

2016 Annual Report



Solutions that move you



Nuria I. Fernandez
*VTA General Manager
 & CEO*



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 2016
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 Chairperson*

The past year boasted a boon to the economy and employment rates, and brought in a historically high number of people now living and working in Santa Clara County. VTA dedicated its resources to identify and deliver mobility solutions that enhance the quality of life for county residents and incoming workers. Passed with overwhelming support, the 2016 Measure B will provide a near and long-term revenue stream for transportation solutions that move people in a safer and more efficient manner. The Measure, comprised of nine program areas, includes improvements and enhancements to transportation infrastructure and transit, expands bicycle and pedestrian facilities, improves safety and connectivity, and reduces congestion. VTA also began analysis and planning to solve the complex challenge of balancing transit geographical coverage versus frequency, to make public transportation more accessible, convenient and useful for more people.

After years of planning and design, as well as securing the needed funding, the decades old

vision to connect to the regional BART system is now a highly visible reality in Milpitas and San Jose. Later this year the transit alternative, with the capacity to move as many people as eight freeway lanes, will be open for passenger service. VTA will carry the transit progression from BART through Silicon Valley as those passengers integrate into VTA's redesigned bus and light rail system to get them to their destination as seamlessly as possible.

Bus Rapid Transit (BRT) will be an integral part of that mix, with the Alum Rock Santa Clara BRT project now complete and line 522 carrying the highest number of passengers in the bus system. These services and infrastructure projects along with strategic efforts in joint transit oriented development, will change the valley's landscape further, making transit more convenient and desirable, and solo driving less desirable.

To accomplish these ambitious goals, VTA reached out to the vastly diverse interests of the community and we worked together. We are grateful for our transportation, county, city and business partners, and the public, and look forward to finding more solutions that move you.

Be Safe,



Innovation

VTA anticipates the needs of the public for a smart, connected transportation ecosystem by testing and implementing cutting edge technology solutions to keep people moving safely, securely and efficiently.

This past year, we enhanced our innovation portfolio with better customer information, new first and last-mile solutions, and ways to improve safety and security.

To improve the rider experience, **full color information monitors** that display real time train arrival predictions and service alerts were installed at light rail stations; and **interactive kiosks** with trip planning are now at nine high-traffic locations. VTA developed and tested a transit-oriented **Dedicated Short Range Communication** (DSRC) system that customers can use to tell a bus driver they are waiting at an upcoming stop. This system includes DSRC and Bluetooth-enabled Smart Stops with digital displays, DSRC equipment on buses, and a mobile application. Early in 2016, VTA did a **test of on-demand bus service. FLEX**, the app-based service was the first of its kind in the Bay Area.

New technology has also greatly enhanced safety. In preparation for the Super Bowl, VTA teamed up with technology leaders, businesses, public safety and public agencies to create a smarter, safer transit system with **game-changing technology** that allows law enforcement and

VTA to share **real-time situational data and video footage in the cloud**. An industry leading Collision Avoidance system was installed on four VTA buses which alerts the driver visually and audibly when a pedestrian and/or cyclist is in danger zones around the moving bus. A **video analytics system** with artificial intelligence that teaches itself to recognize and report unusual behavior in real-time is undergoing testing at two light rail stations. This technology leverages existing video surveillance investments with an unsupervised, continuous learning platform for a proactive safety response.

VTA also continues to participate in the **West Coast Innovation Alliance** that includes LA Metro, AC Transit and Portland's TriMet.

This group has worked collectively on a multimodal trip planner, mobile application development, and strategies to bring more innovation to transit.



Major Projects

In our role as the Congestion Management Agency for Santa Clara County, VTA plans, designs, funds and constructs transportation and mobility infrastructure, which includes pedestrian walkways and paths, bikeways and trails, highways, roads, bridges, interchanges and transit infrastructure. 2016 included groundbreakings, significant progress and milestones on larger, long-term projects, and successful completion of others.



