BOARD OF DIRECTORS MEETING

Thursday, June 3, 2010

5:30 P.M.
The Regular Session will commence immediately following the conclusion of the Closed Session.

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 should 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. If you wish to discuss any of these items, please request the item be removed from the Consent Agenda by completing a blue card at the public information table and handing it to the Board Secretary staff prior to the meeting or prior to the Consent Agenda being heard.
• Disclosure of Campaign Contributions to Board Members (Government Code Section 84308)

In accordance with Government Code Section 84308, no VTA Board Member shall accept, solicit, or direct a contribution of more than $250 from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency. Any Board Member who has received a contribution within the preceding 12 months in an amount of more than $250 from a party or from any agent or participant shall disclose that fact on the record of the proceeding and shall not make, participate in making, or in any way attempt to use his or her official position to influence the decision.

A party to a proceeding before VTA shall disclose on the record of the proceeding any contribution in an amount of more than $250 made within the preceding 12 months by the party, or his or her agent, to any Board Member. No party, or his or her agent, shall make a contribution of more than $250 to any Board Member during the proceeding and for three months following the date a final decision is rendered by the agency in the proceeding. The foregoing statements are limited in their entirety by the provisions of Section 84308 and parties are urged to consult with their own legal counsel regarding the requirements of the law.

• 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 compliance with the Americans with Disabilities Act (ADA), those requiring accommodations for this meeting should notify the Board Secretary’s Office 48 hours prior to the meeting at (408) 321-5680 or e-mail: board.secretary@vta.org or TDD (408) 321-2330. VTA’s Home page is on the Web at: www.vta.org

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.
CALL TO ORDER

1. ROLL CALL

2. RECESS TO CLOSED SESSION

   A. Existing Litigation - Conference with Legal Counsel
      [Government Code Section 54956.9(a)]

      Name of Case: Weaver v. Santa Clara Valley Transportation Authority
      (Santa Clara County Superior Court No. 1-07-CV-093519)

   B. Conference with Real Property Negotiators
      [Government Code Section 54956.8]

      Property: Vacant land owned by VTA generally located at Lick Avenue near
      Pepitone Avenue and Goodyear Street, San Jose, California, within the Tamien
      Station area, comprised of approximately 3.5 acres

      Agency negotiator: Michael T. Burns, General Manager

      Negotiating parties: City of San Jose; Ed Shikada, Assistant City Manager

      Under negotiation: Price and terms of payment

RECONVENE TO OPEN SESSION

3. CLOSED SESSION REPORT

4. ORDERS OF THE DAY

5. AWARDS AND COMMENDATIONS

   Employees of the Month for June 2010

   Recognize Paula Aguirre, Senior Information Representative, External Affairs Division,
   River Oaks Administration; Albert Candelaria, Coach Operator, Chaboya Operations
   Division; and Kevin Morte, Paint and Body Worker, Ceroné Maintenance Division, as
   Employees of the Month for June 2010.

6. PUBLIC PRESENTATIONS

   This portion of the meeting is reserved for persons desiring to address the Board of
   Directors on any item within the Boards 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.
7. REPORT FROM THE GENERAL MANAGER (Verbal Report)

8. REPORT FROM THE CHAIRPERSON (Verbal Report)
   • Cancellation of the June 25, 2010 Regular Board/Workshop Meeting


11. Policy Advisory Committee (PAC) Chairperson’s Report (Matthews)

CONSENT AGENDA

12. Approve the Board of Directors Regular Meeting Minutes of May 6, 2010.

13. ACTION ITEM - Adopt a resolution: 1) Amending the bylaws for the Bicycle & Pedestrian Advisory Committee, Citizens Advisory Committee, and the Committee for Transit Accessibility to implement changes recommended by the Advisory Committee Enhancement Task Force to enhance the advisory committee process; 2) Amending the Policy Advisory Committee and the Technical Advisory Committee bylaws to make minor technical adjustments and corrections; and 3) Amending the VTA Administrative Code to be consistent therewith.

14. ACTION ITEM - Ratify the appointments of the following individuals to the Citizens Advisory Committee (CAC) to represent the specified stakeholder group, as indicated:
   • Herman Wadler        Bicyclists and Pedestrians
   • Aaron Morrow       Disabled Community

15. ACTION ITEM - Ratify the following appointments and re-appointments to the Bicycle & Pedestrian Advisory Committee (BPAC):

   New Appointment:
   • Breene Kerr, Town of Los Altos Hills for term commencing July 1, 2010 to June 30, 2012.

   Reappointments:
   • Jerri-Ann Meyer, City of Mountain View for term commencing July 1, 2010 to December 31, 2011;
   • Ray Cosyn, City of Saratoga; Thomas Muniz, City of Gilroy; John Sullivan, City of Santa Clara; and Richard Swent, City of Palo Alto for term commencing July 1, 2010 to June 30, 2012.

16. ACTION ITEM - Adopt a resolution authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2010-2011 Transportation Development Act (TDA) and State Transit Assistance (STA) funds.
17. **ACTION ITEM** - Adopt a support position for SB 901 (Ashburn), which authorizes the lead agency for a grade separation or safety project funded through the Proposition 1B Highway-Railroad Crossing Safety Account to apply for a Letter of No Prejudice (LONP) that would allow the agency to expend its own funds for any bond-funded component of the project and be eligible to seek reimbursement from bond proceeds at a later date under certain circumstances.

18. **ACTION ITEM** - Adopt a support position for SB 964 (Alquist), which requires the California High-Speed Rail Authority to contract with the state Employment Development Department to put together a strategy for ensuring that the necessary training programs are in place to facilitate the availability of a skilled, in-state workforce for California's proposed high-speed train system.

19. **ACTION ITEM** - Adopt a support position for AB 2324 (J. Perez), which prohibits the following: (a) a person from knowingly possessing specified weapons within a sterile area of a public transit facility; (b) an unauthorized person from knowingly entering a restricted area of a public transit facility; and (c) a person from intentionally avoiding submission to screening and inspection when entering or re-entering a sterile area of a public transit facility. In addition, this bill increases the penalties for repeat fare evasion offenders and for certain acts of public transit passenger misconduct.

20. **ACTION ITEM** - Designate fourteen investment banking firms to an underwriting pool for a period of seven years to provide the VTA access to capital markets in order to finance capital projects or refinance existing debt.

21. **ACTION ITEM** - Authorize the General Manager to execute a contract amendment with AT&T for cellular voice and data service. The contract amendment will extend the contract term for an additional one year for a cost of $200,000, for a new contract value of $1,558,000.

22. **ACTION ITEM** - Authorize the General Manager to submit federal Fiscal Year 2010 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5309 Fixed Guideway.

23. **ACTION ITEM** - Adopt a resolution authorizing the filing and execution of grants under the Proposition 84 Urban Greening for Sustainable Communities Planning funding through the State of California’s Strategic Growth Council.

24. **ACTION ITEM** - Adopt a resolution authorizing the General Manager to execute a fund transfer agreement with the State of California Department of Transportation (Caltrans) for five fiscal years from 2010 to 2014 for the State Transportation Improvement Program Planning, Programming and Monitoring Program.

25. **ACTION ITEM** - Adopt a resolution approving the project priorities for the FY2010/11 Countywide Transportation Development Act Article 3 Program.
26. ACTION ITEM - Authorize the General Manager to execute a contract with TransCore for the Electronic Toll Systems integration on the SR 237/I-880 Express Connectors project for the amount of $2.9 million. This authorization includes technical options which may be exercised by amendment. A combination of federal stimulus funds and VTA highway local funds will be used to fund this contract.

