FY 2018 & FY 2019 PROPOSED BUDGET



Congestion Management Program

Overview

Congestion Management Agencies (CMAs) were created in 1990 by Proposition 111 and its accompanying legislation, which required that every county with an urbanized population of more than 50,000 establish a CMA. CMAs were designed to meet the goals of increasing the efficiency of existing transit and roadway systems, planning the best capital improvements to these systems, and improving the local land use decision-making process to support and complement the transportation system investments.

In 1994, VTA was designated as the CMA for Santa Clara County through a Joint Powers Agreement entered into by the 15 cities and the County of Santa Clara. VTA's Congestion Management Program (CMP) serves as the CMA for Santa Clara County. The CMP, which is fiscally separate from VTA Transit, is funded through assessments to local jurisdictions (Member Agencies), federal and state planning grants, grant program manager administration fees, State Transportation Improvement Program (STIP) Planning Programming and Monitoring Funds, and fees for services provided.

The Proposed FY 2018 and FY 2019 CMP Budget is a result of a number of inputs including statutory requirements, Board initiated activities, Member Agency requested activities, and staff recommended initiatives regarding federal, state and regional issues. Based on these inputs, the budget reflects increased focus on tasks and activities related to coordination and advocacy of funding for local projects, capital project initiatives, state/regional advocacy, land use coordination due to new state mandates, and Member Agency assistance.

Member Agency Fees are based on the fee schedule adopted by the Board in June 2005, which specifies annual increases of 3.5%. However, the fee structure has remained unchanged since FY 2011. The Proposed Budget includes a 5% increase to the fee structure for both FY 2018 and FY 2019.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

***Congestion Management Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY16 Actual	FY17 Adopted Budget	FY17 Projected Actual ¹	FY18 Proposed Budget	Variance from FY17 Projection	% Var	FY19 Proposed Budget	Variance from FY18 Budget	% Var
1	Federal Operating Grants	1,887	1,765	1,765	2,095	330	18.7%	2,136	41	2.0%
2	State Operating Grants	821	1,168	1,238	903	(335)	-27.0%	908	5	0.5%
3	Investment Earnings	16	12	7	12	5	71.4%	12	0	0.0%
4	Member Agency Fees	2,407	2,407	2,407	2,528	120	5.0%	2,654	126	5.0%
5	Other Income	155	220	150	143	(7)	-4.4%	148	4	3.0%
6	Total Revenue	5,286	5,572	5,567	5,681	114	2.0%	5,858	177	3.1%
7	Professional & Special Services	1,176	1,569	1,569	1,300	(269)	-17.2%	1,412	112	8.6%
8	Other Services	14	12	12	15	3	25.0%	16	1	6.7%
9	Data Processing	7	13	7	7	0	0.0%	7	0	0.0%
10	Contribution to Other Agencies	210	86	149	300	151	101.0%	300	0	0.0%
11	VTA Staff Services	4,221	4,138	4,138	4,333	195	4.7%	4,080	(252)	-5.8%
12	Total Expense	5,628	5,818	5,875	5,954	79	1.3%	5,815	(139)	-2.3%
13	Revenues Over (Under) Expenses	(341)	(245)	(308)	(273)			43		

Note: Totals and percentages may not be precise due to independent rounding

***Congestion Management Program
Sources and Uses of Funds Summary
(Dollars in Thousands)***

Line	Description	FY16 Actual	FY17 Projected Actual ¹	FY18 Proposed Budget	FY19 Proposed Budget
1	Total Revenues	5,286	5,567	5,681	5,858
2	Total Expenses	(5,628)	(5,875)	(5,954)	(5,815)
3	Revenues Over (Under) Expenses	(341)	(308)	(273)	43
4	Beginning Fund Balance	1,499	1,158	850	577
5	Revenues Over (Under) Expenses	(341)	(308)	(273)	43
6	Ending Fund Balance	1,158	850	577	620

Note: Totals and percentages may not be precise due to independent rounding

¹ Projection as of March 27, 2017

VTA FY 2018 & FY 2019 PROPOSED BUDGET

***Congestion Management Program
Member Assessments***

Member Agency	FY 2018	FY 2019
County of Santa Clara	\$285,325	\$299,591
Campbell	53,055	55,708
Cupertino	81,510	85,585
Gilroy	39,656	41,639
Los Altos	26,172	27,481
Los Altos Hills	6,979	7,328
Los Gatos	36,122	37,928
Milpitas	80,835	84,877
Monte Sereno	2,098	2,203
Morgan Hill	26,360	27,678
Mountain View	131,271	137,835
Palo Alto	148,545	155,972
San Jose	823,142	864,299
Santa Clara	217,428	228,299
Saratoga	22,775	23,914
Sunnyvale	261,040	274,092
Subtotal:	\$2,242,313	\$2,354,429
VTA - Managing Agency Contribution	285,325	299,591
TOTAL:	\$2,527,638	\$2,654,020

VTA FY 2018 & FY 2019 PROPOSED BUDGET



VTP HIGHWAY IMPROVEMENT PROGRAM

VTA FY 2018 & FY 2019 PROPOSED BUDGET



VTP Highway Improvement Program

Overview

VTP 2040 is the current approved long-range countywide transportation plan for Santa Clara County. Developed by the Congestion Management Program (CMP) and adopted in October 2014, projects must be included in the plan as a pre-requisite for eligibility to receive federal, state, regional, and local discretionary fund programming. VTA enters into construction agreements with cities in the County for various projects that are included in VTP 2040. The next update of the long-range countywide transportation plan, VTP 2045, is scheduled for adoption by the VTA Board in late 2017.

The total additional appropriation for the identified VTP Highway Improvement Program Capital Projects for FY 2018 and FY 2019 is \$79.6 million. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program. One hundred percent of the VTP Highway Improvement Program expenditures will be funded by grants, through agreements with the appropriate city, financing, a fund exchange (consisting of state funding sources swapped with other available funds), or other funding sources as they become available.

The table on the following page lists each project and its general funding source category. The subsequent pages provide a brief description of each project, identified funding sources for the FY 2018 and FY 2019 requested appropriation, potential operating cost impacts, estimated total project cost, and anticipated completion date.

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

VTP Highway Improvement Program
Schedule of FY 2018 & FY 2019 Appropriation
(Dollars in Thousands)

Project	FY 2018 & FY 2019			
	Funding Source			Total
	Federal	State	Other	
1. Bascom Corridor Complete Streets Project	155	155	40	350
2. Countywide Noise Abatement Program	0	0	4,000	4,000
3. I-280 NB Braided Ramps Btwn Foothill Expwy and SR 85	0	0	3,000	3,000
4. I-280/Winchester Boulevard Improvements	0	0	1,500	1,500
5. I-280/Wolfe Rd Interchange Improvements	0	0	2,000	2,000
6. I-680 Sound Walls	0	4,900	0	4,900
7. King Road Ped Safety and Transit Access Improvements	607	0	79	686
8. Silicon Valley Express Lanes-Electronic Toll System (ETS)	0	0	5,132	5,132
9. Silicon Valley Express Lanes-US 101/SR 85 Phase 3	0	0	8,700	8,700
10. Silicon Valley Express Lanes-US 101/SR 85 Phase 4	0	0	12,600	12,600
11. SR 237 Express Lanes - Mathilda Ave to SR 85	0	0	2,000	2,000
12. SR 237 Express Lanes - Phase II Extension	0	0	18,022	18,022
13. SR 237/US 101 Mathilda Interchange	0	0	6,154	6,154
14. SR 87 Technology-Based Corridor Improvements	0	0	3,000	3,000
15. Story/Keyes Corridor Complete Streets Project	415	415	108	938
16. Tasman Corridor Complete Streets Project	188	188	49	425
17. Traffic Analysis Software Procurement	0	0	145	145
18. US 101/SR 25 Interchange Improvements	0	0	4,000	4,000
19. US 101/Zanker/Skyport/N 4th Intrchnng Improvements	0	0	2,000	2,000
<i>Grand Total</i>	<i>1,365</i>	<i>5,658</i>	<i>72,528</i>	<i>79,551</i>

Note: Totals may not be precise due to independent rounding

VTA FY 2018 & FY 2019 PROPOSED BUDGET

VTP Highway Improvement Program

Descriptions of FY 2018 & FY 2019 Appropriated Projects

1. Bascom Corridor Complete Streets Project

This project is a multi-jurisdictional effort to identify and recommend multimodal improvements along the Bascom corridor (from Bascom/I-880 to Bascom/SR 85). Improvements which may be considered include pedestrian and bicycle safety and connectivity, access to transit, transit rider amenities, and improved transit travel time through signal timing coordination and/or stop improvements. The requested augmentation is for the completion of 35% preliminary engineering design and environmental clearance which will prepare the project to seek grant funds for construction.

Funding Source	FY18 & FY19
Federal	\$154,928
State	154,928
Other - 15% VRF	40,144
Total	\$350,000

Operating Cost Impact: None

Estimated Total Project Cost: \$2.5 million

Anticipated Completion Date: December 2020

2. Countywide Noise Abatement Program

This project will implement a noise abatement program along various state highways in Santa Clara County which will include the study and implementation of noise abatement treatments. The requested appropriation is for the development of the Project Initiation Document (PID) phase of this project.

Funding Source	FY18 & FY19
Other - TBD	\$4,000,000

Operating Cost Impact: None

Estimated Total Project Cost: \$50.0 million

Anticipated Completion Date: October 2025

3. I-280 NB Braided Ramps Between Foothill Expressway and SR 85

This project reconfigures the existing I-280 northbound off-ramp to Foothill Expressway into a braided ramp with the southbound SR 85 to northbound I-280 direct connector. The requested appropriation is for the development of the Project Initiation Document (PID) and Project Approval/Environmental Document (PA/ED) phases.

Funding Source	FY18 & FY19
Other - TBD	\$3,000,000

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Estimated Total Project Cost: \$47.0 million

Anticipated Completion Date: June 2025

4. I-280/Winchester Boulevard Improvements

This project will construct improvements in the vicinity of the I-280//Winchester Boulevard Interchange to relieve congestion, improve traffic operations and provide new access from northbound I-280 to Winchester Boulevard. The requested augmentation is for the Project Approval/Environmental Document (PA/ED) and final design phases of the project.

Funding Source	FY18 & FY19
Other - TBD	\$1,500,000

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Estimated Total Project Cost: \$75.0 million

Anticipated Completion Date: April 2024

5. I-280/Wolfe Road Interchange Improvements

This project proposes to reconstruct the I-280/Wolfe Road interchange in the City of Cupertino. The requested augmentation is for the Project Approval/Environmental Document (PA/ED) and early final design tasks for the project.

Funding Source	FY18 & FY19
Other - TBD	\$2,000,000

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Estimated Total Project Cost: \$85.0 million

Anticipated Completion Date: September 2023

6. I-680 Sound Walls

This project will construct sound walls along I-680 between Capitol Expressway and Mueller Avenue in San Jose. The requested augmentation is for the development of the final design and construction phases.

Funding Source	FY18 & FY19
State - STIP	\$4,900,000

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Estimated Total Project Cost: \$5.5 million

Anticipated Completion Date: November 2019

VTA FY 2018 & FY 2019 PROPOSED BUDGET

7. King Road Pedestrian Safety and Transit Access Improvements

This project improves pedestrian safety and access to bus stops that serve the Berryessa BART Station. This phase of the project will include 35% preliminary engineering design and environmental clearance and outreach for improvements at 13 intersections along the corridor from Tully to Berryessa Road including I-680 ramps.

Funding Source	FY18 & FY19
Federal - OBAG	\$607,000
Other - 15% VRF	79,000
Total	\$686,000

Operating Cost Impact: None

Estimated Total Project Cost: \$686 thousand

Anticipated Completion Date: December 2019

8. Silicon Valley Express Lanes - Electronic Toll System (ETS)

The Electronic Toll System is part of the Express Lane Project (Project) which will convert the existing High Occupancy Vehicle (HOV) facility on US 101 and SR 85 in Santa Clara County to Express Lanes. The Project will develop and implement system-wide dynamic pricing software to integrate all field equipment. Electronic signs display the current toll for solo drivers. Tolls will vary based on the level of congestion and will be adjusted to maintain free-flowing traffic. Overhead antennas will read FasTrak transponders and automatically deduct the correct toll from FasTrak accounts. A Violation Enforcement System (VES) which will capture license plate images and send a toll violation notice if the user did not have a toll transponder.

Funding Source	FY18 & FY19
Other - Financing	\$5,132,000

Operating Cost Impact: The responsibility for maintenance and operations upon project completion is expected to be with the Silicon Valley Express Lanes Program (see page 61).

Estimated Total Project Cost: \$46.0 million

Anticipated Completion Date: August 2021

9. Silicon Valley Express Lanes - US 101/SR 85 Phase 3

This project will implement a roadway pricing system on US 101 and SR 85 by converting the existing carpool lanes to Express Lane on US 101 (between SR 237 to San Mateo County line), and on SR 85 (between I-280 to US 101), including the SR 85/US 101 HOV connector north in Mountain View. The requested budget augmentation for the construction phase is anticipated to fund this project through completion.

Funding Source	FY18 & FY19
Other - Financing	\$8,700,000

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating Cost Impact: The responsibility for maintenance and operations upon project completion is expected to be with the Silicon Valley Express Lanes Program (see page 61).

Estimated Total Project Cost: \$45.0 million

Anticipated Completion Date: December 2020

10. Silicon Valley Express Lanes - US 101/SR 85 Phase 4

This project will implement a roadway pricing system on US 101 and SR 85 by converting the existing carpool lanes to Express Lanes on US 101 (between Bailey Road to SR 85 interchange south), and on SR 85 (between US 101/SR 85 interchange south to SR 87), including the SR 85/US 101 HOV connector south in San Jose. The requested budget augmentation for the construction phase is anticipated to fund this project through completion.

Funding Source	FY18 & FY19
Other - Financing	\$12,600,000

Operating Cost Impact: The responsibility for maintenance and operations upon project completion is expected to be with the Silicon Valley Express Lanes Program (see page 61).

Estimated Total Project Cost: \$24.0 million

Anticipated Completion Date: December 2020

11. SR 237 Express Lanes - Mathilda Ave to SR 85

This project proposes to construct a new HOV/Express Lane in both directions on SR 237 between Mathilda Avenue to SR 85, which includes modifications to the US 101/SR 237 interchange. The requested appropriation is for the Project Initiation Document (PID) phase of this project.

Funding Source	FY18 & FY19
Other - TBD	\$2,000,000

Operating Cost Impact: The responsibility for maintenance and operations upon project completion is expected to be with the Silicon Valley Express Lanes Program (see page 61).

Estimated Total Project Cost: \$81.0 million

Anticipated Completion Date: June 2027

12. SR 237 Express Lanes - Phase II Extension

This project will implement a roadway pricing system on SR 237 to allow unused capacity in the carpool lanes to provide congestion relief. The project would convert the carpool lane operations to express lane operations by expanding the use of these lanes to fee paying commuters. Phase II will convert the existing carpool lane to Express Lanes between First Street in the City of San Jose to Mathilda Avenue in the City of Sunnyvale within the existing highway footprint. The requested budget augmentation is anticipated to fund this project through completion.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Funding Source	FY18 & FY19
Other - Financing	\$16,164,200
Other - Sunnyvale	380,000
Other - 15% VRF	1,477,321
Total	\$18,021,521

Operating Cost Impact: The responsibility for maintenance and operations upon project completion is expected to be with the Silicon Valley Express Lanes Program (see page 61).

Estimated Total Project Cost: \$39.0 million

Anticipated Completion Date: December 2019

13. SR 237/US 101 Mathilda Interchange

This project proposes to improve Mathilda Avenue in the City of Sunnyvale from Almanor Avenue to Innovation Way, including on- and off-ramp improvements at the SR 237 and US 101/Mathilda Avenue interchanges to reduce congestion and improve traffic operations on Mathilda Avenue. The requested budget augmentation is anticipated to fund this project through completion.

Funding Source	FY18 & FY19
Other - TBD	\$6,154,000

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Estimated Total Project Cost: \$40.0 million

Anticipated Completion Date: June 2020

14. SR 87 Technology-Based Corridor Improvements

This project will address mainline and local roadway congestion and system reliability on SR 87 in San Jose through the implementation of technology-based operational improvements to the freeway and local streets. The requested augmentation is for the Project Approval/Environmental Document (PA/ED), final design and construction phases of the project.

Funding Source	FY18 & FY19
Other - TBD	\$3,000,000

Operating Cost Impact: None

Estimated Total Project Cost: \$40.0 million

Anticipated Completion Date: June 2023

15. Story/Keyes Corridor Complete Streets Project

This project proposes to improve transit, bicycle and pedestrian infrastructure along the Story/Keyes corridor which runs 4.1 miles from Willow Street/SR 87 to Story Road/Capitol Expressway in San Jose. The requested augmentation is for the completion of 35%

MTA FY 2018 & FY 2019 PROPOSED BUDGET

preliminary engineering design and environmental clearance which will prepare the project to seek grant funds for construction.

Funding Source	FY18 & FY19
Federal - TBD	\$414,984
State - TBD	414,984
Other - 15% VRF	107,532
Total	\$937,500

Operating Cost Impact: None

Estimated Total Project Cost: \$1.7 million

Anticipated Completion Date: December 2019

16. Tasman Corridor Complete Streets Project

This project is a multi-jurisdictional effort that proposes to improve transit, bicycle and pedestrian infrastructure along the Tasman corridor which runs 7.2 miles from Tasman/Fair Oaks in Sunnyvale through Santa Clara and San Jose to Great Mall Parkway/Montague Expressway in Milpitas. The requested augmentation is for the completion of 35% preliminary engineering design and environmental clearance which will prepare the project to seek grant funds for construction.

Funding Source	FY18 & FY19
Federal - TBD	\$188,126
State - TBD	188,126
Other - 15% VRF	48,748
Total	\$425,000

Operating Cost Impact: None

Estimated Total Project Cost: \$2.8 million

Anticipated Completion Date: December 2020

17. Traffic Analysis Software Procurement

This project will replace an outdated software that is used by all Congestion Management Program member agencies and consultants in Santa Clara County to analyze transportation impacts from land use developments at signalized intersections.

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$145,000

Operating Cost Impact: On-going/annual expenditures estimated at \$1,500 include software upgrades and training for all member agency staff. Annual costs to be funded by the Congestion Management Program (see page 43).

Estimated Total Project Cost: \$145 thousand

Anticipated Completion Date: June 2018

VTA FY 2018 & FY 2019 PROPOSED BUDGET

18. US 101/SR 25 Interchange Improvements

This project proposes to widen US 101 from four to six lanes in Santa Clara County to meet future traffic demands and provide access control. The project includes widening and replacing bridge structures, correcting existing horizontal curves, constructing a new interchange at the intersection of US 101 and SR 25, and adding additional ramp lanes at the US 101 /SR 25 Interchange. The requested appropriation is for the completion of supplemental Project Approval/Environmental Document (PA/ED) and early design tasks.

Funding Source	FY18 & FY19
Other - TBD	\$4,000,000

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Estimated Total Project Cost: \$180.0 million

Anticipated Completion Date: December 2023

19. US 101/Zanker Road/Skyport Drive/North 4th Street Interchange Improvements

This project proposes to construct a new interchange at US 101 to connect Zanker Road and Old Bayshore Highway with North Fourth Street and Skyport Drive in San Jose. Phase 1 of the project will provide an overcrossing across US 101 to improve limited existing connectivity across US 101 to the North San Jose employment centers. Phase 2 of the project will construct an interchange using the existing overcrossing structure to provide access to US 101. The requested augmentation is for the Project Approval/Environmental Document (PA/ED) phase and early design tasks.

Funding Source	FY18 & FY19
Other - TBD	\$2,000,000

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Estimated Total Project Cost: \$138.0 million

Anticipated Completion Date: December 2023

VTA FY 2018 & FY 2019 PROPOSED BUDGET



VTA FY 2018 & FY 2019 PROPOSED BUDGET

JOINT DEVELOPMENT PROGRAM

VTA FY 2018 & FY 2019 PROPOSED BUDGET



Joint Development Program

Overview

The VTA Board of Directors, based on staff recommendations, adopted a Joint Development Policy that establishes a deliberate and aggressive real estate development and disposition program aimed at generating revenue, promoting transit-oriented development, and enhancing transit operations.

VTA has identified 23 sites in the Joint Development portfolio that total approximately 200 acres and that may be appropriate for joint development, which is defined as mixed-use, mixed-income Transit-Oriented Development pursuant to the FTA (Federal Transit Administration) Circular on Joint Development. To date, five of six sites identified as “surplus property”, meaning they can be disposed of in the near term with no effect on current or future transit operations, have been sold with proceeds accruing to the Joint Development Program Fund

The FY 2018 and FY 2019 Proposed Budget for the Joint Development Program represents current and anticipated lease revenues, as well as the level of effort (expenditures) required to implement multiple joint development projects with the goal of generating a substantial new long-term revenue source for the Agency. Prior to FY 2012, activities related to the Joint Development Program were captured solely in the VTA Transit Operating Budget. Based on the anticipated level of future activities, they are now being captured as a separately reported fund.

The Joint Development Program budget is broken into two major components. The operating budget includes appropriation for program-wide planning and analysis. The capital budget captures costs for site analysis, entitlement processing, developer solicitation, and joint development agreements for individual properties. The work program is focused on accomplishing close to full build-out of the current Joint Development portfolio. The current work effort in a given fiscal year reflects the interaction between obtaining entitlements to support joint development, current market and economic conditions, developer interest, and VTA staff capacity to initiate as well as complete new joint development projects.

The table on page 59 shows the capital budget appropriation requested for FY 2018 and FY 2019 and is followed by a brief project description, funding sources, and potential operating cost impact. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program. Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Joint Development Program
Comparison of Revenues and Expenses
(Dollars in Thousands)

Line	Category	FY16 Actual	FY17 Adopted Budget	FY17 Projected Actual ¹	FY18 Proposed Budget	Variance from FY17 Projection	% Var	FY19 Proposed Budget	Variance from FY18 Budget	% Var
1	Investment Earnings	539	156	375	455	80	21.3%	569	114	25.0%
2	Property Rental	475	371	633	549	(84)	-13.3%	460	(89)	-16.1%
3	Total Revenue	1,015	527	1,008	1,004	(4)	-0.4%	1,029	25	2.5%
4	Professional & Special Services	155	215	145	390	245	169.0%	190	(200)	-51.3%
5	Miscellaneous	17	15	15	10	(5)	-33.3%	10	0	0.0%
6	Total Expense	171	230	160	400	240	150.0%	200	(200)	-50.0%
7	Revenues Over (Under) Expenses	843	297	848	604			829		

Note: Totals and percentages may not be precise due to independent rounding

Joint Development Program
Sources and Uses of Funds Summary
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Proposed Budget</u>	<u>FY19 Proposed Budget</u>
1	Total Revenues	1,015	1,008	1,004	1,029
2	Total Expenses	<u>(171)</u>	<u>(160)</u>	<u>(400)</u>	<u>(200)</u>
3	Revenues Over (Under) Expenses	843	848	604	829
4	Beginning Net Assets	28,366	29,209	30,057	30,661
5	Revenues Over (Under) Expenses	<u>843</u>	<u>848</u>	<u>604</u>	<u>829</u>
6	Ending Net Assets	29,209	30,057	30,661	31,490

Note: Totals and percentages may not be precise due to independent rounding

¹ Projection as of March 27, 2017

VTA FY 2018 & FY 2019 PROPOSED BUDGET

***Joint Development Capital Program
Schedule of FY 2018 & FY 2019 Appropriation
(Dollars in Thousands)***

Project	FY 2018 & FY 2019		
	Funding Source		Total
	Joint Development	Other	
1. Joint Development Predevelopment Activities	2,500	300	2,800
<i>Grand Total</i>	<i>2,500</i>	<i>300</i>	<i>2,800</i>

Description of FY 2018 & FY 2019 Appropriated Project

1. Joint Development Predevelopment Activities

This project reserves appropriation for various predevelopment and project assistance activities on joint development sites. These activities include development feasibility, CEQA (California Environmental Quality Act) Analysis, land entitlements, site design, parking and circulation analysis, financial feasibility, legal review, peer review, transactional support, and construction management. As expenditure needs are identified, appropriation is reallocated from this placeholder project to the respective site specific project.

Operating Cost Impact: None

Funding Source	FY18 & FY19
Joint Development	\$2,500,000
Other-Developers	300,000
Total	\$2,800,000

VTA FY 2018 & FY 2019 PROPOSED BUDGET



SILICON VALLEY EXPRESS LANES PROGRAM

VTA FY 2018 & FY 2019 PROPOSED BUDGET



Silicon Valley Express Lanes Program

Overview

In December 2008, the VTA Board of Directors approved the Silicon Valley Express Lanes Program (SVELP) which had been under development since 2003. The SVELP, as approved, was the result of 18 months of coordination, analysis, and outreach on both technical and policy areas related to implementing Express Lanes as a means to address congestion levels on highways while also looking towards new solutions to accommodate the future growth in travel demand.

The goal of the SVELP is to provide long-term mobility benefits and another funding stream for transportation improvements. Specifically, the primary objectives of the SVELP are to provide congestion relief through more effective use of existing roadways; provide commuters with a new mobility option; and provide a new funding source for transportation improvements including public transit.

As part of the SVELP, the Express Lanes projects implement a roadway pricing system to allow for the use of unused capacity in the carpool lanes to provide congestion relief and a new mobility option for some commuters. The roadway pricing system allows solo commuters to use the available capacity in the carpool lanes for a fee. The fee changes dynamically in response to existing congestion levels and available capacity in the carpool lanes. When solo commuters choose to use Express Lanes, this in turn also provides for traffic congestion relief in the general purpose lanes.

The SVELP is comprised of two corridors: the SR 237 corridor between I-880 and SR 85, and the US 101/SR 85 corridor within Santa Clara County up to the San Mateo County line. VTA has legislative authority to convert existing carpool lanes on two corridors within the county- based on Assembly Bill (AB) 2032 which passed in 2004 and the follow-up AB 574 which passed in 2007. Additionally, AB 1105 which passed in 2011 allows VTA to extend the two corridors into the adjacent counties subsequent to an agreement with the neighboring county's Congestion Management Agency (CMA).

The SR 237/I-880 Express Connectors project is the first phase of the SR 237 Express Lanes project that converted the carpool lane connector ramps at the SR 237/I-880 interchange to Express Lanes operations. The SR 237 Express Lanes opened for tolling on March 20, 2012. The second phase of the SR 237 Express Lanes will involve extending Express Lanes further to the west on SR 237 close to US 101, including conversion of the remaining lengths of carpool lanes to Express Lanes operations. Phase 2 is projected to open in summer 2019.

The Proposed FY 2018 and FY 2019 SVELP Budget represents the anticipated revenues and expenditures for Express Lane operations and general program expenditures over the next two fiscal years. The primary revenue source for this program is tolls.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Operating

For Operating, the anticipated expenditures incorporate operating and maintenance costs including but not limited to labor, professional and special services such as toll processing fees, enforcement, electronic toll system maintenance, road maintenance, utilities, insurance, and contingency.

Program

The Program section includes the expenditure related to the second phase of the SR 237 Express Lanes which will extend Express Lanes further to the west on SR 237 close to US 101, including conversion of the remaining lengths of carpool lanes to Express Lanes operations. Anticipated expenditures include \$320,000 for signage upgrades within the SR 237/I-880 Express Connectors project. In addition, \$500,000 will be used to minimize acquisition costs for the funding of Phase 2 construction.

***Silicon Valley Express Lanes Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY16 Actual	FY17 Adopted Budget	FY17 Projected Actual ¹	FY18 Proposed Budget	Variance from FY17 Projection	% Var	FY19 Proposed Budget	Variance from FY18 Budget	% Var
1	Toll Revenues	1,274	1,166	1,166	1,150	(16)	-1.4%	1,250	100	8.7%
2	Investment Earnings	43	20	20	25	5	25.0%	25	0	0.0%
3	Total Revenue	1,317	1,186	1,186	1,175	(11)	-0.9%	1,275	100	8.5%
4	Professional & Special Services	751	902	675	877	202	29.9%	908	31	3.5%
5	Utilities	2	4	3	2	(1)	-33.3%	2	0	0.0%
6	Insurance	0	2	0	0	0	N/A	0	0	N/A
7	Office Expense	1	0	0	0	0	N/A	0	0	N/A
8	Communications	0	8	0	0	0	N/A	2	2	N/A
9	Miscellaneous	0	5	0	5	5	N/A	5	0	0.0%
10	VTA Staff Services	189	150	180	200	20	11.1%	206	6	3.0%
11	Contingency	0	0	0	70	70	N/A	70	0	0.0%
12	Sub-total Operating Expense	943	1,071	858	1,154	296	34.5%	1,193	39	3.4%
13	Contribution to Other Agencies-Ph2 Upgrades	0	0	0	320	320	N/A	0	(320)	-100.0%
14	Contribution to Other Agencies-Ph2 Funding	0	0	0	500	500	N/A	0	(500)	-100.0%
15	Sub-total Program Expense	0	0	0	820	820	N/A	0	(820)	-100.0%
16	Total Expense	943	1,071	858	1,974	1,116	130.1%	1,193	(781)	-39.6%
17	Revenues Over (Under) Expenses	373	115	328	(799)			82		

Note: Totals and percentages may not be precise due to independent rounding

¹ Projection as of March 27, 2017

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Silicon Valley Express Lanes Program
Sources and Uses of Funds Summary
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Proposed Budget</u>	<u>FY19 Proposed Budget</u>
1	Total Revenues	1,317	1,186	1,175	1,275
2	Total Expenses	<u>(943)</u>	<u>(858)</u>	<u>(1,974)</u>	<u>(1,193)</u>
3	Revenues Over (Under) Expenses	373	328	(799)	82
4	Beginning Net Assets	1,991	2,364	2,692	1,893
5	Revenues Over (Under) Expenses	<u>373</u>	<u>328</u>	<u>(799)</u>	<u>82</u>
6	Ending Net Assets	2,364	2,692	1,893	1,975

Note: Totals may not be precise due to independent rounding

Staff is proposing to set-aside the following portions of the net assets of the SVELP as designated reserves: \$1M for Express Lanes toll system replacement, \$100,000 to fund an Equity Program to provide assistance to low income travelers within the corridor, \$200,000 for debt service on Phase 2 construction financing, and \$100,000 to provide support for VTA Transit Operations. The remaining balance would be undesignated reserves.

Silicon Valley Express Lanes Program
Designated Reserves
(Dollars in Thousands)

	FY18	FY19
Projected Ending Net Assets	1,893	1,975
<u>Designated Reserves:</u>		
Electronic Toll System Replacement	1,000	1,000
Equity Program	100	100
VTA Transit Operations	100	100
Phase 2 Debt Service	200	200
Total Designated Reserves	1,400	1,400
Projected Undesignated Reserves	493	575

¹ Projection as of March 27, 2017

VTA FY 2018 & FY 2019 PROPOSED BUDGET



***2008 MEASURE B—BART OPERATING
SALES TAX PROGRAM***

VTA FY 2018 & FY 2019 PROPOSED BUDGET



BART Operating Sales Tax Program

Overview

On November 4, 2008, the voters of Santa Clara County approved 2008 Measure B (Measure), a 30-year one-eighth cent sales and use tax dedicated solely to providing the operating and maintenance expenses and capital reserve contribution for VTA's BART Silicon Valley Extension. Per the Measure, the tax would only commence collection if sufficient state and federal funds were secured to match local construction dollars. Federal funds would be considered secured and matched when the Federal Transit Administration (FTA) executed a Full Funding Grant Agreement (FFGA), or its equivalent, in an amount of at least \$750 million. State funds would be considered secured and matched when the California Transportation Commission (CTC) approved an Allocation Request, or its equivalent, in an amount of at least \$240 million.

The FFGA for \$900 million was signed on March 12, 2012 and State funding has been secured and matched through state statute, administered by the CTC. The CTC has currently disbursed \$569 million of the \$649 million Traffic Congestion Relief Program (TCRP) funds guaranteed to the project. With both the federal and state funding requirements met, the tax commenced collection on July 1, 2012.

Construction of Phase I of VTA's BART Silicon Valley project, the 10-mile extension to Milpitas and Berryessa, is nearing completion. The service levels, maintenance, and costs for the extension will be managed under a VTA/BART Operations and Maintenance (O&M) Agreement. The O&M Agreement, which defines each agency's roles, responsibilities and costs, as well as the revenue allocation for operation of the extension, is currently being finalized.

The Proposed Budget assumes the extension will begin operations at the end of 2017.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

***BART Operating Sales Tax Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY16 Actual	FY17 Adopted Budget	FY17 Projected Actual ¹	FY18 Proposed Budget	Variance from FY17 Projection	% Var	FY19 Proposed Budget	Variance from FY18 Budget	% Var
1	Sales Tax Revenues	49,262	51,733	50,471	51,682	1,211	2.4%	52,716	1,034	2.0%
2	Investment Earnings	2,981	2,104	2,425	4,358	1,933	79.7%	5,994	1,636	37.5%
3	Total Revenue	52,243	53,837	52,896	56,040	3,144	5.9%	58,709	2,669	4.8%
4	Security	0	0	0	2,523	2,523	N/A	5,240	2,717	107.7%
5	Professional & Special Services	144	256	192	196	4	2.1%	196	0	0.0%
6	Other Services	0	0	0	350	350	N/A	800	450	128.6%
7	Insurance	0	0	0	86	86	N/A	178	92	107.0%
8	Contribution to Other Agencies	0	0	0	9,100	9,100	N/A	13,000	3,900	42.9%
9	VTA Staff Time	0	0	0	705	705	N/A	1,455	750	106.4%
10	Transfer to Capital Reserve	0	0	0	1,710	1,710	N/A	3,875	2,165	126.6%
11	Total Expense	144	256	192	14,670	14,478	7560.4%	24,744	10,074	68.7%
12	Revenues Over (Under) Expenses	52,099	53,581	52,705	41,370			33,966		

Note: Totals and percentages may not be precise due to independent rounding

***BART Operating Sales Tax Program
Sources and Uses of Funds Summary
(Dollars in Thousands)***

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Proposed Budget</u>	<u>FY19 Proposed Budget</u>
1	Total Revenues	52,243	52,896	56,040	58,709
2	Total Expenses	<u>(144)</u>	<u>(192)</u>	<u>(14,670)</u>	<u>(24,744)</u>
3	Revenues Over (Under) Expenses	52,099	52,705	41,370	33,966
4	Beginning Net Assets	135,416	187,515	240,220	281,590
5	Revenues Over (Under) Expenses	<u>52,099</u>	<u>52,705</u>	<u>41,370</u>	<u>33,966</u>
6	Ending Net Assets	187,515	240,220	281,590	315,556

Note: Totals may not be precise due to independent rounding

¹ Projection as of March 27, 2017

VTA FY 2018 & FY 2019 PROPOSED BUDGET

2016 MEASURE B PROGRAM

VTA FY 2018 & FY 2019 PROPOSED BUDGET



2016 Measure B Program

Overview

On November 8, 2016, the voters of Santa Clara County approved 2016 Measure B, a 30-year, one-half cent countywide sales and use tax to enhance transit, highways, expressways and active transportation (bicycles, pedestrians and complete streets). The measure passed by nearly 72%, the highest level of support for any Santa Clara County transportation tax. Collection of the tax began on April 1, 2017.

The 2016 Measure B ballot identified nine program categories for funding allocations:

- Local Streets and Roads
- BART Phase II
- Bicycle and Pedestrian
- Caltrain Grade Separation
- Caltrain Corridor Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor
- Transit Operations

Guidelines for each of the categories are currently under development with the final draft guidelines scheduled to be presented to the Board of Directors on May 4, 2017.

The FY 2018 and FY 2019 Proposed 2016 Measure B Program Fund Budget on the following page represents the anticipated program revenues, and expenditures by program category, over the next two fiscal years.