Santa Clara Pedestrian Undercrossing

In September, ground was broken at the Santa Clara Train Station where VTA is currently building an extension to the existing undercrossing and a new approach ramp. The 80-foot undercrossing will run under three Union Pacific Railroad tracks and will allow pedestrians and cyclists to access the Caltrain/ACE/Capitol Corridor platform and El Camino Real from Brokaw Road. The 250-foot open-air approach ramp will connect Brokaw Road to the tunnel structure.

BRT

While the Alum Rock Santa Clara Bus Rapid Transit project experienced some bumps in the road in 2015, the project moved to completion in 2016, with only a few finishing touches left. Passengers are enjoying the new comfortable, train-like vehicles, and twenty new culturally and historically relevant, art-enhanced stations.

Transit Service Redesign

VTA conducted extensive analysis and sought public input to determine how we can redesign our transit network to be faster, more frequent and more useful for Santa Clara County travelers. Integral to the redesign that maintains current service levels, is the critical balancing of service frequency versus geographical coverage. The draft service plan also includes proposed changes to light rail operations and transfer points. Upon implementation of the final plan later this year, VTA looks to improve overall system ridership, better connect VTA transit with BART service in Milpitas and Berryessa, and improve overall efficiencies and the bottom line.

Envision Silicon Valley

VTA launched Envision Silicon Valley to make sure those who rely on our transportation system and help pay for it, have a say in how it's designed, built and maintained. We engaged community leaders and county residents in a dynamic visioning process to discuss current and future transportation needs, identify solutions and craft funding priorities. Over 18 months, through public meetings, workshops, media outreach, and electronic communications, VTA solicited ideas and suggestions to enhance transit, highways, expressways and active transportation (bicycles, pedestrians and complete streets).

As a result, nine project areas were identified for improvement or development including BART Silicon Valley Phase II, Bicycle/Pedestrian Program, Caltrain Corridor Capacity Improvements and Grade Separations, County Expressways, Highway Interchanges, Local Streets and Roads,

State Route 85 Corridor, and Transit Operations. Envision Silicon Valley helped us prepare for the Measure B countywide sales tax measure.

Measure B

On November 8, 2016, Measure B passed overwhelmingly with 71.74% of the vote.



The sales tax is anticipated to bring in \$6 to \$6.5 billion dollars over 30 years (in 2017 dollars). Soon after passage, staff began putting together guidelines so the Board can approve a prioritization process and schedule of projects. That course of action includes reaching out to cities that have projects included in the measure for their input and guidance.

Tax collections could begin as early as April 2017. A Citizen's Oversight Committee will be formed to ensure transparency and accountability.



BART Silicon Valley

The largest infrastructure project in Santa Clara County's history, VTA's 10-mile, two-station, extension of the regional BART system, is moving toward completion. VTA broke ground on the \$2.3 billion project in 2012, and is ahead of schedule and budget. Construction on the line, track, systems, stations, roadways and parking structures is nearly complete. The system has been energized and system integration and train testing are underway. Passenger service is scheduled to begin in the later part of 2017.

BART service still has further to go in the County. The second phase, a four station, six-mile segment that includes a five-mile tunnel, is advancing in the environmental phase and New Starts federal funding program. The passage of the 2016 Measure B, demonstrates strong local support, better positioning the \$4.7 billion project for federal funding.

VTA Ridership

2016 Ridership



30.4
million



9.9
million

Average Weekday System Ridership: 130.5
thousand

After years of slow but steady ridership increases, public transit agencies throughout the country experienced declining ridership in 2016. VTA experienced an overall decrease in ridership of 8.9%. The decrease is attributed to several external factors including weather, construction, low gas prices and private ride sharing services and corporate shuttles. While private services have an impact on public transit ridership, they are a community benefit and contribute to reducing congestion and solo driving.

VTA is responding to the downward ridership trend with a transit service redesign, fare structure analysis and overall agency transformation.