27. ACTION ITEM - Accept the Bike Sharing Study Final Report.

28. ACTION ITEM - Authorize General Manager to execute a funding agreement for up to $2 million with the Metropolitan Transportation Commission (MTC) that specifies the roles and responsibilities to implement Traffic Operations Systems (TOS) improvements including ramp metering in Santa Clara County.

29. ACTION ITEM - Adopt a resolution authorizing the General Manager to submit and execute grant applications and agreements, certifications, assurances, and other documents as necessary to receive $1,256,836 from the U.S. Department of Homeland Security (DHS) FY 2008 Transit Security Grant Program (TSGP).

30. ACTION ITEM - Authorize the General Manager to execute a contract with Top Grade Construction, the lowest responsible bidder, in the amount of $997,635 for the construction of Wrigley Creek Improvements. This contract is 100% funded by the 2000 Measure A Program.

31. ACTION ITEM - Authorize the General Manager to execute a contract with Cal Coast Telecom, the lowest responsible bidder, in the amount of $650,851 for the procurement and installation of Closed Circuit Television at Light Rail Stations (Phase 6). This contract is 100% funded under the Department of Homeland Security Transit Security Grant Program (FY07-TSGP) and Prop 1B California Transit Security Grant Program - California Transit Assistance Fund (FY07-08-CTSGP-CTAF).

32. ACTION ITEM - Authorize the General Manager to amend the Gordon N. Ball Inc. construction contract to accommodate scope additions and claims on the Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation contract in the amount of $3,425,000 for a new total contract amount of $20,953,305. This contract is funded by the 2000 Measure A Program.

33. ACTION ITEM - Authorize the General Manager to enter into a master agreement with the City of Milpitas in support of the BART Silicon Valley Project. This agreement will include provisions to ensure a commitment of cooperation from both parties.

34. ACTION ITEM - Authorize the General Manager to execute a contract amendment with AECOM Technical Services, Inc. (formerly known as Earth Tech, Inc.) in an amount not to exceed $7.0 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current AECOM Technical Services, Inc. (AECOM) contract amount is $43.3 million.
35. ACTION ITEM - Authorize the General Manager to execute a contract amendment with Booz Allen Hamilton, Inc. in an amount of $4.0 million, and extend the contract term to June 30, 2012, for design integration engineering services for the Silicon Valley Rapid Transit Program. The current Booz Allen Hamilton, Inc. contract amount is $16.19 million.

36. ACTION ITEM - Authorize the General Manager to execute a contract amendment with the HNTB Corporation in an amount not to exceed $5.5 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current HNTB Corporation board authorized contract amount is $83.34 million.

37. ACTION ITEM - Authorize the General Manager to execute a contract amendment with Kimley-Horn and Associates, Inc. in an amount of $3.3 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current Kimley-Horn and Associates, Inc. board authorized contract amount is $9.5 million.

38. ACTION ITEM - Authorize the General Manager to execute a contract amendment with PGH Wong Engineering, Inc. and PB Americas, Inc. (Wong/PB Joint Venture) in an amount not to exceed $9.3 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current Wong/PB Joint Venture contract amount is $30.7 million.


42. INFORMATION ITEM - Receive Facilities Projects Semi-Annual Report.

REGULAR AGENDA

43. ACTION ITEM - Authorize the General Manager to execute a contract in the amount of $7,696,261 with GFI Genfare, of Elk Grove Village, Illinois (a subsidiary of SPX Corporation) for the purchase of 450 electronic validating bus fareboxes plus related revenue transfer equipment, data systems, spare parts, and supplies, with an option to purchase up to 50 additional fareboxes if needed to support VTA fleet requirements at a cost of $11,400 each, for a total not-to-exceed contract value of $8,266,261.
44. ACTION ITEM - Adopt a resolution authorizing the General Manager or Chief Financial Officer to execute and deliver any and all documents, including a Remarketing Memorandum in connection with the 2008 Measure A Sales Tax Revenue Refunding Bonds, that are required to implement the replacement of Banco Bilboa Vizcaya Argentaria S.A. with Sumitomo Mitsui Banking Corporation as liquidity provider for Series C and Series D.

45. ACTION ITEM – Authorize funding VTA’s Partner Contribution for Caltrain’s FY2011 Operating Expense, after consideration of recommendations from the General Manager concerning fund sources and VTA’s payment obligations.

46. ACTION ITEM - 1) Adopt a resolution to place a ballot measure before the voters of Santa Clara County in November 2010 to authorize a $10 increase in the fees of motor vehicle registration for transportation-related projects and programs, containing a finding of fact that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee and the projects or programs are consistent with the Regional Transportation Plan; 2) Adopt an expenditure plan allocating the revenue to transportation-related programs and projects that have a relationship or benefit to the persons who pay the fee; 3) Allocate $1,000,000 of Measure B Local Program Reserve funds to be used for the costs associated with placing the measure on the ballot; and, 4) Increase expenditure appropriation in the amount of $1,000,000 in the FY 2011 Congestion Management Program Fund Operating Budget.

47. ACTION ITEM - Approve the Fiscal Year 2011 Congestion Management Work Program.

OTHER ITEMS

48. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

49. MONTHLY LEGISLATIVE HISTORY MATRIX

50. REPORTS (UNAPPROVED MINUTES) FROM STANDING COMMITTEES

A. Administration and Finance Committee
B. Congestion Management Program and Planning Committee
C. Transit Planning and Operations Committee
D. Audit Committee

51. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA) (No Meeting Scheduled)
B. Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC)
C. Bicycle & Pedestrian Advisory Committee (BPAC)
D. Technical Advisory Committee (TAC)
E. Policy Advisory Committee (PAC)

52. **REPORTS FROM JOINT POWERS BOARDS (JPBs) & REGIONAL COMMISSIONS**
   A. Peninsula Corridor JPB
   B. Capitol Corridor JPB
   C. Dumbarton Rail Corridor Policy Committee
   D. Metropolitan Transportation Commission (MTC)
   E. Sunol Smart Carpool Lane Joint Powers Authority

53. **REPORTS FROM VTA POLICY ADVISORY BOARDS (PABs)**
   A. Vasona Light Rail PAB *(No Meeting Scheduled)*
   B. Silicon Valley Rapid Transit Corridor & BART Warm Springs Extension PAB *(Meeting Cancelled)*
   C. Downtown East Valley PAB

54. **ANNOUNCEMENTS**

55. **ADJOURN**
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Administrative Officer, Bill Lopez

SUBJECT: Employees of the Month for June 2010

FOR INFORMATION ONLY

BACKGROUND:

Paula Aguirre, Senior Information Representative in the Customer Service Department at River Oaks, is the Administration Award Winner for June. Paula has over 30 years of dedicated service with VTA. In her current role, Paula provides guidance to support the smooth operations of the Customer Service team. She also oversees VTA’s Youth and Senior Outreach Programs. Known for her initiative, resourcefulness in solving problems, and commitment to teamwork, Paula helps create a positive work environment at VTA and sets a great example for her fellow employees. Congratulations to Paula Aguirre, Administration Employee of the Month for June!