The anticipated expenditures include the reimbursement of \$1.65M to the VTA Transit Fund for payment made to the Registrar of Voters for 2016 Measure B's share of costs of the November 8, 2016 General Election.

Funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program. Similar to a capital budget, appropriation for the program will not expire at the end of the fiscal year and will be carried forward until the 2016 Measure A Program is completed.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

***2016 Measure B Program
Projected Revenues***
(Dollars in Thousands)

Line	Category	FY17 Projected Actual ¹	FY18 Proposed Budget	FY19 Proposed Budget
1	Sales Tax Revenues	53,425	215,343	219,650
2	Investment Earnings	0	764	2,716
3	Total Revenue	53,425	216,107	222,366

Note: Totals and percentages may not be precise due to independent rounding

Proposed Funding Allocation
(Dollars in Millions)

		FY18	FY19
Administrative Costs		3.30	3.30
Program Area			
FORMULA BASED²	Local Streets & Roads	40.00	40.00
	Transit Operations		
	Enhance Core Network	13.50	13.50
	Innovative Transit Models		
	Expand Mobility & Affordable Fares	2.50	2.50
	Improve Amenities	1.30	
	Bicycle & Pedestrian		
	Education/Encouragement	2.50	
	Capital Projects	13.33	
	Planning Projects	0.83	
NEED/ CAPACITY BASED	BART Phase II	0.00	
	Caltrain Grade Separation	7.00	
	Caltrain Corridor Capacity	2.00	
	SR 85 Corridor	12.00	
	County Expressways	50.00	
	Highway Interchanges	87.00	
	Total	294.56	

¹ Projection as of March 27, 2017

² Allocation based on Program Area total divided by number of years in measure

APPENDICES

VTA FY 2018 & FY 2019 PROPOSED BUDGET



VTA Administrative Code requires that the Proposed Budget include a list of all employee position classifications and pay ranges. The table below lists the minimum and maximum annual salary for each VTA job classification as of March 1, 2017.

Job Classifications and Pay Range

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Accessible Services Program Manager	103,057	125,303
Accountant Assistant	58,853	71,127
Accountant I	62,551	75,664
Accountant II	69,108	83,619
Accountant III	80,783	98,141
Accounts Payable Support Supervisor	66,429	80,783
Administrative Services Assistant	53,433	70,531
Administrator of Social Media & Electronic Communications	108,225	131,567
Assistant Architect	83,178	101,146
Assistant Board Secretary	95,936	126,636
Assistant Cost & Schedule Coordinator	83,178	101,146
Assistant Counsel	111,053	146,589
Assistant Real Estate Agent	71,779	86,850
Assistant Supt, Service Management	98,141	119,320
Assistant Supt, Transit Communications	98,141	119,320
Assistant Systems Design Engineer	83,178	101,146
Assistant Transportation Engineer	83,178	101,146
Associate Architect	96,799	117,618
Associate Environmental Engineer	96,799	117,618
Associate Financial Analyst	69,744	84,799
Associate Financial Analyst - NR	71,617	94,534
Associate Human Resources Analyst	71,617	94,534
Associate Land Surveyor	84,799	103,057
Associate Management Analyst	69,744	84,799
Associate Mechanical Engineer	96,799	117,618
Associate Real Estate Agent	88,529	107,203
Associate Systems Design Engineer	96,799	117,618
Associate Systems Engineer	96,799	117,618

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Associate Transportation Engineer	96,799	117,618
Audit Program Manager	111,053	146,589
Automotive Attendant	45,398	54,814
Board Assistant	63,142	76,410
Board Secretary	138,320	234,000
Bus Stop Maintenance Worker	52,017	62,861
Business Diversity Program Manager	98,141	119,320
Business Systems Analyst I	68,766	83,214
Business Systems Analyst II	83,214	100,740
Buyer I	56,398	68,113
Buyer II	66,839	80,916
Buyer III	74,266	89,833
Chief Financial Officer	163,280	275,600
Chief Information Officer	138,320	234,000
Chief of Staff to the General Manager	163,280	275,600
Chief Operating Officer	163,280	275,600
Claims Analyst	82,898	109,425
Claims Program Manager	100,730	132,963
Communications & Media Spokesperson	105,747	139,587
Communications Systems Analyst I	68,766	83,214
Communications Systems Analyst II	83,214	100,740
Communications Systems Manager	108,225	131,567
Community Outreach & Public Engagement Manager	116,581	153,887
Community Outreach Supervisor	84,799	103,057
Construction Contracts Administration Manager	128,533	169,663
Construction Contracts Administrator I	68,766	83,214
Construction Contracts Administrator II	86,478	104,686
Construction Contracts Compliance Officer	98,141	119,320
Construction Inspector	76,751	92,878
Contracts Administrator I	68,766	83,214
Contracts Administrator II	86,478	104,686
Contracts Manager	108,225	131,567
Contracts Program Manager	103,057	125,303
Cost & Schedule Coordinator	96,799	117,618
Creative Services Manager	103,057	125,303

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Customer Experience Manager	108,225	131,567
Customer Services Supervisor	80,783	98,141
Cyber Security Analyst	87,020	114,867
Database Administrator I	68,766	83,214
Database Administrator II	83,214	100,740
Deputy Director	138,320	234,000
Deputy General Counsel	138,320	234,000
Director of Business Services	163,280	275,600
Director of Communications	138,320	234,000
Director of Engineering & Transportation Infrastructure Development	163,280	275,600
Director of Planning & Program Development	163,280	275,600
Director of Public Affairs/Exec Policy Advisor	163,280	275,600
Director of System Safety & Security	163,280	275,600
Disbursements Manager	116,581	153,887
Dispatcher	55,494	79,290
Diversity & Inclusion Manager	128,533	169,663
Document Services Specialist I	46,081	55,622
Document Services Specialist II	52,017	62,861
Electrician	77,528	93,779
Electro - Mechanic	78,021	88,670
Electronic Technician	78,021	88,670
Employee Relations Manager	128,533	169,663
Engineering Aide	54,814	66,217
Engineering Group Manager	138,320	234,000
Engineering Group Manager - SCADA	141,731	187,085
Engineering Technician I	59,972	72,463
Engineering Technician II	67,492	81,692
Engineering Technician III	76,751	92,878
Enterprise Risk Manager	134,989	178,185
Environmental Health & Safety Specialist	89,398	108,260
Environmental Health & Safety Supervisor	93,479	113,646
Environmental Planner I	61,401	74,266
Environmental Planner II	73,551	88,963
Environmental Planner III	88,093	106,707
Executive Assistant to the General Manager	71,617	94,534

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Executive Manager, Transit Planning & Capital Development	138,320	234,000
Executive Secretary	64,970	85,760
Facilities Maintenance Coordinator	98,141	119,320
Facilities Maintenance Manager	111,053	146,589
Facilities Maintenance Representative	67,492	81,692
Facilities Worker	42,390	60,570
Fare Inspector	50,107	71,573
Financial Accounting Manager	111,053	146,589
Financial Analyst	80,783	98,141
Financial Analyst -NR	82,898	109,425
Fiscal Resources Manager	134,989	178,185
Foreperson - LRT	85,030	96,637
General Counsel	231,276	231,276
General Maintenance Mechanic	67,492	81,692
General Manager/CEO	316,891	316,891
Government Affairs Manager	134,989	178,185
Graphic Designer I	60,252	72,805
Graphic Designer II	69,728	84,426
Human Resources Administrator	75,196	99,259
Human Resources Analyst	82,898	109,425
Human Resources Assistant	56,117	74,075
Human Resources Manager	128,533	169,663
Information Services Representative	44,346	63,357
Information Systems Analyst Assistant	59,972	72,463
Information Systems Analyst I	68,766	83,214
Information Systems Analyst II	83,214	100,740
Information Systems Supervisor	108,225	131,567
Investment Program Manager	108,225	131,567
Janitor	44,591	53,788
Junior Cost & Schedule Coordinator	76,512	92,953
Junior Real Estate Agent	64,073	77,528
Junior Systems Design Engineer	76,512	92,953
Junior Transportation Engineer	76,512	92,953
Lead Bus Stop Maintenance Worker	53,539	64,695
Lead Janitor	47,169	56,927

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Lead Maintenance Worker - LRT	44,491	63,565
Legal Office Support Supervisor	71,617	94,534
Legal Secretary	68,197	90,020
Light Rail Equipment Superintendent	108,225	131,567
Light Rail Operator	48,942	69,930
Light Rail Power Foreperson	98,883	112,362
Light Rail Power Supervisor	103,057	125,303
Light Rail Signal Maintainer	85,234	103,195
Light Rail Signal Supervisor	98,141	119,320
Light Rail Technical Trainer	89,013	108,225
Light Rail Technical Training Supervisor	98,141	119,320
Light Rail Track Maintenance Supervisor	89,013	108,225
Light Rail Way, Power & Signal Superintendent	108,225	131,567
Light Rail Way, Power & Signal Supervisor	103,057	125,303
Mail & Warehouse Worker	53,539	64,695
Maintenance Worker - LRT	42,390	60,570
Maintenance Instructor	93,479	113,646
Maintenance Scheduler	64,353	77,870
Maintenance Superintendent	108,225	131,567
Management Aide	61,402	74,659
Management Aide -NR	64,970	85,760
Management Analyst	80,783	98,141
Management Analyst - NR	82,898	109,425
Management Secretary	58,930	77,787
Manager of Procurement, Contracts & Materials	141,731	187,085
Manager of Security Programs	116,581	153,887
Manager, Budget & Administration	111,053	146,589
Manager, Construction Inspection	111,960	136,089
Manager, Market Development	113,646	138,139
Manager, Operations Analysis, Reporting & Systems	108,225	131,567
Manager, Real Estate & Project Administration	134,989	178,185
Materials & Warranty Manager	108,225	131,567
Materials Resource Scheduler	56,398	68,113
Network Analyst I	68,766	83,214
Network Analyst II	83,214	100,740

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Office & Timekeeping Technician	52,794	63,763
Office Specialist I	44,776	54,037
Office Specialist II	50,153	60,531
Office Support Supervisor	66,429	80,783
Operations Manager	134,989	178,185
Operations Systems Supervisor	93,479	113,646
Operator	41,954	69,930
Operator - Trainee	34,986	34,986
Overhaul & Repair Foreperson	85,030	96,637
Overhaul & Repair Mechanic	78,021	88,670
Overhead Line Worker	91,666	104,166
Paint & Body Foreperson	85,030	96,637
Paint & Body Worker	78,021	88,670
Paralegal	68,197	90,020
Parts Clerk	48,755	69,659
Parts Foreperson	75,878	86,216
Passenger Facilities & Wayside Maintenance Supervisor	80,783	98,141
Payroll Support Supervisor	66,429	80,783
Permit Technician	61,992	74,949
Policy & Administrative Manager - Operations	111,053	146,589
Policy Analyst	95,936	126,636
Principal Construction Inspector	98,141	119,320
Principal Environmental Planner	113,646	138,139
Principal Safety Auditor	105,747	139,587
Principal Transportation Planner	113,646	138,139
Procurement & Materials Manager	128,533	169,663
Programmer I	68,766	83,214
Programmer II	87,689	106,178
Project Controls Group Manager	141,731	187,085
Project Controls Specialist I	68,766	83,214
Project Controls Specialist II	83,214	100,740
Project Controls Supervisor	113,646	138,139
Public Communication Specialist I	68,766	83,214
Public Communication Specialist II	77,528	93,779
Public Relations Supervisor	93,479	113,646

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Purchasing Manager	108,225	131,567
Quality Assurance & Warranty Manager	113,646	138,139
Quality Assurance & Warranty Specialist	80,916	97,912
Regional Transportation Services Manager	116,581	153,887
Regional Transportation Services Supervisor	95,936	126,636
Revenue Services Manager	113,646	138,139
Risk Analyst	82,898	109,425
Safety Manager	134,989	178,185
Sales & Promotions Supervisor	84,799	103,057
Secretary	54,814	66,217
Service Mechanic	62,317	70,803
Service Worker	47,736	68,182
Service Worker - Foreperson	51,418	73,445
Sr Accountant	93,479	113,646
Sr Advisor, Business Development	116,581	153,887
Sr Architect	113,211	137,596
Sr Assistant Counsel	134,989	178,185
Sr Business Systems Analyst	96,918	117,489
Sr Communications Systems Analyst	96,918	117,489
Sr Construction Contracts Administrator	98,141	119,320
Sr Construction Inspector	84,023	101,672
Sr Construction Inspector - Lead	85,638	103,692
Sr Contracts Administrator	98,141	119,320
Sr Cost & Schedule Coordinator	113,211	137,596
Sr Database Administrator	96,918	117,489
Sr Environmental Engineer	113,211	137,596
Sr Environmental Planner	103,057	125,303
Sr Financial Analyst	93,479	113,646
Sr Financial Analyst (NR)	95,936	126,636
Sr Human Resources Analyst	95,936	126,636
Sr Information Representative	61,194	69,534
Sr Information Systems Analyst	96,918	117,489
Sr Land Surveyor	98,141	119,320
Sr Management Analyst	93,479	113,646
Sr Management Analyst (NR)	95,936	126,636

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Sr Mechanical Engineer-Auto Systems	113,211	137,596
Sr Network Analyst	96,918	117,489
Sr Office & Timekeeping Technician	58,293	70,443
Sr Policy Analyst	105,747	139,587
Sr Programmer	96,918	117,489
Sr Real Estate Agent	103,057	125,303
Sr Signal Maintainer	93,779	113,636
Sr Systems Administrator	96,918	117,489
Sr Systems Design Engineer	113,211	137,596
Sr Systems Engineer	113,211	137,596
Sr Track Worker	78,021	88,670
Sr Transportation Engineer	113,211	137,596
Sr Transportation Planner	103,057	125,303
Sr Web Developer	96,918	117,489
Staff Attorney I	75,196	99,259
Staff Attorney II	91,366	120,604
Substation Maintainer	91,666	104,166
Supervising Maintenance Instructor	98,141	119,320
Support Mechanic	51,418	73,445
Survey & Mapping Manager	113,646	138,139
SVRT Environmental Planning Manager	122,429	161,606
SVRT Project Controls Manager	134,989	178,185
Systems Administrator I	68,766	83,214
Systems Administrator II	83,214	100,740
Technical Project Manager	96,918	117,489
Technical Trainer	89,013	108,225
Technical Training Supervisor	98,141	119,320
Technology Infrastructure Supervisor	108,225	131,567
Technology Manager	134,989	178,185
Track Worker	67,122	76,274
Transit Center Maintenance Worker	50,370	60,841
Transit Division Supervisor	89,013	108,225
Transit Foreperson	85,030	96,637
Transit Maintenance Supervisor	98,141	119,320
Transit Mechanic	78,021	88,670

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Transit Mechanic - G	67,122	76,274
Transit Radio Dispatcher	55,494	79,290
Transit Safety Officer	89,013	108,225
Transit Service Development Aide	53,291	64,353
Transit Service Development Specialist I	58,574	70,785
Transit Service Development Specialist II	68,113	82,469
Transit Service Development Specialist III	72,122	87,285
Transit Service Development Supervisor	89,013	108,225
Transit Systems Safety Supervisor	93,479	113,646
Transportation Engineering Manager	119,320	145,049
Transportation Planner I	61,401	74,266
Transportation Planner II	73,551	88,963
Transportation Planner III	88,093	106,707
Transportation Planning Aide	51,085	61,711
Transportation Planning Manager	122,429	161,606
Transportation Superintendent	108,225	131,567
Transportation Supervisor	89,013	108,225
Upholsterer	78,021	88,670
Upholstery Foreperson	85,030	96,637
Utilities Coordination Manager	98,141	119,320
Utility Coordinator	80,511	97,415
Utility Worker	47,823	57,734
Vault Room Worker	48,319	58,293
Vehicle Parts Supervisor	89,013	108,225
Warranty Coordinator	98,141	119,320
Web Developer I	68,766	83,214
Web Developer II	83,214	100,740

VTA Transit Fund Unrestricted Net Assets/Reserves

Because of the recognized volatility of VTA's primary revenue source (i.e., sales tax receipts) it is prudent to maintain reserves that enable VTA to survive periodic swings in the economy without impacting service levels to the public and agency employment/compensation levels. It is also prudent to ensure that funds are available to sustain a capital program that maintains VTA's infrastructure and keeps assets in a state of good repair. The VTA Board of Directors has been proactive in managing VTA's finances in a manner that protects the interests of the public and helps provide a level of security for VTA's personnel by designating funds for specific purposes. VTA's reserves are largely static with adjustments approved by the Board either directly, or through the budget process. Any changes to the policies governing these reserves or the appropriate level of reserves are subject to Board policy decisions.

Reserve Accounts

The VTA Transit Fund currently maintains three reserve accounts as described below:

Operating Reserve

It is the policy of VTA to accumulate a prudent level of reserves by building and maintaining an Operating Reserve equal to 15% of the annual operating budget for the VTA Transit Fund. The purpose of this reserve is to ensure that sufficient funds are always available in the event of either unavoidable expenditure needs or unanticipated revenue shortfalls from sources other than sales tax based revenues. The Board formalized this long-standing practice with adoption of the VTA Transit Fund Operating Reserve Policy on April 5, 2012.

Sales Tax Stabilization Fund

The Sales Tax Stabilization Fund reserve was created by the Board as part of the FY 2012 and FY 2013 Biennial Budget adoption on June 2, 2011 to mitigate the impact of the volatility of sales tax based revenues on service levels and the operating budget. Per the Board policy adopted on April 5, 2012, this reserve carries a maximum balance of \$35 million.

Capital Reserve (formerly Debt Reduction Fund)

The Capital Reserve was established by the Board on February 7, 2008. Per the Board policy also approved on February 7, 2008, this fund may be used to reduce long-term liabilities or provide funding for approved transit-related capital improvements and replacement of capital assets. This reserve is used primarily to fund the local portion of the VTA Transit capital program in order to keep assets in a state of good repair.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Other Designated Funds

In addition to the reserve accounts listed above, there are three other components to the Unrestricted Net Assets that have been restricted by board resolution, contractual requirements, or other practical reasons.

Irrevocable Transfer to OPEB (Other Postemployment Benefits) Trust

As part of the FY 2012 and FY 2013 Biennial Budget adoption on June 2, 2011, \$20.65M was set aside specifically to address unfunded OPEB liabilities. In FY 2013, VTA made a one-time irrevocable transfer of these funds to the OPEB Trust. These funds are dedicated to providing benefits to retirees and their beneficiaries. The remaining balance has reduced by the FY 2016 Annual Required Contribution.

Local Share of Capital Projects

This designation represents funds previously appropriated for and committed to capital projects. Per VTA Budget Resolution, “Capital appropriations, which are not expended during the fiscal year, shall carry over to successive fiscal years until the projects are completed or otherwise terminated.” The Local Share of Capital Projects designation represents the locally funded portion of this carryover. The Budget Resolution also states that “The locally funded portion of the VTA Transit Fund capital appropriation carry over shall be set-aside as a designation of Unrestricted Net Assets in the Comprehensive Annual Financial Report.”

Inventory and Prepaid Expenses

This component of net assets represents the value of parts inventory and the prepayment of expenses which are not liquid or otherwise unavailable for use.

Unrestricted Net Assets Status

The table on the following page shows the Unrestricted Net Assets as reported in the FY 2016 Comprehensive Annual Financial Report as well as the projected balances for FY 2017 through FY 2019.

VTA FY 2018 & FY 2019 PROPOSED BUDGET

Unrestricted Net Assets
(Dollars in Thousands)

Fund	FY16	FY17¹ Projected	FY18¹ Projected	FY19¹ Projected
<u>Reserves:</u>				
Operating Reserve	64,147	64,147	62,143	57,855
Sales Tax Stabilization Fund	35,000	32,953	32,953	32,953
Capital Reserve ²	76,378	48,958	29,742	69,722
Total Reserves	175,525	146,058	124,838	160,530
<u>Other Designated Funds:</u>				
Irrevocable Transfer to OPEB Trust ³	15,865	15,865	15,865	15,865
Local Share of Capital Projects	132,225	134,507	147,585	101,468
Inventory and Prepaid Expenses ³	33,615	33,615	33,615	33,615
Total Other Designated Funds	181,705	183,987	197,065	150,948
Net Pension Liability (GASB 68) ^{3,4}	(195,565)	(195,565)	(195,565)	(195,565)
Total Unrestricted Net Assets	161,665	134,480	126,338	115,913

Note: Totals may not be precise due to independent rounding

END OF DOCUMENT

¹ Projection as of March 27, 2017

² Formerly Debt Reduction Fund

³ Balance assumed to remain stable over time

⁴ Represents amount owed by VTA for benefits provided through a defined benefit pension plan (net of related deferred inflows/outflows). June 30, 2016 balance consisted of \$80.6 million for CalPERS and \$115 million for VTA/ATU Pension Plan



Date: April 17, 2017
 Current Meeting: April 21, 2017
 Board Meeting: April 21, 2017

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Chief Financial Officer, Raj Srinath

SUBJECT: Fare Policy Review

FOR INFORMATION ONLY

BACKGROUND:

VTA is designing a more useful transit network that will meet the goals of increasing ridership, cost-effectiveness and regional connections. The service redesign also known as the Next Network will have more frequent service but will also require more transfers by patrons to reach their destinations.

The last significant change to VTA fares took effect in 2009, when VTA increased the base fare from \$1.75 to \$2.00 and also raised Eco Pass fares by approximately 20%. Since then, VTA's cost of providing service has increased whereas VTA's share of operating expenses recovered from fares (Fare Box Recovery Ratio) has declined. **Attachment A** provides a summary of VTA fares over the past decade. At the January Board meeting, staff outlined the need for the review of VTA's fare policy as well as the six major areas in the fare policy for review, specifically an increase in the base fares, Youth fares, free VTA-VTA transfers, fares for Low Income riders, Community Bus fares, and Eco Pass fares.

DISCUSSION:

Since the January 2017 Board meeting, VTA staff have attended nine community meetings across the county in coordination with the outreach efforts conducted for the service changes resulting from the redesign of VTA's bus network. In addition to the community meetings, VTA conducted an online survey to receive public input on four of the major areas in the fare policy review, including an increase in the base fares, free VTA-VTA transfers, Community Bus fares, and Youth fares. VTA received 2,457 completed surveys. VTA staff will meet with Eco Pass participants in a separate series of meetings starting the week of April 17th. Feedback from the general public has been generally positive, with the majority agreeing with or not objecting to raising the base fare to provide free transfers and reduced fares for youth. We have received a

few concerns about the impact of increased fares on seniors with fixed incomes, and the availability of Clipper cards. Staff has analyzed the impact of the proposed changes and refined the proposals as discussed below:

Base Fare Adjustment

VTA has experienced increased costs in providing service but has not had a fare increase since 2009. Staff projects a fiscal deficit for FY 2017 in the range of \$20-25 million. Many of the Bay Area agencies have either already approved fare increases or are in the process of doing so. VTA staff reviewed two scenarios to increase the base fare by approximately 12.5% to 25% (i.e. the adult single ride would increase from \$2.00 to \$2.25 or \$2.50) along with increases in the associated fares such as the Day Pass and the Monthly Pass. Given the magnitude of the financial challenges faced by the organization, coupled with increased community requests for lower youth fares and free transfers, staff proposes moving forward with a 25% increase phased over two years starting January 1, 2018. The adult single ride fare will increase from \$2.00 to \$2.25 on January 1, 2018 and to \$2.50 on January 1, 2019. All associated fares would increase proportionately with the exception of paratransit fares which would remain unchanged.

A table of proposed fares is included below:

VTA Fares	Current Fare	January 1, 2018	January 1, 2019
ADULT			
Single Ride Cash	\$2.00	\$2.25	\$2.50
Community Bus	\$1.25	n/a	n/a
Light Rail Excursion Pass	\$4.00	\$4.50	\$5.00
Day Pass	\$6.00	\$7.00	\$7.50
Day Pass Token (bag of 5)	\$15.00	\$17.50	\$18.75
Express Cash	\$4.00	\$4.50	\$5.00
Express Day Pass	\$12.00	\$13.50	\$15.00
Monthly Pass	\$70.00	\$80.00	\$90.00
Annual Pass	\$770.00	\$880.00	\$990.00
Express Monthly Pass	\$140.00	\$160.00	\$180.00
Express Annual Pass	\$1,540.00	\$1,760.00	\$1,980.00
YOUTH			
Single Ride Cash	\$1.75	\$1.00	\$1.25
Community Bus	\$0.75	n/a	n/a
Light Rail Excursion Pass	\$3.50	\$2.00	\$2.50
Day Pass	\$5.00	\$3.00	\$3.75
Day Pass Token (bag of 5)	\$12.50	\$7.50	\$9.50
Monthly Pass	\$45.00	\$30.00	\$35.00
Summer Blast Pass	\$75.00	\$60.00	\$70.00
Annual Pass	\$495.00	\$330.00	\$385.00

VTA Fares	Current Fare	January 1, 2018	January 1, 2019
SENIOR/DISABLED			
Single Ride Cash	\$1.00	\$1.00	\$1.25
Community Bus	\$0.50	n/a	n/a
Light Rail Excursion Pass	\$2.00	\$2.00	\$2.50
Day Pass	\$2.50	\$3.00	\$3.75
Monthly Pass	\$25.00	\$30.00	\$35.00
Annual Pass	\$275.00	\$330.00	\$385.00

The base fare increases are expected to result in additional fare revenues of \$1.8 million in FY 2018 (for 6 months), \$6.1 million in FY 2019, and \$8.6 million in FY 2020.

Youth Fares

VTA currently provides discounts on youth fares of 13-40% from the adult base fare, depending on the fare product, as compared to 50-60% discounts for seniors and persons with disabilities. Families with multiple children find it difficult to purchase fares for all of their school going children, and staff has heard multiple requests to provide discounted or free fares for youth on VTA. San Francisco Municipal Transportation Agency recently introduced a “Free Muni for Youth” program that provides registered low and moderate income San Francisco youth ages 5 to 18 free access to Muni services when using a Clipper card. VTA collects \$4.2 million annually from Youth fares. Given the financial challenges faced by VTA and the lack of alternative funding sources to provide free fares for youth, staff proposes to increase the youth discount and make youth fares consistent with fares for seniors/persons with disabilities. This change will result in a revenue loss of \$ 1.1million in FY 2018, \$2.2 million in FY 2019, and \$2.3 million in FY 2020, which could be funded in part by 2016 Measure B funds up to \$ 1.5 million per year.

Intra-Operator Transfers (VTA-to-VTA)

Currently, a single ride fare is not valid for a free transfer from bus to another bus, whereas a single ride fare on rail is valid for 2 hours of travel in any direction from the time of purchase.

Currently, 98% of trips are completed within 90 minutes of the initial boarding. In order to optimize the service redesign and increase ridership, staff proposes moving forward a proposal to make single ride fares on Clipper valid for up to 90 minutes system wide. This change will reduce fare revenues by up to \$0.9 million in FY 2018, \$2.8 million in FY 2019, and \$3.9 million in FY 2020.

Currently, VTA’s ticket vending machines (TVMs) issue a paper ticket for a single ride fare, which acts as the proof of purchase for Fare Inspectors performing fare enforcement on light rail. However, on buses, Operators currently do not issue proof of payment for single rides and it is not desirable to burden Bus Operators with fare enforcement responsibilities when their primary responsibility is to operate the bus safely and on schedule. VTA’s fare boxes are equipped to

issue limited use smart cards, which cost \$0.25-\$0.30 each, making it financially impractical to issue them as a proof of payment. For these reasons, staff proposes to offer free VTA-to-VTA transfers with single ride fares on Clipper only. This approach is consistent with the regional goal of maximizing the use of Clipper as the fare collection system in the Bay Area. Staff will prepare mitigation strategies to assist riders who do not have a Clipper card similar to the strategies adopted to ease the transition of VTA's Day Pass product to Clipper in early 2016 such as: (a) distribution of Clipper cards at no cost for a limited period of time, (b) additional marketing to public of Clipper resources, and (c) additional public outreaches at major transit centers across the county during implementation.

Fares for Low Income riders

In August 2013, at the request of the group People Acting in Community Together (PACT), the VTA Board approved the Transit Assistance Program (TAP) pilot project. VTA received a \$1.3 million grant from MTC to increase ridership by providing a discounted fare for low income adults not receiving other forms of transportation support. These grants will most likely not be available in the future. The TAP provides a very important lifeline to adults with low incomes by enabling them to use transit for work, health care, and other basic needs. Staff proposes continuing this program using 2016 Measure B funds up to \$1 million per year.

Community Bus fares

VTA had established a lower fare for community bus routes at inception for two basic reasons;

1. The routes were serviced by cut away vehicles which were significantly cheaper to acquire and operate
2. Bus Operators assigned to community bus routes were paid less than Bus Operators assigned to regular routes.

These cost differentials, which were the basis of the reduced community bus fares, no longer exist as VTA operates diesel hybrid transit buses on community bus routes and Bus Operators are paid the same wages regardless of the route they operate. With the service redesign, community bus is no longer included as a service category and therefore, staff proposes that the associated fare category be removed from the fare resolution. This change will have minimal impact on fare revenues of up to \$0.2 million per year.

Eco Pass fares

VTA's Eco Pass is a calendar year pass for unlimited trips on VTA's fixed route service. Fares were established with twin goals of increasing ridership by providing more access and generating revenues equal to the average adult fare per boarding. The program has been well utilized and the average fare per Eco Pass boarding has consistently lagged the average adult fare per boarding. The average Adult Fare per boarding for CY16 was \$1.50, and the average Eco Pass

fare per boarding for CY16 was \$0.61. The Eco Pass pricing structure is tiered and complex and has not been reviewed since inception. As a result, the program has provided very low cost transit access to employers, non-profits and universities/colleges. This raises questions of equity where individuals with low or moderate incomes who do not qualify for the Transit Assistance Program (TAP) pay a full fare, whereas corporations who can afford to pay more are charged a significantly lower fare per boarding.

Staff proposes to consolidate the existing four tiers to two tiers, split the program into three logical categories, limit the program to regular VTA service by including the express bus service as an add on option, adjust the pricing structure to more adequately reflect usage by the program participants and to rename the Eco Pass Program to the VTA SmartPass Program.

The existing four tiers per service area would be simplified and consolidated into two tiers. Pricing shall be the higher fare of the consolidated headcount tiers resulting in a price increase for participants in the lower priced tiers.

Existing Headcount Tiers	Proposed Headcount Tiers
1-99	1-2,999
100-2,999	
3,000-15,000	3,000+
15,000+	

Staff proposes to split the program into three institutional categories based on the types of participants. Also, the pass would no longer be a valid fare on VTA's express bus service and will require the purchase of the Express Pass add-on option. The minimum contract value will increase from \$1,794 to \$2,500 to reflect the new pricing structure.

Collegiate Pass

A Collegiate Pass is proposed to be established for universities and community colleges with a price structure not to exceed San Jose State University (SJSU) per capita rate. The current downtown San Jose service level price for SJSU is \$36 per enrolled student/faculty per year. A 5% increase, rounded up to the nearest dollar, shall be applied on January 2018 and on January 2019 increasing SJSU's per enrolled student/faculty rate to \$38 in January 2018 and \$40 in January 2019. Pricing for community colleges in all other service levels which are currently lower shall increase by \$5 per year, but not to exceed the SJSU per capita rate. The Collegiate Pass will not be valid on VTA's express bus service. A table showing the existing rates as well as proposed rates is included below for reference.

	2017 Headcount	Current Fare	January 1, 2018	January 1, 2019
Downtown San Jose				
15,000+ Students/Employees (San Jose State University)	32,795	\$ 36.00	\$ 38.00	\$ 40.00
Area Served by Bus Only				
3,000 - 14,999 Students/Employees (Mission College)	7,932	\$ 18.00	\$ 23.00	\$ 28.00
15,000+ Students/Employees (Foothill-De Anza, San Jose City and Evergreen College)	42,320	\$ 9.00	\$ 14.00	\$ 19.00

Not-For-Profit Pass

A Not-For-Profit Pass is proposed to be established for public agencies such as the county, cities, nonprofit agencies, and low income housing. Staff proposes a fare increase of 15% rounded to the nearest quarter effective January 1, 2019. The Not-For-Profit Pass will not be valid on VTA's express bus service. A table showing the existing rates as well as proposed rates is included below for reference.

	2017 Headcount	Current Fare	January 1, 2018	January 1, 2019
Downtown San Jose				
1 -99 Employees/Residents	-	\$ 144.00	\$ 144.00	\$ 165.50
100 - 2,999 Employees/Residents	321	\$ 108.00		
3,000 - 14,999 Employees/Residents	1,810	\$ 72.00	\$ 72.00	\$ 82.75
15,000+ Employees/Residents	652	\$ 36.00		
Areas Served by Bus & Light Rail				
1 -99 Employees/Residents	-	\$ 108.00	\$ 108.00	\$ 124.25
100 - 2,999 Employees/Residents	1,457	\$ 72.00		
3,000 - 14,999 Employees/Residents	1,347	\$ 36.00	\$ 36.00	\$ 41.50
15,000+ Employees/Residents	5,926	\$ 18.00		
Area Served by Bus Only				
1 -99 Employees/Residents	136	\$ 72.00	\$ 72.00	\$ 82.75
100 - 2,999 Employees/Residents	3,744	\$ 36.00		
3,000 - 14,999 Employees/Residents	3,987	\$ 18.00	\$ 18.00	\$ 20.75
15,000+ Employees/Residents	35,178	\$ 9.00		

Corporate Pass

A Corporate Pass is proposed to be established for businesses and residential units. Staff proposes a fare increase of 25% rounded to the nearest quarter effective January 1, 2019. The Corporate Pass will not be valid on VTA's express bus service. A table showing the existing rates as well as proposed rates is included below for reference.

