

## MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**FROM:** Kurt Evans, Government Affairs Manager  
Santa Clara Valley Transportation Authority

**DATE:** February 22, 2010

**SUBJECT:** Weekly Legislative Update: Week of February 15, 2010

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### **FEDERAL**

***Jobs:*** Senate Democrats are pushing for approval of a job-creation bill that includes a payroll tax credit for companies that hire unemployed workers, gives small businesses more power to write off investment costs, extends the Build America Bonds Program, and extends current federal surface transportation law through September 30. While specific provisions are still being negotiated, the legislation is also expected to include items on lawmakers' annual to-do list, such as preventing scheduled cuts in Medicare reimbursements to doctors, extending a series of expiring tax cuts, and easing corporate pension-funding requirements. In addition, senators have tentatively agreed to three-month extensions of unemployment insurance and aid to help jobless workers buy health insurance from their former employer.

The centerpiece of the Senate's emerging jobs bill is the payroll tax credit. This proposal is designed to reduce the cost of hiring new workers by excusing employers from paying a 6.2 percent Social Security payroll tax this year for each employee that they hire who has been out of work for at least 60 days. The non-partisan Congressional Budget Office (CBO) stated last month that this idea was among those policy changes most likely to reduce unemployment this year.

Unlike the House's "Jobs for Main Street Act," which includes \$37.5 billion in transportation infrastructure investments, the Senate package does not appear to contain any new money for highways and public transit. Instead, it calls for extending the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) through the end of the current federal fiscal year to ensure that the necessary legal authority is in place so that federal funds already appropriated under the FY 2010 omnibus appropriations bill can be spent.

Under the Build America Bonds Program, the federal government subsidizes infrastructure projects by paying 35 percent of the interest costs from taxable bonds issued by local agencies. President Barack Obama has proposed making the program permanent, while reducing the subsidy to 28 percent.

The House's \$154 billion "Jobs for Main Street Act," which was approved last December, would have to be reconciled with whatever legislation is produced by the Senate. The effort represents Congress' fourth major attempt to stimulate the nation's economy since the recession began in December 2007. Lawmakers have approved more than \$1 trillion in stimulus-related initiatives, beginning in February 2008 with a \$168 billion plan that sent tax-rebate checks to millions of people. A year ago, lawmakers approved the American Recovery and Reinvestment Act (ARRA), a comprehensive \$862 billion economic stimulus package. And last November, Congress extended several elements of ARRA.

**Federal Deficit:** The CBO called the U.S. budget outlook "bleak" in a forecast that raises pressure for fiscal belt-tightening. In its annual report, the CBO pegged the FY 2010 deficit at \$1.35 trillion, a slight decrease from the \$1.4 trillion deficit from FY 2009 that set a post-World War II record. It noted that the federal government will run an aggregate deficit of about \$6 trillion during the next decade, a level that many economists worry could lead to currency shock, inflation, crippling interest rates, or other economic maladies.

In addition, the report contains sobering projections for Americans looking for a brighter employment picture. The CBO predicts that unemployment, currently hovering around 10 percent, would not return to 5 percent until the middle of the decade. The report also projects slightly lower economic growth in the near term compared with last year's estimates because of the extent of the recession's impact.

## **STATE**

**Jobs:** Republican lawmakers said they will be rolling out their own bills over the next several weeks that would attempt to spur private-sector job growth by cutting regulations on businesses and reducing lawsuits. Senate Minority Leader Dennis Hollingsworth (R-Murieta) commented that the GOP will focus on pushing reforms aimed at "invigorating our small-business climate" by getting rid of a "morass of bureaucratic red tape" and "frivolous lawsuits that hold up construction projects and expansion of businesses." The GOP announcement came one week after Senate President Pro Tempore Darrell Steinberg (D-Sacramento) unveiled a 27-bill package consisting of Democratic ideas for job creation. That package includes directing various existing government funds into "green job" growth in renewable energy and linking student technical training to new jobs. Steinberg also wants legislators to try to spur employment by swiftly authorizing the spending of various federal pools of money and state bonds for school construction, high-speed rail and other public works.

State Assembly GOP Leader Martin Garrick (R-Carlsbad) said free-market jobs should be a priority, not jobs created by government spending. Garrick noted that he plans to introduce a proposal to require a "third party," such as the Legislative Analyst's Office (LAO), to analyze bills and gauge what job losses they might cause if enacted. Meanwhile, Sen. Bob Dutton (R-Rancho Cucamonga) has introduced legislation requiring the state auditor to review existing regulations and recommend eliminating those that are too costly and unnecessary. In addition, the bill calls for regulations to sunset after 10 years unless they are declared necessary.

**NOTE:** Also contributing to this report were Steve Palmer with Van Scoyoc Associates; Mark Watts with Smith, Watts & Company; and Scott Haywood, VTA's Policy and Community Relations Manager.