Albert Candelaria, Chaboya Coach Operator, is June’s Operations Award Winner. Throughout his 19 years at VTA, Albert has received customer commendations for his helpfulness and high level of professionalism, with one passenger remarking that Albert projects a positive image of VTA. Recognized by his supervisors for his exceptional customer service, Albert is an excellent role model for other Operators. As a conscientious and dedicated employee, Albert upholds VTA’s commitment to community-focused transportation, and is very deserving of this award. Congratulations to Albert Candelaria, Operations Employee of the Month for June!

Kevin Morte, Paint and Body Worker at Cerone’s Overhaul and Repair Division, is our Maintenance Employee of the Month for June. An employee of VTA since 1996, Kevin is responsible for modifying and retrofitting community buses. He regularly saves VTA money by adapting and redesigning salvaged parts from decommissioned coaches into excellent re-usable parts that meet the VTA quality standard. Appreciated by his supervisors for his great attitude and outstanding work ethic, Kevin has truly earned this special recognition. Congratulations to Kevin Morte, Maintenance Employee of the Month for June!

Prepared By: Mitsuno Baurmeister
Memo No. 2655
BOARD OF DIRECTORS MEETING

Thursday, May 6, 2010

MINUTES

CALL TO ORDER

The Regular Meeting of the Santa Clara Valley Transportation Authority’s (VTA) Board of Directors was called to order by Chairperson Liccardo at 5:35 p.m. in the Board of Supervisors’ Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

1. ROLL CALL

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<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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<tr>
<td>Margaret Abe-Koga</td>
<td>Vice Chairperson</td>
<td>Present</td>
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<tr>
<td>Marshall Anstandig</td>
<td>Alternate Board Member</td>
<td>Absent</td>
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<td>Nora Campos</td>
<td>Alternate Board Member</td>
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<tr>
<td>Dean Chu</td>
<td>Ex-Officio Board Member</td>
<td>Present</td>
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<td>Don Gage</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Rose Herrera</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Ash Kalra</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Liz Kniss</td>
<td>Board Member</td>
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<tr>
<td>Rich Larsen</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Sam Liccardo</td>
<td>Chairperson</td>
<td>Present</td>
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<td>Jamie Matthews</td>
<td>Alternate Board Member</td>
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<tr>
<td>Pete McHugh</td>
<td>Alternate Board Member</td>
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<tr>
<td>Chris Moylan</td>
<td>Board Member</td>
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<tr>
<td>Chuck Page</td>
<td>Board Member</td>
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<tr>
<td>Nancy Pyle</td>
<td>Board Member</td>
<td>Present</td>
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<td>Chuck Reed</td>
<td>Board Member</td>
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<tr>
<td>George Shirakawa</td>
<td>Alternate Board Member</td>
<td>Absent</td>
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<td>Perry Woodward</td>
<td>Board Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Ken Yeager</td>
<td>Ex-Officio Board Member</td>
<td>Present</td>
</tr>
</tbody>
</table>

* Alternates do not serve unless participating as a Member.

A quorum was present

2. ORDERS OF THE DAY

There were no Orders of the Day.
3.  AWARDS AND COMMENDATIONS

Employees of the Month for May 2010

Chairperson Liccardo recognized and presented an award to Charles Barber, Information Services Representative, Customer Service Department, Administration; and Isaac Tembrina, Transit Center Maintenance Worker, River Oaks Maintenance, as Employees of the Month for May 2010.

John Marini, Light Rail Operator, Guadalupe Operations Division, was unable to attend.

4.  PUBLIC PRESENTATIONS

Joyce Weissman, Interested Citizen, thanked VTA Staff for evaluating and accepting a petition for trial south bound trips on Bus line 63. She requested placing route addition information in the June and July VTA Take One and on the internet.

Alice Frayne, Interested Citizen, questioned if any action was taken regarding a concern expressed at the April Board meeting with regard to public access to the Board meetings.

Michael T. Burns, General Manager, indicated an email response was sent to her with a copy to the Board.

5.  REPORT FROM THE GENERAL MANAGER

Michael T. Burns, General Manager, provided a brief report highlighting the following:

March ridership for 2010 was down 8.3 percent system wide when compared to March 2009. A decrease in ridership was projected due to the fare increase and service reductions, but a turnaround is expected soon. Partners are experiencing similar ridership declines. The Dumbarton Express was down 11 percent, Caltrain was down 1 percent and the Altamont Commuter Express decreased by 6 percent. The Hwy 17 Express showed some improvement with a ridership increase of 1.6 percent.

VTA is actively seeking ways to encourage public transit usage in the valley. Terry Firma, VTA’s mascot, visited shopping centers and restaurants throughout the county to conduct in-person surveys from non-riders questioning what it would take to get them to ride public transportation and asking for ways to improve the bus and light rail system. A “New Rider Ideas” forum has been launched on the VTA website and allows the public to submit their ideas online.

VTA received awards and special recognition for various projects and accomplishments. Pacific Gas and Electric (PG&E) presented VTA an award for efforts to reduce energy consumption and greenhouse gas emissions. The Construction Management Association of America, Northern California Chapter, awarded VTA the project of the year for the State Route 152/156 Improvement Project, for excellence in construction management and project delivery. In addition, a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association was awarded to VTA for the comprehensive annual financial report.

The third annual Earth Day event was held at River Oaks and included more than 30
vendors. Chili and salsa contests, sheep herding demonstration showcasing the green lawn mowing program, and the production of VTA’s first Green Living Guide rounded out the list of activities.

VTA has several events planned for National Bike Month and staff designed the first edition bike jersey which was displayed by Jim Lawson, Government Affairs Manager. VTA will sponsor an energizer station at the Great Mall in Milpitas on Bike to Work Day. The Bicycle Pedestrian Advisory Committee (BPAC) and the Silicon Valley Bike Coalition will conduct a celebratory ride for the second annual Over Under Tour, which showcases bridges and undercrossings in the county, including the Mary Avenue Bridge in Cupertino and the River Oaks Bridge along the Guadalupe Trail in San Jose.

At the May Caltrain Board meeting, Caltrain staff provided a look at capitol budgets. SamTrans Director, Mike Scanlon, indicated they will be unable to pay their full partner share for fiscal year 2011, reducing their contribution by 35%. Caltrain staff constructed their budget assuming other partners would be doing the same. VTA will work with partners see if there is a solution to address the shortfall.

The California High Speed Rail Authority has appointed a new Senior Executive, Roelef van Ark. He is currently the president of Alstom, USA which was a part of a larger company that built the bullet train system in France, and has more than 30 years of experience in the transportation industry.

Ex-Officio Board Member Yeager expressed concern about Caltrain and the impact on the other two partners due to SamTrans’ inability to pay its share.

Board Member Gage stressed the need of a permanent source of funding and the ability to work together and be creative to solve the issues.

Board Member Kniss commented on SamTrans’ commitments to BART, and San Mateo County’s vote against BART which has had some long range impacts as well.

Board Member Larsen questioned what action is being taken by Caltrain and what VTA can do to help.

Mr. Burns indicated Caltrain has put together a working group and VTA will be involved. This item will be agendized with Committees in May and will be presented to the Board in June.

Alternate Board Member McCHugh took his seat at 5:48 p.m.

A. **Report on the Joint Workforce Investment (JWI) Program**

Michael Hursch, Deputy Director Operations, provided a report and video on the Joint Workforce Investment (JWI) Program highlighting the career ladder, vacancies in entry level jobs, improved customer service, improved employee morale, and benefits of the program dedicated to health and wellness of operators.