	2017 Headcount	Current Fare	January 1, 2018	January 1, 2019
Downtown San Jose				
1 -99 Employees/Residents	185	\$ 144.00	\$ 144.00	\$ 180.00
100 - 2,999 Employees/Residents	571	\$ 108.00		
3,000 - 14,999 Employees/Residents	-	\$ 72.00	\$ 72.00	\$ 90.00
15,000+ Employees/Residents	-	\$ 36.00		
Areas Served by Bus & Light Rail				
1 -99 Employees/Residents	170	\$ 108.00	\$ 108.00	\$ 135.00
100 - 2,999 Employees/Residents	3,815	\$ 72.00		
3,000 - 14,999 Employees/Residents	11,778	\$ 36.00	\$ 36.00	\$ 45.00
15,000+ Employees/Residents	19,881	\$ 18.00		
Area Served by Bus Only				
1 -99 Employees/Residents	237	\$ 72.00	\$ 72.00	\$ 90.00
100 - 2,999 Employees/Residents	4,476	\$ 36.00		
3,000 - 14,999 Employees/Residents	12,281	\$ 18.00	\$ 18.00	\$ 22.50
15,000+ Employees/Residents	-	\$ 9.00		

Additional Service “Express Pass” Option

The Collegiate Pass, Not-For-Profit Pass and Corporate Pass will no longer be valid on VTA’s express bus service. Participating institutions will have the option to add the Express Pass option to their respective pass. This Express Pass option will also include access to the Dumbarton Bridge Express, Highway 17 Express and Monterey-Salinas Transit Express operators. Pricing for the Express Pass option will be based on the three institutional categories as shown below:

	2017 Headcount	Current Fare	January 1, 2018	January 1, 2019
Collegiate Pass				
1 -99 Students/Employees	-	\$ 21.60	\$ 9.00	\$ 9.00
100 - 2,999 Students/Employees	-	\$ 18.00		
3-000 - 14,999 Students/Employees	-	\$ 14.40		
15,000+ Students/Employees	-	\$ 9.00		
Not-For-Profit Pass				
1 -99 Employees/Residents	-	\$ 21.60	\$ 21.60	\$ 24.75
100 - 2,999 Employees/Residents	-	\$ 18.00		
3-000 - 14,999 Employees/Residents	-	\$ 14.40		
15,000+ Employees/Residents	35,178	\$ 9.00		
Corporate Pass				
1 -99 Employees/Residents	15	\$ 21.60	\$ 21.60	\$ 27.00
100 - 2,999 Employees/Residents	247	\$ 18.00		
3-000 - 14,999 Employees/Residents	333	\$ 14.40		
15,000+ Employees/Residents	15,000	\$ 9.00		

Eco Pass Revenue per Boarding by Institution Type

	FY 2017		FY 2018		FY 2019		FY 2020	
	Revenue	Projected Rev/Bdg	Projected Revenue	Projected Rev/Bdg	Projected Revenue	Projected Rev/Bdg	Projected Revenue	Projected Rev/Bdg
Collegiate Pass	\$1.6m	\$0.51	\$1.8m	\$0.56	\$2.1m	\$0.66	\$2.3m	\$0.71
Not-For-Profit Pass	\$1.4m	\$0.55	\$1.9m	\$0.79	\$2.6m	\$1.07	\$2.8m	\$1.15
Corporate Pass	\$1.7m	\$0.96	\$2.3m	\$1.28	\$3.1m	\$1.72	\$3.4m	\$1.91
Grand Total	\$4.8m	\$0.63	\$6.1m	\$0.81	\$7.9m	\$1.05	\$8.6m	\$1.14

Summary of Changes

The table below summarizes the impact of the proposed changes on fare revenues (\$ millions):

	FY 2018	FY 2019	FY 2020
Fare Adjustments	\$1.8	\$6.1	\$8.6
Free Transfers	(\$0.9)	(\$2.8)	(\$3.9)
Increased Discount for Youth	(\$1.1)	(\$2.2)	(\$2.3)
Subsidy from 2016 Measure B - Youth Discounts	\$1.1	\$1.5	\$1.5
Subsidy from 2016 Measure B - TAP	\$1.0	\$1.0	\$1.0
Elimination of Community Bus fares	\$0.2	\$0.2	\$0.2
Eco Pass restructuring	\$1.3	\$3.1	\$3.8
Total*	\$3.5	\$6.9	\$8.9

*Totals may not foot due to independent rounding

Title VI

In order to assess whether the fare change would result in Disparate Impacts on minority populations or a Disproportionate Burden on low income populations, a preliminary Fare Equity Analysis was performed on the proposed fare change. Using the VTA Title VI Policy, a disparate impact threshold 10 percent was used to determine if minority riders are more negatively - or less positively affected- by the proposed change when compared to VTA riders as a whole. The threshold applies to the difference between the aggregate impacts of the proposed fare change on minority and low income riders compared to the aggregate impacts of the change on the overall VTA ridership.

Consultant staff conducted a preliminary Fare Equity Analysis, using model outputs from the Fare Model that was calibrated to data from the VTA 2013 Onboard Survey for ethnicity and income by fare type. Based on the preliminary analysis, it does not appear that the fare change would result in either a Disparate Impact on minority populations or a Disproportionate Burden on low income populations. A final Fare Equity Analysis will be included in the Board memo requesting approval for the new fare structure.

Next Steps

VTA staff will hold five community meetings in May 2017 to present and discuss fare policy changes. The fare changes will also be presented to the advisory committees and the Administration and Finance committee in May and staff will seek approval of recommended changes at the June 1, 2017 Board Meeting.

Prepared By: Ali Hudda
Memo No. 6085

ATTACHMENT A

VTA Fare Structure History

Fixed Route and ADA Paratransit

January 2005 to Date

Fares (effective date)	1/2005 to 8/2007 (Jan 2005)	9/2007 to 9/2009 (Sep 2007)	10/2009 to date (10/09, 1/15, 1/16)
Fixed Route Service (Bus and Light Rail)			
Adult			
Cash	\$1.75	\$1.75	\$2.00
Community Bus	-	\$1.00	\$1.25
Express	\$3.50	\$3.50	\$4.00
Light Rail Excursion (1)	\$3.50	\$3.50	\$4.00
Day Pass (6)	\$5.25	\$5.00	\$6.00
Day Pass Express (6)	\$10.50	\$10.00	\$12.00
Monthly Pass	\$61.25	\$61.25	\$70.00
Monthly Pass Express	\$122.50	\$122.50	\$140.00
Day Pass Token (Bag of Five) (4)	\$23.60	\$22.50	\$15.00
12 month Pass Subscription	\$674.00	\$674.00	\$770.00
12 month Express Pass Subscription	\$1,348.00	\$1,348.00	-
Youth (2) (7)			
Cash	\$1.50	\$1.50	\$1.75
Community Bus	-	\$0.50	\$0.75
Light Rail Excursion (1)	\$3.00	\$3.00	\$3.50
Day Pass (6)	\$4.50	\$4.00	\$5.00
Monthly Pass	\$49.00	\$40.00	\$45.00
Day Pass Token (Bag of Five) (5)	\$20.25	\$18.00	\$12.50
12 month Pass Subscription	\$539.00	\$440.00	\$495.00
Senior/Disabled (2)			
Cash	\$0.75	\$0.75	\$1.00
Community Bus	-	\$0.50	\$0.50
Light Rail Excursion (1)	\$1.50	\$1.50	\$2.00
Day Pass (6)	\$2.25	\$2.00	\$2.50
Monthly Pass	\$26.00	\$20.00	\$25.00
12 month Pass Subscription	\$286.00	\$220.00	\$275.00
ADA Paratransit (3)			
ADA One-Way Trip	\$3.50	\$3.50	\$4.00

(1) Light Rail Excursion passes implemented on promotional basis in June 2006 and placed in tariff in July 2007.

(2) Youth and Senior/Disabled riders can board Express services for the same fare as Local services.

(3) Effective August 1, 2003, persons with ADA paratransit photo ID cards may ride any VTA fixed-route service for free.

(4) Adult Day Pass Tokens reduced to \$15.00 for bag of five effective January 2015.

(5) Youth Day Pass Tokens reduced to \$12.50 for bag of five effective January 2015.

(6) All Day Passes to be "Clipper Only" (using Accumulator logic) beginning January 2016.

(7) Eligibility for all Youth fares extended to 18-year olds effective July 2015.



Date: April 5, 2017
 Current Meeting: April 21, 2017
 Board Meeting: April 21, 2017

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Chief Financial Officer, Raj Srinath

SUBJECT: Suspend FY17 Transfer to Capital and Initiate a Commercial Paper Program

Policy-Related Action: Yes

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Authorize suspension of the FY 2017 VTA Transit Fund transfer to capital in the amount of \$21.9M and authorize staff to begin the process required to establish a commercial paper program to fund the local portion of the VTA Transit Fund capital program.

BACKGROUND:

The VTA Transit Fund does not have a dedicated local revenue source for capital expenditures. As a result, any capital enhancements, improvements or state of good repair not covered by grants or other outside sources must be funded from the same sources as the Operating Budget, primarily 1976 Sales Tax revenues. Prior to FY 2016, VTA had relied on annual positive operating balances to fund future year capital expenditures and was often forced to reduce or curtail the capital program during times of economic stress, resulting in delay of maintenance, replacements and upgrades needed to keep the system in a state of good repair.

DISCUSSION:

The FY 2016 and FY 2017 Biennial Budget proposed to begin the set-aside of revenues specifically for the VTA Transit Fund Capital Program. A total of \$13.6M was set-aside for this purpose in FY 2016 with an additional \$21.9M set-aside planned in FY 2017. Unfortunately, FY 2017 sales tax revenues have grown at a slower rate than anticipated and fare revenues have decreased due to ridership declines. As a result, FY 2017 revenues are currently projected to be \$17.4M less than originally anticipated. Subsequent FY 2017 budget augmentations totaling

\$11.8M for increased safety/security, negotiated labor, and paratransit costs could only be partially offset by decreases in other expense categories resulting in a net increase of \$2.7M in expenses. The \$17.4M reduction in revenues and \$2.7M increase in expenses combined with the \$3.8M negative operating balance in the original Adopted Budget result in a current projected negative operating balance for FY 2017 of \$23.9M. Unless mitigation measures are adopted by the Board, this negative operating balance would be funded from the Sales Tax Stabilization and Operating Reserves.

As an alternative, staff is proposing to suspend the planned FY 2017 transfer to capital of \$21.9M and institute an interim borrowing program to provide bridge funding for the local share of capital projects, better matching expenditure duration to asset life. This would be accomplished through establishment of a commercial paper program. The Commercial Paper borrowing will be secured by the 1976 Sales Tax and is anticipated to be repaid in subsequent fiscal periods as sales tax revenues become available to fund capital. Staff will initiate setup of the commercial paper program and will return to the Board at a later date to approve disclosure and other documents that will be required.

These proposed actions will substantially reduce the need to use Sales Tax Stabilization and Operating Reserves to balance the FY 2017 Operating Budget and ensure sufficient funding is available to fully support the Proposed FY 2018 and FY 2019 VTA Transit Fund Operating and Capital Budgets.

ALTERNATIVES:

Alternative choices would result in no or very minimal funding being available to fund the required capital program.

FISCAL IMPACT:

Suspension of the FY 2017 transfer to capital of \$21.9M would reduce the projected FY 2017 negative operating balance to \$2.0M. While there is no immediate fiscal impact to establishing a commercial paper program, there will be additional fees and interest expense incurred once borrowing is initiated.

Prepared by: Carol Lawson, Fiscal Resources Manager
Memo No. 6066

Proposed Biennial Budget Fiscal Years 2018 and 2019

Board of Directors Workshop
April 21, 2017

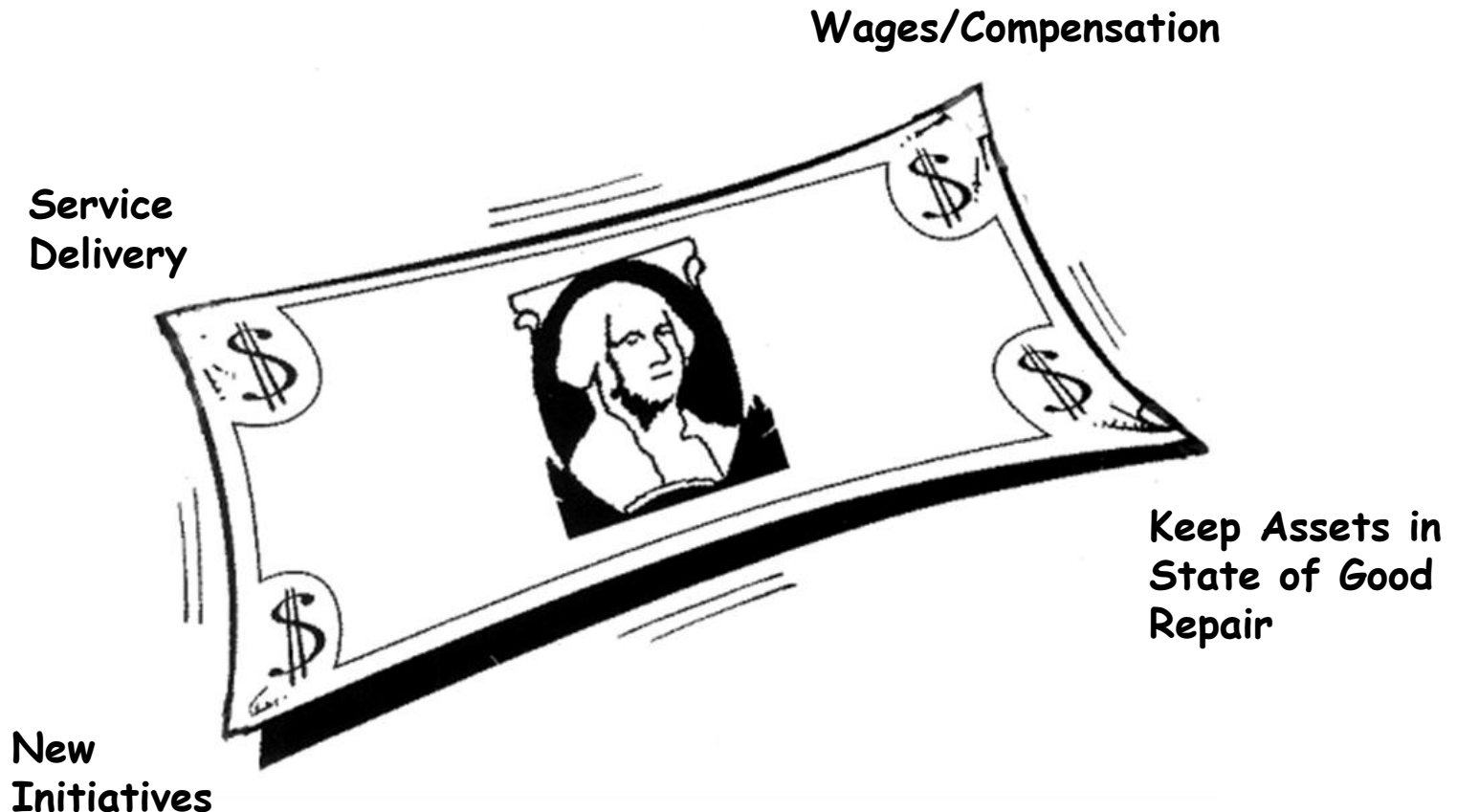
Strategic Plan Core Values

- Safety
- Integrity
- Quality
- Sustainability
- Diversity
- Accountability

VTA 2017 Priorities

- Safety and security
- Establish systems for implementing 2016 Measure B
- Make public transit more convenient and useful for more people
- Create and implement a two-year operations budget that soundly supports mobility solutions
- Continue Innovation Efforts

Competing Uses for Revenue Dollars



VTA Budgeted Funds

- VTA Transit
- 2000 Measure A Transit Improvement Program
- Congestions Management Program
- VTP Highway Improvement Program
- Joint Development Program
- Silicon Valley Express Lanes Program
- 2008 Measure B - BART Operating Sales Tax Program
- 2016 Measure B Program

Proposed Budget

VTA Transit

VTA Transit – Funding Structure

Sources of Funding-Operating Budget

- 1976 One-Half Cent Sales Tax
 - Transportation Development Act (TDA)
 - 2000 Measure A Operating Assistance
 - Passenger Fares
 - Other
- } Sales Tax Based Revenues

Santa Clara VTA

Transactions & Use Tax Trends and Projections

April 21, 2017

Doug.Jensen@MuniServices.com



MUNISERVICES

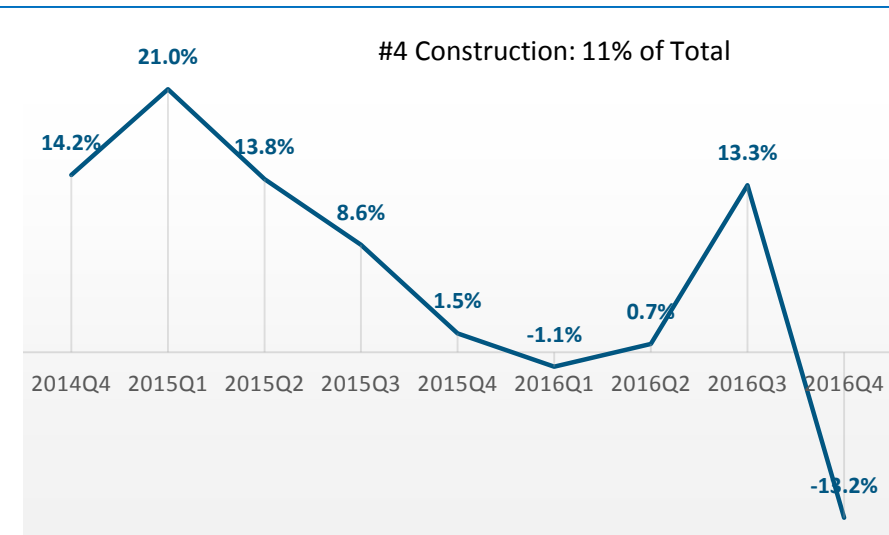
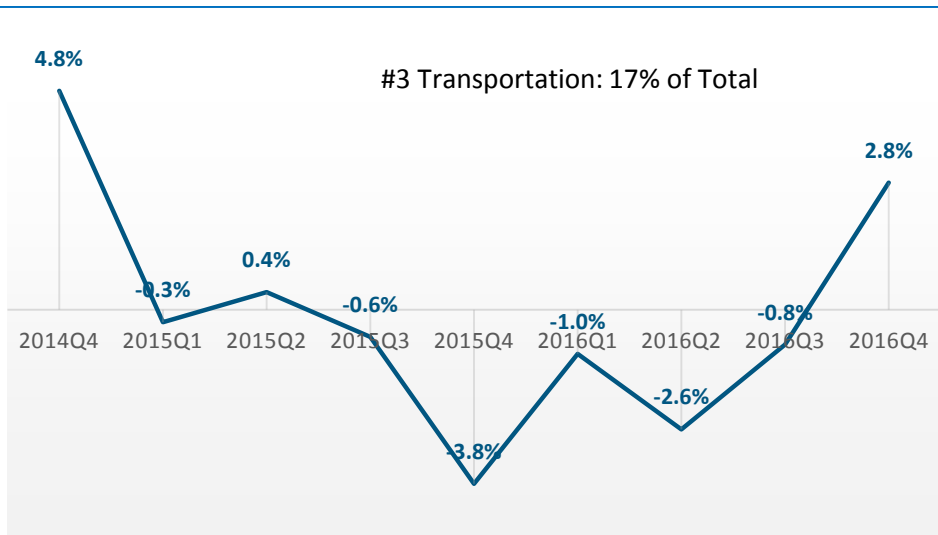
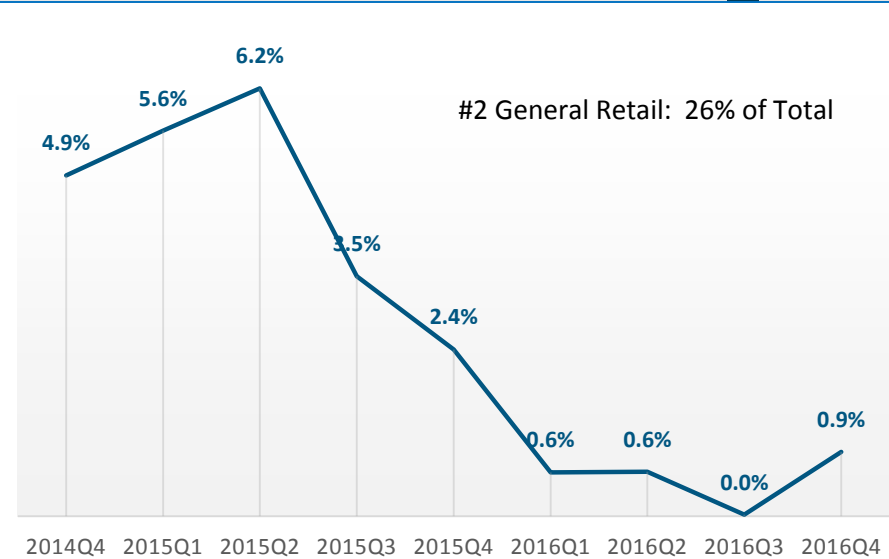
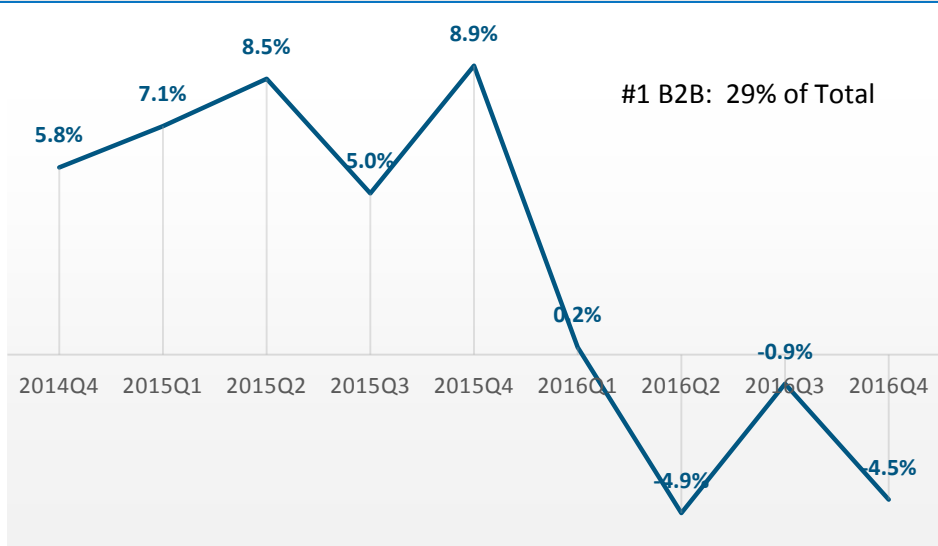
Discover. Recover. Prosper.

- Key Drivers, Trends, Holiday Sales, Gas Sales
- Internet Sales and Brick & Mortar
- Election Impact
- Forecast Methodology and Forecast
- Conclusion

Key Drivers & Trends

% change over same quarter prior year

10










Calendar Quarters



MUNISERVICES

Discover. Recover. Prosper.

VTA Average % of Change Over One Year - (CY end 4Q16 over CY end 4Q15)

Business	Storefront (Point of Sale)	Dot.com (County Pool/Destination)
 Amazon	n/a (yet)	18%
 Macy's	-8%	22%
 Nordstrom	0%	8%
 Wal-Mart	-0.5%	8%
 Target	3%	-6%
 J.C. Penney	-23%	27%
 Sears	-47%	* -6%

* companywide number: source seekingalpha.com

Brick & Mortar

Online, Use Tax, others

City's/County's
Share of local 1%

Point of Sale: 100%



County Pool: 0% - 44%
Depending on
Pool %



VTA Share of
Special District
Taxes

Destination: 100% VTA



Destination: 100% VTA





1. Business Level Adjustments

- Current and Future Trends
- Anomalies and Late Payments
- Openings and Closings

2. Macro-level Adjustments

3. Inflation Adjustments

- Transactions & Use Tax growth rate slowing
- Holiday Sales Flat at Brick & Mortar, online sales up
- Impact of election: Green energy & federal tax credits; defense industry; infrastructure
- Low fuel prices cut 1% sales tax growth; rising prices second half of fiscal year

Sales Tax Revenues

MuniServices Growth Rate Scenarios

Scenario	FY18	FY19
Conservative	1.45%	1.54%
Most Likely	2.45%	2.54%
Optimistic	3.45%	3.54%

Historical and Projected Growth Rates

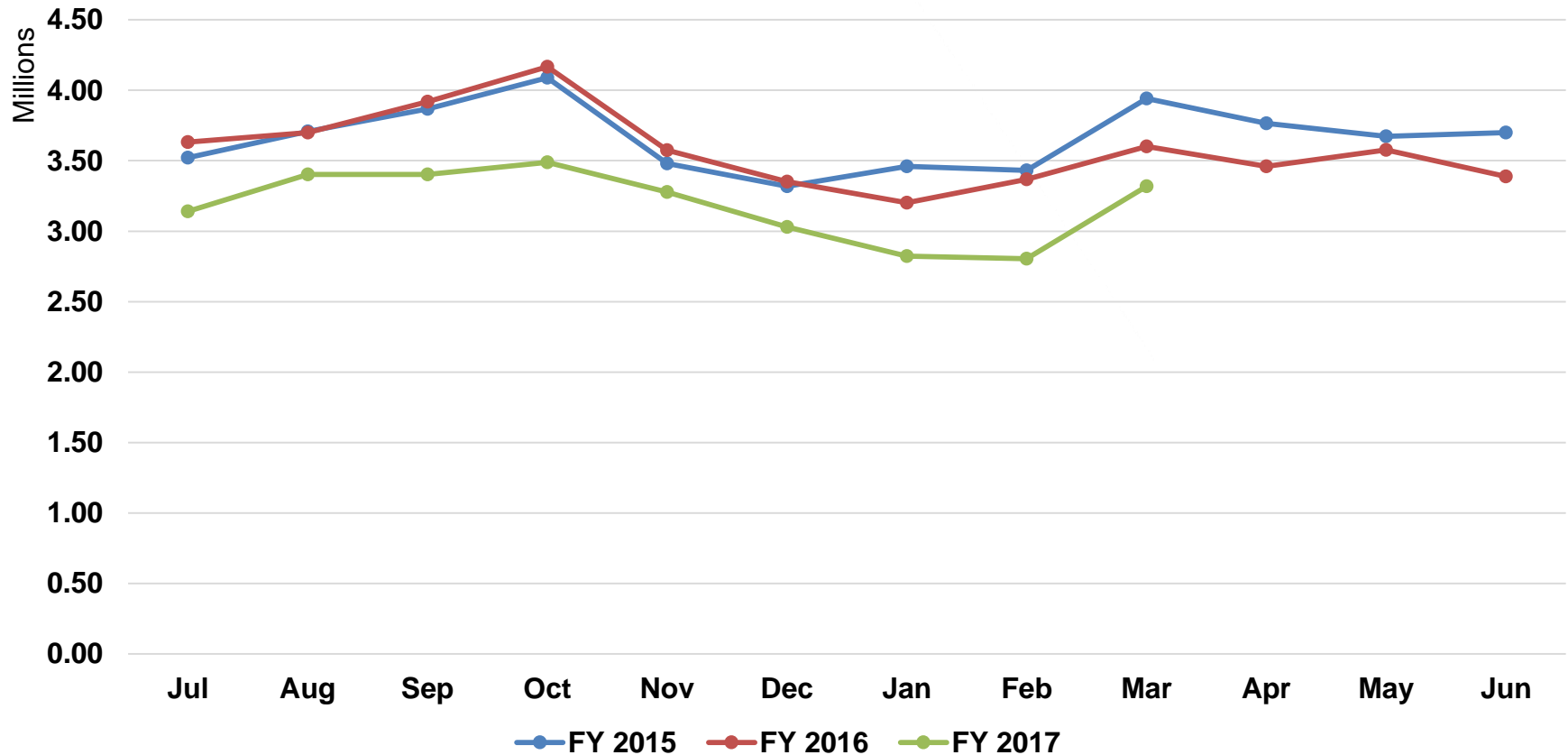
FY16 Actual	FY17 Projected	FY18 Projected	FY19 Projected
3.1%	2.4%	2.4%	2.0%

Projected Sales Tax Growth Rates for Various Local Jurisdictions

Jurisdiction	FY18	FY19
VTA (currently assumed)	2.4%	2.0%
Campbell ¹	2.2%	2.5%
Cupertino ¹	1.5%	2.6%
Gilroy ¹	1.6%	2.0%
Los Gatos ¹	1.9%	2.6%
Milpitas ¹	1.6%	2.3%
Morgan Hill ²	2.0%	2.0%
Palo Alto ¹	4.2%	3.5%
San Jose ^{1,2}	3.1%	2.4%
Santa Clara ^{1,2}	1.4%	3.0%
Saratoga ¹	2.3%	2.7%

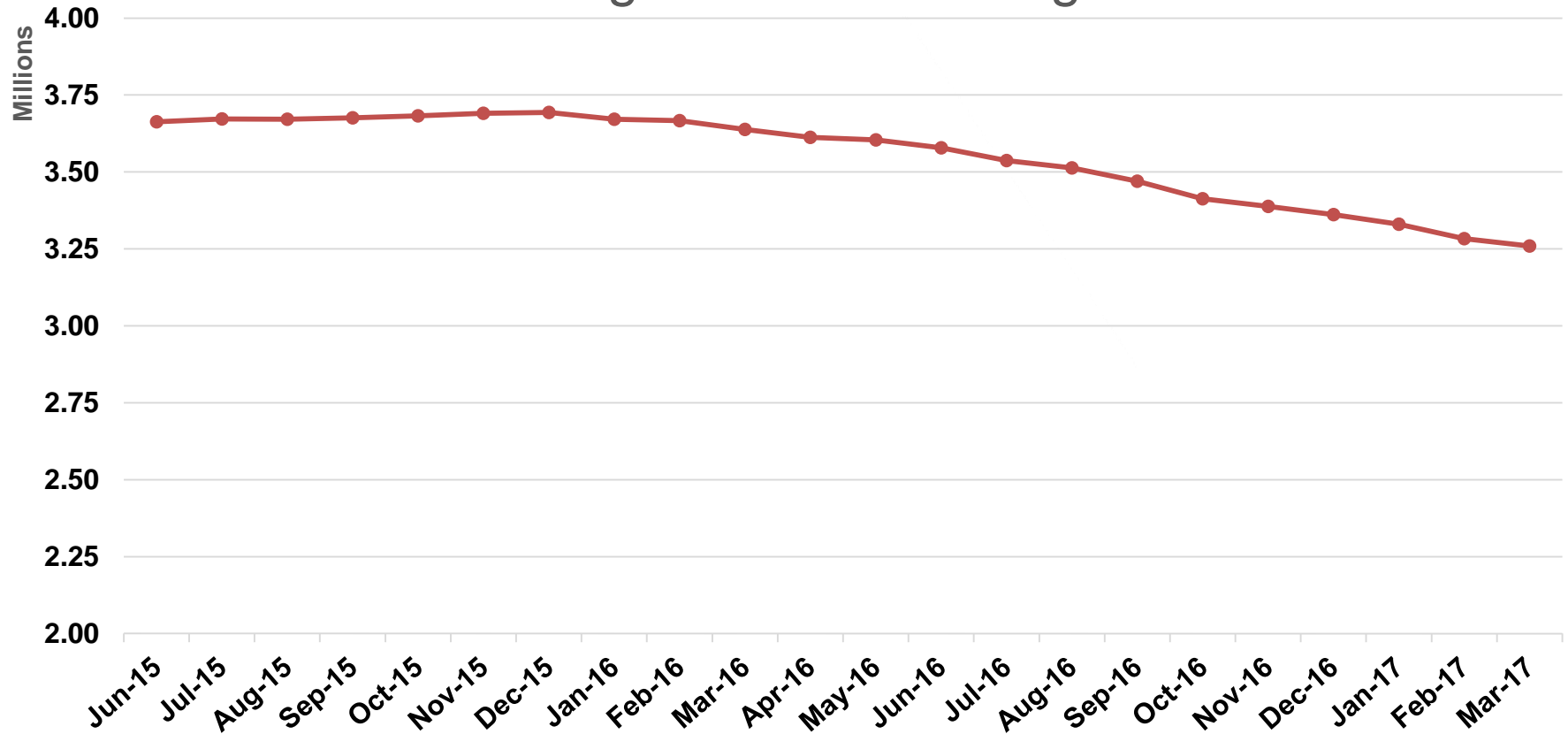
¹MuniServices projection ²Currently assumed per jurisdiction

Ridership Trend - FY15 to FY17



Ridership Trend

Rolling 12 Month Average



Ridership Improvement Efforts

Bus Service Redesign

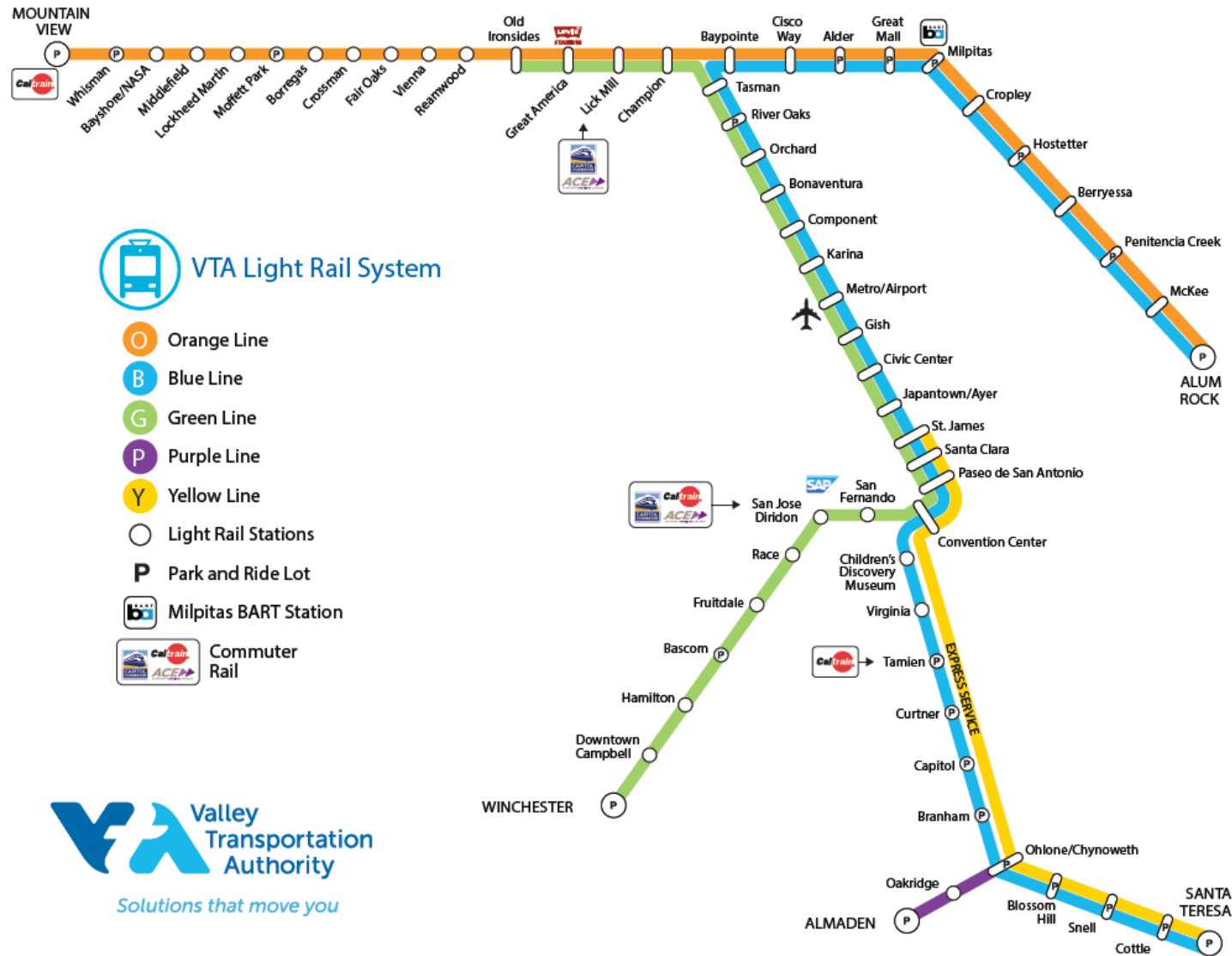
- Reallocation of service from low to high ridership areas
- Increased morning, midday, evening & weekend service on several routes
- Service to Milpitas & Berryessa BART Stations
- Projected Impact — 8-10% increase in ridership

Ridership Improvement Efforts (cont.)

Light Rail Service Enhancements

- New service from Alum Rock to Mountain View
- Winchester to Old Ironsides Line (currently goes to Mountain View) 15-minute frequencies all day
- Commuter Express — increase from 3 to 6 trips
- Projected Impact — 15-20% increase in ridership

New Light Rail Map



FY18 & FY19 Proposed Budget

Service Levels

Service Levels

(In Thousands)

	FY 2017 Adopted Budget	FY 2017 Projected Actual	FY 2018 Proposed Budget	FY 2019 Proposed Budget
<u>Service Miles</u>				
Bus	20,889	19,632	20,734	20,970
Light Rail Train	2,236	2,262	2,560	2,779
Total Service Miles	23,125	21,895	23,294	23,750
% change		-5.3%	6.4%	2.0%
<u>Service Hours</u>				
Bus	1,595	1,499	1,583	1,601
Light Rail Train	155	154	176	192
Total Service Hours	1,749	1,652	1,759	1,793
% change		-5.5%	6.4%	1.9%

Service Levels (cont.)