2016 Financial Picture

This data reflects calendar year 2016 actual Revenues and Expenditures for the VTA Transit Operating Fund.

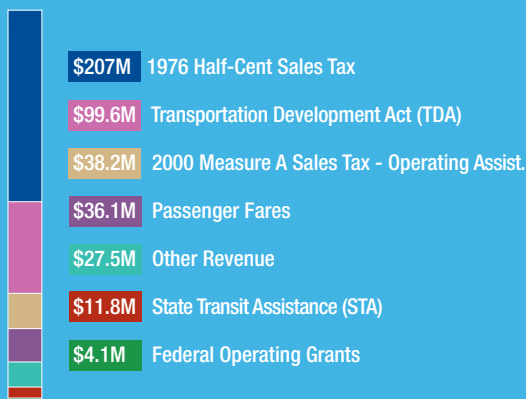
Financial Highlights:

Sales Tax based revenues were \$5.0M or **1.5% higher** than the previous year.

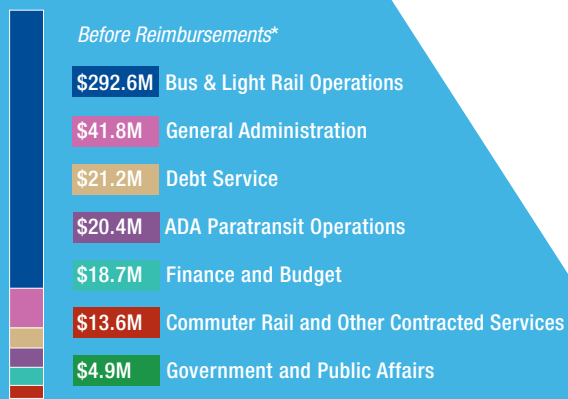
Operating Revenues were \$17.5M or **4.1% lower** than budgeted.

Operating Expenditures were \$28.7M or **6.7% lower** than budgeted.

Revenue Sources: \$424.3M



Expenses: \$413.2M



*Note: does not reflect Engineering and Transportation Infrastructure Development or Planning and Program Development Division expenses which are primarily funded through capital programs, grants, federal, state, local and other funds.

VTA is Transforming

In mid-2015, VTA embarked on an ambitious long-term process to spur change in the mobility habits of Santa Clara County residents and commuters. The ultimate goal is to create attitudinal shifts and motivate more of the county's residents to see public transit—and walking, bicycling and ride-sharing—as viable, reliable, safe, efficient and preferred alternatives to solo driving. To achieve this, it is important to ensure the public's knowledge of VTA as the provider of sustainable, accessible and innovative community-focused transportation options. Following 18 months of extensive internal and external research and analysis, VTA has refreshed its brand with a new image and colors, and developed messaging and communications, including a new tagline “Solutions that move you” that better reflects VTA's broader role as the local authority on mobility. VTA introduced this new brand in January 2017, as part of its overall transformation. The communications strategies and rebrand articulate what is behind VTA's transit service redesign and the changes taking place in how we move people.



Strategic Plan

VTA's last update of its strategic plan was in 2009. Crafting a new one included a review of VTA's current mission, vision, values and business lines. VTA gained input from employees through forums, meetings with union leaders, and employee surveys. Retaining core values including *Safety, Integrity, Quality, Sustainability, Accountability, and Diversity*, the updated Strategic Plan will reflect how we approach our work and accomplish the goals to provide fast, frequent, reliable service and to develop projects and programs that provide the best mobility solutions to the public. The VTA Board of Directors adopted the final Strategic Plan at its December 2016 meeting.

VTA's Mission: *Provide Solutions that Move You.*

VTA's Long Term Goal: *Innovate the Way Silicon Valley Moves.*

VTA's Action Values: *Create, Collaborate and Lead.*

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* also serves on the Metropolitan Transportation Commission

Board of Directors Email: board.secretary@vta.org