Tom Fink, JWI Director, Amalgamated Transit Union (ATU) commented on the success of the JWI program, noting the effectiveness and importance of continued
investment and professional development of the frontline workforce and the critical link between good health, stress reduction, and high performance service skills. He introduced several mentors, ATU Officers, and San Jose City College Staff who play a role in the program. Mr. Fink thanked Mr. Burns and the Board for their support.

B. Status Report on Property Acquisition Program for the BART Silicon Valley Project

Carolyn Gonot, Chief SVRT Officer, provided a report and presentation on the Right-of-Way (ROW) and Property Acquisition Program for the BART Silicon Valley Project highlighting the following; 1) Notifying property owners of possible relocation, 2) Assessing property value and compensation, and 3) Providing relocation benefits and assistance to displaced residents and businesses. She noted letters were sent to 15 property owners notifying them of possible relocation. Interviews with those owners will be set up over the next few months and VTA will gather information on impacted property owners. Updates will be provided to the Board during the upcoming months.

Public Comment

Chris DeMille, Interested Citizen, expressed concern with the Almaden Light Rail spur and the lack of a bus line 22 re-route downtown on Friday and Saturday nights due to the traffic congestion on Santa Clara Street.

Joyce Weissman, Interested Citizen, expressed appreciation for the JWI program noting she has spoken with mentors and new drivers in the program. She suggested follow-up be done with drivers who choose not to continue in the program.

Eugene Bradley, Interested Citizen, suggested SamTrans and VTA consolidate and create one transit system serving the edge San Francisco to Santa Cruz and down to Gilroy.

6. REPORT FROM THE CHAIRPERSON

Sam Liccardo, Board Chairperson, indicated there will be a very full Agenda for the June 3, 2010 Board meeting and the Board Secretary will be contacting members to confirm attendance. He requested the Board keep their calendars open for the June 25th meeting but the goal is to try and hear all of the items on the third.

Chairperson Liccardo provided a brief report on his recent trip to Washington, DC. He indicated VTA is sponsoring an effort for an appropriation bill for BART final design and the California delegation appears enthusiastic. However, the challenge will be with Congress as a whole as many appropriation bills will get held up due to climate-change legislation.

Technology in Transit

Gary Miskell, Chief Information Officer, provided a report on Technology in Transit highlighting the latest breakthroughs in Intelligent Transportation Systems (ITS), and
benefits of deploying technology in transportation which include, customer convenience and satisfaction, enhanced safety and security, improved use of resources, and improved travel time.

Michael Hursh, Deputy Director, Operations, provided information on technology uses in Operations, highlighting the following: 1) Transit applications on vehicles, 2) Automatic announcements, 3) Global Positioning System, 4) Closed circuit television and cameras, 5) Fareboxes, 6) Bus signal priorities, 7) Emissions control with computer controlled exhaust system, and 8) Using technology to go green with solar powered bus shelters and weather based irrigation controllers.

Casey Emoto, Deputy Director, Project Development, provided information on technology usage in roadways/highways, highlighting; 1) Advanced traffic systems, 2) Parking management systems, 3) Electronic toll collection systems, 4) Using technology to do design work, and 5) VTA’s involvement in researching innovative technology for a multi-modal real-time travel information system.

Mr. Miskell provided additional information on future developments including the Real Time Transit Information Project which will give customers access to bus locations and prediction information via telephone, electronic signs, and the internet. Adding Wi-Fi on Light Rail vehicles is also being analyzed. VTA has Twitter, YouTube, and Facebook accounts for social networking and customers have developed applications for the I-Phone and Palm.

Board Member Larsen thanked staff for adopting Silicon Valley technologies and expressed his approval of the opportunity for the development of applications for VTA.


Board Member Gage provided an update on the recommendations and topics covered by the Ad-Hoc Financial Recovery Committee, highlighting; 1) VTA’s use of funds for transit operations costs, pension obligations, retiree medical, and medical benefits, 2) Silicon Valley Leadership Group’s letter and suggestions for addressing the deficit, 3) Report on Caltrain, Altamont Commuter Express (ACE), and Capitol Corridor, and 4) A presentation on VTA’s reserves and projections for future. Member Gage indicated at the upcoming meetings, the Committee will discuss suggestions by South Bay Labor Council and begin addressing specific policy recommendations to submit to the Board in August.

Public Comment

Alice Frayne, Interested Citizen, expressed concern with the possibility of dismantling the Outreach program noting her support of its services.

8. Citizens Advisory Committee (CAC) Chairperson’s Report

Charlotte Powers, Citizens Advisory Committee (CAC) Chairperson, thanked Michael Burns, General Manager, for being the guest speaker at the Building Owners and Managers Association (BOMA) luncheon. Ms. Powers provided a report on the April
CAC meeting. Gary Richards, Mr. Roadshow San Jose Mercury News Columnist, was a guest speaker at the meeting and thanked him for taking the time to provide a report on the public’s transportation needs. The CAC approved the Light Rail Systems Analysis, and recommended a study of destinations in Santa Clara County that can best be served by light rail be completed. The Committee received a draft of the annual audit and there was some clarification needed, but it will be approved before the public hearing, which is scheduled for Wednesday, May 19, 2010, at the County Government Center in the Board Chambers. Various agencies were notified of the hearing and announcements were placed in local newspapers, VTA’s website the May Take One, libraries, internet, and television.

9. **Policy Advisory Committee (PAC) Chairperson’s Report**

Chairperson Liccardo indicated the written report from the Policy Advisory Committee was contained on the Dais.

**CONSENT AGENDA**

Board Member Reed abstained from the Consent Agenda and left the room.

Board Member Reed left his seat at 7:05 p.m.

10. **Board of Directors Regular Meeting Minutes of April 1, 2010**

M/S/C (Gage/Herrera) to approve the Board of Directors Regular Meeting Minutes of April 1, 2010.

11. **Fiscal Year 2010 Quarterly Statement of Revenues and Expenses for the Period Ending December 31, 2009**

M/S/C (Gage/Herrera) to adopt a support position for AB 1670 (Beall), which authorizes the California Transportation Commission (CTC) to relinquish the following to the city of San Jose: (a) the portion of State Route 82 from U.S. 101 to I-880; and (b) the portion of State Route 130 within the San Jose city limits.

12. **Operations Program Insurance Renewal**

M/S/C (Gage/Herrera) to authorize the General Manager to purchase insurance coverage for Excess Liability, General and Auto Liability, Public Officials Errors and Omissions Liability, Property/Boiler and Machinery, Inland Marine for Light Rail Vehicles, Inland Marine for Buses, Vans and Mobile Equipment, and Flood exposures, for the annual Operations Program Insurance Renewal for an amount not to exceed $2,168,651.

**NOTE:** M/S/C means motion seconded and carried and, unless otherwise indicated, the motion passed unanimously.
13. **Communications Site Lease with ClearWireless LLC**

M/S/C (Gage/Herrera) to authorize the General Manager to execute a Communications Site Lease with ClearWireless LLC for a period of 5 years, rent to commence at $25,500/year with increases at 4% per annum, with the first 5 years' rent totaling $138,116. The lease contains four - 5 year options at VTA's discretion.

14. **State Proposition 116 Allocation Request**

M/S/C (Gage/Herrera) to adopt a resolution for a State Proposition 116 Allocation Request for $137,957 to the California Transportation Commission (CTC), and authorize the General Manager to execute the Fund Transfer Agreements upon their receipt from the state.