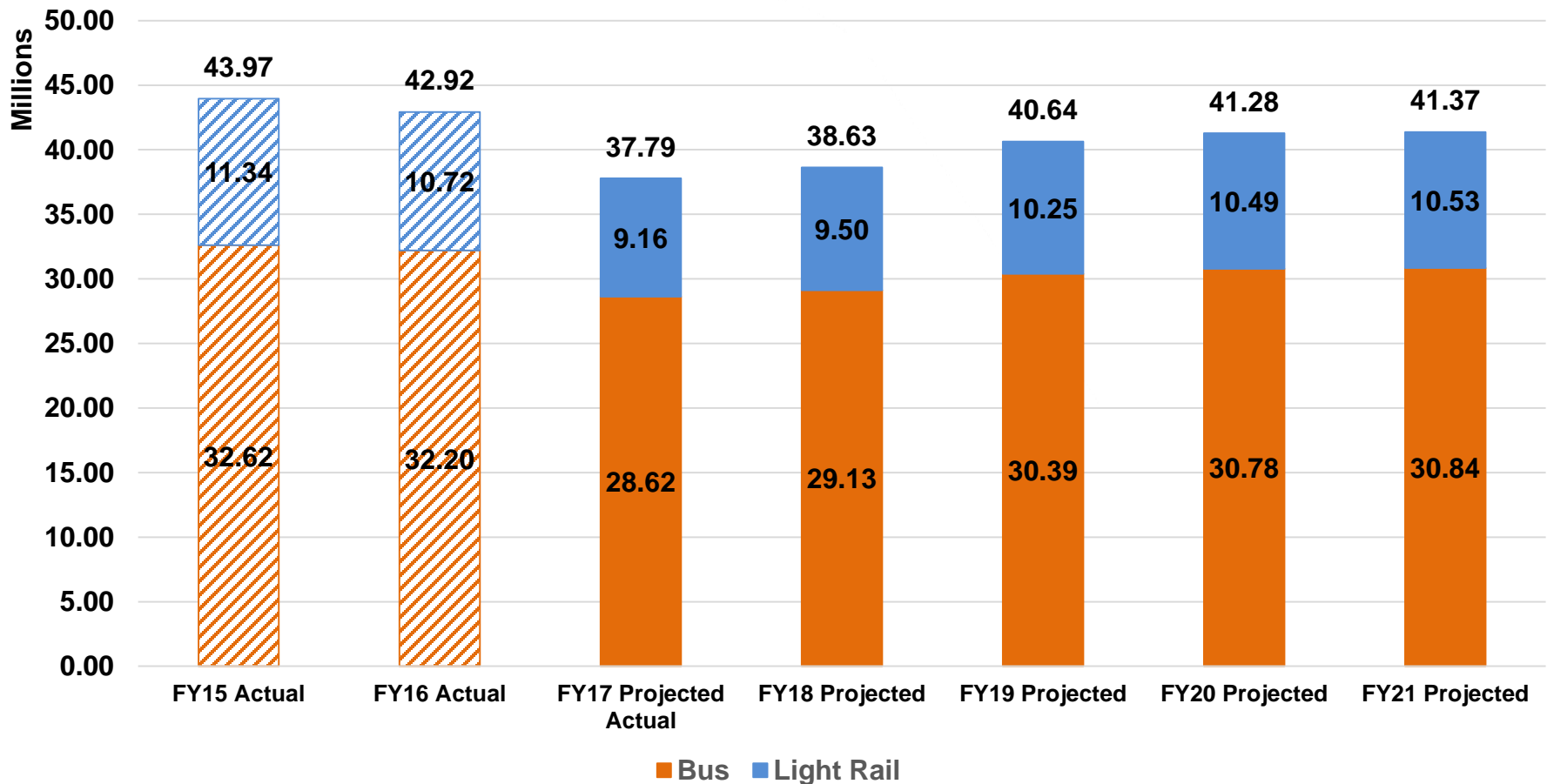
Bus Service Redesign

- No increase from FY17 Adopted Budget service hours
- 7% increase from FY17 Projected Actual service hours
 - Expanded/new evening, late-night & weekend service, annual cost ~\$12M

Light Rail Service Enhancements

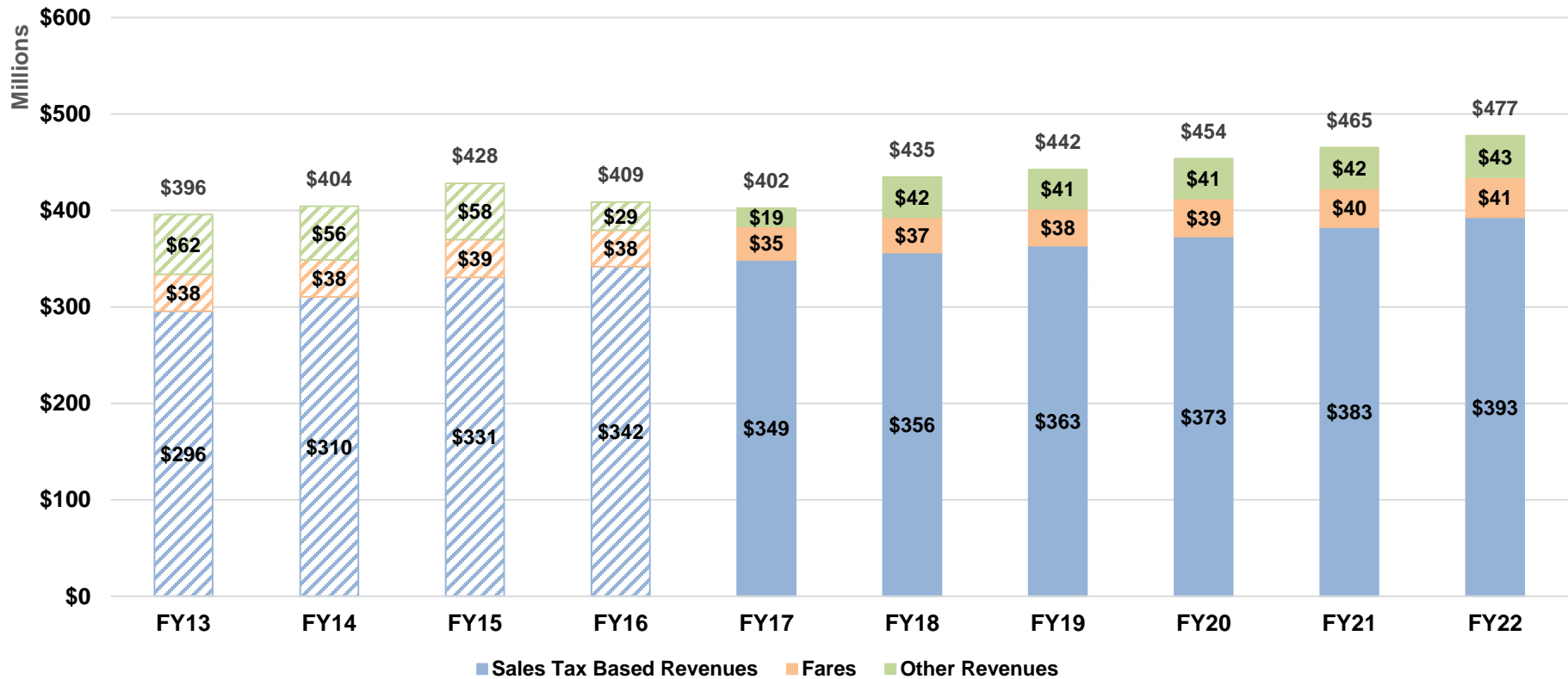
- 25% increase in service hours
 - Annual cost ~\$11M

Ridership History & Projections



VTA Transit Fund-Revenues

FY13-FY22: Actual & Projection



Note:

- 1) FY16 & FY17 Transfer for Capital deducted from Other Revenues
- 2) FY20-FY22 Projected

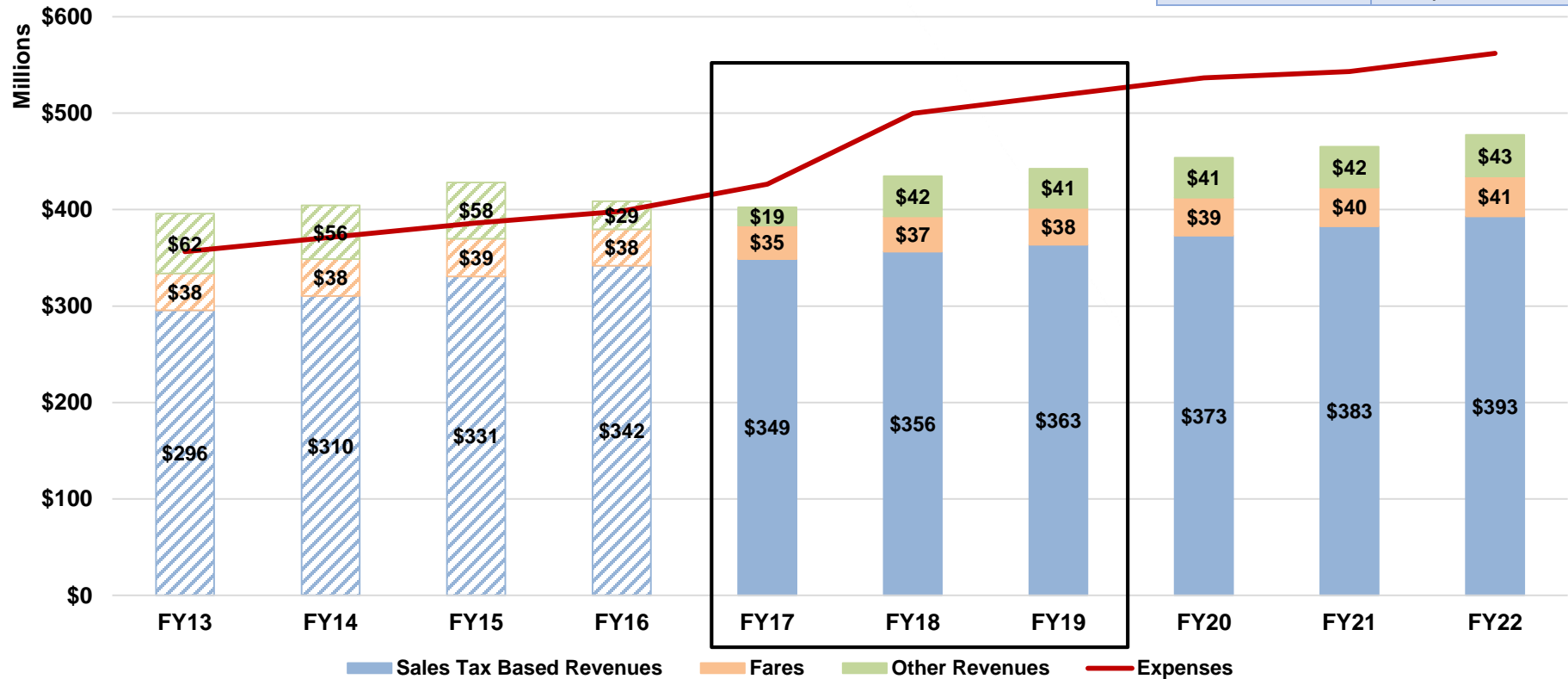
VTA Transit – Structural Imbalance

- Operating Revenues & Expenses
 - Decreasing ridership
 - Sales tax growth leveling off
 - Expenses continue to increase
- VTA Local Share of Capital Expenditures
 - No dedicated funding source
 - Currently funded from positive operating balances, to the extent available

VTA Transit Fund – Structural Imbalance (cont.)

FY13-FY22: Actual & Projection

Year	Deficit
FY17	\$24M
FY18	\$65M
FY19	\$76M

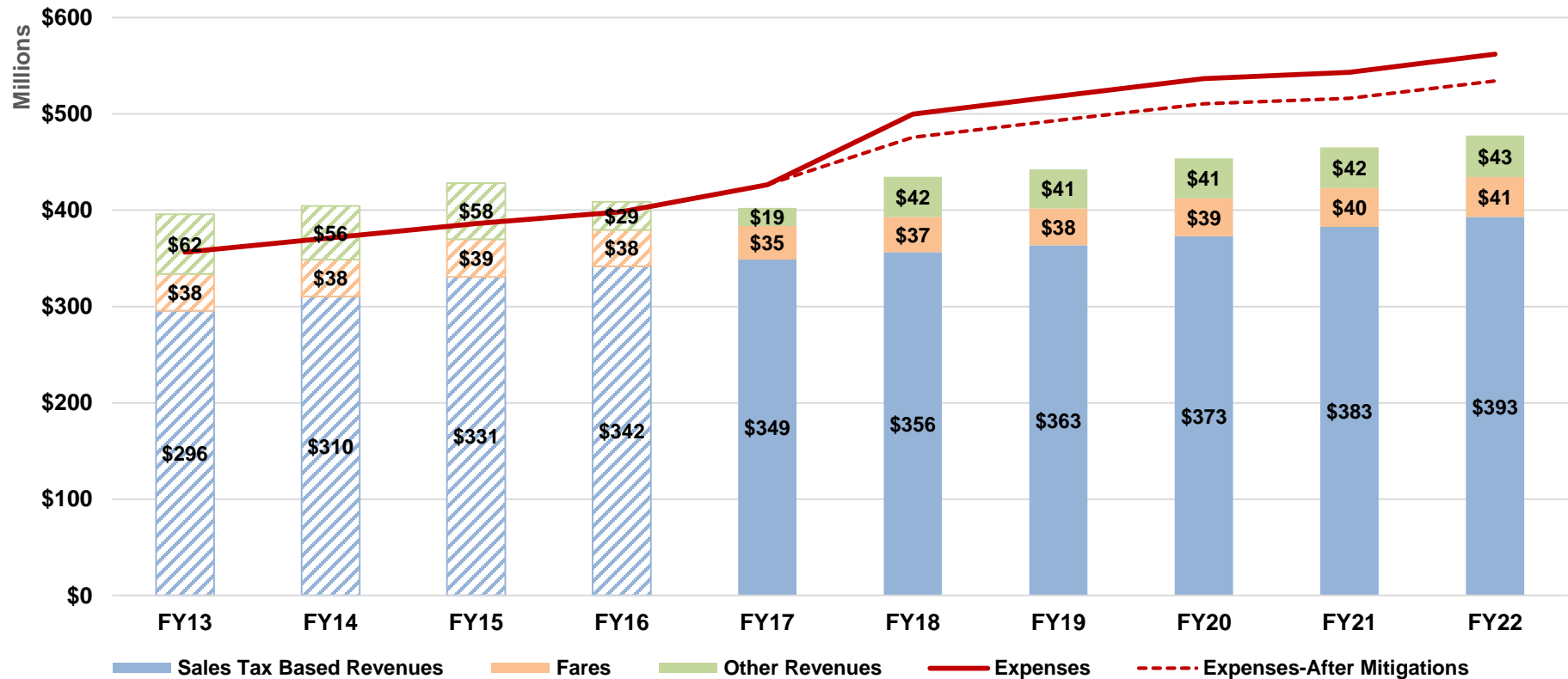


Note:

- 1) FY16 & FY17 Transfer for Capital deducted from Other Revenues
- 2) FY20-FY22 Projected

VTA Transit Fund – Structural Imbalance (cont.)

FY13-FY22: Actual & Projection After Expense Mitigations



Note:

- 1) FY16 & FY17 Transfer for Capital deducted from Other Revenues
- 2) FY20-FY22 Projected

VTa Transit Fund – Structural Imbalance (cont.)

Projected Deficit Before Expense Mitigations	\$24M	\$65M	\$76M
Expense Mitigations	FY17	FY18	FY19
Minimize addition of positions not related to safety or service	✓	\$9M	\$9M
Actively manage vacancies	✓	\$15M	\$15M
Refinancing/Investment Manager/Liquidity Fees		\$1M	\$1M
Total Expense Mitigations		\$24M	\$25M
Projected Deficit After Expense Mitigations	\$24M	\$41M	\$51M

VTA Fare Policy Review



Board Adopted Fare Policy - 2003

- Established a farebox recovery goal of 20-25%
 - FY 2016 Farebox Recovery Ratio—11.2%
- Fares to be reviewed biennially as part of the budget preparation/adoption process
- Staff to recommend fare changes to achieve 20% farebox recovery

Fare Policy Review Objectives

- Increase ridership
- Free VTA-to-VTA transfers
- Align Youth fare discounts with the region and Senior/disabled fare category
- Increase farebox recovery to enhance financial sustainability

Public Outreach

- Fare Policy concepts presented at 9 public meetings & 3 webinars in January & February
- Meetings with Eco Pass participants starting week of April 17th
- Public feedback captured through:
 - Public meeting comments (verbal & written)
 - 2,457 completed fare surveys

General Feedback

- Majority agreed or had no comment to raise the base fare in order to provide free VTA-to-VTA transfer or to further reduce fares for Youth
- There were a few concerns on the impact of fare increase to seniors with fixed incomes
- There were requests to have more places to purchase and load value on Clipper[®] cards

Fare Modeling

Objective

- Determine ridership and revenue impacts of fare change

Methodology

- Assess ridership price sensitivities and shifts between fare products with pricing changes
- Projected FY17 ridership and revenue used as baseline
- Ridership segmented by fare product and rider category

Next Network

- Increase in ridership anticipated with Next Network expected to offset the steep declines in ridership experienced in FY17

Proposed Fare Adjustments

Base Fare Increase

- Adult Single Ride fare increase from \$2.00 to \$2.25 in January 2018, and to \$2.50 in January 2019
- All associated fares would increase proportionately except paratransit which remains unchanged

Youth Fares

- Align Youth Fares with Seniors/Persons with Disabilities Fares
- Enhanced benefit proposed to be funded in part by 2016 Measure B funds up to \$1.5 million per year

Intra-Operator Transfers (VTA-to-VTA)

Single Ride Fares on Clipper®

- Valid for 90 minutes of travel
- Systemwide travel across buses and light rail trains
- Available only on Clipper®

Light Rail Single Ride tickets from Ticket Vending Machines

- Change validity period from 2 hours to 90 minutes

Fares for Low Income Riders

Community Bus Fares

Transit Assistance Program (TAP)

- Continue TAP for low income riders
- Propose utilizing 2016 Measure B funds up to \$1.0 million per year

Community Bus Fares

- Service converted to regular service and fare type no longer required

Eco Pass Changes

Name Change & Pricing Structure

- Renamed to VTA SmartPass
- No longer valid on VTA's express bus routes
- Consolidation of Headcount Tiers in January 2018
- Price set at higher of the two rates

Existing Tiers		Proposed Tiers
1-99	}	1-2,999
100-2,999		
3,000-14,999	}	3000+
15,000+		

Eco Pass Changes (cont.)

Pass Categories & 2 Year Price Increases

- **Collegiate Pass** – Universities and community colleges to pay an annual rate regardless of service level or location
 - SJSU – **5% (\$2)** increase in Jan 2018, additional **5% (\$2)** increase in Jan 2019
 - Community Colleges - \$5 increase per year until they reach SJSU price level
- **Not-for-Profit Pass** – Nonprofits, Low-Income Housing, Government Agencies
 - Consolidate tiers in January 2018
 - 15%** increase starting January 2019
- **Corporate Pass** – For-profit organizations
 - Consolidate tiers in January 2018
 - 25%** increase starting January 2019

Preliminary Title VI Impacts

Objective

- Determine equity impacts of fare change

Methodology

- Assess fare changes by minority and low income status
- Compare fare change experienced by minority and low income riders to the fare change experienced by the overall population
- Title VI Threshold: At least 10% greater than that experienced by overall ridership

Preliminary Findings

- No disparate impacts on minority populations
- No disproportionate burden on low income populations

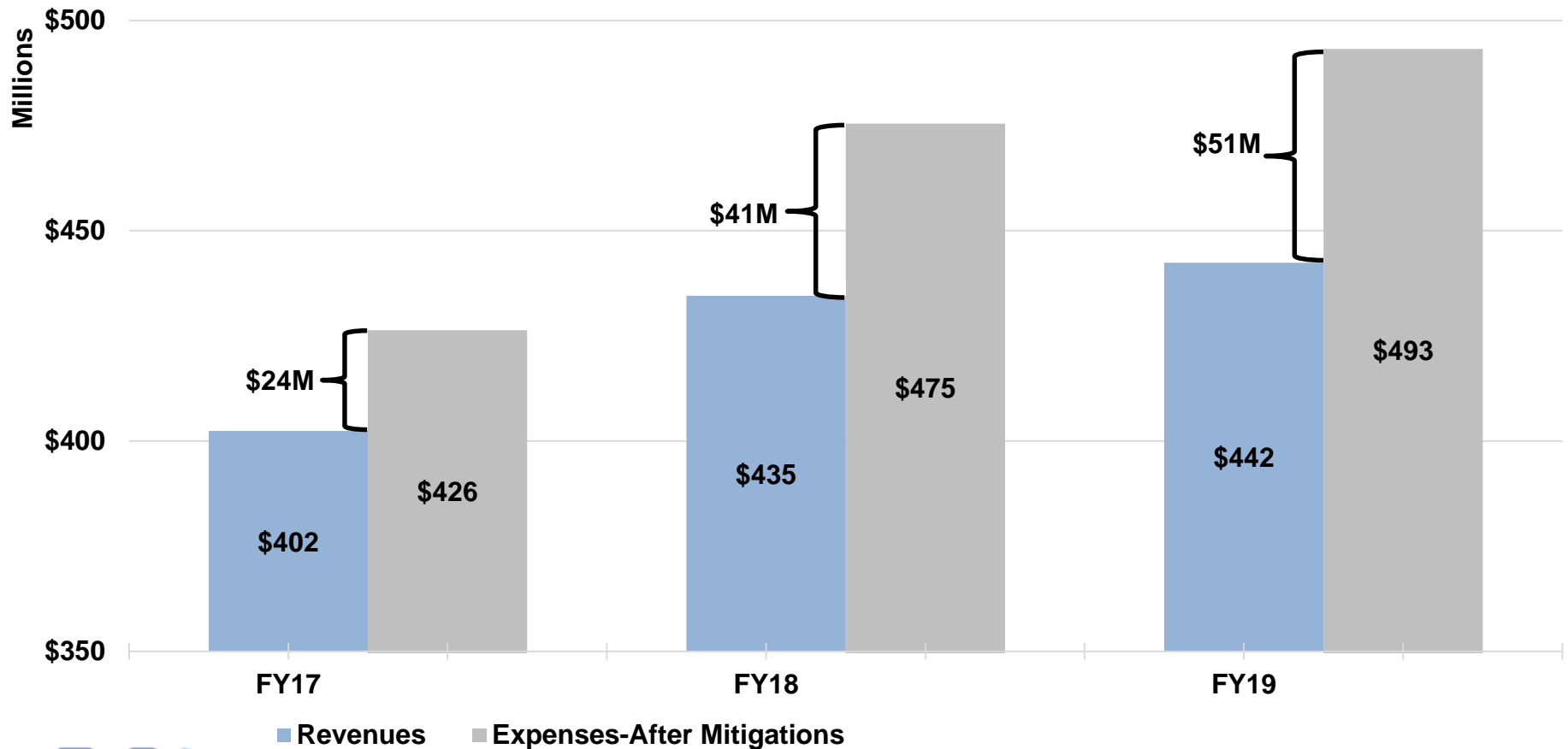
Summary of Proposed Fare Policy Changes

Revenue impact of proposed changes (millions)

	FY 2018	FY 2019	FY 2020
Fare Adjustments-Transit	\$1.8	\$6.1	\$8.6
Free Transfers	(\$0.9)	(\$2.8)	(\$3.9)
Increased Discount for Youth	(\$1.1)	(\$2.2)	(\$2.3)
Subsidy from 2016 Measure B-Youth	\$1.1	\$1.5	\$1.5
Subsidy from 2016 Measure B-TAP	\$1.0	\$1.0	\$1.0
Elimination of Community Bus Fare	\$0.2	\$0.2	\$0.2
Eco Pass Restructuring	\$1.3	\$3.1	\$3.8
Total Revenue Impact	\$3.4	\$6.9	\$8.9

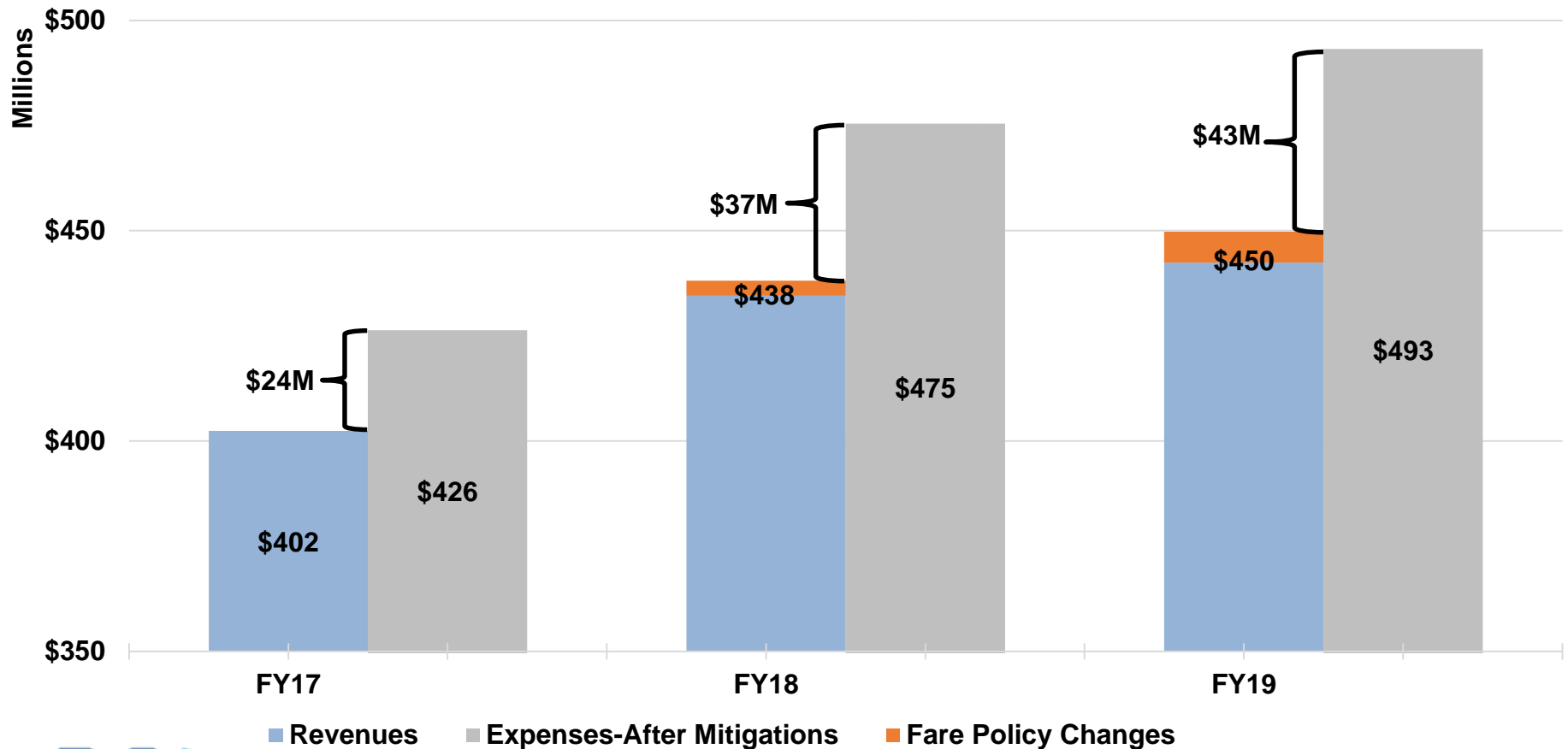
VTA Transit – FY17 to FY19

After Expense Mitigations and Fare Policy Changes



VTA Transit – FY17 to FY19

After Expense Mitigations and Fare Policy Changes



Proposed FY17 Mitigations

VTA Local Share of Capital Expenditures

- No dedicated funding source - funded from same sources as Operating Budget, primarily sales tax based revenues
- Prior to FY16 funded from positive operating balances, when available
- FY16 and FY17 Adopted Budget included set-aside of revenues for VTA Transit Fund Capital Program
- \$13.6M set-aside in FY16
- FY17 revenues lower than budgeted resulting in lack of funding available for \$21.9M planned set-aside

Proposed FY17 Mitigations-Option 1

- Maintain Transfer for Capital (\$21.9M)
- Fund Operating Deficit from Operating and Sales Tax Stabilization Reserves
- Fund capital expenditures from Reserves

Proposed FY17 Mitigations-Option 2

- Suspend Transfer for Capital (\$21.9M)
 - Would reduce VTA local funding available for FY18 & FY19 Capital Program; bus replacements, rail replacement/rehab, etc.
- Establish Commercial Paper Program
 - Financing proceeds used as needed to offset reduced funding above and fund other capital needs

Proposed Additional FY18 & FY19 Sources of Funds/Funding for Bus & Light Rail Enhancements

- 2000 Measure A
 - Increase Operating Assistance from 18.5% to 20.75%¹ (\$5M per year)
- 2016 Measure B
 - Enhance Frequent Core Network² (\$12M per year)
- Financing Proceeds-Commercial Paper Program
 - Funding for cost of parts for light rail vehicle mid-life overhaul (\$19M-FY18, \$22M-FY19)

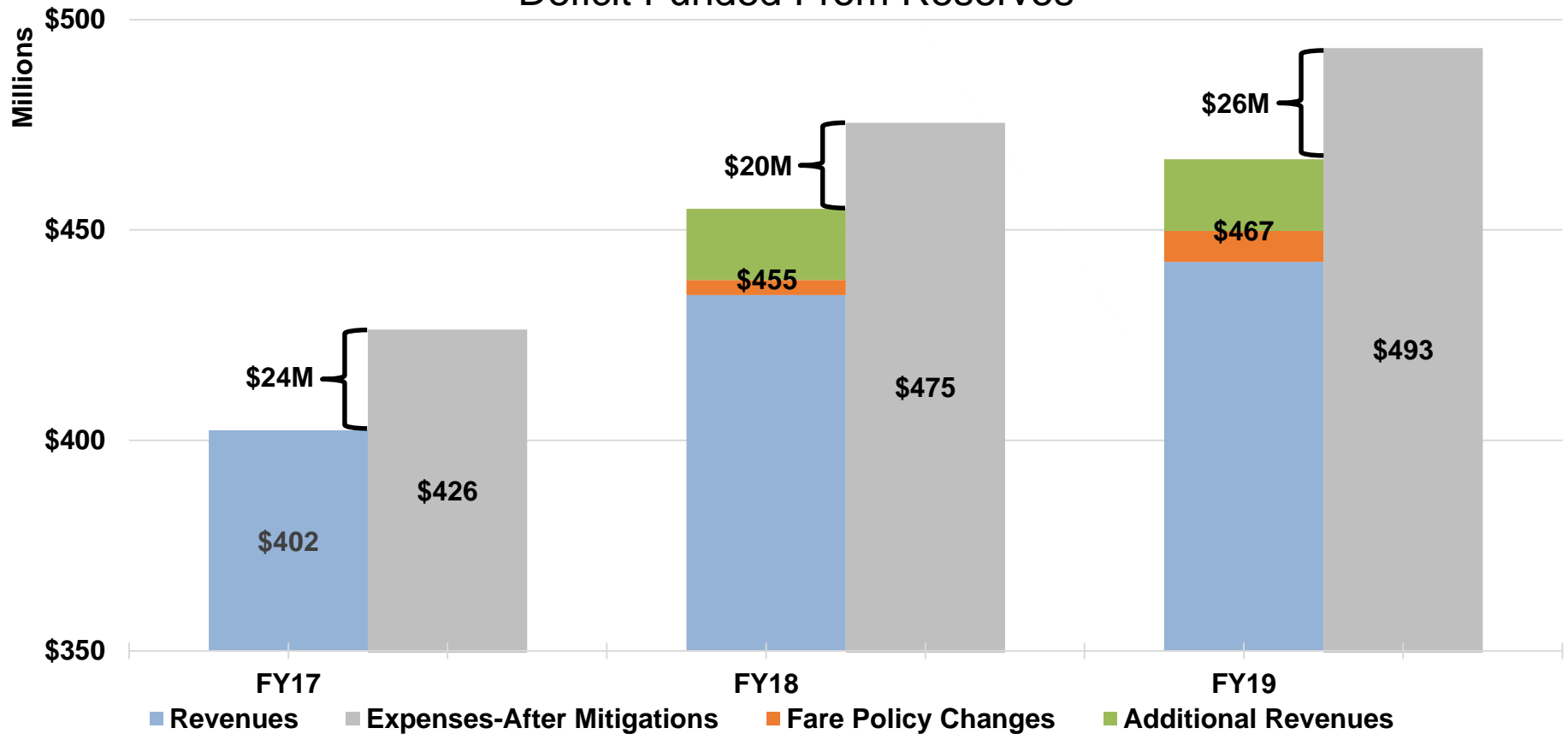
¹ Support for enhanced light rail service, annual cost ~\$11M

² Expanded/new evening, late-night & weekend service, annual cost ~\$12M

Note: Assumes Mitigation Option 2

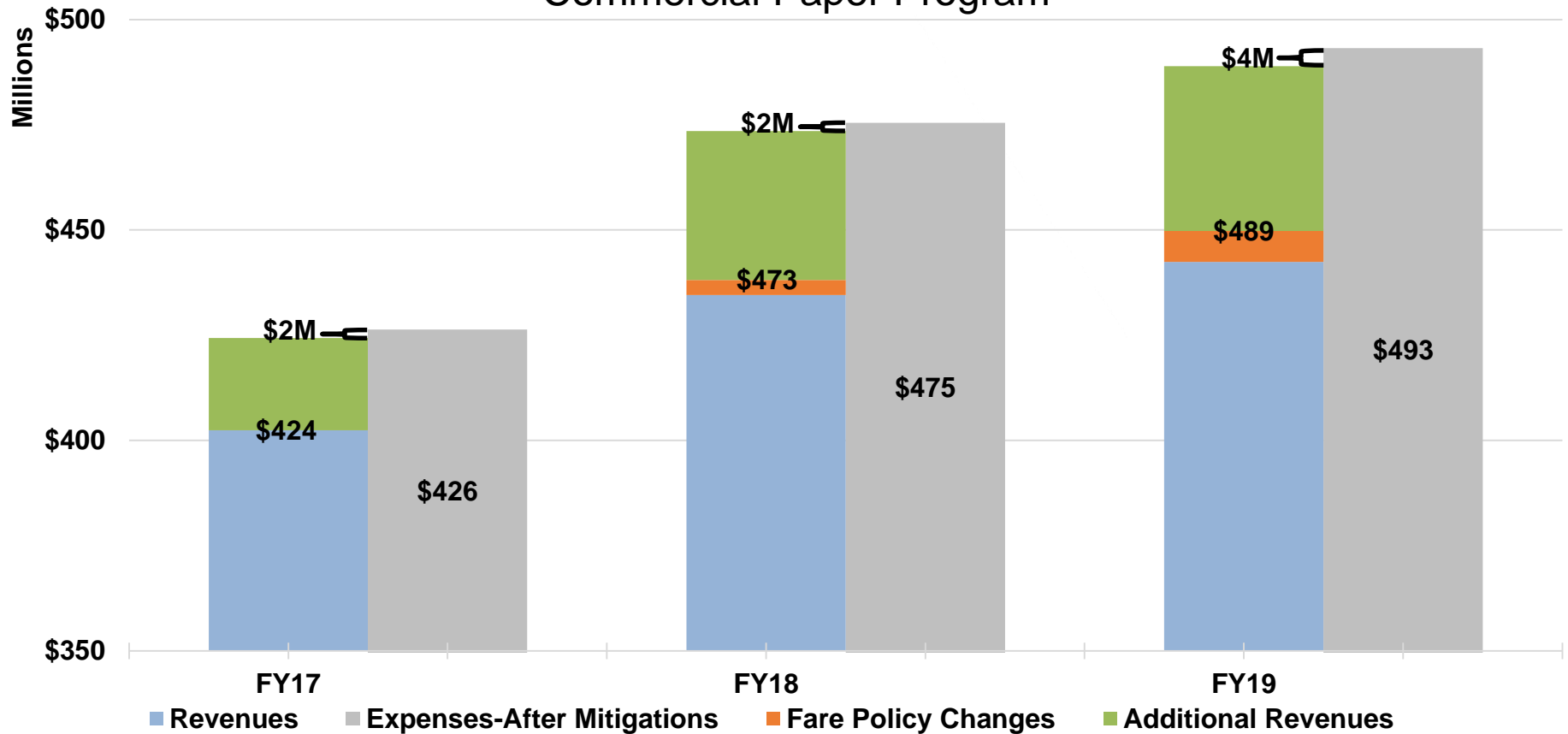
VTA Transit – FY17 to FY19-Option 1

After Expense Mitigations/Fare Policy Changes/Additional Revenues
Deficit Funded From Reserves