**From:** Weymouth, Sandra  
**Sent:** Thursday, February 25, 2010 11:15 AM  
**To:** VTA Board of Directors  
**Subject:** Correposndence copied to the VTA Board of Directors

The VTA Board of Directors are copied on the attached correspondence:

1. 2/12/10-Letter to the honorable Zoe Lofgren RE: \$2 million THUD appropriations Request for our High-Volume Bus Upgrades Project
2. 2/23/10-Letter to the Honorable Dianne Feinstein RE: Support the City of San Jose Autumn Street Extension Project
3. 2/23/10-Letter to the Honorable Zoe Lofgren RE: Support the City of San Jose Autumn Street Extension Project
4. 2/23/10-Letter to the Honorable Barbara Boxer RE: Support the City of San Jose U.S. 101/Mabury Road Interchange
5. 2/23/10-Letter to the Honorable Mike Honda RE: Support the City of San Jose U.S. 101/Mabury Road Interchange
6. 2/23/10-Letter to the Honorable Zoe Lofgren RE: Support the City of San Jose U.S. 101/Mabury Road Interchange

Sandra Weymouth  
Board Secretary  
408.321.7046

February 12, 2010

The Honorable Zoe Lofgren  
U.S. House of Representatives  
102 Cannon House Office Building  
Washington, DC 20515

Dear Congresswoman Lofgren:

The Board of Directors of the Santa Clara Valley Transportation Authority (VTA) is pleased to write this letter to request a \$2 million appropriation for our High-Volume Bus Stop Upgrades Project under the Section 5309 Bus/Bus Facilities Program in the FY 2011 Transportation, Housing and Urban Development, and Related Agencies (THUD) appropriations bill.

The goal of VTA's High-Volume Bus Stop Upgrades Project is to improve the conditions and safety at heavily traveled bus stops, while creating an aesthetically pleasing environment that is recognizable throughout VTA's bus network. Transit riders are at risk from traffic collisions, inclement weather and crime, and these issues can be address by improving the physical environment where passengers wait for their buses to arrive. The project will take a "toolbox" approach in order to address the wide range of physical conditions, differences in bus service levels and the likely need for phased implementation among the many different bus stops throughout Santa Clara County.

VTA's High-Volume Bus Stop Upgrades Project presents an opportunity to pilot innovative bus stop features, such as solar power, unique communications systems, improved transit information to passengers, designs that discourage vandalism and crime, and the use of sustainable materials for shelters and other passenger amenities.

On behalf of the VTA Board of Directors, please accept our appreciation for considering this important project.

Sincerely,

Sam Liccardo, Chairperson  
Board of Directors  
Santa Clara Valley Transportation Authority

February 23, 2010

The Honorable Dianne Feinstein  
U.S. Senate  
331 Hart Senate Office Building  
Washington, DC 20510

**RE: City of San Jose – Autumn Street Extension Project**  
**(THUD/Department of Transportation)**

Dear Senator Feinstein:

The Santa Clara Valley Transportation Authority (VTA) supports the City of San Jose's request for federal funding for the Autumn Street Extension.

Funds will complete the extension of Autumn Street from Julian Street to St. John Street, the second phase of a connector from I-880 to the western part of downtown San Jose. The extension will alleviate existing congestion and provide access to the intermodal transit hub around Diridon Station for current bus and rail services as well as the future Bay Area Rapid Transit (BART) extension, and High Speed Rail. The project implements a critical element of the Downtown Access and Circulation Study and Downtown Strategy 2000 Environmental Impact Review, which determined the new road is essential to addressing existing and future capacity needs and to promoting economic development.

The project will improve travel times for vehicles, bicycles, and pedestrians while creating a multimodal corridor, which will improve vehicular travel times by increasing intersection capacity and providing a new access point into the downtown. At the same time, pedestrians will be provided with a new more comfortable walking environment. The project proposes to include street trees and wide sidewalks that will allow pedestrians to travel more comfortably through the corridor. It will also allow for easier crossings and safer travel with reduced travel times and improved conditions for pedestrians.

These much-needed infrastructure improvements will provide the ideal environment for economic development, job growth, congestion relief, and bicycle and pedestrian improvements. On behalf of the VTA Board of Directors, please accept our appreciation for considering this important project.

Sincerely,

Sam Liccardo  
Chair, VTA Board of Directors

February 23, 2010

The Honorable Zoe Lofgren  
U.S. House of Representatives  
102 Cannon House Office Building  
Washington, DC 20515

**RE: City of San Jose – Autumn Street Extension Project**  
**(THUD/Department of Transportation)**

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Best Regards,

Sam Liccardo  
Chair, VTA Board of Directors

February 23, 2010

The Honorable Barbara Boxer  
U.S. Senate  
112 Hart Senate Office Building  
Washington, DC 20510

**RE: US 101/Mabury Road Interchange, City of San Jose**  
**(THUD/Department of Transportation)**

Dear Senator Boxer:

The Santa Clara Valley Transportation Authority (VTA) supports the City of San Jose's request for federal funding for the U.S. 101/Mabury Road Interchange.

Funds will support project development, including environmental documentation and conceptual engineering for construction of a new interchange at the U.S.-101/Mabury Road interchange. The interchange is a major north/south roadway that serves Santa Clara County residents from Palo Alto to Gilroy. The proposed interchange has long been identified in the City's General Plan as a much needed freeway gateway to alleviate congestion at the U.S. 101/Oakland Road and the U.S. 101/Julian Street/McKee Road Interchanges and it will serve as a critical access point to the future Berryessa BART Station.

The U.S. 101/Mabury Road interchange is projected to provide a high level of regional and local benefit from a traffic operations standpoint. It will support the "smart growth" development projects in the U.S. 101/Mabury Road and Jackson/Taylor area, the Transit Oriented Development near Berryessa BART Station and the Japantown Neighborhood Business District. This project will also support the federal investment committed to the Silicon Valley BART Extension.

These vital infrastructure improvements will provide the ideal environment for economic development, job growth, and congestion relief in the South Bay. On behalf of the VTA Board of Directors, please accept our appreciation for considering this important project.

Sincerely,

Sam Liccardo  
Chair, VTA Board of Directors

February 23, 2010

The Honorable Mike Honda  
U.S. House of Representatives  
1713 Longworth House Office Building  
Washington, DC 20515

**RE: US 101/Mabury Road Interchange, City of San Jose**  
**(THUD/Department of Transportation)**

Dear Representative Honda:

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