15. **Advantel, Inc. Contract Amendment**

M/S/C (Gage/Herrera) Authorize the General Manager to execute a contract amendment with Advantel, Inc. for telephone system and voice network maintenance. The contract amendment will extend the contract term for an additional six months for a cost of $100,000, for a new contract value of $904,080.

16. **Santa Clara Valley Habitat Conservation Plan**

M/S/C (Gage/Herrera) Approve the cost allocation in the amount of $910,092 for an increase of $129,525 and budget for the Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan.

17. **Lifeline Proposition**

M/S/C (Gage/Herrera) to authorize the General Manager to submit an application for a total of $5,785,957 in state Proposition 1B funds for two Lifeline projects; authorize the General Manager to execute agreements with Caltrans as necessary to receive these funds; and authorize the General Manager to execute an agreement with Outreach & Escort, Inc. as needed to implement the Paratransit Vehicles and Equipment project.

18. **Sustainability Program Update**

On order of Chairperson Liccardo and there being no objection the Sustainability Program Update was received.


M/S/C (Gage/Herrera) to review and receive the Audited Financial Report for Fiscal Year 2009 of the Santa Clara Valley Transportation Authority Retirees’ Other Post Employment Benefits Trust (Trust).
20. **Kato Road Flood Control Improvements**

M/S/C (Gage/Herrera) to authorize the General Manager to amend a construction contract with Gordon N. Ball Inc. to accommodate scope additions and construction change orders on the Kato Road Flood Control Improvements contract in the amount of $645,000 for a new authorized amount of $2,741,031. This contract is 100% funded by the 2000 Measure A Program.

21. **Transit Service Modifications**

M/S/C (Gage/Herrera) to approve the proposed transit service modifications to Community Bus Lines 11 and 34 to take effect on July 12, 2010.

22. **Design Services for Santa Clara-Alum Rock Bus Rapid Transit (BRT)**

**Public Comment**

Michael Ludwig, Interested Citizen, expressed concern that signal light priority is not given to express bus 522 and hopes this will provide more of a time savings to the Santa Clara Alum Rock BRT.

M/S/C (Gage/Herrera) to authorize the General Manager to execute a Cooperative Agreement with the City of San Jose for design services for traffic signals and street lights on the Santa Clara-Alum Rock Bus Rapid Transit (BRT) Project. The agreement shall be for a period of one year and for a total value not to exceed $152,000.

23. **Design Services for the Capitol Expressway Pedestrian Improvement Project**

M/S/C (Gage/Herrera) to authorize the General Manager to enter into a Cooperative Agreement with the City of San Jose for street lighting and landscape design services for the Capitol Expressway Pedestrian Improvement Project. The agreement shall be for a one year period for a total value not to exceed $375,000, and is 100% funded by the 2000 Measure A Program.

24. **Wrigley Creek Improvement Project**

M/S/C (Gage/Herrera) to authorize the General Manager to execute a Memorandum of Understanding with the City of Milpitas which conditions the use of City facilities for the Wrigley Creek Improvement Project.

25. **Systems Engineering Design Consultants**

M/S/C (Gage/Herrera) to approve sixteen engineering firms for Systems Engineering Design Consultant Services and authorize the General Manager to execute contracts with some or all of the selected firms to perform systems design services for light rail, facilities renovation and bus rapid transit projects. The list will be valid for a five-year period. The total amount of all contracts shall not exceed $5,000,000.
26. Master Agreement with City of San Jose for the BART Silicon Valley Project

M/S/C (Gage/Herrera) to authorize the General Manager to enter into a master agreement with the City of San Jose in support of the BART Silicon Valley Project. This agreement will include provisions to ensure a commitment of cooperation from both parties.

Board Member Reed took his seat at 7:08 p.m.
Board Member Kniss left her seat at 7:08 p.m.

REGULAR AGENDA

27. Design-Build Process for Silicon Valley Berryessa Extension (SVBX) Project

Carolyn Gonot, Chief SVRT Officer, provided a report of findings for Design Build Delivery of the Silicon Valley Berryessa Extension (SVBX) highlighting the following:
1. Total cost savings of design-build method predicted to be $85 million,
2. Reduced schedule of completion by 6 months,
3. The transfer of design and construction risks to contractor,
4. Reduction in administrative burden and reduced litigation, and
5. The information, experience, and recommendations received from other agencies through research and interviews.

She provided a PowerPoint presentation entitled, “Silicon Valley Berryessa Extension, Design-Build Delivery Resolution of Findings.”
A number of near term activities are scheduled including an industry forum for contractors, assembling of contract packages, and requests for qualifications and proposals, with an end result of selecting a highly qualified contractor in April 2012 to deliver the BART project.

Board Member Larsen questioned if design-build was used for Kato Road Flood Control Improvements or Route 152/156 Flyover project. Ms. Gonot indicated neither project was design build indicating the difficulty to do design build for highway projects.

Alternate Board Member McHugh, indicated his support of design-build, and requested reassurance there would be no financial impact to local cities.

Ms. Gonot indicated an agreement is forthcoming with the City of Milpitas and noted VTA will be assisting cities with the design review for the process.

M/S/C (Gage/Herrera) to adopt a Resolution finding that use of the design-build process for the Silicon Valley Berryessa Extension (SVBX) Project will reduce project costs and expedite the project's completion; and authorize the General Manager to proceed with the solicitation of design-build contractors for the SVBX Project.

Ex-Officio Board Member Yeager left his seat at 7:13 p.m.

28. **Light Rail System Analysis Improvement Plan**

Kevin Connolly, Transportation Manager, provided project background information on the Light Rail System Analysis Improvement Plan, which is aimed at making transit service more effective and efficient. The presentation focused on the following; 1) Peer comparison, 2) ABAG population growth, 3) Market analysis, 4) System improvements, and 5) Building ridership.

The proposal takes place in 3 phases. Phase I includes express trains in southern part of the system, integration of Almaden line into the system, and making the Winchester Line independent and ending in downtown San Jose. Phase II includes the integration of BART service in 2018 with a transfer center at the Montague Station and a new line bridging over the northern part of system along Tasman Corridor to Mountain View and Alum Rock. Phase III consists of independent system improvements including a grade separation on Montague and First Street, fencing on North First Street, and express train service from Downtown Mountain View during peak periods.

Mr. Connolly indicated meetings were held with various stakeholder groups over the course of 18 months. VTA Advisory Committees supported Phase I, and expressed concern about the timing of Phase II projects and additional operation costs. The Policy
Advisory Committee (PAC) requested a standard be set by the Board for cost per passenger to achieve a proper return on investment.

Board Member Moylan expressed concern with speed of the light rail travel versus driving. He questioned the peak hours of the proposed inter-modal station at Montague noting BART commute hours may be different and suggested that be taken into consideration.

Mr. Connolly indicated schedules can be developed to shift or expand peak hours as the market demands.

Board Member Moylan requested staff to consider a Modified T option to reduce the $28 million projected cost. He requested the option be added to the recommendation.

Board Member Kalra noted his appreciation for the efforts from staff with changes in Almaden, and hopes it will increase ridership.

Board Member Pyle thanked staff for looking at Almaden area noting comments from the public that they would take light rail if service was faster.