VTA Transit – FY17 to FY19-Option 2

After Expense Mitigations/Fare Policy Changes/Additional Revenues
Commercial Paper Program



Mitigation Options – Impact on Reserves

(Dollars in Thousands)

Fund	FY17 Beginning Balance	FY18 Beginning Balance	FY19 Beginning Balance	FY20 Beginning Balance
------	------------------------------	------------------------------	------------------------------	------------------------------

Mitigation Option 1

Operating Reserve	64,147	50,247	29,793	3,375
Sales Tax Stabilization Fund	35,000	24,946	24,946	24,946
Debt Reduction Fund	76,378	8,179	13,179	18,179
Total Reserves	175,525	83,372	67,918	46,500

Mitigation Option 2

Operating Reserve	64,147	64,147	62,143	57,855
Sales Tax Stabilization Fund	35,000	32,953	32,953	32,953
Debt Reduction Fund	76,378	48,958	29,742	69,722
Total Reserves	175,525	146,058	124,838	160,530

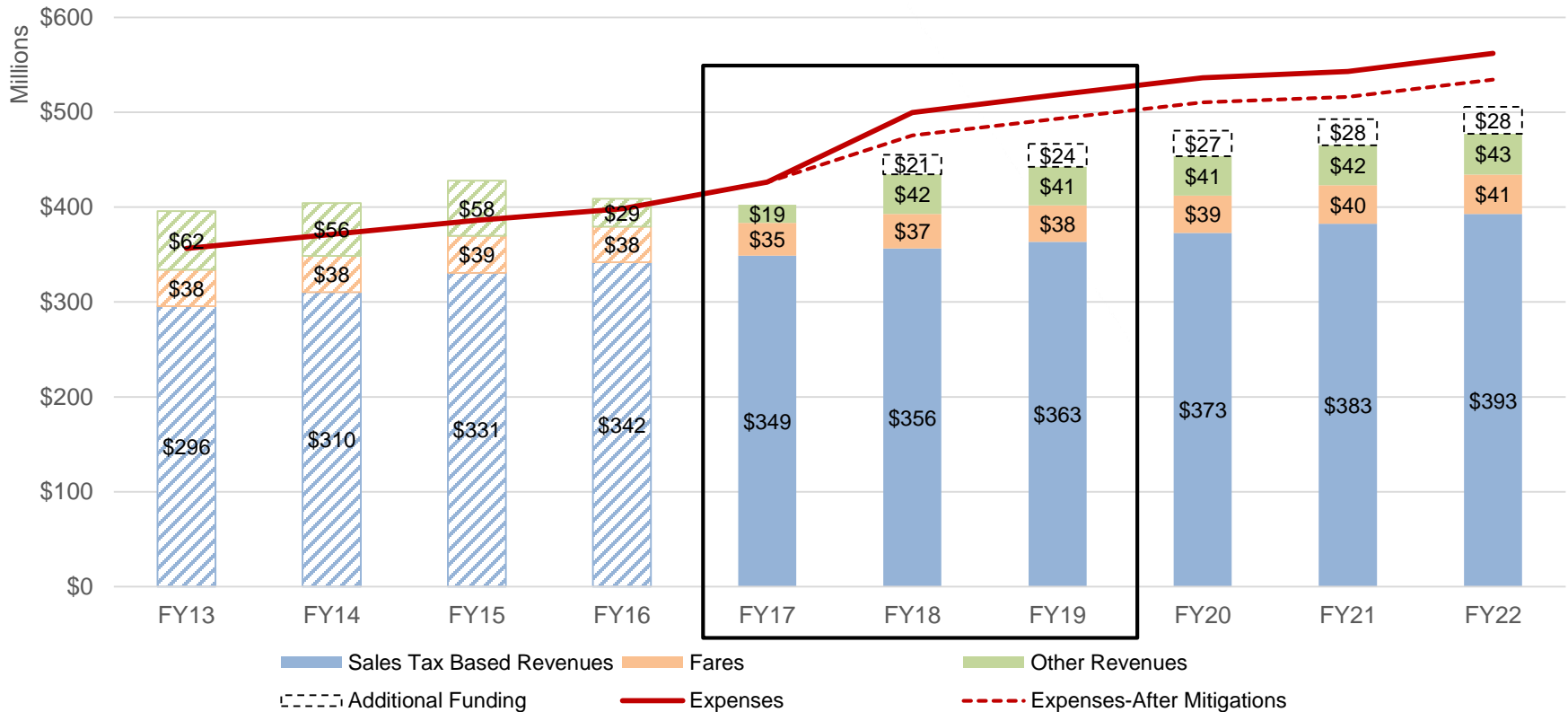
Summary of Expense Mitigations & Additional Funding

Expense Mitigations	FY17	FY18	FY19
Minimize addition of positions not related to safety or service	✓	\$9M	\$9M
Actively manage vacancies	✓	\$15M	\$15M
Refinancing/Investment Manager/Liquidity Fees		\$1M	\$1M
Total Expense Mitigations		\$25M	\$25M
Additional Funding	FY17	FY18	FY19
Suspend Transfer to Capital	\$22M		
Fare Policy Changes		\$3M	\$7M
2016 Measure B – Transit Operations – Enhance Core Network		\$12M	\$12M
2000 Measure A Oper. Assist. to 20.75% - Enhance Light Rail		\$5M	\$5M
Financing Proceeds – light rail vehicle mid-life overhaul		\$19M	\$22M
Total Additional Funding	\$22M	\$39M	\$47M

VTA Transit Fund-Option 1

Year	Deficit
FY17	\$24M
FY18	\$20M
FY19	\$26M

FY13-FY22: Actual & Proposed



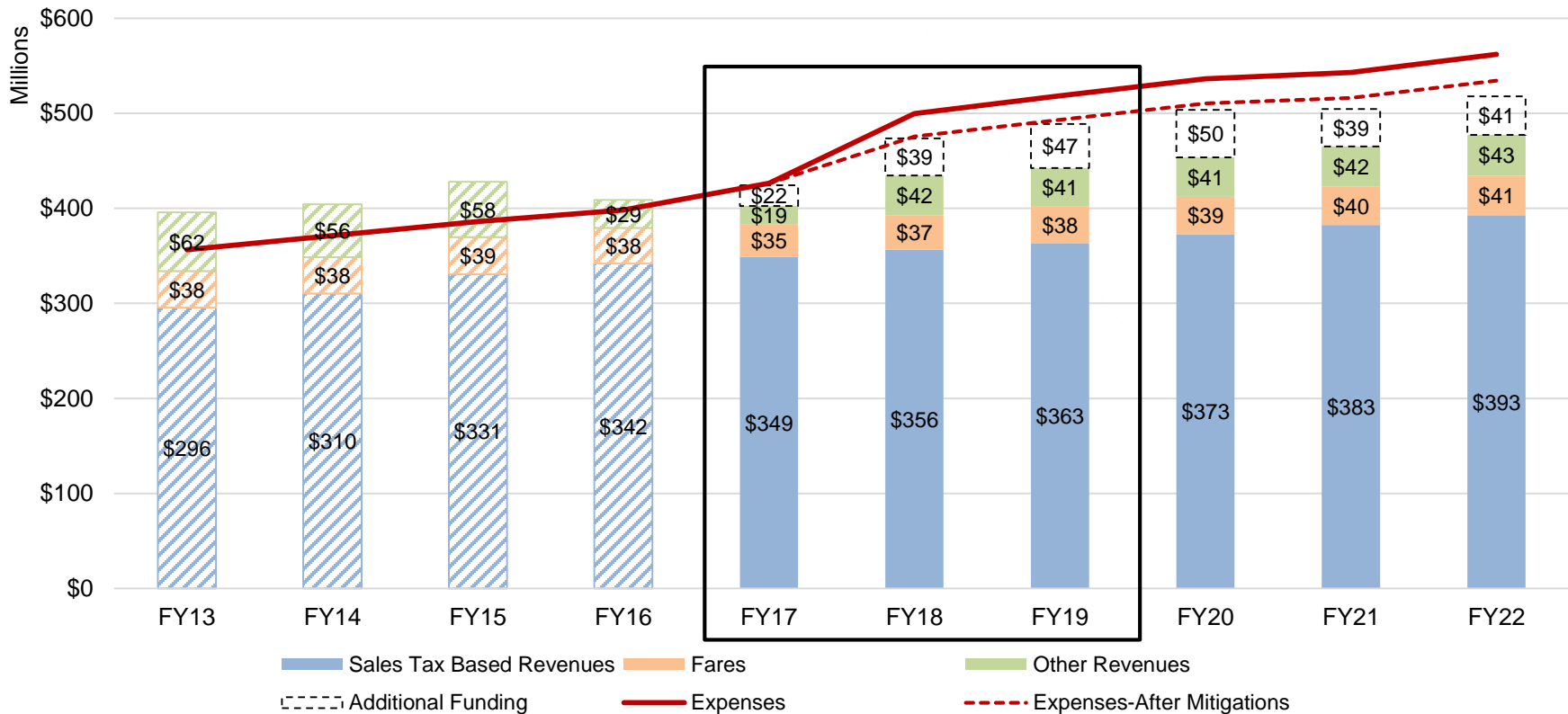
Note:

- 1) FY16 & FY17 Transfer for Capital deducted from Other Revenues
- 2) FY20-FY22 Projected
- 3) Deficit funded from reserves

VTA Transit Fund-Option 2

Year	Deficit
FY17	\$2M
FY18	\$2M
FY19	\$4M

FY13-FY22: Actual & Proposed



Note:

- 1) FY16 & FY17 Transfer for Capital deducted from Other Revenues
- 2) FY20-FY22 Projected
- 3) Commercial Paper Program

Option 3

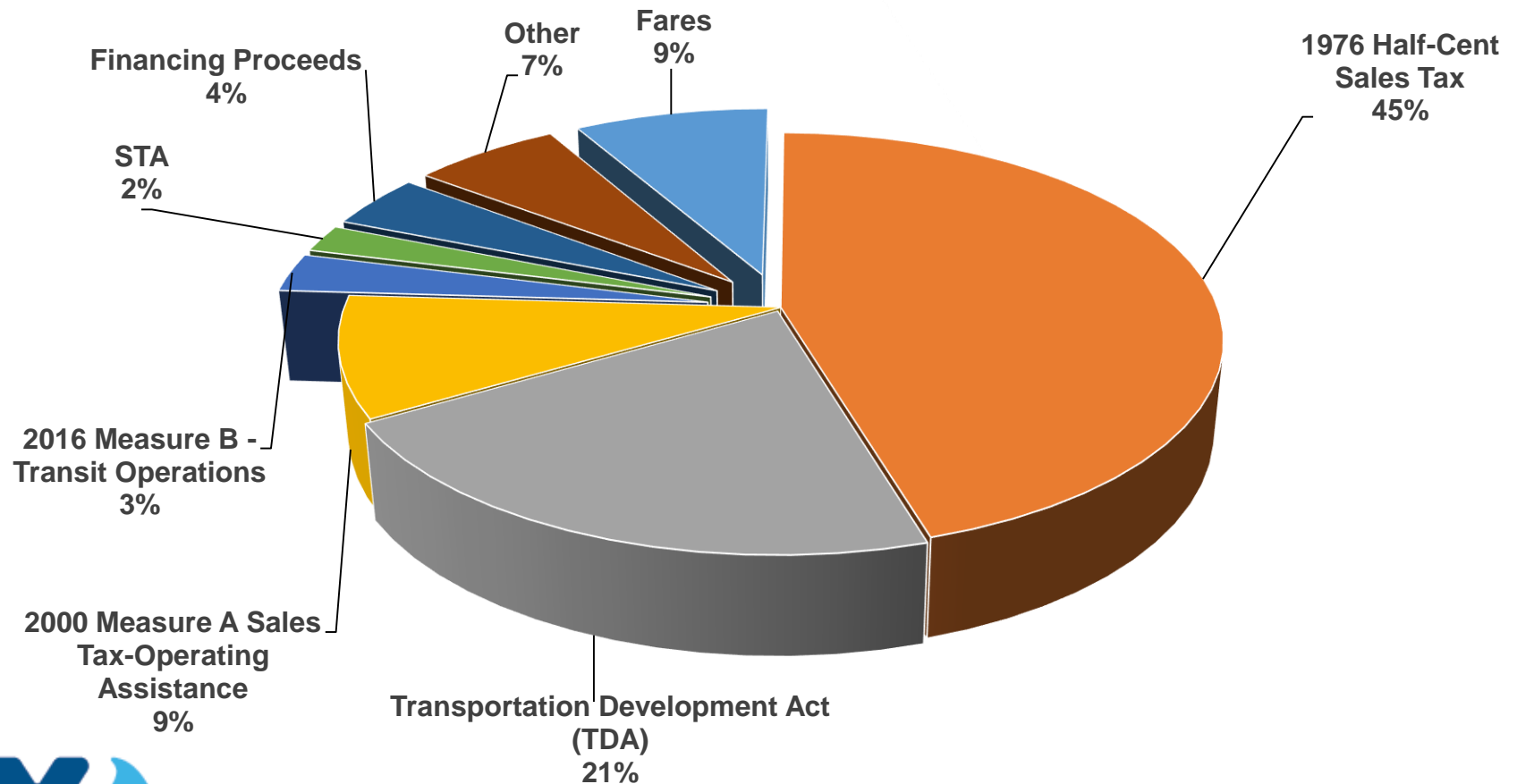
- Suspend/Defer VTA Transit Fund Capital Program

and/or

- Resize operations/service levels commensurate with available revenues

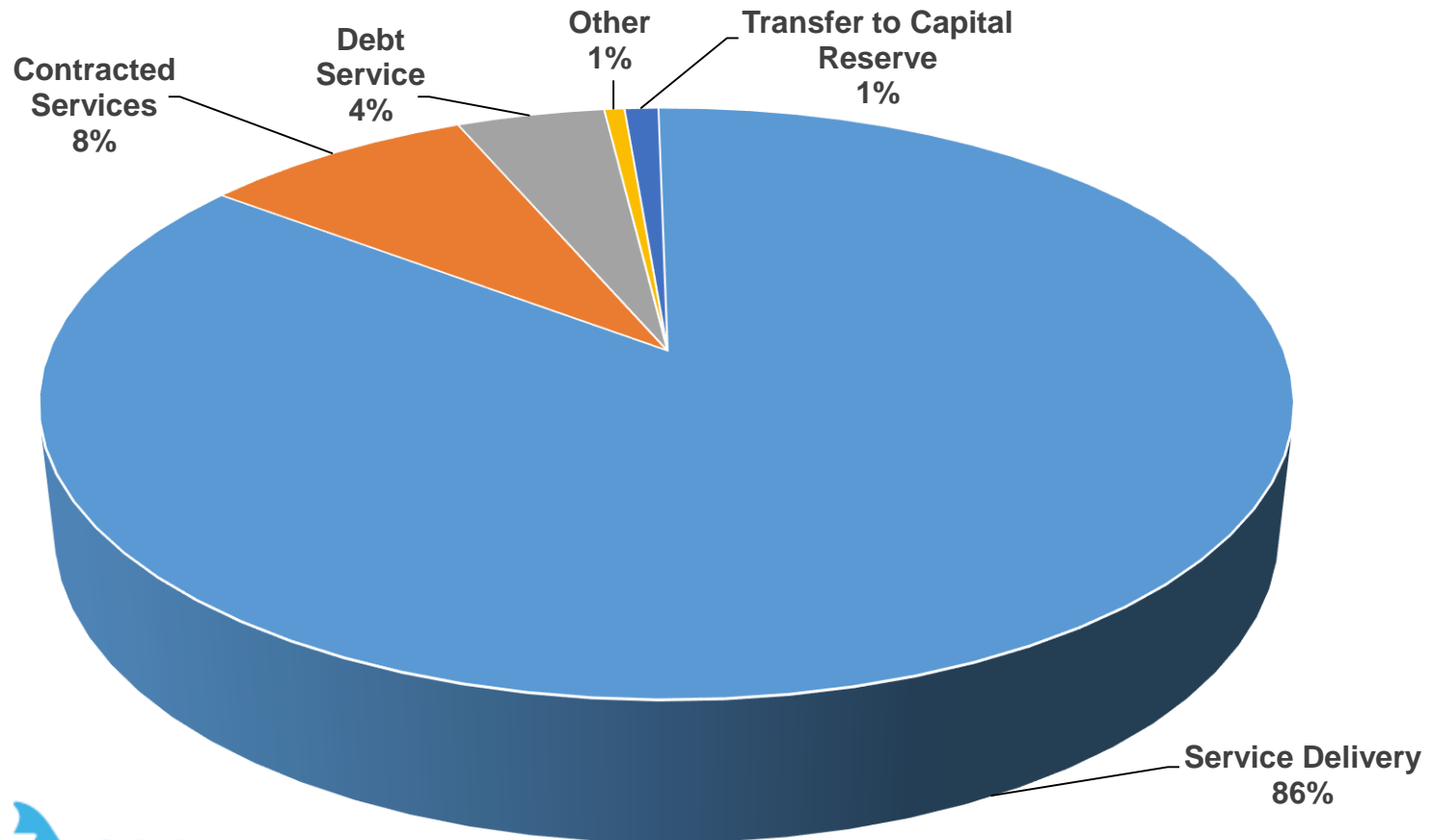
VTA Transit – FY18 & FY19

Projected Revenues



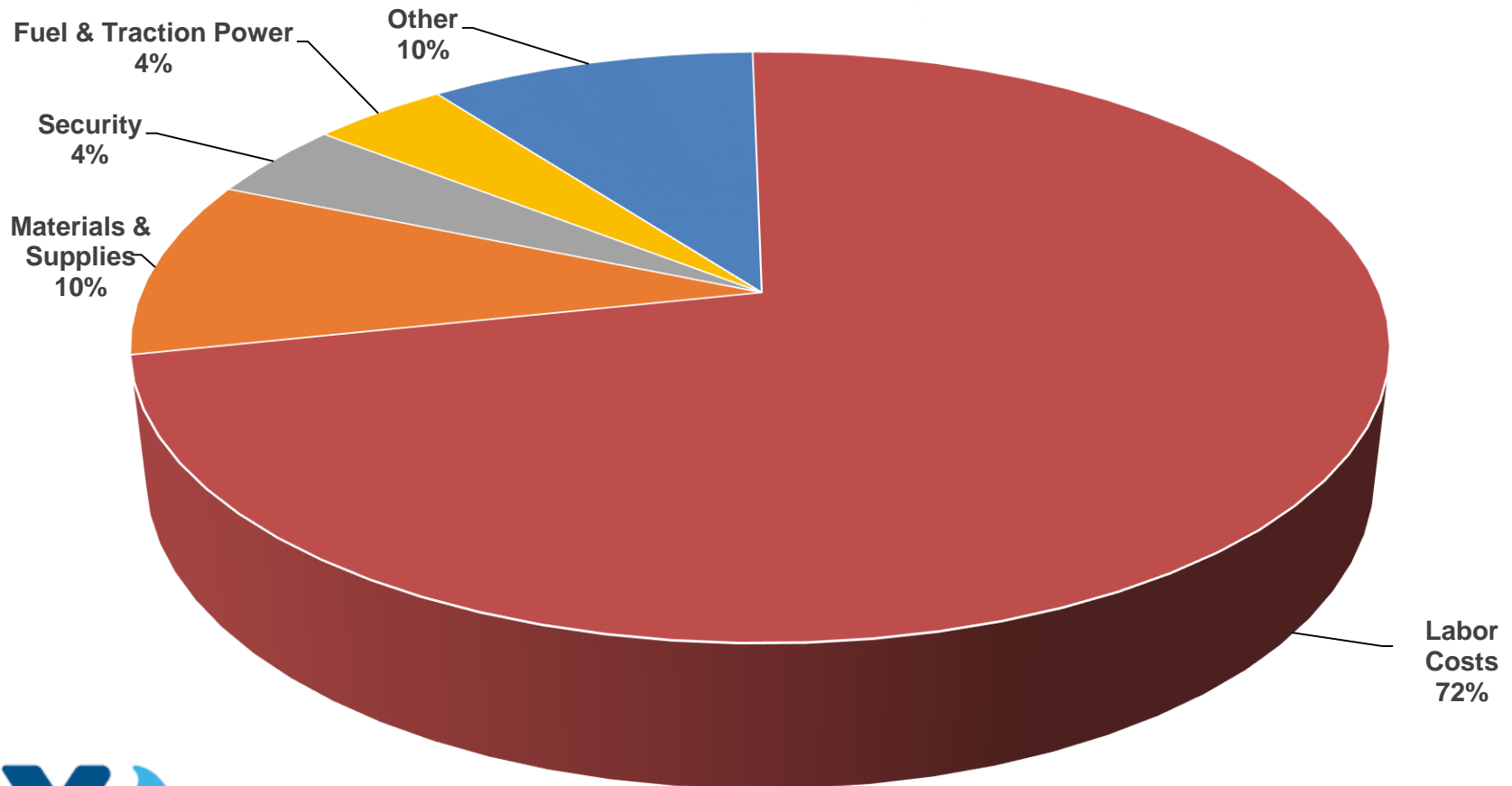
VTA Transit – FY18 & FY19

Proposed Expenses



VTA Transit – FY18 & FY19

Service Delivery Breakdown

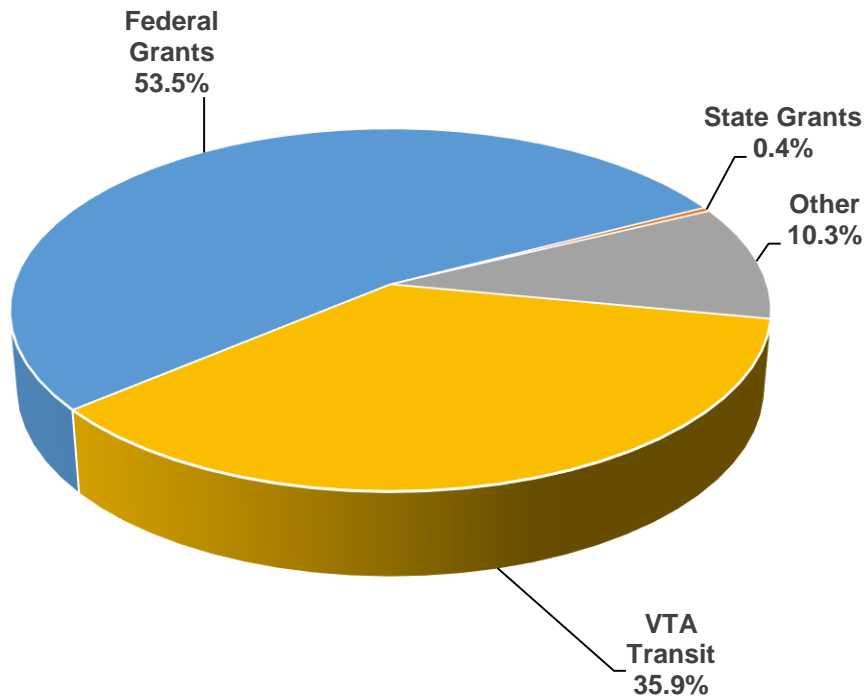


Operating Assumption Risks

- Economic volatility
 - Sales tax receipt growth
 - Diesel fuel prices
 - Utilities
 - Healthcare costs
- Transit ridership
- Labor contract negotiations

VTA Transit - Capital Budget

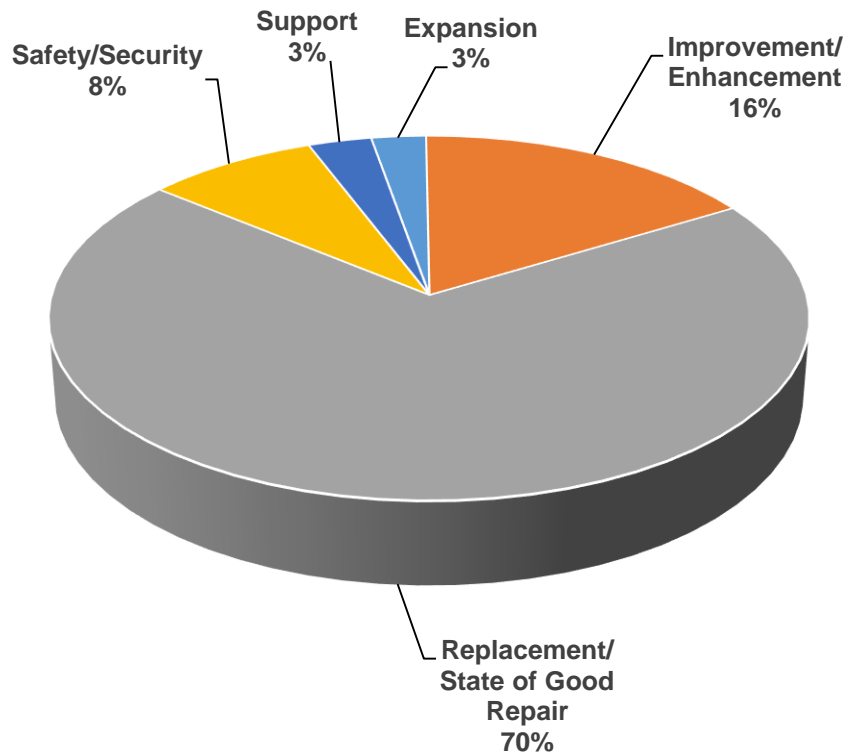
New Appropriation by Funding Source



(\$ in Thousands)	
	FY18 & FY19
Federal Grants	\$93,539
State Grants	668
Other	17,940
VTA Transit	62,686
Total	\$174,833

VTA Transit - Capital Budget

New Appropriation by Project Type



(\$ in Thousands)

	FY18 & FY19
Replacement/State of Good Repair	\$121,640
Improvement/Enhancement	28,914
Safety/Security	14,399
Support	5,305
Expansion	4,575
Total	\$174,833

VTA Transit – Capital Funding

- Utilize grants or other outside funding to greatest extent possible
- VTA Local Funds
 - Past—Funded from positive operating balances, to extent available
 - Future Proposal
 - Regular contributions to a capital reserve
 - Match expenditure duration to asset life through financing, as needed
 - Fund from positive operating balance, when available, up to a biennial limit

Proposed VTA Transit Fund Comprehensive Reserve Policy Changes

Operating Reserve

- Clarification of base to which 15% target is applied

Debt Reduction Fund

- Rename as “Capital Reserve”
- Set minimum annual contribution—\$5M
- Set maximum biennial contribution—15% of Operating Budget

Sales Tax Stabilization Fund

- Phased adjustment of cap from \$35M to 15% of budgeted sales tax based revenues¹

Proposed VTA Transit Fund Comprehensive Reserve Policy Changes (cont.)

Revised Comprehensive Reserve Policy

- Include language requiring Board approval for deviations from the policy
- Continue annual reporting requirement
- Remove annual transfer approval—reflects updated, strengthened policy language (“shall” replaced “may”)
- Would supersede three individual reserve policies adopted in 2008 and 2012

Proposed Budget

Congestion Management Program

Congestion Management Program FY18 & FY19 Work Program

- Programming and Grants
- Congestion Management Program Conformance
- Land Use and Transportation Integration
- Plans, Studies and Traffic Engineering
- Innovative Delivery Team Program (iTEAM)

Congestion Management Program

Member Assessments—5% Increase per Year

Member Agency	FY 2018	FY 2019
County of Santa Clara	\$ 285,325	\$ 299,591
Campbell	53,055	55,708
Cupertino	81,510	85,585
Gilroy	39,656	41,639
Los Altos	26,172	27,481
Los Altos Hills	6,979	7,328
Los Gatos	36,122	37,928
Milpitas	80,835	84,877
Monte Sereno	2,098	2,203
Morgan Hill	26,360	27,678
Mountain View	131,271	137,835
Palo Alto	148,545	155,972
San Jose	823,142	864,299
Santa Clara	217,428	228,299
Saratoga	22,775	23,914
Sunnyvale	261,040	274,092
Subtotal:	\$ 2,242,313	\$ 2,354,429
VTA - Managing Agency Contribution	285,325	299,591
TOTAL:	\$ 2,527,638	\$ 2,654,020

Proposed Budget

2008 Measure B BART Operating Sales Tax Program

2008 Measure B—BART Operating Sales Tax Program

- Dedicated to provide funding for BART Silicon Valley Extension costs:
 - Operating
 - Maintenance
 - Capital Reserve
- Operations & Maintenance Agreement being finalized
- Service scheduled to start end of 2017
- Proposed Budget

FY18	FY19
\$14.7M	\$24.7M

Proposed Budget

2016 Measure B Program

2016 Measure B Program

- Passed November 8, 2016, collection began April 1st
- Nine Program Areas
 - Local Streets and Roads
 - BART Phase II
 - Bicycle and Pedestrian
 - Caltrain Grade Separation
 - Caltrain Corridor Capacity Improvements
 - Highway Interchanges
 - County Expressways
 - SR 85 Corridor
 - Transit Operations
- Two-year funding allocation appropriated in FY 2018
- Includes reimbursement of \$1.65M for election costs to VTA Transit Fund

Proposed Budget Summary¹

(\$\$ in Thousands)

Fund	Fiscal Year 2018	Fiscal Year 2019
VTA Transit-Operating	475,478	493,195
VTA Transit-Capital	174,833	--- ²
2000 Measure A Transit Improvement Program-Operating	100,407	108,304
2000 Measure A Transit Improvement Program-Capital	701,709	--- ²
Congestion Management Program-Operating	5,954	5,815
VTP Highway Program-Capital	79,551	--- ²
Joint Development Program-Operating	400	200
Joint Development Program-Capital	2,800	--- ²
Silicon Valley Express Lanes Program-Operating	1,974	1,193
BART Operating Sales Tax Program-Operating	14,670	24,744
2016 Measure B Program	294,560	--- ²



¹ Includes transfers between funds

² Total appropriation for FY 2018 and FY 2019 reflected in FY 2018
Note: Assumes Mitigation Option 2

Budget/Fare Outreach Schedule

➤ Community Meetings

Monday, May 1	6:00 pm	Morgan Hill Community & Cultural Center
Tuesday, May 2	3:00 pm	County of Santa Clara, Board Chambers
Tuesday, May 2	6:00 pm	City of Sunnyvale, Community Room
Monday, May 8	6:00 pm	Mountain View City Hall, Council Chambers
Tuesday, May 9	6:00 pm	San Jose, Mexican Heritage Plaza

Budget/Fare Meeting Schedule

➤ **Committee Meetings @ VTA Headquarters**

Wednesday, May 10	1:30 pm	Technical Advisory Committee
Wednesday, May 10	4:00 pm	Citizens' Advisory Committee
Wednesday, May 10	6:00 pm	Bicycle & Pedestrian Advisory Committee
Thursday, May 11	10:00 am	Committee for Transportation Mobility and Accessibility
Thursday, May 11	4:00 pm	Policy Advisory Committee
Thursday, May 18	12:00 pm	Administration & Finance Committee

➤ **Board Meeting ~ Biennial Budget Adoption**

Thursday, June 1	5:30 pm	County of Santa Clara, Board Chambers
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Summary of Board Actions

Board Action	Meeting Date
Suspend FY17 Transfer for Capital (\$21.9M)	April 21, 2017
Begin Process to Establish Commercial Paper Program	April 21, 2017
Fare Policy Changes	June 1, 2017
FY18 & FY19 Budget Adoption <ul style="list-style-type: none"> • 2016 Measure B-Affordable Fare Programs¹ (~2.5M/yr) • 2016 Measure B-Enhance Frequent Core Bus Network² (\$12M/yr) • Increase 2000 Measure A Operating Assistance to 20.75%³ (\$5M/yr) 	June 1, 2017
Revised VTA Transit Fund Comprehensive Reserve Policy	Fall 2017

¹ Youth & Transit Assistance Program (TAP)

² Expanded/new evening, late-night & weekend service

³ Support for enhanced light rail service

Note: Assumes Mitigation Option 2

QUESTIONS

???



Date: April 17, 2017
 Current Meeting: April 21, 2017
 Board Meeting: April 21, 2017

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Interim Director - Planning & Program Development, Carolyn M. Gonot

SUBJECT: 2016 Measure B Program Area Guidelines Overview

FOR INFORMATION ONLY

BACKGROUND:

On November 8, 2016, the voters of Santa Clara County overwhelmingly approved a 30-year, ½ cent sales tax measure supporting transportation projects and services known as 2016 Measure B. The ½ cent sales tax collection began on April 1, 2017. 2016 Measure B, adopted by the VTA Board of Directors in June 2016, lists and describes the following nine program categories:

- Local Streets and Roads;
- BART Phase II;
- Bicycle and Pedestrian;
- Caltrain Grade Separation;
- Caltrain Corridor Capacity Improvements;
- Highway Interchanges;
- County Expressways;
- SR 85 Corridor; and
- Transit Operations.

The full text of 2016 Measure B can be found on Attachment A.

With the passage of the 2016 Measure B sales tax, VTA must develop guidelines for each of the nine program areas. VTA presented a work plan to the Board and advisory committees in December 2016. The work plan primarily focused on receiving input and recommendations from VTA's advisory committees. A summary of the outreach to date is as follows:

January 2017 - VTA held a workshop with the Technical Advisory Committee (TAC) to receive their initial input and recommendations regarding all nine programs.

February 2017 - VTA presented staff's initial draft guidelines and received feedback for the Bicycle & Pedestrian Program, Caltrain Corridor Capacity Program and the Caltrain Grade Separations Program from VTA's TAC, Citizen's Advisory Committee (CAC), Policy Advisory Committee (PAC) and the Congestion Management Program & Planning Committee (CMPP). Additionally, VTA presented the draft guidelines for the Bicycle & Pedestrian Program to the VTA Bicycle & Pedestrian Advisory Committee (BPAC).

March 2017 - VTA presented staff's initial draft guidelines and received feedback for the SR 85 Corridor Program, Local Streets & Roads Program and the BART Phase II Program from the TAC, CAC, PAC and CMPP. Additionally, staff presented the draft SR 85 Program guidelines to the SR 85 Policy Advisory Board.

April 2017 - VTA presented staff's initial draft guidelines and received feedback for the County Expressway Program, Highway Interchanges Program and Transit Operations Program from the TAC, CAC, and PAC. VTA will present the same set of draft guidelines to CMPP at their April 20, 2016, meeting. Additionally, VTA presented the draft guidelines for the Transit Operations Program to the VTA Committee for Transportation Mobility and Accessibility (CTMA).

VTA is recommending that projected 2016 Measure B funds be allocated in two-year increments in conjunction with VTA's two-year budget cycle. VTA will maintain a ten-year outlook to assist Member Agencies and other staff to help project when funds will be available for various program areas. A summary of the proposed FY18 & FY19 allocations for 2016 Measure B is located in Attachment B.

DISCUSSION:

Based on these discussions and recommendations, VTA has developed draft guidelines for each of the nine program areas, as well as a recommended projected allocation for FY 2018-19 for the Board's consideration. The text of each program category as stated in 2016 Measure B is included in each draft program area guideline. The draft program area guidelines are intended to direct the implementation for each program area and propose how the program area funds should be allocated.

A summary of the draft guideline and recommended allocation for each of the nine program areas is discussed below. The complete draft guidelines are included in Attachment C.

Program Category	Amount (in 2017 Dollars)
Local Streets & Roads	\$1.2 Billion
BART Phase II	\$1.5 Billion*
Bicycle & Pedestrian	\$250 Million
Caltrain Grade Separation	\$700 Million
Caltrain Corridor Capacity Improvements	\$314 Million
Highway Interchanges	\$750 Million
County Expressways	\$750 Million

SR 85 Corridor	\$350 Million
Transit Operations	\$500 Million

*Capped at 25% of Program Tax Revenue

Local Streets & Roads

Proposed Guidelines

The Local Streets and Roads Program will allocate funds to the cities and the County on a formula basis to be used to repair and maintain the street system. The allocation is based on the population of the cities and the County of Santa Clara's road and expressway mileage.

To distribute the funds, VTA is proposing that the cities and County submit an annual program of projects that will utilize 2016 Measure B funds. The expenditures will be reimbursable on a monthly, bi-monthly or quarterly basis - whichever is more convenient for the cities or County.

2016 Measure B requires that cities and the County demonstrate that these funds will be used to enhance and not replace their current investments in road system maintenance and repair. VTA is recommending similar Maintenance of Effort requirements to 2017 Senate Bill 1: Road Maintenance and Rehabilitation Program.

Under this recommendation, a baseline calculation of expenditures for each agency will be determined. The proposed baseline calculation will be based on the average expenditures on roadway and related maintenance activities from a city's/County's general fund during FY10 to FY12. Individual agencies must submit, with their annual program of projects, a certification that they are maintaining a level of non-2016 Measure B Local Streets & Roads fund expenditures on roadway and related maintenance activities equivalent to the baseline calculation.

The Measure also requires that Complete Streets best practices be applied in order to improve bicycle, pedestrian and transit elements of the street system. VTA has been working with Member Agencies and stakeholders on complete streets reporting requirements. It is anticipated that the VTA Board of Directors will consider the complete streets reporting requirements in June 2017.

Finally, 2016 Measure B specifies that jurisdictions that have a Pavement Condition Index score of at least 70 may use the funds for other congestion relief projects at their discretion. Jurisdictions who qualify will submit their congestion relief projects as part of their annual program of projects. Should a Member Agency with a PCI of 70 or over fall below the threshold the following cycle, they will need to redirect their 2016 Measure B Local Streets & Roads funding to pavement maintenance at the next two-year budget allocation.

Recommended Funding for FY 2018-19

To provide certainty for Member Agencies, VTA is recommending that funding for the Local Streets & Roads Program be consistent from year to year over the 30-year life of 2016 Measure B. Therefore, the proposed funding for FY 2018-19 is \$80 million, which represents a two-year allocation based on \$1.2 billion over the life of the program.

To prevent potential cash-flow issues, VTA is proposing a one-time advance, no sooner than October 1, 2017, to local agencies. The advance will be equivalent to the percentage of the local agency's allocation of the Local Streets and Roads Program Area's percentage share of revenue collections from April 2017 to June 2017. This one-time advance will be distributed upon execution of the Master Funding Agreement between VTA and the jurisdiction, as well as the jurisdiction's submittal of their annual program of projects, Maintenance of Effort certification and Complete Streets Checklist reporting requirements. The remaining balance of the local agency's allocation will be reimbursable.

The proposed FY18 and FY19 Local Streets and Roads allocations by agency is listed on Attachment D.

BART Phase II

Proposed Guidelines

The BART Phase II project will be designed and constructed by VTA. The total cost is estimated at \$4.7 billion. The 2016 Measure B allocation for BART Phase II is dependent on the execution of the Full Funding Grant Agreement with the Federal Transit Administration and other funding availability. Once the other funds have been secured, this program will be eligible to receive 2016 Measure B funds. Any debt financing costs will be covered by tax revenues as described in 2016 Measure B.

Recommended Funding for FY 2018-19

Funds for BART Phase II will not be needed until VTA secures a Full Funding Grant Agreement with the Federal Transit Administration. It is anticipated that VTA will secure the agreement in December 2019. Therefore, VTA is not recommending any funding for BART Phase II for FY 2018-19.

Bicycle & Pedestrian Program

Proposed Guidelines

To deliver the projects and programs described above, VTA is recommending a program that will consist of three categories:

2016 Measure B Bicycle & Pedestrian Program	
Program Area	Funding Allocation (Proposed)
Education & Encouragement	15%
Planning Projects	5%
Capital Projects	80%

The Education & Encouragement Program will allow member agencies to fund projects and programs that will encourage the use of bicycling and walking and/or provide education regarding these modes. These include, but are not limited to, Safe Routes to School, walk audits, open streets events, and bicycle/pedestrian safety campaigns. After much discussion with VTA's

advisory committees, VTA is recommending this program be funded by a formula based on the following: a) \$250,000 will be set aside for countywide (including targeting unincorporated areas) education and encouragement programs; and b) the remaining funds will be allocated by city population formula with a \$10,000 annual minimum allocation.

The Planning Projects Program will be administered as a competitive grant program, where Member Agencies may apply for planning funds that will allow them to advance projects of countywide significance into shovel-ready status or construction.

The Capital Projects Program will also be administered as a competitive grant program. Member Agencies may apply for activities leading to/including: Environmental Clearance; Design; Right of Way; and Construction for projects currently identified in 2016 Measure B. Construction grant requests must include cost estimates supported by 30% to 35% design.

Recommended Funding for FY 2018-19

To provide certainty for Member Agencies, VTA is recommending that funding for the Bicycle & Pedestrian Program be consistent from year to year over the 30-year life of 2016 Measure B. Therefore, the proposed funding for FY 2018-19 is \$16.6 million which represents a two-year allocation based on \$250 million over the life of the program.

Caltrain Grade Separations

Proposed Guidelines

This program will fund grade separations in the cities of Sunnyvale, Mountain View, and Palo Alto. VTA, working with the cities and other partners, is proposing to develop an implementation plan for delivering the eight grade separation projects. Once the implementation plan is complete, funds will be distributed as candidate projects move forward in readiness.

The amount of funding in 2016 Measure B will likely not be enough to fully fund all eight projects listed in the Caltrain Grade Separation Program. To complete all eight projects, VTA would allocate 2016 Measure B funding to the most cost-effective grade separation alternatives possible - projects that would maintain the tracks at grade level with traffic and pedestrian access either over or under the tracks. Additionally, VTA anticipates that outside funding sources will need to be secured to complete the program.

VTA is also recommending that the grade separation projects apply Complete Streets best practices in order to improve transit, bicycle and pedestrian elements at the intersections.

Recommended Funding for FY 2018-19

VTA is recommending \$7 million for FY 2018-19 which will be used to fund the implementation study, as well as any potential design and/or environmental work that cities may be able to advance.

Caltrain Corridor Capacity Improvements

Proposed Guidelines

This program will fund capacity improvements and increased service in Santa Clara County. The funds will be used for the following:

- Improvement projects identified by VTA and Caltrain after the completion of the Peninsula Corridor Electrification Project
- Increased Caltrain service to Morgan Hill and Gilroy

While there is uncertainty regarding the funding for the Peninsula Corridor Electrification Project at this time, Caltrain is anticipating that the project will move forward. Once the Peninsula Corridor Electrification Project is completed, 2016 Measure B funds will be available for enhancement projects in Santa Clara County to improve the system further. VTA and Caltrain will identify the most cost-effective projects for funding.

As the first step for additional service to Morgan Hill and Gilroy, VTA is working with Caltrain to optimize the current schedule to Morgan Hill and Gilroy to better serve current and future customers. Discussions with Caltrain executive management have been held to determine how and when a fourth south county train could be added. Caltrain is preparing approaches that should be available in late spring 2017.

Recommended Funding for FY 2018-19

VTA is recommending \$2 million for FY 2018-19 to provide funding for potential additional service to Morgan Hill and Gilroy. Funding for capacity improvements will be programmed once projects are identified at the conclusion of the Peninsula Corridor Electrification Project.

Highway Interchange Program

Proposed Guidelines

To deliver the projects contained in 2016 Measure B, VTA's Project Development staff will generate a master candidate project timeline based on the following:

- Project Readiness
- Level of Contribution from non-2016 Measure B sources
- Geographic Considerations

Additionally, 2016 Measure B contains a category for "Noise Abatement Projects in Santa Clara County to implement treatments to address existing freeway noise levels throughout the county." Noise abatement projects identified in the 2011 VTA Soundwall Study will receive higher consideration for funding.

If an agency other than VTA delivers the project, the agency and VTA will enter into an agreement. The agreement will include the reporting requirements and processes for delivering the project. Funding for the project will be available on a reimbursable basis, and the agency may

submit receipts for work performed on a monthly, bi-monthly or quarterly basis.

It is expected that the level of contribution from non-2016 Measure B sources will be a minimum of 10%. However, projects that have higher levels of non-2016 Measure B contribution will have a greater chance of advancing.

VTA is also recommending that all capital projects apply Compete Streets best practices in order to improve transit, bicycle and pedestrian elements at the intersections.

Recommended Funding for FY 2018-19

VTA is proposing \$87 million for FY 2018-19. This funding will allow shovel-ready projects to proceed into construction and help prepare the planning and environmental work for other projects to move forward.

A list of the proposed Highway Interchanges projects for FY18 and FY19 are identified on Attachment E.

County Expressways

Proposed Guidelines

To deliver the program, VTA will be working with the County of Santa Clara, the owner and operator of the County Expressway system. As part of this process, VTA, the County, and the County Expressway Policy Advisory Board will work together to develop an implementation schedule.

VTA and the County of Santa Clara will execute a Master Agreement for the administration of the 2016 Measure B County Expressways Program. The agreement will include the reporting requirements and processes for delivering projects. As part of the agreement, a 10% non-2016 Measure B contribution will be required for the program. Funding for the projects will be available on a reimbursable basis, and the County may submit receipts for work performed on a monthly, bi-monthly or quarterly basis.

VTA is also recommending that all projects apply Compete Streets best practices in order to improve transit, bicycle and pedestrian elements throughout the system.

Recommended Funding for FY 2018-19

The County of Santa Clara has several projects that are ready to move forward. VTA is recommending \$50 million in FY 2018-19 to advance those projects.

SR 85 Corridor

Proposed Guidelines

VTA staff has launched the SR 85 Transit Guideway Study to identify the most effective transit and congestion relief projects on SR 85. This study is expected to take approximately 18 months

to complete. Projects identified from this study will be candidates for funding from the 2016 Measure B SR 85 Corridor Program Area. Upon completion of the SR 85 Transit Guideway Study, VTA is proposing an implementation plan for SR 85 improvements.

VTA is recommending that Complete Streets best practices be applied to all capital projects in order to improve bicycle, pedestrian and transit elements of the transportation system. Additionally, VTA is recommending a minimum contribution of 10% non-2016 Measure B funds be identified for all projects. The contribution will help maximize 2016 Measure B revenues and allow more projects and programs to be delivered to this corridor.

The SR 85 Corridor Noise Reduction Study was completed in September 2016. The Noise Reduction Study identified five pilot project sites for noise reduction applications. As part of the SR85 Corridor Program Area, these five noise reduction pilot projects may be initiated/completed.

Recommended Funding for FY 2018-19

VTA is recommending \$12 million for FY 2018-19 to help fund the SR 85 Transit Guideway Study, an implementation plan for SR 85 improvements, and advancement of the noise reduction pilot projects.

Transit Operations

Proposed Guidelines

The program is divided into the following categories:

- Transit Service
 - Enhance frequent core bus network.
 - Support new/innovative transit service models to address first/last mile connections and services to transit dependent and paratransit customers.
- Expand mobility services and affordable fare programs for seniors, disabled, students and low income riders.
- Improve amenities at bus stops to increase safety, security and access, as well as on-going maintenance.

The proposed allocation of funds for the categories includes input from community stakeholders and is shown below:

2016 Measure B Transit Operations Program Area	
Area	Funding Allocation (Proposed)
Transit Service	81%
Enhance Frequent Core Bus Network	
Innovative Mobility Models & Programs	

Fare Programs	15%
Bus Stop Amenities	4%

Recommended Funding for FY 2018-19

Because the majority of this program will be used for operations, it is important that the funding be consistent from year to year over the 30-year life of 2016 Measure B. Therefore, the proposed funding for FY 2018-19 is \$33.2 million, which represents a two-year allocation based on \$500 million over the life of the program.

For this two-year budget allocation, the “Frequent Core Bus Network” and “Bus Stop Amenities” programs will provide funds for VTA to increase bus service and make improvements to bus stops. The “Fare Programs” will fund discount ticket programs for low-income residents and youth. The “Innovative Mobility Models & Programs” will provide funding for VTA and Member Agencies to develop innovative pilot programs to address first/last mile connections, as well as services for the transit dependent and paratransit customers.

Prepared By: Jane Shinn
Memo No. 6079

RESOLUTION NO. 2016.06.17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) CALLING AND PROVIDING FOR A SPECIAL ELECTION ON NOVEMBER 8, 2016 AND REQUESTING THE CONSOLIDATION OF SUCH SPECIAL VTA ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF SANTA CLARA COUNTY A MEASURE SEEKING AUTHORIZATION FOR ADOPTION OF A RETAIL TRANSACTIONS AND USE TAX ORDINANCE BY THE BOARD OF DIRECTORS.

WHEREAS, the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) deems it advisable to submit a measure to the voters within the territory of VTA at a special election to be held on November 8, 2016, to authorize the VTA Board of Directors to adopt a one-half of one percent retail transactions and use tax ordinance pursuant to Public Utilities Code section 100250 et seq., which tax shall be in effect for 30 years,

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY that the measure hereinafter set forth in full be submitted to the voters within the territory of VTA, which is the incorporated and unincorporated territory lying within the County of Santa Clara, at a special election to be held and conducted on November 8, 2016, and that the Registrar of Voters be, and thereby is, directed to publish such notice as may be required by law for the time and in the manner so required, and to place the same on the ballot at an election to be held throughout the territory of VTA on November 8, 2016. The full text of the proposed measure, which shall be printed in the voter information that accompanies the official vote by mail ballot and in the appropriate sample ballot pamphlet, is set forth as follows:

To repair potholes and fix local streets; finish the BART extension through downtown San Jose and to Santa Clara; improve bicycle and pedestrian safety; increase Caltrain capacity, in order to ease highway congestion, and improve safety at crossings; relieve traffic on the expressways and key highway interchanges; and enhance transit for seniors, students, low-income, and disabled, shall the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) enact a retail transactions and use tax ordinance, Ordinance No. 2016.01, 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 tangible personal property sold by him/her at retail in the territory of VTA; and (b) a complementary 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; collection of such tax to be limited to thirty years?

VTA shall be the administrator of the tax, shall establish a program and develop program guidelines to administer the tax revenues received from the enactment of

Resolution No. 2016.06.17

this measure (the “Program”). Tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management, shall be referred to herein as “Program Tax Revenues.”

VTa shall allocate the Program Tax Revenues to the following categories of transportation projects: Local Streets and Roads; BART Phase II; Bicycle and Pedestrian; Caltrain Grade Separation; Caltrain Capacity Improvements; Highway Interchanges; County Expressways; SR 85 Corridor; and Transit Operations.

The present value (i.e., present day purchasing power) of the Program Tax Revenues, as of April 2017, is forecasted to be approximately \$6.3 Billion. The actual revenues to be received over the 30-year life of the tax will be affected by various economic factors, such as inflation and economic growth or decline. The estimated amounts for each category reflect the allocation of approximately \$6.3 Billion. The estimated amounts for each category, divided by \$6.3 Billion, establishes ratios for the allocation among the categories. The VTA Board of Directors may modify those allocation amounts following the program amendment process outlined in this resolution.

- **Local Streets and Roads – Estimated at \$1.2 Billion of the Program Tax Revenues in 2017 dollars.**

To be returned to cities and the County on a formula basis to be used to repair and maintain the street system. The allocation would be based on the population of the cities and the County of Santa Clara’s road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace their current investments for road system maintenance and repair. The program would also require that cities and the County apply Complete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index score of at least 70, it may use the funds for other congestion relief projects.

- **BART Phase II—Estimated at \$1.5 Billion of Program Tax Revenues in 2017 dollars (capped at a maximum of 25% of Program Tax Revenues).**

To fund the planning, engineering, construction, and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th Street, downtown San Jose, San Jose Diridon Station, and Santa Clara.

- **Bicycle/Pedestrian – Estimated at \$250 Million of Program Tax Revenues in 2017 dollars.**

To fund bicycle and pedestrian projects of countywide significance identified by the cities, County, and VTA. The program will give priority to those projects that connect to schools, transit, and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and

Resolution No. 2016.06.17

make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Bicycle and pedestrian educational programs, such as Safe Routes to Schools, will be eligible for funding. Candidate Projects are set forth in Attachment A.

- **Caltrain Grade Separation – Estimated at \$700 Million of Program Tax Revenues in 2017 dollars.**
To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians and also reduce congestion at the intersections.
- **Caltrain Corridor Capacity Improvements – Estimated at \$314 Million of Program Tax Revenues in 2017 dollars.**
To fund Caltrain corridor capacity improvements and increased service in Santa Clara County in order to ease highway congestion, including: increased service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms, and service enhancements.
- **Highway Interchanges – Estimated at \$750 Million of Program Tax Revenues in 2017 dollars.**
To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.
- **County Expressways – Estimated at \$750 Million of Program Tax Revenues in 2017 dollars.**
To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.
- **State Route 85 Corridor – Estimated at \$350 Million of Program Tax Revenues in 2017 dollars.**
To fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps, Light Rail Transit, and future transportation technologies that may be applicable.

Resolution No. 2016.06.17

- **Transit Operations – Estimated at \$500 Million of Program Tax Revenues in 2017 dollars.**

The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early morning, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

The Program Categories will be administered in accordance with program guidelines and policies to be developed and approved by the VTA Board of Directors.

An independent citizen's oversight committee shall be appointed to ensure that the funds are being expended consistent with the approved Program. Annually, the committee shall have an audit conducted by an independent auditor. The audit shall review the receipt of revenue and expenditure of funds. The committee shall hold public hearings, and issue a report annually to inform the Santa Clara County residents how the funds are being spent. The hearings will be public meetings subject to the Brown Act.

To support and advance the delivery of projects in the Program, VTA may issue or enter into financial obligations secured by the tax revenues received from the State Board of Equalization (SBOE), including but not limited to, bonds, notes, commercial paper, leases, loans and other financial obligations and agreements (collectively, "Financing Obligations"), and may engage in any other transactions allowed by law. Notwithstanding anything to the contrary, to obtain the strongest credit ratings and lowest financing costs, VTA may pledge up to the full amount of tax revenues received from the SBOE as security for any Financing Obligations of the Program and may contract with the SBOE to have pledged amounts transferred directly to a fiduciary, such as a bond trustee, to secure Financing Obligations to fund any project in the Program. Any Financing Obligation shall be fully paid prior to the expiration of this tax measure.

If approved by a 3/4 majority of the VTA Board of Directors, and only after a noticed public meeting in which the County of Santa Clara Board of Supervisors, and the city council of each city in Santa Clara County have been notified at least 30 days prior to the meeting, VTA may modify the Program for any prudent

Resolution No. 2016.06.17

purpose, including to account for the results of any environmental review required under the California Environmental Quality Act of the individual specific projects in the Program; to account for increases or decreases in federal, state, and local funds, including revenues received from this tax measure; to account for unexpected increase or decrease in revenues; to add or delete a project from the Program in order to carry out the overall purpose of the Program; to maintain consistency with the Santa Clara Valley Transportation Plan; to shift funding between project categories; or to take into consideration new innovations or unforeseen circumstances.

BE IT FURTHER RESOLVED that such measure will appear in summarized form upon the ballot as follows:

Measure _____

<p>To relieve traffic, repair potholes; shall VTA enact a 30-year half-cent sales tax to:</p> <ul style="list-style-type: none"> • Repair streets, fix potholes in all 15 cities; • Finish BART extension to downtown San Jose, Santa Clara; • Improve bicycle/pedestrian safety, especially near schools; • Increase Caltrain capacity, easing highway congestion, improving safety at crossings; • Relieve traffic on all 9 expressways, key highway interchanges; • Enhance transit for seniors, students, disabled; <p>Mandating annual audits by independent citizens watchdog committee to ensure accountability.</p>	<p align="center">YES _____</p>
	<p align="center">NO _____</p>

BE IT FURTHER RESOLVED that the Board of Supervisors is hereby requested to consolidate this election with the statewide general election and any other elections to be held within the County of Santa Clara on November 8, 2016, and that it include in its proclamation or notice of the special election that Article 3 of Chapter 2 of Division 9 of the Elections Code relating to arguments concerning county measure applies, and that the Office of the County Counsel is directed to prepare an impartial analysis.

BE IT FURTHER RESOLVED that pursuant to Elections Code section 10403, VTA acknowledges that the consolidated election will be held and conducted in the manner prescribed in Elections Code section 10418.

BE IT FURTHER RESOLVED that the Santa Clara County Board of Supervisors is requested to permit the Registrar of Voters to render all services specified by Elections Code section 10418 relating to the election, for which services VTA agrees to reimburse the County.

BE IT FURTHER RESOLVED that pursuant to Elections Code section 10418, all proceedings related to, connected with, and incidental to the election shall be regulated and performed in accordance with the provisions of law regulating the statewide election.

BE IT FURTHER RESOLVED that the returns of such VTA election shall be canvassed by the Registrar of Voters of the County of Santa Clara and the returns, when canvassed, shall be reported to the Board of Directors of the Santa Clara Valley Transportation Authority.

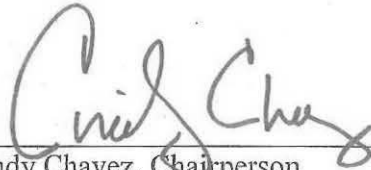
BE IT FURTHER RESOLVED that the Board Secretary is hereby directed to file a certified copy of this Resolution with the Santa Clara County Board of Supervisors and to submit certified copies of this Resolution to the County Clerk and to the Registrar of Voters of the County of Santa Clara no later than 88 days prior to the date of the election.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 24, 2016 by the following vote:

AYES: DIRECTORS: Baker, Bruins, Carr, Chavez, Hendricks, Khamis, Luccardo, Nguyen, O'Neill, Peralez, Yeager

NOES: DIRECTORS: None

ABSENT: DIRECTORS: Carrasco


Cindy Chavez, Chairperson
Board of Directors

ATTEST:


Elaine Baltas, Board Secretary

APPROVED AS TO FORM:


ROBERT FABELA
General Counsel

Resolution No. 2016.06.17

ATTACHMENT A

ENVISION SILICON VALLEY BICYCLE AND PEDESTRIAN CANDIDATE LIST

Project

Implementation of Santa Clara Countywide Bicycle Plan*

Trails in Expressway Rights-of-Way

Alum Rock Trail

Coyote Creek Trail Completion

Lions Creek Trail

Lower Silver Creek Trail

Miramonte Ave Bikeways

Fremont Road Pathway

Los Gatos Creek Trail Connector to SR 9

Berryessa Creek Trail

West Llagas Creek Trail

Gualadupe River Trail-Extension to Almaden

Three Creeks Trail East from Guadalupe River to Coyote Creek Trail

Five Wounds Trail from William Street to Mabury Road/Berryessa

Hwy 237 Bike Trail: Great America Parkway to Zanker (Class I, II, and IV)

Lower Gudalupe River Access Ramps

Los Gatos Creek Trail Gap Closure

Calabazas Creek Trail

San Tomas Aquino Trail Extension to South & Campbell Portion

Union Pacific Railroad Trail

Stevens Creek Trail Extension

Hamilton Avenue/Highway 17 Bicycle Overcrossing

Ped/Bike Bridge over SR 17 from Railway/Sunnyside to Campbell Technology Pkwy

Mary Avenue Complete Streets Conversion

UPRR Bike/Ped Bridge Crossing: Stevens Creek Boulevard to Snyder Hammond House/Rancho San Antonio Park

Montague Expwy Bike/Ped Overcrossing at Milpitas BART Station

Shoreline/101 Bike Ped Bridge

Mayfield Tunnel Ped/Bike under Central Expressway connecting to San Antonio Caltrain station

South Palo Alto Caltrain Bike/Ped Crossing

Matadero Creek Trail Undercrossing

Caltrain Capitol Undercrossing

Phelan Avenue Pedestrian & Bike Bridge over Coyote Creek

Newhall Street Bike/Ped Overcrossing over Caltrain Tracks

Kiely Bicycle & Pedestrian Overcrossing

Winchester Bicycle and Pedestrian Overcrossing

Bernardo Caltrain Undercrossing

San Tomas Aquino Creek Trail Underpass at 49er Stadium

Latimer Avenue Bicycle/Pedestrian Overcrossing

Bike & ped safety education at approximately ~200 schools

Implementation of Pedestrian Access to Transit Plan (VTA)*

Bike amenities at transit stops and on transit vehicles

Countywide Vision Zero Program (VTA)*

Highway 9 Pedestrian Safety Improvements

*These plans are currently being developed/updated and projects are being identified.

ATTACHMENT B

ENVISION HIGHWAY PROGRAM CANDIDATE LIST

Project

US 101 Improvements in the cities of Palo Alto and Mountain View to address regional connectivity and circulation between San Antonio Road and Charleston Road at the US 101/San Antonio Road, US 101/Rengstorff/Charleston Road and US 101/Shoreline Boulevard interchanges.

SR 85/SR 237 Area Improvements in Mountain View to address mainline congestion and regional connectivity through the SR 85/SR 237 connector, SR 85/El Camino Real interchange, and the SR 237/El Camino/Grant Road interchange.

SR 237/US 101/Mathilda Avenue Area Improvements in Sunnyvale to address local roadway congestion.

SR 237 Corridor Improvements in the cities of San Jose, Santa Clara and Milpitas to address mainline congestion and regional connectivity by addition of SR 237 westbound/eastbound auxiliary lanes between Zanker Road and North First Street, improvements at the SR 237/Great America Parkway westbound off-ramp, and replacement/widening of the Calaveras Boulevard structures over the UPRR tracks.

West County Improvements along I-280 in Cupertino, Los Altos, Los Altos Hills and Sunnyvale to address mainline congestion with mainline and interchange improvements from Magdalena Avenue to the San Mateo County line.

SR 85/I-280 Area Improvements in Cupertino, Los Altos, and Sunnyvale to address regional connectivity through a northbound I-280 braided ramp between SR 85 and Foothill Boulevard and improvements at the northbound I-280 off-ramp to Foothill Boulevard.

US 101/Trimble Road/De La Cruz Boulevard to Zanker Road Area Improvements to address local roadway connectivity and mainline congestion in San Jose and Santa Clara with US 101/Trimble Road/De La Cruz Boulevard interchange improvements, southbound US 101/SB 87 connector improvements, and a new US 101/Zanker Road interchange.

US 101/Old Oakland Road Improvements in San Jose to address local roadway congestion, access and connectivity.

A new interchange at US 101/Mabury Road in San Jose to address regional access.

I-680 Corridor Improvements in San Jose to address mainline congestion and regional connectivity by improving the I-680/Alum Rock Avenue and I-680/McKee Road interchanges.

I-280/Lawrence Expressway/Stevens Creek Boulevard Interchange Improvements to address mainline and local roadway congestion.

I-280/Saratoga Avenue Interchange Improvements to address local circulation and mainline congestion.

I-280/Winchester Boulevard Area Improvements in Santa Clara and San Jose to address regional connectivity and local circulation.

SR 87 Corridor Technology-based Improvements in San Jose to address mainline congestion and system reliability through the implementation of technology-based operational improvements to the freeway.

Highway 17 Corridor Congestion Relief: Upgrade Highway 17/9 interchange to improve pedestrian and bicycle safety, mobility, and roadway operations; deploy advanced transportation technology to reduce freeway cut thru traffic in Los Gatos, including traffic signal control system upgrades in Los Gatos, Traveler Information System, advanced ramp metering systems; support Multi-Modal Congestion Relief Solutions, including enhanced Highway 17 Express Bus service, implementing local bus system improvements that reduce auto trips to schools, work, and commercial areas in Los Gatos; and develop park and ride lots to serve as transit hubs for express bus, shuttles, local bus system connections.

SR 17 Southbound/Hamilton Avenue Off-ramp Widening Improvements in Campbell to address mainline congestion and local circulation.

SR 17/San Tomas Expressway Improvements in Campbell to address mainline congestion and local circulation.

US 101/Blossom Hill Boulevard improvements in San Jose to address local roadway congestion and connectivity including for bicyclists and pedestrians.

US 101 Improvements in Gilroy to address mainline congestion and regional connectivity with a new US 101/Buena Vista Avenue interchange and US 101/SR 152 10th Street ramp and intersection improvements.

SR 152 Corridor Improvements in Gilroy including US 101/SR 25 interchange improvements to address regional connectivity and goods movement network improvements.

I-280/Wolfe Road Interchange Improvements in Cupertino to address mainline congestion and improve local traffic circulation.

I-880/Charcot Avenue Overcrossing in San Jose to address local relief circulation and adjacent I-880 interchanges congestion relief.

Noise Abatement Projects in Santa Clara County to implement treatments to address existing freeway noise levels throughout the county.

Intelligent Transportation Systems (ITS) Projects in Santa Clara County such as integrated corridor management systems, traffic operations systems, ramp metering, managed lanes, and local traffic signal control systems to address freeway mainline congestion and local roadway congestion caused by cut-through traffic.

ATTACHMENT C

SANTA CLARA COUNTY EXPRESSWAY IMPROVEMENTS (TIER 1)

Project

Almaden Expressway at SR-85 - Interim Improvements

Almaden Expressway at Branham Lane Intersection Improvement

Almaden Expressway at Camden Ave Intersection Improvements

Capitol Expressway Widening and Interchange Modifications between I-680 and Capitol Avenue

Central Expressway at Thompson Intersection Improvement

Foothill Expressway Auxiliary Lanes between El Monte and San Antonio

Lawrence Expressway at Homestead Road Interim Improvements

Lawrence Expressway at Homestead Road Grade Separation

Lawrence Expressway from Reed/Monroe to Arques Grade Separation

Montague Expressway Complete 8-lane Widening including HOV lanes and Auxiliary Lanes between Great Mall and McCarthy/O'Toole

Oregon-Page Mill Widening (possible HOV lanes) and Trail between I-280 and Foothill Expressway

Oregon-Page Mill Intersection Improvements between Porter and Hansen

Oregon-Page Mill/El Camino Real Intersection Improvements

San Tomas Expressway Widening and Trail between Homestead and Stevens Creek

Santa Teresa-Hale Corridor Road and Trail between Dewitt and Main

Santa Teresa-Hale Corridor Widening and Trail between Long Meadow and Fitzgerald

SR 17/San Tomas Expressway Interim Improvements

I-280/Foothill Expressway Interchange Modifications and Auxiliary Lane to Homestead

I-280/Oregon-Page Mill Road Interchange Reconfiguration

Expressway ITS/Signal System Countywide

ATTACHMENT D

TRANSIT OPERATIONS CANDIDATE PROJECTS AND PROGRAMS LIST

- Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders.

This project would provide funds to develop and expand senior and disabled transportation mobility programs and services. The proposed program would provide mobility options such as coordinated eligibility services and enhanced mobility options provided in a secure and safe manner for the most vulnerable and underserved residents in the County, such as seniors and persons with disabilities. It would support mobility options including maintaining the paratransit service coverage area and service expansion by extending hours of operation and weekend service. The funds would also establish permanent and augment discount fare programs to increase transit access for low-income, underserved and vulnerable populations unable to afford standard fares.

- Enhance Frequent Core Bus Network.

The project would upgrade service frequency on VTA's top core network routes to 15-minutes or faster. Some specific examples include expanding the number of high frequency core routes and expanding the schedule of existing services. This may also include enhancing frequency of services during early mornings, evenings and weekends in order to improve convenience, reliability, connectivity, ridership, farebox recovery and support local land use plans. The upgrade would improve the quality of service for vulnerable, underserved and transit dependent populations as well as existing riders and attract new riders which would decrease vehicle miles traveled, traffic congestion and pollution.

- Improve amenities at bus stops to increase safety, security and access.

The project would provide funds for system wide improvements to bus stops, transit centers and stations including new and replacement shelters, lighting, access improvements including safe sidewalk connections, passenger information signs and security.

- Support new innovative transit service models to address first/last mile connections.

The project would support affordable new innovative transit service models to address first/last mile connections including FLEX type services, dynamic on-demand subscription shuttles and partnerships with other demand responsive service providers serving vulnerable, underserved and transit dependent populations.

Proposed 2016 Measure B Funding Allocation for FY18 - FY19

All amounts in million \$

		FY18	FY19
Administrative Costs		3.3	3.3
Program Area			
ANNUAL PROPORTION*	Local Streets & Roads	40	40
	Transit Operations		
	Enhance Core Network	13.50	13.50
	Innovative Transit Models		
	Expand Mobility & Affordable Fares	2.50	2.50
	Improve Amenities	1.30	
	Bicycle & Pedestrian		
	Education/Encouragement	2.50	
	Capital Projects	13.33	
	Planning Projects	0.83	
NEED/CAPACITY BASED	BART Phase II	-	-
	Caltrain Grade Separation	7	
	Caltrain Corridor Capacity	2	
	SR 85 Corridor	12	
	County Expressways	50	
	Highway Interchanges	87	

*Allocation based upon the total allocation of Program Area divided by 30 years in the measure.

Proposed Local Streets & Roads Program Guidelines

April 2017 Board Workshop

Definition from Resolution No. 2016.06.17

To be returned to the cities and the County on a formula basis to be used to repair and maintain the street system. The allocation would be based on the population of the cities and the County of Santa Clara's road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace their current investments for road system maintenance and repair. The program would also require that cities and the County apply Compete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index score of at least 70, it may use the funds for other congestion relief projects.

Total Funding

- \$1.2 billion in 2017 dollars.

Distribution

- Formula-based distribution to Cities and County (agencies) as contained in 2016 Measure B.
- Agencies will be informed of allocation amount for a two-year period.
- VTA anticipates that allocations will be programmed based upon the total allocation for Local Streets & Roads contained in 2016 Measure B divided by the number of years in the measure.
- After a one-time advance, no sooner than October 1, 2017, funds will be available on a reimbursement basis.

Implementation

- VTA and individual agencies will enter into funding agreements.
- VTA will inform agencies of their estimated allocation for a two-year period.
- Agencies are required to submit an annual program of projects. For agencies with a Pavement Condition Index (PCI) of 70 or higher, the program of projects may also include "congestion relief projects." For agencies with a PCI of 69 or lower, the program of projects is limited to projects that repair and maintain the street system.
- VTA will review the program of projects to ensure that all projects are eligible for funding.
- If an agency with a PCI of 70 or higher should have their PCI fall below 70, the agency must redirect all funding to repair and maintenance of the street system in the following cycle.

- A one-time advance, no sooner than October 1, 2017, equivalent to the percentage of the local agency's allocation of the Local Streets and Roads Program Area's percentage share of revenue collections from April 2017 to June 2017 will be distributed to individual agencies upon:
 - Execution of the Master Funding Agreement between VTA and the jurisdiction
 - Submittal of annual program of projects
 - Maintenance of Effort certification
 - Complete Streets Checklist reporting requirements
- Remaining funds will be available on a reimbursable basis.
- Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.