Board Member Herrera indicated she would like to see a light rail extension to Eastridge, but this is a great step forward. She expressed interest in learning more about Salt Lake City’s services and supports moving forward with the initial steps that do not require much capital to make the system more efficient.

Ex-Officio Board Member Chu indicated decreasing the travel time and accessing WiMAX on the system will make it better.

Chairperson Liccardo indicated tunneling was mentioned by the Technical Advisory Committee and in the staff report and questioned the costs.

Mr. Connolly indicated the idea was not embraced by the San Jose Downtown Association or city staff because the impacts were significant and two stations would be eliminated downtown which would be a negative hit to ridership.

Chairperson Liccardo commented on the differentiating marginal farebox returns between Phase I and Phase II improvements and questioned if the Board should be setting a standard so there is some clear guidance of what should and should not be taken on.

Mr. Connolly indicated the existing policy is 20 percent, but the Board could go back and revisit.

**Public Comment**

Michael Ludwig, Interested Citizen, expressed concern with express trains not stopping at Children’s Discovery Museum, and opposed constructing a new Great America station.

James Whiteman, Interested Citizen, likes the idea of speeding up light rail. He suggested putting Closed Circuit Televisions (CCTV) at all light rail stations.
Eugene Bradley, Interested Citizen, expressed concern with Caltrain transfer at Tamien Station. He requested staff place an emphasis on timing of transfers at key points.

M/S/C (Kalra/Pyle) to adopt the Light Rail System Analysis Improvement Plan and requested an analysis of the Modified T option.

OTHER ITEMS

29. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

There were no Items of Concern and Referral to Administration.

30. MONTHLY LEGISLATIVE HISTORY MATRIX

On order of Chairperson Liccardo and there being no objection, the Monthly Legislative History Matrix was accepted as contained in the Agenda packet.

31. REPORTS (UNAPPROVED MINUTES) FROM STANDING COMMITTEES

A. Administration and Finance Committee

On order of Chairperson Liccardo and there being no objection, the April 15, 2010, Administration and Finance (A&F) Committee Meeting Minutes were accepted as contained in the Agenda packet.

B. Congestion Management Program and Planning Committee

On order of Chairperson Liccardo and there being no objection, the April 16, 2010, Congestion Management Program and Planning (CMPP) Committee Minutes were accepted as contained in the Agenda packet.

C. Transit Planning and Operations Committee

On order of Chairperson Liccardo and there being no objection, the April 15, 2010 Transit Planning and Operations (TP&O) Committee Minutes were accepted as contained in the Agenda packet.

D. Audit Committee

There was no Audit Committee meeting scheduled for April

32. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Chairperson Liccardo and there being no objection, the April 7, 2010, Committee for Transit Accessibility (CTA) Minutes were accepted as contained in the Agenda Packet.
B. Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC)

On order of Chairperson Liccardo and there being no objection, the April 7, 2010, Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC) Minutes were accepted as contained in the Agenda Packet.

C. Bicycle & Pedestrian Advisory Committee (BPAC)

On order of Chairperson Liccardo and there being no objection, the March 10, 2010, Bicycle & Pedestrian Advisory Committee (BPAC) Cancellation notice was accepted as contained in the Agenda Packet.

D. Technical Advisory Committee (TAC)

On order of Chairperson Liccardo and there being no objection, the April 8, 2010, Technical Advisory Committee (TAC) Minutes were accepted as contained in the Agenda packet.

E. Policy Advisory Committee (PAC)

On order of Chairperson Liccardo and there being no objection, the April 8, 2010 Policy Advisory Committee (PAC) Minutes were accepted as contained in the Agenda Packet.

33. REPORTS FROM JOINT POWERS BOARDS (JPBs) & REGIONAL COMMISSIONS

A. Peninsula Corridor JPB

On order of Chairperson Liccardo and there being no objection, the May 6, 2010, Summary Notes from the Peninsula Corridor Joint Powers Board were accepted as contained on the dais.

B. Capitol Corridor JPB

There was no report from the Capitol Corridor JPB.

C. Dumbarton Rail Corridor Policy Committee

There was no report from the Dumbarton Rail Corridor Policy Committee.

D. Metropolitan Transportation Commission (MTC)

On order of Chairperson Liccardo and there being no objection, the April 28, 2010, Summary Notes from the Metropolitan Transportation Committee Meeting were accepted as contained on the dais.

E. Sunol Smart Carpool Lane Joint Powers Authority

On order of Chairperson Liccardo and there being no objection, the
April 12, 2010, Summary Notes from the Sunol Smart Carpool Lane Joint Powers Authority Governing Board were accepted as contained on the dais.

34. REPORTS FROM VTA POLICY ADVISORY BOARDS (PABs)

A. Vasona Light Rail PAB

There was no report from the Vasona Light Rail PAB.

B. Silicon Valley Rapid Transit Corridor & BART Warm Springs Extension PAB

There was no report from the Silicon Valley Rapid Transit Corridor & BART Warm Springs Extension PAB.

C. Downtown East Valley PAB

There was no report from the Downtown East Valley PAB.

35. ANNOUNCEMENTS

There were no Announcements.

36. ADJOURNMENT

On order of Chairperson Liccardo and there being no objection, the meeting was adjourned at 7:50p.m.

Respectfully submitted,

Menominee L. McCarter, Board Assistant
VTA Office of the Board Secretary
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Board Secretary, Sandra Weymouth

SUBJECT: Amendments to the Advisory Committee Bylaws Recommended by the Advisory Committee Enhancement Task Force

Policy-Related Action: Yes  Government Code Section 84308 Applies: No

Resolution

ACTION ITEM

RECOMMENDATION:

Adopt a resolution:

(1) Amending the bylaws for the Bicycle & Pedestrian Advisory Committee, Citizens Advisory Committee, and the Committee for Transit Accessibility to implement changes recommended by the Advisory Committee Enhancement Task Force to enhance the advisory committee process.

(2) Amending the Policy Advisory Committee and the Technical Advisory Committee bylaws to make minor technical adjustments and corrections.

(3) Amending the VTA Administrative Code to be consistent therewith.

BACKGROUND:

VTA’s advisory committees provide a wide spectrum of stakeholder groups with a forum for providing input, perspective and technical expertise on proposed changes to VTA policy or priorities potentially impacting transit service and transportation projects throughout the county. VTA’s five advisory committees are:

- **Bicycle & Pedestrian Advisory Committee (BPAC)** - advises on planning and funding issues related to bicycle and pedestrian mobility and access.

- **Citizens Advisory Committee (CAC)** - represents the residents of Santa Clara County, as well as specified community stakeholder groups, on issues impacting the communities and
organizations they represent. It also serves as: (1) the ballot-specified Citizens Watchdog Committee for the 2000 Measure A Transit Improvement Program; and (2) the 2008 Measure D ballot-specified advisory body that reviews and comments on VTA’s comprehensive transit program as part of the countywide transportation plan.

- **Committee for Transit Accessibility (CTA)** - advises on bus and rail system accessibility issues, paratransit service, and transportation accessibility matters in Santa Clara County.

- **Policy Advisory Committee (PAC)** - comprised of local elected officials, the PAC is the venue for all jurisdictions within the county to participate in the development of VTA’s policies.

- **Technical Advisory Committee (TAC)** - consisting of senior-level technical staff from local jurisdictions, the TAC provides in-depth analysis, technical expertise and recommendations on transportation projects, programs, funding, and other policy matters, while giving voice to and reconciling local and regional perspectives.