Requirements

- Individual agencies must certify and submit on an annual basis, a Maintenance of Effort report to maintain a level of expenditures on 2016 Measure B Local Streets & Roads eligible activities equivalent to the average expenditures on roadway and related maintenance activities from agency's general fund during FY10 to FY12. This certification will be submitted with their Annual Program of Projects.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.
- Agencies will submit project updates to VTA on a regular basis. The information will be placed on the 2016 Measure B website to keep the public informed on 2016 Measure B spending.
- Agencies may also be requested to present updates to the 2016 Measure B Citizen's Oversight Committee.

Proposed BART Phase II Guidelines

March 2017

Definition from Resolution No. 2016.06.17

To fund the planning, engineering, construction and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th Street, downtown San Jose, San Jose Diridon Station and Santa Clara.

Total Funding

- \$1.5 billion in 2017 dollars – capped at a maximum of 25% of Program Tax Revenues.

Distribution

- VTA will program funding to complete project.
- Timing will be dependent on the execution of the Full Funding Grant agreement with the Federal Transit Administration and other funding availability.
- Debt financing costs (if any) will be covered by tax revenues as described in the 2016 Measure B Resolution.

Requirements

- All collateral material will be required to display a 2016 Measure B logo.
- Complete Streets Reporting Requirements.

Proposed Bicycle & Pedestrian Program Guidelines

April 2017 Board Workshop

Definition from Resolution No. 2016.06.17

To fund bicycle and pedestrian projects of countywide significance identified by the cities, County and VTA. The program will give priority to those projects that connect to schools, transit and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Bicycle and pedestrian educational programs such as Safe Routes to Schools, will be eligible for funding.

Total Funding

- \$250 million in 2017 dollars.

Distribution

- Board of Directors will allocate funding schedule and amount for program through the budget cycle.
- Funds will be distributed on a 2-year cycle. The program will consist of three categories: education & encouragement programs, planning studies, and capital projects.
- A total of 15% of available program area funds will be set aside each 2-year cycle for the education & encouragement category.
 - \$250,000 for countywide (including targeting unincorporated areas) education & encouragement programs
 - Remaining funds allocated by city population formula with a \$10,000 annual minimum allocation
- A maximum of 5% of available program area funds will be allocated to planning studies grants category per 2-year cycle.
- If the planning studies grants categories are not fully awarded, the remaining funds will roll into the capital category.
- If a cycle's funds are not fully awarded, the balance will roll into the next cycle's budget.
- Example of breakdown of grant program funding: If Bicycle/Pedestrian Program Area is programmed at \$8.3 million/year:
 - Capital - \$6.6 million (minimum)
 - Planning - \$415,000 (maximum)
 - Education & Encouragement - \$1.25 million (maximum)

Implementation

Education & Encouragement (Formula Distribution)

- VTA and individual agencies will enter into a Master Agreement for Education & Encouragement funds.
- VTA will notify agency of estimated allocation for two-year cycle.
- Agency will submit annual education & encouragement work program.
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.
- Education & Encouragement funds may be banked for a maximum of three years with explanation of banking purposes.

Grant Program (Competitive)

- Only a public agency can be a sponsor of a project. Other entities must partner with a public agency to apply for a grant.
- The grant program will contain two categories:
 - Capital projects
 - Activities leading to/including:
 - Environmental Clearance
 - Design
 - Right of Way
 - Construction
 - Construction grant requests must include cost estimates supported by 30% to 35% design.
 - Planning studies
 - Includes planning studies to support capital project development for those projects currently listed on Attachment A of 2016 Measure B. It does not include general/master planning efforts.
- The minimum grant award is \$50,000.
- The maximum grant award per sponsoring agency can be no more than 50% of the total available funds per call for projects per cycle, unless the cycle is undersubscribed.
- Project criteria will be developed in conjunction with the VTA Technical Advisory Committee (TAC) Capital Improvement Program Working Group, and brought to the TAC and Bicycle & Pedestrian Advisory Committee (BPAC) for input.
- Scoring committee for the grant program will be comprised of three BPAC members, three Member Agency staff, and one VTA staff person.

Criteria

- Only projects currently listed on Attachment A of 2016 Measure B are eligible.
- Capital Projects will be scored on criteria that supports the language in 2016 Measure B.
 - Countywide significance
 - Connection to/serves schools, transit, or employment centers

- Fills gaps in bicycle/pedestrian network
- Provides safer crossings of barriers
- Makes walking or biking safer
- Makes walking or biking more convenient
- Other criteria to consider:
 - Safety benefits
 - Increase in bicycle and pedestrian usage
 - Community support
 - Project readiness
 - Projects serve Communities of Concern

Requirements

- Competitive grant projects require a 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project funding.
- All applications must include a delivery schedule.
- Funds will be available on a reimbursement basis.
- Complete Streets reporting requirements will be required.
- All collateral material will be required to display a 2016 Measure B logo.

Proposed Caltrain Grade Separation Program Guidelines

April 2017 Board Workshop

Definition from Resolution No. 2016.06.17

To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists and pedestrians and also reduce congestion at the intersections.

Total Funding

- \$700 million in 2017 dollars.

Distribution

- As candidate projects move forward in readiness (ability to expend Measure funds), the project sponsor will submit request for funding.
- Funds will be distributed on a reimbursement basis.

Implementation

- VTA will work with the cities and other partners to develop an implementation plan for delivering the eight grade separation projects eligible for 2016 Measure B funds.
- There will be two program categories for funds:
 - Planning
 - Capital projects

Criteria

- All project sponsors must apply to the State §190 Grade Separation Program.

Requirements

- Reporting requirements regarding project progress will be detailed in agreements executed with VTA for project funding.
- Each project will require a 10% non-2016 Measure B contribution.
- All projects must be in compliance with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

Proposed Caltrain Corridor Capacity Improvements

Program Guidelines

April 2017 Board Workshop

Definition from Resolution No. 2016.06.17

To fund Caltrain corridor capacity improvements and increased service in Santa Clara County in order to ease highway congestion, including: increased service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms and service enhancements.

Total Funding

- \$314 million in 2017 dollars.

Distribution

- Funds for increased service to Morgan Hill and Gilroy will be distributed on a regular basis.
- Funds for Caltrain Modernization 2.0 will be distributed to Caltrain as Santa Clara County's contribution for costs associated with station improvements, level boarding, extended platforms and service enhancements.

Implementation

- VTA and Caltrain staff will determine operating and capital costs associated with increased service to Morgan Hill and Gilroy.
- Improvement projects will be identified by VTA and Caltrain staff after completion of Peninsula Corridor Electrification Project and CA High Speed Rail blended service operations and maintenance needs/issues have been identified and remedies finalized.

Criteria

- Current service schedule to Morgan Hill and Gilroy will be reevaluated prior to addition of increased service.

Requirements

- Partner JPB contributions for station improvements, level boarding, extended platforms and service enhancements for Caltrain Modernization 2.0 must be secured prior to allocation of Santa Clara County's contribution.
- All collateral material will be required to display a 2016 Measure B logo.

Proposed Highway Interchanges Program Guidelines

April 2017 Board Workshop

Definition from Resolution No. 2016.06.17

To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.

Total Funding

- \$750 million in 2017 dollars.

Distribution

- VTA Board of Directors will allocate funding on a 2-year cycle.
- Funds will be distributed through two programs: capital projects and noise abatement.
- Funds will be available on a reimbursement basis.

Implementation

- VTA staff are working with local agency staff to identify and prioritize projects in the Highway Interchange Program Candidate List on 2016 Measure B Attachment B. The following criteria will be considered:
 - Project Readiness
 - Level of local contribution
 - Geographic consideration
- VTA staff will work with member agency staff to advance projects.
- Noise Abatement projects will be a separate category within the Highway Interchange Program.
 - Projects identified in the 2011 VTA Soundwall Study will receive higher consideration during Call for Projects.
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.

Criteria

- Only VTA, Caltrans and Member Agencies can serve as an implementing agency.
- Only projects and programs currently listed on 2016 Measure B Attachment B are eligible.

Requirements

- Projects require a minimum 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project funding.
- All applications must include a delivery schedule.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

DRAFT

Proposed County Expressways Program Guideline

April 2017 Board Workshop

Definition from Resolution No. 2016.06.17

To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.

Total Funding

- \$750 million in 2017 dollars.

Distribution

- VTA Board of Directors will allocate funding on a 2-year cycle.
- As candidate projects move forward in readiness (ability to expend Measure funds), the County of Santa Clara will submit request for funding.
- Funds will be available on a reimbursement basis.

Implementation

- VTA and County of Santa Clara will execute a Master Agreement for the administration of the 2016 Measure B County Expressways Program.
- VTA staff will work with the County of Santa Clara to advance projects and maintain an implementation plan.
- County Expressway Policy Advisory Board (PAB) will recommend the prioritization of projects.
- Projects will be distributed into three categories:
 - Conventional – Up to \$10M
 - Major – \$10-\$50M
 - Lawrence Grade Separations
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis.

Criteria

- Only projects and programs currently listed on 2016 Measure B Attachment C are eligible.
- Project timelines will be developed based on the County Expressway PAB adopted criteria, which includes the following:
 - Project readiness
 - Complexity

- Geographic equity and public impact
- Timing of other funding sources
- Additional factors: safety, public support & gap closures

Requirements

- Projects require a 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project funding.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

Proposed State Route 85 Corridor Program Guidelines

April 2017 Board Workshop

Definition from Resolution No. 2016.06.17

To fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps. Light Rail Transit, and future transportation technologies that may be applicable.

Total Funding

- \$350 million in 2017 dollars.

Distribution

- Revenues will be programmed on a 2-year cycle towards projects identified in SR 85 Corridor-related studies.

Implementation

- VTA staff is launching the SR 85 Transit Guideway Study (study) to identify the most effective transit and congestion relief projects on SR 85.
- Projects identified by the study will be candidates for funding.
- Noise abatement projects as identified in the SR 85 Noise Abatement Study may be funded prior to the completion of the study.
- SR 85 Policy Advisory Board will forward recommended projects to the VTA Board of Directors to be funded in the 2-year budget process.
- VTA will serve as implementing agency for all program projects.

Requirements

- Capital projects require a 10% non-2016 Measure B contribution.
- Complete Streets reporting requirements will be required.
- All collateral material will be required to display a 2016 Measure B logo.

Proposed Transit Operations Program Guidelines

April 2017 Board Workshop

Definition from Resolution No. 2016.06.17

The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early morning, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

Total Funding

- \$500 million in 2017 dollars.

Distribution

- VTA Board of Directors will allocate funding on a 2-year cycle, based on a forecast of Measure B revenues.
- The Transit Operations Program Area funding will be allocated for the following four programs identified in 2016 Measure B Attachment D:
 - Enhance Frequent Core Bus Network by increasing core bus route service frequencies, and expanding or adding additional evening, late night and weekend service
 - Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders
 - Support new/innovative transit service models to address first/last mile connections and transit services for the transit dependent, vulnerable populations and paratransit users
 - Improve amenities at bus stops to increase safety, security and access with lighting and access improvements

2016 Measure B Transit Operations Program Area	
Area	Funding Allocation (Proposed)
Transit Service	81%
Frequent Core Bus Network	
Innovative Mobility Models & Programs	
Fare Programs	15%
Bus Stop Amenities	4%

Implementation

For FY18 & FY19 Budget Allocation:

- The Enhanced Frequent Core Bus Network will directly fund VTA's core bus network of services increasing core bus route service frequencies, and expanding or adding evening, late night and weekend service.
- The Fare Programs will fund the Transit Assistance Program (TAP) and reduced fares for youth.
- The Innovative Transit Models Program will support goals to address first/last mile connections. Strategies may include competitive grant programs to help fund services operated by local jurisdictions, utilize excess paratransit capacity, and other programs that encourage investments in local service.
- The Bus Stop Amenities Program will directly fund improvements at VTA's bus stops. The bus stop improvements will be prioritized based on VTA's Transit Passenger Environment Plan and ongoing maintenance needs.

Criteria

- Only projects and programs currently listed on 2016 Measure B Attachment D are eligible.

Requirements

- For potential competitive grants for the Innovative Transit Models Program:
 - Reporting requirements will be detailed in agreements executed with VTA for project funding.
 - All applications must include a delivery schedule.
 - Funds will be available on a reimbursement basis.
- All collateral material will be required to display a 2016 Measure B logo.

Proposed 2016 Measure B Local Streets and Roads Allocation

Agency	FY 18	FY19
Campbell	\$ 796,707	\$ 796,707
Cupertino	\$ 1,137,397	\$ 1,137,397
Gilroy	\$ 1,008,804	\$ 1,008,804
Los Altos	\$ 571,706	\$ 571,706
Los Altos Hills	\$ 158,763	\$ 158,763
Los Gatos	\$ 580,633	\$ 580,633
Milpitas	\$ 1,381,985	\$ 1,381,985
Monte Sereno	\$ 65,686	\$ 65,686
Morgan Hill	\$ 795,223	\$ 795,223
Mountain View	\$ 1,483,017	\$ 1,483,017
Palo Alto	\$ 1,273,986	\$ 1,273,986
San Jose	\$ 19,347,691	\$ 19,347,691
Santa Clara	\$ 2,302,604	\$ 2,302,604
Saratoga	\$ 586,229	\$ 586,229
Sunnyvale	\$ 2,817,569	\$ 2,817,569
Santa Clara County	\$ 5,692,000	\$ 5,692,000

Grand Total **\$ 40,000,000 \$ 40,000,000**

Route	Project Title	Total Project Cost (\$M)	City	Non-Measure B Funds	Implementing Agency	FY 18 Q1	Q2	Q3	Q4	FY 19 Q1	Q2	Q3	Q4
17	SR 17 Southbound/Hamilton Ave. Off-Ramp Widening	\$ 2	Campbell		Campbell					\$1			
17	SR 17/San Tomas Expressway Interim Improvements	\$ 1	Campbell		Campbell					\$1			
280	I-280/Wolfe Rd. Interchange Improvements	\$ 70	Cupertino	\$1.70	VTA	\$2						\$4	
280	I-280 Northbound: Second Exit Lane to Foothill Expressway	\$ 3	Cupertino, Los Altos	\$0.70	VTA	\$1	\$2						
101	US 101/Buena Vista Ave. Interchange Improvements	\$ 35	Gilroy		VTA	\$1							
152	US 101/SR 25 Interchange (ENV/PS&E)	\$ 180	Gilroy	\$5.90	VTA	\$2							
237	Calaveras Boulevard Widening - Near-term improvements	\$ 81	Milpitas		VTA					\$1			
101	US 101 Interchanges Improvements: San Antonio Rd. to Charleston Rd./Rengstorff Ave.	\$ 35	Palo Alto, Mt View		VTA					\$1			
101	US 101/Zanker Rd./Skyport Dr./Fourth St. Interchange Improvements	\$ 138	San Jose	\$11.00	VTA	\$3							
101	US 101/Mabury Rd./Taylor St. Interchange Construction	\$ 74	San Jose	\$8.00	San Jose						\$2		
880	Charcot Overcrossing	\$ 48	San Jose	\$6.00	San Jose			\$6		\$6			
101	US 101/Blossom Hill Rd. Interchange Improvements	\$ 28	San Jose	\$5.00	San Jose					\$4			
101	US 101/Old Oakland Rd. Interchange Improvements	\$ 25	San Jose	\$5.00	San Jose					\$1			
280	I-280/Winchester Blvd. Interchange Improvements	\$ 90	San Jose	\$3.00	VTA	\$3							
101	US 101 Southbound/Trimble Rd./De La Cruz Blvd./Central Expwy. Interchange Improvements	\$ 50	San Jose	\$0.90	VTA	\$4							
87	SR 87 Technology-based Corridor Improvements	\$ 40	San Jose	\$0.23	VTA	\$1							
101	Double Lane Southbound US 101 off-ramp to Southbound SR 87	\$ 2	San Jose	\$0.20	VTA	\$2							
237	SR 237/Mathilda Ave. and US 101/Mathilda Ave. Interchange Improvement	\$ 42	Sunnyvale	\$8.00	VTA	\$4	\$30						
All	Noise Abatement Program (Countywide)	\$ 50	Countywide		VTA					\$4			
All	Hwy. Transportation Operations System/Freeway Performance Initiative Phase 1 & 2	\$ 54	Countywide		VTA					\$1			

Assume Measure B expenditures can start July 2017. Schedules may be delayed if Measure B funds come later.

CONST

FY 18 = \$61 FY 19 = \$26

DESIGN and ROW

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2-year total = \$87

Planning

2016 Measure B Program Areas

VTA Board of Directors Workshop

April 21, 2017

2016 Measure B Program Areas

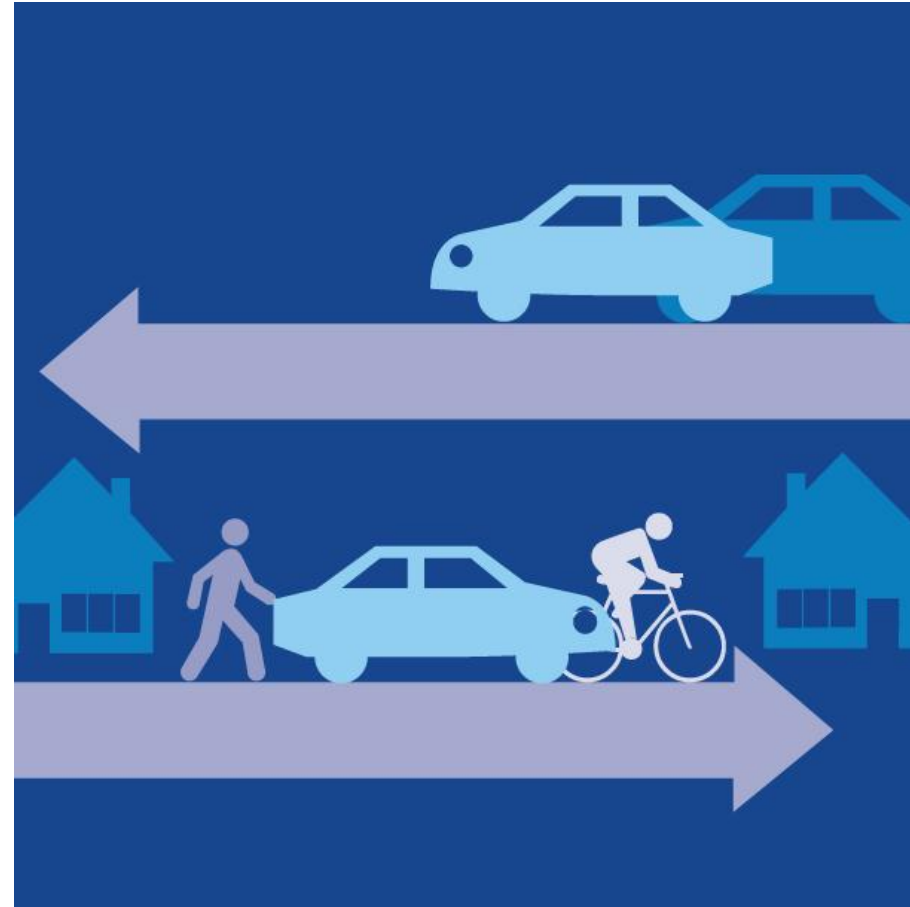
Program Category	Amount (in 2017 Dollars)
Local Streets and Roads	\$1.2 Billion
BART Phase II	\$1.5 Billion*
Bicycle/Pedestrian	\$250 Million
Caltrain Grade Separation	\$700 Million
Caltrain Corridor Capacity Improvements	\$314 Million
Highway Interchanges	\$750 Million
County Expressways	\$750 Million
SR 85 Corridor	\$350 Million
Transit Operations	\$500 Million

*Capped at 25% of Program Tax Revenue



Local Streets & Roads - Program Description

- \$1.2 Billion
- $PCI \leq 69$: Repair & maintain street system
- $PCI \geq 70$: Congestion relief projects
- Allocation based on population of cities and the County of Santa Clara's road and expressway lane mileage
- Maintenance of Effort requirement
- Complete Streets best practices



Local Streets & Roads – Proposed Guidelines



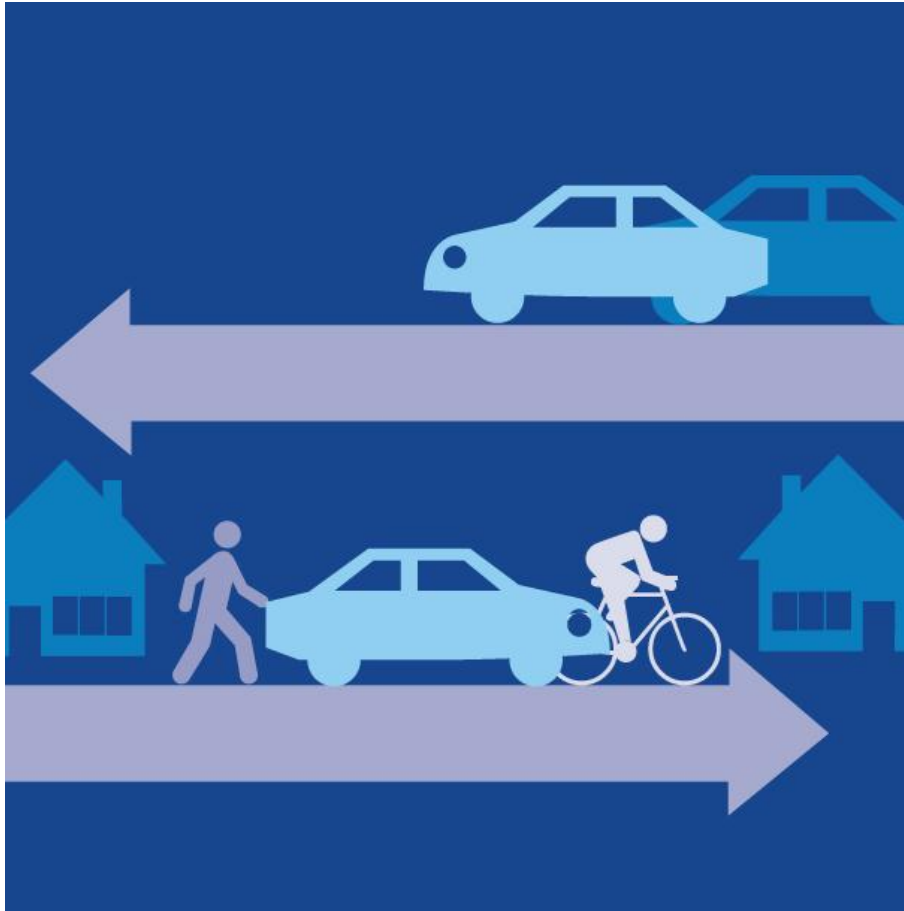
- Determine program budget in 2-year increments
- VTA calculates formula share
- Agencies submit annual program of projects
- Expenditures reimbursed as frequently as monthly

Local Streets & Roads – Maintenance of Effort

- Certify and submit annually with Annual Program of Projects
- Identical to SB1 maintenance of effort requirements
- Average general fund expenditures for FY10, FY11, & FY12



Local Streets & Roads – Proposed FY18 & FY19 Allocation



- One-time advance
- Annual allocation based on 1/30th of \$1.2 billion (estimated program revenue)
- FY18: \$40 million
- FY19: \$40 million
- Future allocation increases or decreases based on revenues collected

BART Phase II – Program Description

- \$1.5 Billion
- Capped at 25% of Program Tax Revenues
- Planning, engineering, construction, and delivery costs
- Extend BART from Berryessa in San Jose to Santa Clara
- Station locations:
 - Alum Rock/28th Street
 - Downtown San Jose
 - San Jose Diridon
 - Santa Clara



BART Phase II – Proposed Guidelines



- Allocation based on funding plan to be developed as part of Full Funding Grant Agreement with the Federal Transit Administration
- 10% non-2016 Measure B contribution for capital projects
- FY18 & FY19: \$0

Bicycle/Pedestrian – Program Description

- \$250 Million
- Countywide significant projects
- Priority to projects that:
 - Connect schools, transit, & employment centers
 - Fill gaps in existing bike/ped network
 - Safely cross barriers to mobility
 - Make walking or biking a safer & more convenient means of transportation
- Education/Encouragement programs eligible
- Candidate projects listed in Measure B

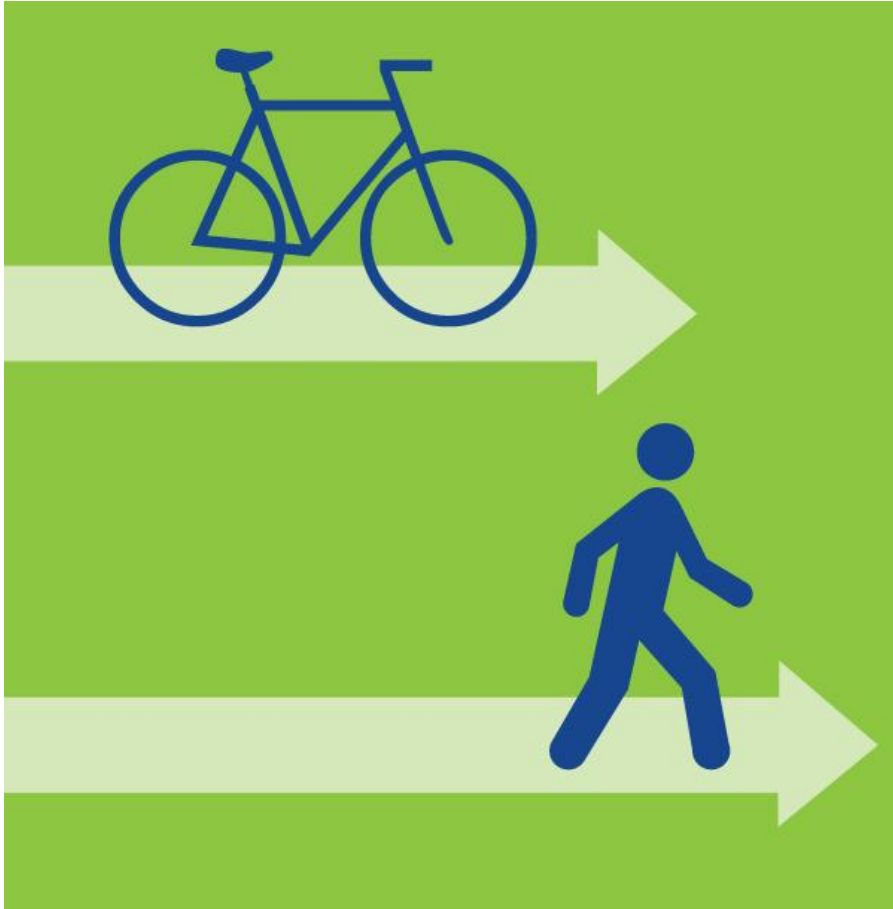


Bicycle/Pedestrian – Proposed Guidelines



- Three program categories:
 - Capital Projects
 - Planning Projects
 - Education/Encouragement
- 10% non-2016 Measure B contribution for Capital & Planning Projects

Bicycle/Pedestrian – Proposed Guidelines



- Capital Projects
 - 80% of allocation
 - Competitive Grant Program
- Planning Projects
 - 5% of allocation
 - Competitive Grant Program
- Education/Encouragement
 - 15% of allocation
 - Formula-based

Bicycle/Pedestrian – Proposed FY18 & FY19 Allocation



- Annual allocation based on 1/30th of \$250 million (estimated program revenue)
- FY18: \$8.3 million
- FY19: \$8.3 million
- Future allocation increases or decreases based on revenues collected

Caltrain Grade Separation – Program Description

- \$700 Million
- Projects in cities of:
 - Sunnyvale
 - Mountain View
 - Palo Alto
- Increase safety for
 - Drivers
 - Bicyclists
 - Pedestrians
- Reduce congestion at crossings intersections



Caltrain Grade Separation – Proposed Guidelines



- Implementation Plan
- Complete Streets Reporting Requirements
- 10% non-2016 Measure B contribution

Caltrain Grade Separation – Implementation Plan



Implementation Plan to include:

- Work Completed to Date
- Order of Magnitude
- Plan to Deliver all Eight Projects

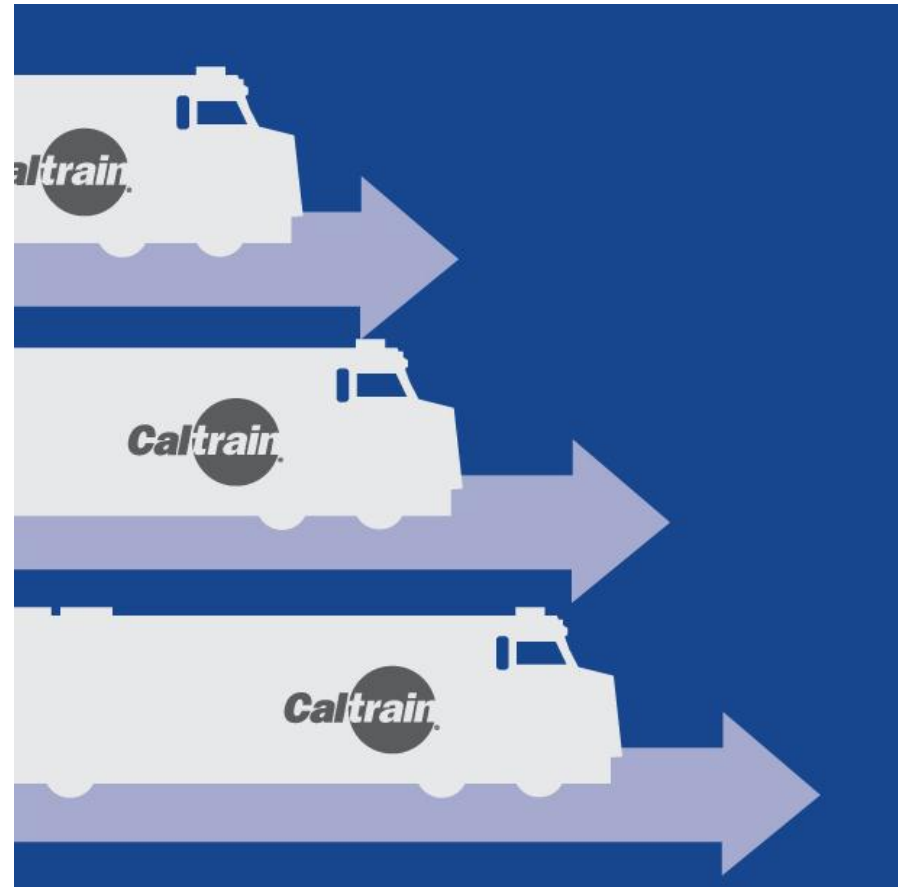
Caltrain Grade Separation – Proposed Allocation



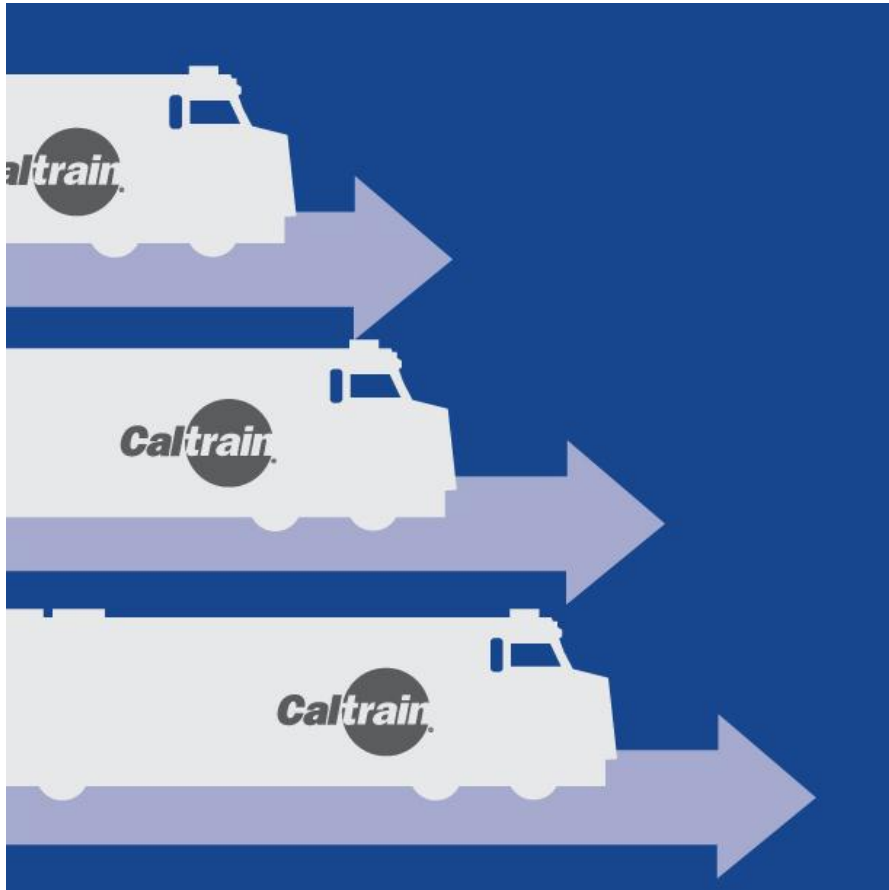
- Allocation based on projected need for plan and early project development activities
- FY18 & FY19: \$7 million

Caltrain Corridor Capacity Improvements – Program Description

- \$314 Million
- Corridor capacity improvements and increased service in Santa Clara County including:
 - Increased service to Morgan Hill and Gilroy
 - Station improvements
 - Level boarding
 - Extended platforms
 - Service enhancements

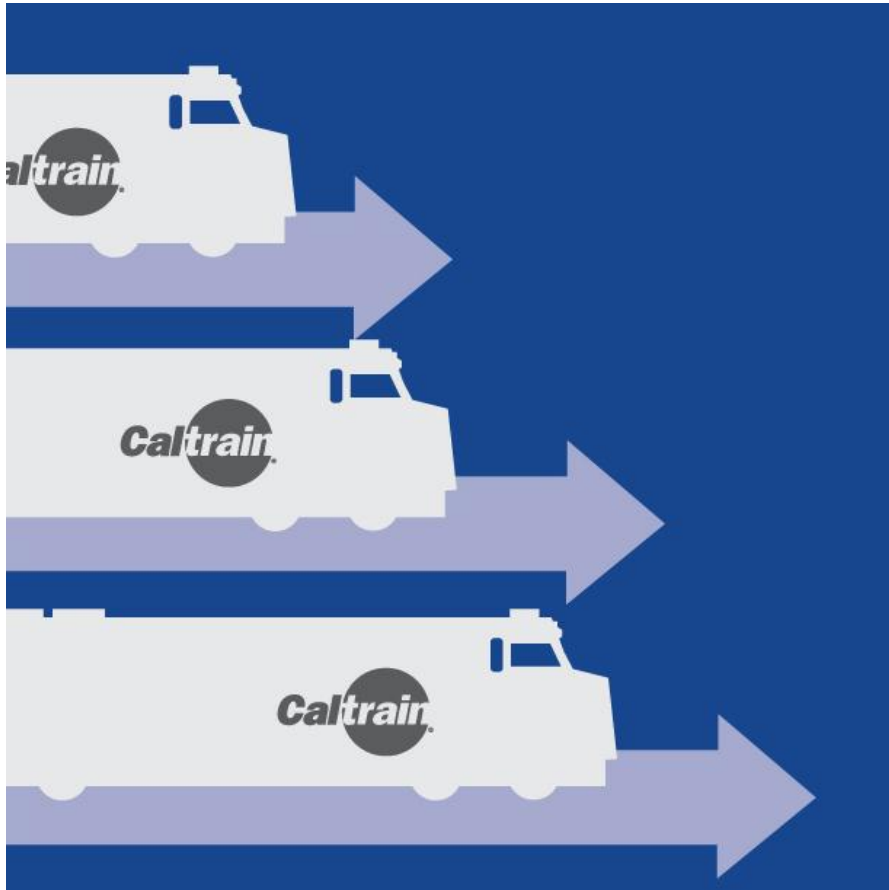


Caltrain Corridor Capacity Improvements – Proposed Guidelines



- Funds for increased operations to Morgan Hill & Gilroy distributed annually
- Improvement projects after completion of Peninsula Corridor Electrification Project

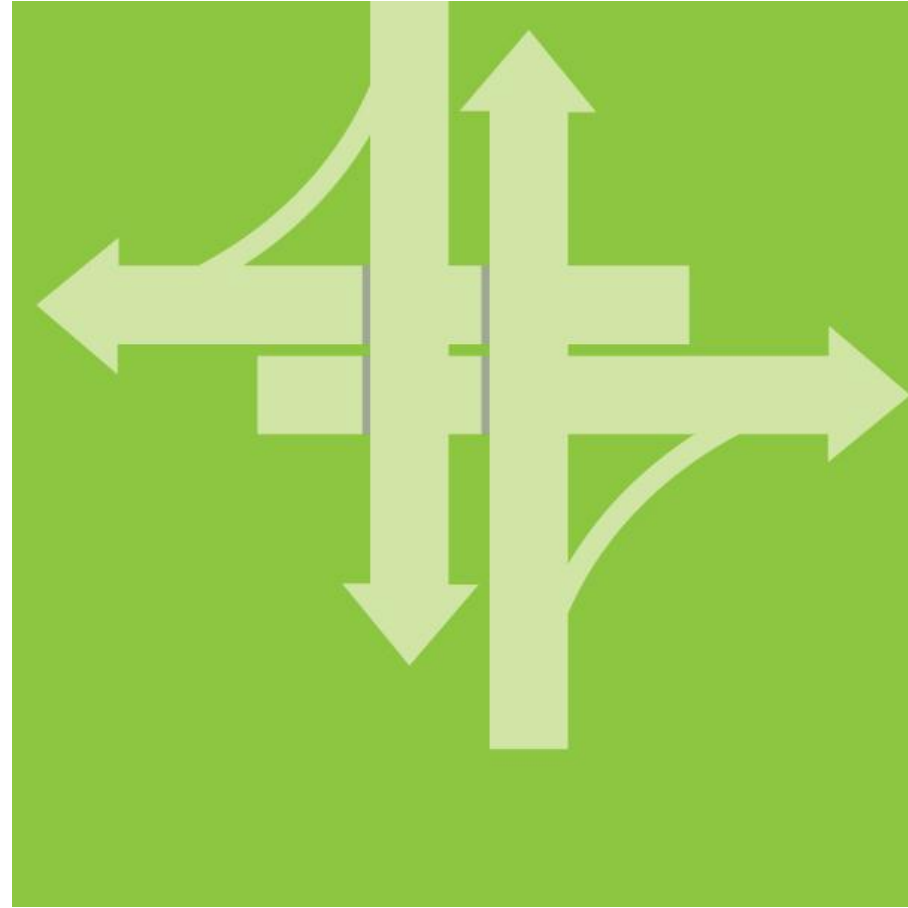
Caltrain Corridor Capacity Improvements – Proposed FY18 & FY19 Allocation



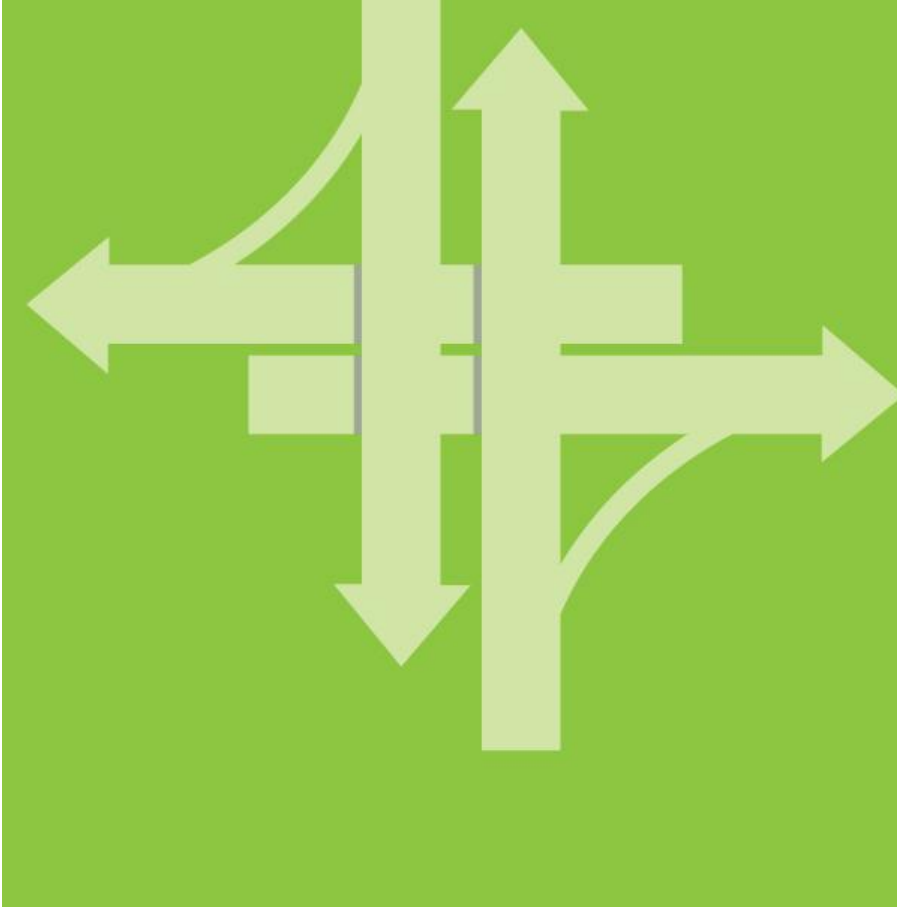
- Allocation based on projected need for increased operations to Morgan Hill & Gilroy
- FY18 & FY19: \$2 million

Highway Interchanges – Program Description

- \$750 Million
- Congestion relief
- Improved highway operations and freeway access
- Noise abatement
- Roadway connection overcrossings
- Advanced technology through ITS
- Candidate projects listed in Measure B

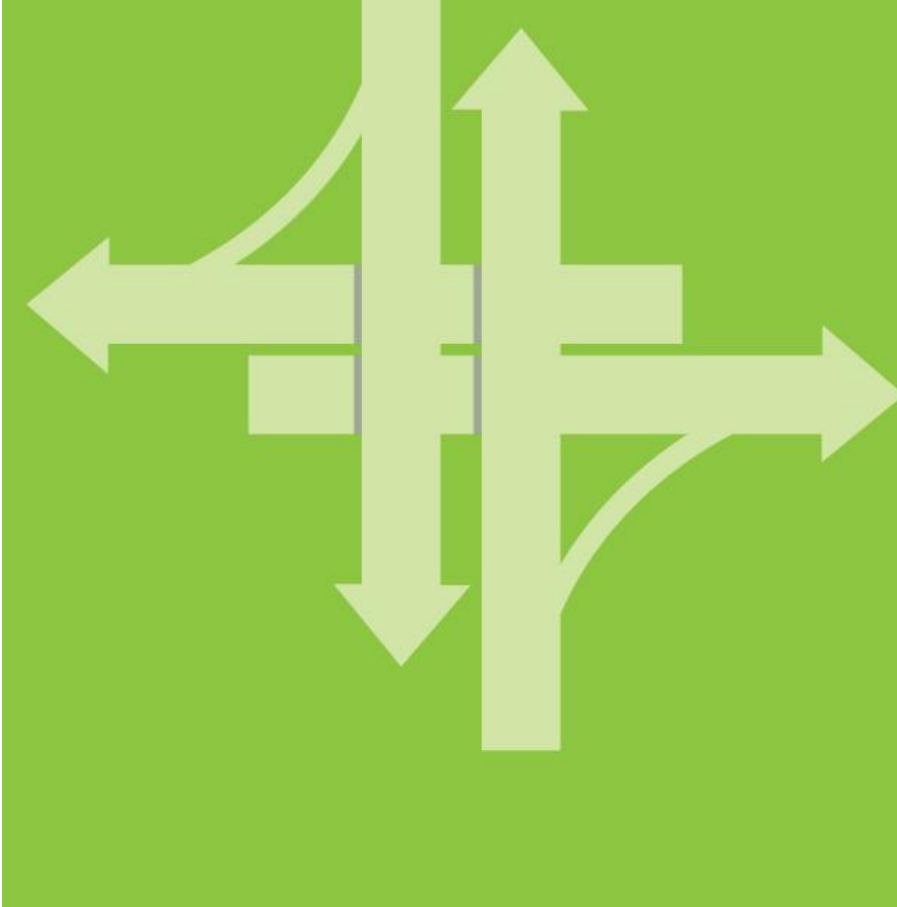


Highway Interchanges – Proposed Guidelines



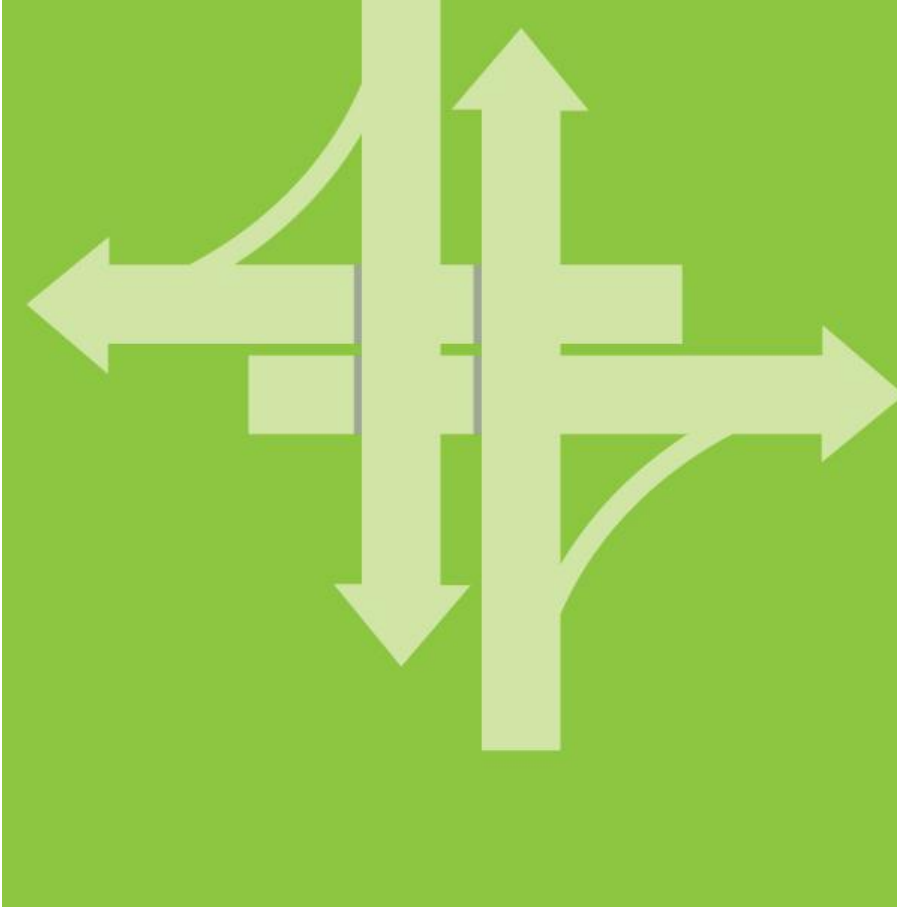
- Complete Streets Reporting Requirements
- 10% minimum non-2016 Measure B contribution

Highway Interchanges – Proposed Guidelines



- 2-year prioritized Project List
 - Project readiness
 - Level of non-2016 Measure B contribution
 - Geographic considerations
- Noise Abatement Program
 - 2011 VTA Soundwall Study projects

Highway Interchanges – Proposed FY18 & FY19 Allocation



- Allocation based on projected need for advancement of projects
- FY18 & FY19: \$87 million

County Expressways – Program Description

- \$750 Million
- Tier 1 improvements projects in the County's Expressway Plan
- Relieves congestion, improves safety and increases effectiveness of expressway system
- Candidate projects identified in Measure B.



County Expressways – Proposed Guidelines

- Complete Streets Reporting Requirements
- 10% non-2016 Measure B contribution



County Expressways – Proposed Guidelines



- Master Agreement with Santa Clara County
- Discussions with County to define 5-year implementation plan and 10-year capital improvements plan
- Projects prioritized by SCCo Expressway PAB adopted criteria

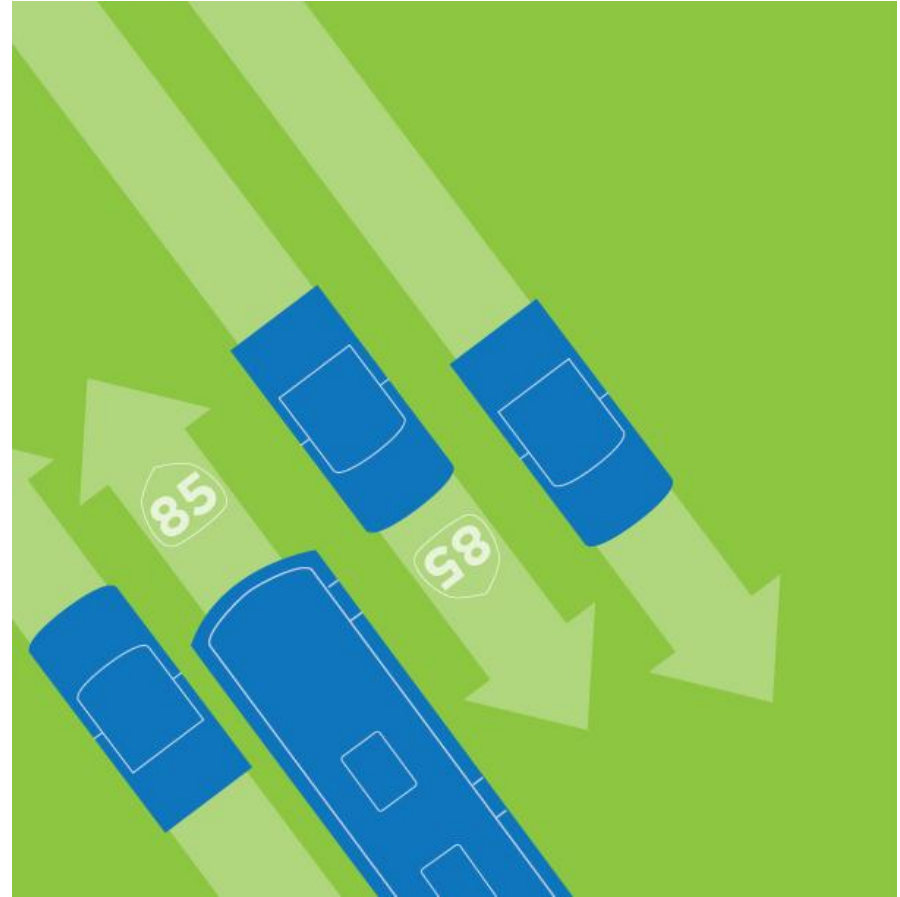
County Expressways – Proposed FY18 & FY19 Allocation



- Allocation based on projected need for advancement of projects
- FY18 & FY19: \$50 million

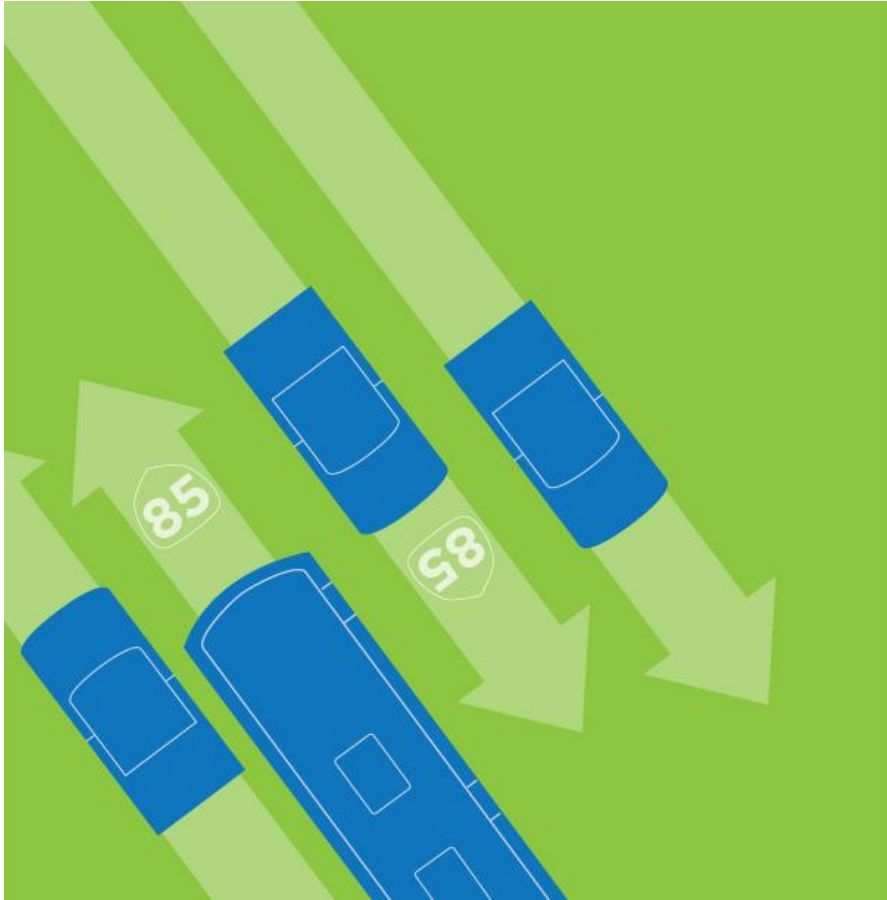
SR 85 Corridor – Program Description

- \$350 Million
- Funds new transit and congestion relief projects on SR 85
 - Includes new transit lane from SR 87 in San Jose to US 101 in Mountain View
- Funds noise abatement
- Transportation alternatives study

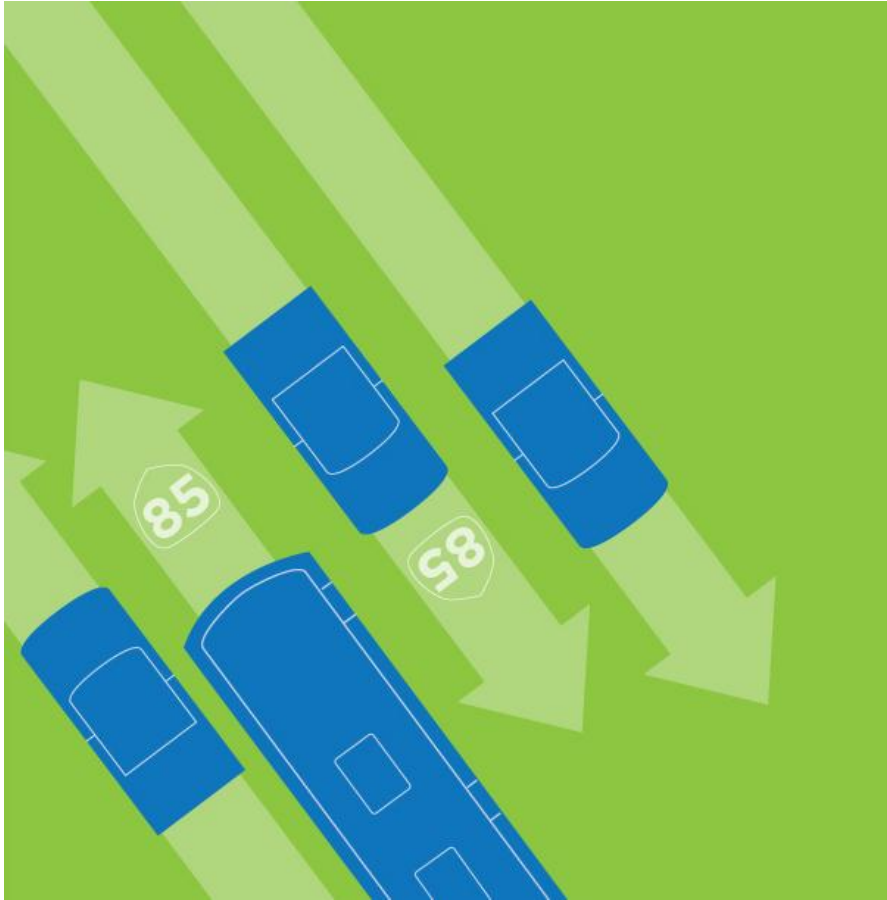


SR 85 Corridor – Proposed Guidelines

- Complete Streets Reporting Requirements
- 10% non-2016 Measure B contribution for capital projects

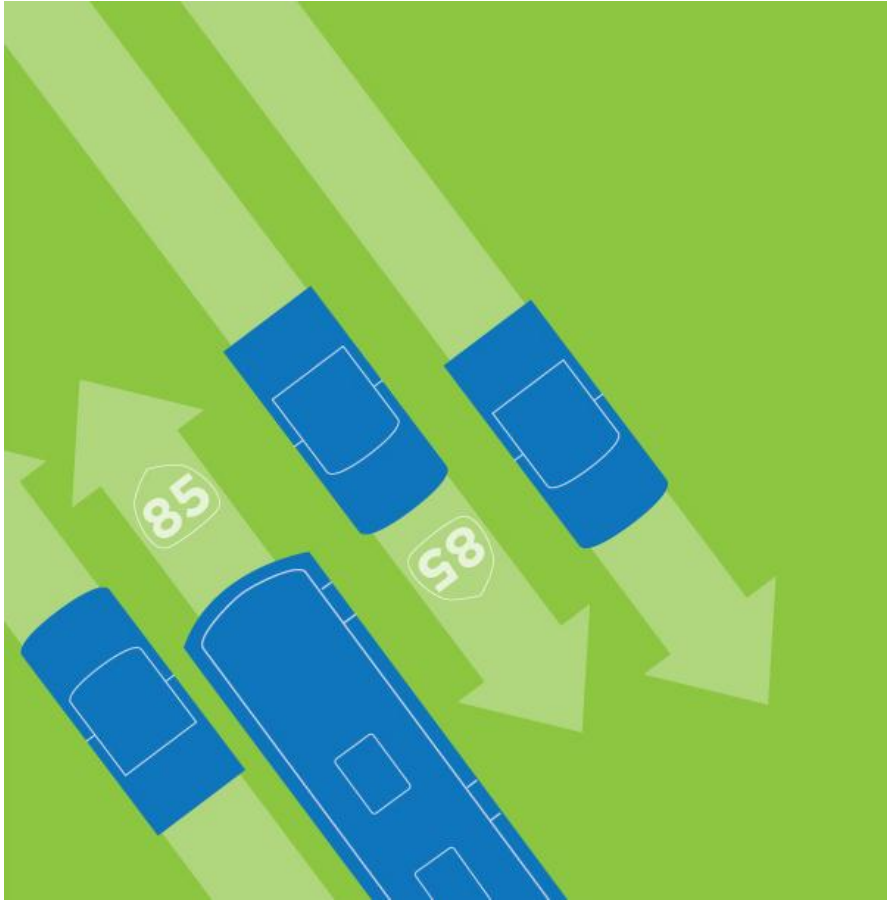


SR 85 Corridor – Proposed Guidelines



- Pilot projects identified in the SR 85 Noise Abatement Study
- Transit Guideway Study
- Upon completion of Transit Guideway Study, Implementation Plan for SR85 Improvements

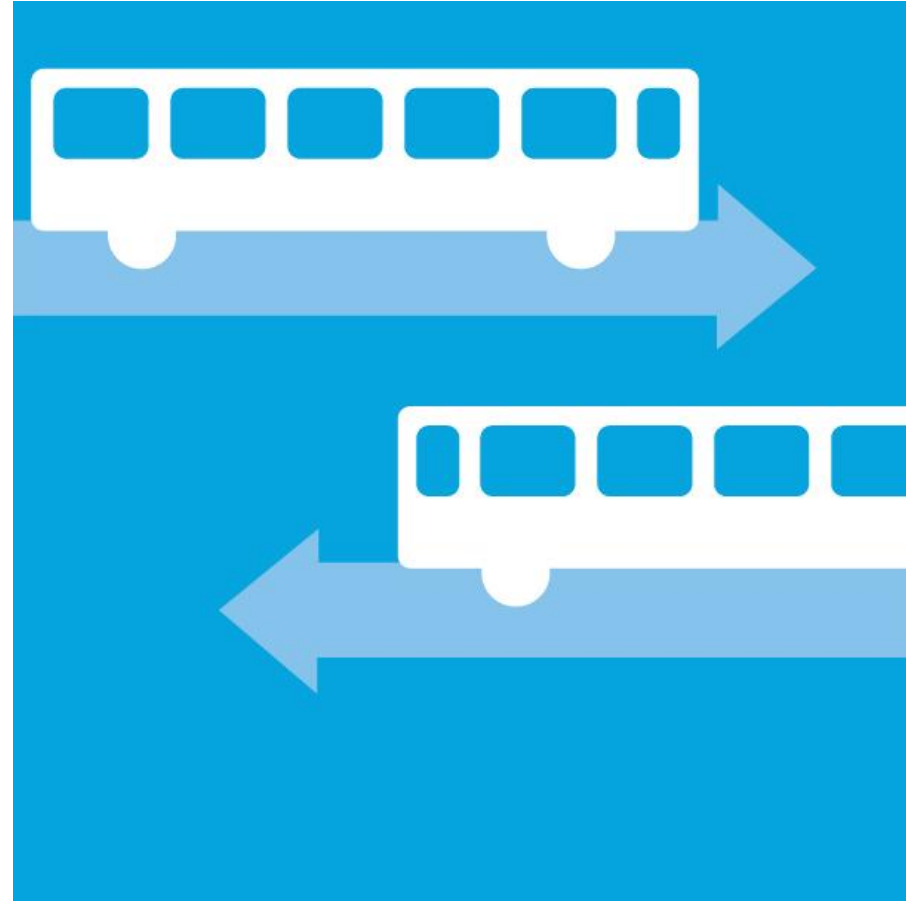
SR 85 Corridor – Proposed FY18 & FY19 Allocation



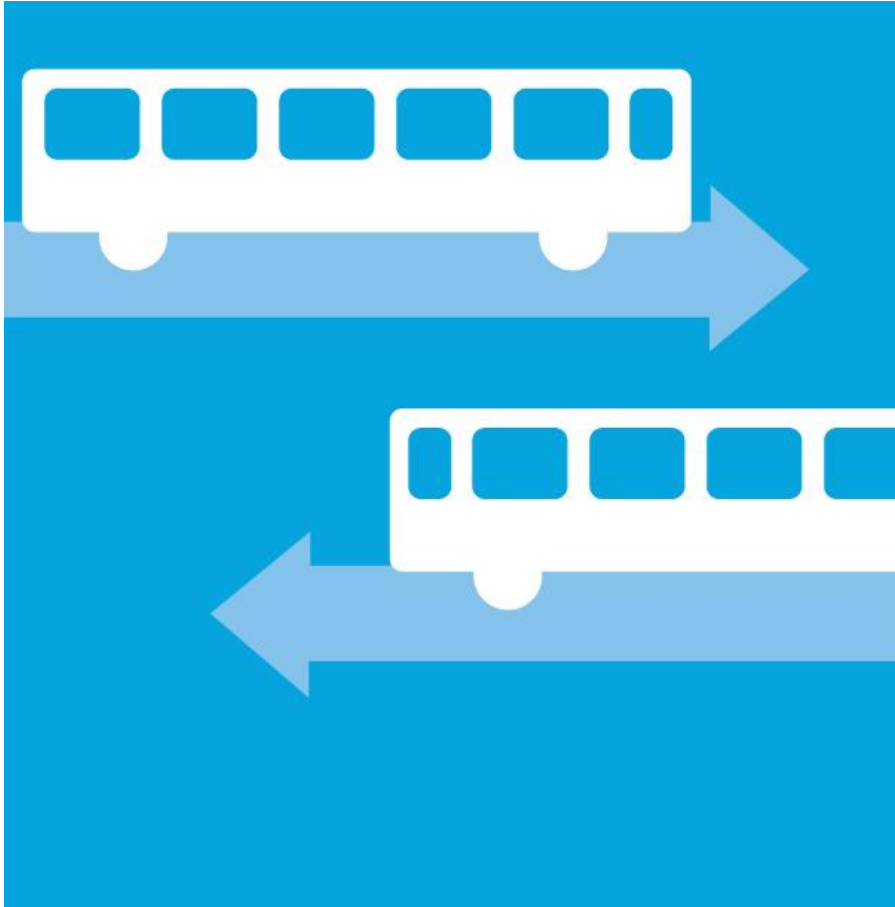
- Allocation based on projected need to advance noise abatement pilot projects, completion of Transit Guideway Study and implementation plan
- FY18 & FY19: \$12 million

Transit Operations – Program Description

- \$500 Million
- Program Goals:
 - Increase ridership
 - Improve efficiency
 - Enhance mobility services for seniors and disabled
 - Improve affordability for underserved and vulnerable populations in SCCo
- Four categories
- Candidate projects & programs listed in Measure B

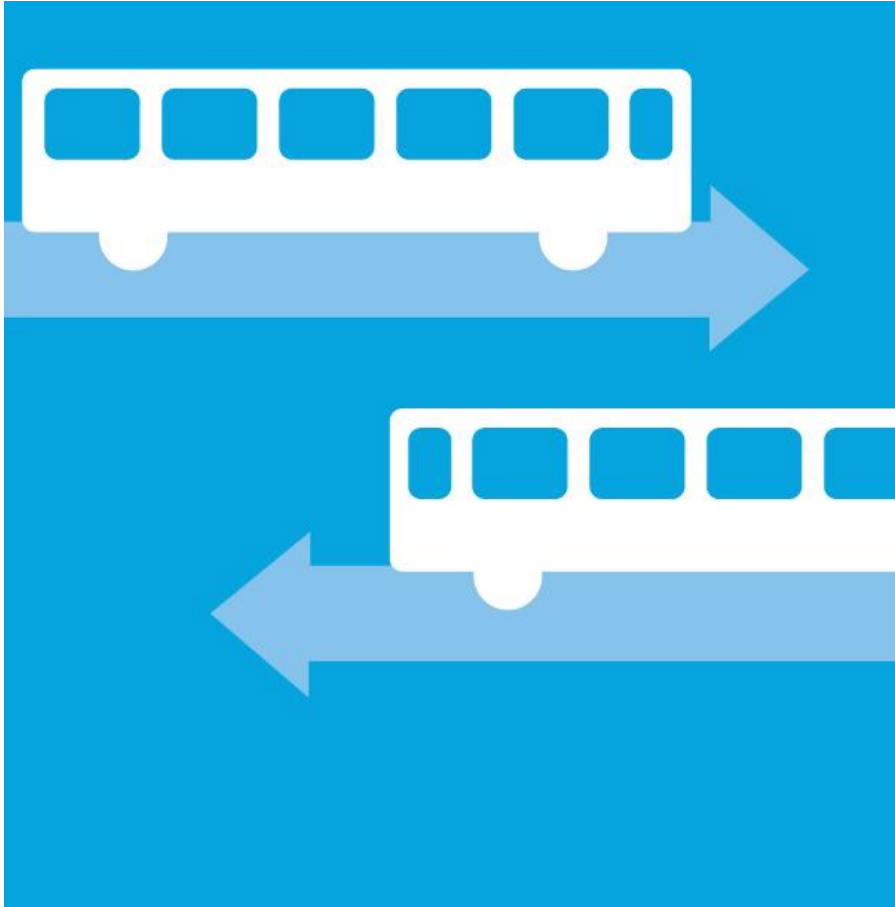


Transit Operations – Proposed Guidelines



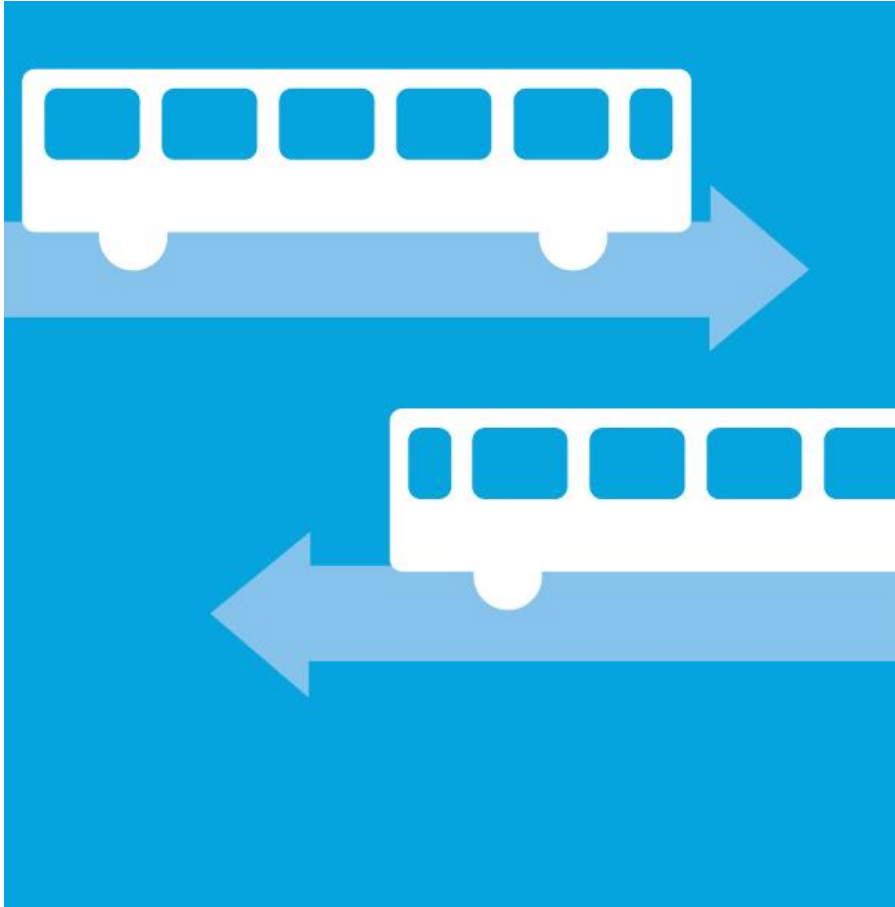
- Transit Services
 - 81% of allocation
 - Enhance Frequent Core Network
 - Innovative mobility models
- Expand mobility options & fares for most vulnerable population
 - 15% of allocation
- Improve Bus Stop Amenities
 - 4% of allocation

Transit Operations – Proposed FY18 & FY19 Allocation



- Annual allocation based on 1/30th of \$500 million (estimated program revenue)
- FY18: \$16.6 million
- FY19: \$16.6 million
- Future allocation increases or decreases based on revenues collected

Transit Operations – Proposed FY18 & FY19 Allocation



- Enhance Frequent Core Network:
 - \$12 million per FY
- Innovative Mobility Solutions:
 - \$1.5 million per FY
- Affordable Fares:
 - \$2.5 million per FY
- Improve Bus Stop Amenities:
 - \$650k per FY

FY18 & FY19 Proposed Allocation Summary

All amounts in million \$

Program Area	FY18	FY19
Administrative Costs	3.3	3.3
Local Streets & Roads	40	40
BART Phase II	0	0
Bicycle/Pedestrian	16.6	
Caltrain Grade Separations	7	
Caltrain Corridor Capacity Improvements	2	
Highway Interchanges	87	
County Expressways	50	
SR85 Corridor	12	
Transit Operations	16.6	16.6



Complete Streets Reporting Requirements



- Committees in April & May
- June 1, 2017 Board Approval
- Checklist development with Partner Agencies

Next Steps

Guidelines

- May Committees
- June 1, 2017 Board Approval

Implementation

- Execute Agreements
- Establish Competitive Program Process



Questions?



Employer Outreach