In August 2008, VTA General Manager Michael Burns initiated the Advisory Committee Enhancement (ACE) process to engage advisory committee members in the development of recommendations for improving the existing advisory committee process, in order to maximize the committees’ efficiency and usefulness to the VTA Board and administration.

Over the course of 17 months, the ACE Task Force, comprised of representatives from every advisory committee, met to develop, evaluate and prioritize recommendations for improving communication with the Board, or improving and streamlining the advisory committee process in general while still supporting VTA’s mission and goals.

The Task Force achieved consensus on a set of recommended modifications for enhancing the advisory committee process. The Board of Directors considered these recommendations at its January 7, 2010 meeting and approved them without change.

To implement the changes to the advisory committee process recommended by the ACE Task Force requires modification to each respective advisory committee’s bylaws. Advisory committee bylaws govern the proceedings of the committee and its meetings and must be consistent with the VTA Administrative Code. Amendments to advisory committee bylaws require VTA Board of Directors approval.

**DISCUSSION:**

**Bylaws Modifications Recommended by the ACE Task Force**

The ACE Task Force recommended converting the two existing positions on the CAC representing Bicyclists and Pedestrians to one voting position each from the BPAC and the CTA. This change would provide an on-going connection between these advisory committees, to enhance communication and consensus building between the stakeholder groups.
Attached are the proposed modifications to the affected committee bylaws needed to convert the CAC positions and define the requirements and appointment process for the BPAC and CTA (deletions are in overstrike and additions are underlined). The main provisions of the proposed amendments are:

**CAC (Attachment A)**

- Two current Community Interests positions will be reassigned to allow for appointment of one representative each from the BPAC and the CTA, to serve as voting members on the CAC. The existing Bicyclist position will be converted to represent Bicyclists and Pedestrians, with the BPAC appointing one of its members as the representative. The existing Pedestrian position will be converted to represent the Disabled Community, with the CTA appointing one of its members as the representative.
- Representatives must meet all established CAC membership requirements during their term on the CAC, as specified in the CAC bylaws.
- Representatives must be a member of their appointing advisory committee during their term on the CAC.

**BPAC (Attachment B) and CTA (Attachment C)**

- Representative must be a voting member of their respective committee and in good standing.
- Two-year term will commence in even-numbered years: July 1 for BPAC and January 1 for CTA.
- Appointment requires approval by a majority of the committee’s membership as provided in the voting requirements specified in their respective bylaws.
- Advisory committee representatives serve on the CAC until expiration of the term, resignation from the position or their respective committee, or removal by the appointing committee or the Board.

The CTA approved the proposed revisions to its bylaws at its April 7, 2010 meeting, and the CAC and BPAC approved the proposed revisions to their respective bylaws at their May 12, 2010 meetings. Staff recommends ratification of the proposed bylaws.

If approved by the Board, the BPAC and CTA positions on the CAC would take effect immediately. However, both committees would still need to formally appoint their respective CAC representative, which then, as is the case with all CAC appointments, requires Board of Director ratification. Due to timing challenges, both the CTA (at its April meeting) and the BPAC (at its May meeting) were asked to conditionally appoint their CAC representative in advance of formal Board establishment of these positions. These conditional appointments are scheduled for Board of Directors ratification at its June 3, 2010 meeting, subject to approval by the Board of this action modifying advisory committee bylaws to establish these positions.

**Other Related Bylaws Modifications**

Also submitted for Board consideration are minor amendments to the PAC (Attachment D) and TAC bylaws (Attachment E) to implement small technical adjustments. These modifications,
developed prior to the ACE Process and which apply to the PAC and TAC only, were evaluated during the ACE Process but not included in the Task Force’s list of recommended changes for the overall advisory committee process. These proposed amendments consist of:

- For both PAC and TAC, clarifying the responsibilities of alternate members by defining that they may only sit at the meeting table when serving in place of the member. This is to help preserve the sanctity of the meeting table so that both the public and committee members can readily discern those members that are considering or voting on an item.

- For TAC only, deleting VTA’s ex-officio, non-voting position that is no longer needed or appropriate due to its original purpose no longer existing. This position was established in 1991 to provide the forum for the Santa Clara County Transit District to provide input on transportation planning issues to the Santa Clara County Congestion Management Agency (CMA), when the CMA and Transit District were separate entities with different governing Boards. But the 1995 merger of the Transit District and the CMA to form VTA, which established the TAC as an advisory committee to the VTA Board, made VTA the recipient of the TAC input and thus eliminated the need a VTA representative on that committee. The VTA ex-officio position on the TAC is no longer being used.

Both the PAC and TAC approved the proposed revisions to their respective bylaws at their May 12, 2010 meetings. Staff recommends ratification of these proposed modifications.

Amending Sections 4-27, 4-28, 4-29 and 4-30 of the VTA Administrative Code is necessary to allow implementation of the aforementioned modifications (see Attachment G).

**ALTERNATIVES:**

The Board could choose to reject or modify one or all of the proposed modifications.

**FISCAL IMPACT:**

There is no fiscal impact associated with these proposed amendments to advisory committee bylaws.

**ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:**

The Bicycle & Pedestrian Advisory Committee (BPAC) considered the proposed changes to its bylaws on May 12, 2010, and recommended that the Board of Directors support the staff recommendation. Member Herman Wadler, who abstained from the vote, expressed his dissatisfaction with the process, indicating that he strongly believed that any changes to the BPAC bylaws should be handled by the BPAC, not by management.

The Citizens Advisory Committee considered the proposed changes to its bylaws on May 12, 2010 and unanimously recommended that the Board of Directors support the staff recommendation, with one change. To allow it opportunity to more fully consider the effects of the proposed two-year appointment term for advisory committee members, the CAC requested that the two-year term not be included at this time, thus keeping the appointment period indefinite for all CAC members. It also requested that its Stakeholder Subcommittee evaluate
the potential implications of the two-year term and report back at a future meeting with its findings.

The Committee for Transit Accessibility (CTA) considered the proposed changes to its bylaws on April 7, 2010, and unanimously recommended that the Board of Directors support the staff recommendation.

The Policy Advisory Committee (PAC) considered the proposed changes to its bylaws at its May 13, 2010 meeting, and unanimously recommended that the Board of Directors approve the staff recommendation. A question was also raised on Section 5.4 of the bylaws, which was not under consideration.

The Technical Advisory Committee (TAC) considered the proposed changes to its bylaws at its May 13, 2010 meeting, and unanimously recommended that the Board of Directors approve the staff recommendation.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATIONS:**

The Administration and Finance Committee approved this item on its May 20, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the Administration and Finance Committee meeting.

Prepared by: Stephen Flynn, Sr. Management Analyst
Memo No. 2611
Article III
MEMBERSHIP

§3.1 Membership

The Committee shall be composed of 17 members. All members shall be residents of Santa Clara County during their term. No member of the Board of Directors or alternate, Policy Advisory Committee member or alternate, or other elected public official shall be appointed to the Committee. Committee members may not be employed by a Member Agency they represent. VTA employees are not eligible for membership.

Members shall be appointed as follows, with effort made to reflect the ethnic, gender, and geographic diversity of the County:

a. City and County Groupings

Six citizens at large shall be appointed by the city and County groupings, as defined in the VTA Administrative Code, as follows:

(1) Two from Group 1:
   San Jose

(2) One from Group 2:
   Los Altos
   Los Altos Hills
   Mountain View
   Palo Alto
   Santa Clara
   Sunnyvale

(3) One from Group 3:
   Campbell
   Cupertino
   Los Gatos
   Monte Sereno
   Saratoga
(4) One from Group 4:
Gilroy
Milpitas
Morgan Hill

(5) One from the County of Santa Clara:

b. Community Interests

Six citizens representing the following community interests, appointed as follows:

(1) Four by the Administration & Finance Committee from nominations submitted by advocacy groups or received at large, one for each category:

- Senior citizens
- Disabled persons
- Mass transit users
- Environmentalists
- Bicyclists
- Pedestrians

(2) Two by VTA advisory committees, one by each committee from its current membership:

<table>
<thead>
<tr>
<th>Representing</th>
<th>Appointed by</th>
</tr>
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<tbody>
<tr>
<td>Bicyclists and pedestrians</td>
<td>Bicycle &amp; Pedestrian Advisory Committee</td>
</tr>
<tr>
<td>Disabled community</td>
<td>Committee for Transit Accessibility</td>
</tr>
</tbody>
</table>

Each representative must be a member of their appointing committee during their term on the CAC.

c. Business and Labor Groups

Five citizens representing the following business and labor groups, one appointed by each organization:

- Silicon Valley Leadership Group
- Homebuilders Association of Northern California
- Building Owners and Managers Association - Silicon Valley (BOMA-SV)
- South Bay AFL-CIO Labor Council
- Santa Clara County Chamber of Commerce Coalition

The Board of Directors shall ratify the appointments of all members of the Committee.
§3.2 Members’ Terms

Committee members shall be appointed for a continuous term, serving until resignation or replacement by their appointing organization or the Board of Directors.

§3.3 Vacancies

Vacancies shall be filled by the body which made the original appointment.

... Article VII MISCELLANEOUS

§7.1 Adoption and Amendment of Bylaws

These Bylaws shall be adopted and amended by the Committee by the affirmative vote of a majority of its total membership and with the approval of the Board of Directors.

§7.2 Robert’s Rules

All rules of order not herein provided for shall be determined in accordance with Robert’s Rules of Order, latest edition.

Adopted by Board of Directors: May 2, 1996

Amended by Board of Directors: September 7, 2000
Amended by Board of Directors: September 5, 2002
Amended by Board of Directors: March 4, 2004
Amended by Board of Directors: December 9, 2004
Amended by Board of Directors: September 1, 2005
Amended by Board of Directors: June 1, 2006
Amended by Board of Directors: March 1, 2007
Amended by Board of Directors: September 4, 2008
Amended by Board of Directors: October 2, 2008
Amended by Board of Directors: October 1, 2009

Amended by Board of Directors: June 3, 2010 (1)

(1) In 2010, the Board of Directors, based on recommendations from the Advisory Committee Enhancement Process, approved converting two existing VTA Citizens Advisory Committee (CAC) positions to two voting members appointed by the Committee for Transit Accessibility (CTA) and the Bicycle & Pedestrian Advisory Committee (BPAC). These representatives will be from the respective committee’s current membership and must meet established CAC membership requirements, including Board of Directors approval.
Article III
MEMBERSHIP

§3.1 Membership

The Committee shall be composed of 16 members who are bicyclists or pedestrians. Each Member Agency shall appoint one member. All members shall live or work, or both, in Santa Clara County during their terms on the Committee.

Committee members shall be representatives of local bicycle advisory committees, or, for Member Agencies that do not have a local bicycle advisory committee, shall be other individuals interested in bicycle or pedestrian issues. Committee members may not be employed by the Member Agencies they represent. In addition, the Silicon Valley Bicycle Coalition (SVBC) may appoint one ex-officio member and one alternate, who shall not be counted for purposes of establishing a quorum and who shall have no voting rights. VTA employees are not eligible for membership.

The Board of Directors shall ratify the appointments of all members of the Committee.

§3.2 Members’ Terms

The term of membership of each Committee member shall be two fiscal years, commencing on July 1 of even-numbered years and ending on the second successive June 30. Members may be appointed to successive terms.

§3.3 Vacancies

A vacancy in a member’s position shall be filled for the remainder of the term by the Member Agency which made the original appointment.

§3.4 Representative to Citizens Advisory Committee

The Committee shall also appoint one individual from its membership to serve as a voting member of VTA’s Citizens Advisory Committee (CAC), to provide communication and collaboration between the two committees. Appointment of this position is subject to the following provisions:

a. The representative must be a voting BPAC member while on the CAC and must be in good standing.
b. The representative must meet all established CAC membership requirements during their term on the CAC.

c. The term of appointment shall be two years, commencing on July 1 of even-numbered years. The representative may be reappointed for successive terms.

d. The representative shall serve on the CAC until resignation from the position or the BPAC, or removal by the Committee or the Board.

e. Appointment by the Committee requires approval by the membership as provided in Section 5.4.

f. Appointment requires ratification by the Board of Directors.

g. Vacancies shall be filled for the remainder of the term by the Committee following the established appointment process and all established criteria for the position.

...
Adopted by Board of Directors: December 10, 1998
Amended by Board of Directors: December 14, 2000
Amended by Board of Directors: June 5, 2003
Amended by Board of Directors: March 4, 2004
Amended by Board of Directors: September 1, 2005
Amended by Board of Directors: March 1, 2007
Amended by Board of Directors: October 2, 2008
Amended by Board of Directors: June 3, 2010 (1)

(1) In 2010, the Board of Directors, based on recommendations from the Advisory Committee Enhancement Process, approved converting two existing VTA Citizens Advisory Committee (CAC) positions to two voting members appointed by the Committee for Transit Accessibility (CTA) and the Bicycle & Pedestrian Advisory Committee (BPAC). These representatives will be from the respective committee’s current membership and must meet established CAC membership requirements, including Board of Directors approval.
Article III
MEMBERSHIP

§3.1 Membership

The Committee shall be composed of 17 members. All members shall be residents of Santa Clara County during their term. No member of the Board of Directors or alternate, Policy Advisory Committee member or alternate, or other elected public official shall be appointed to the Committee. Committee members may not be employed by a Member Agency they represent. VTA employees are not eligible for membership.

Members shall be appointed as follows, with effort made to reflect the ethnic, gender, and geographic diversity of the County:

a. City and County Groupings

Six citizens at large shall be appointed by the city and County groupings, as defined in the VTA Administrative Code, as follows:

(1) Two from Group 1:
   San Jose

(2) One from Group 2:
   Los Altos
   Los Altos Hills
   Mountain View
   Palo Alto
   Santa Clara
   Sunnyvale

(3) One from Group 3:
   Campbell
   Cupertino
   Los Gatos
   Monte Sereno
   Saratoga
(4) One from Group 4:
   Gilroy
   Milpitas
   Morgan Hill

(5) One from the County of Santa Clara:

b. Community Interests

Six citizens representing the following community interests, appointed as follows:

(1) Four by the Administration & Finance Committee from nominations submitted by advocacy groups or received at large, one for each category:
   - Senior citizens
   - Disabled persons
   - Mass transit users
   - Environmentalists
   - Bicyclists
   - Pedestrians

(2) Two by VTA advisory committees, one by each committee from its current membership:

<table>
<thead>
<tr>
<th>Representing</th>
<th>Appointed by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bicyclists and pedestrians</td>
<td>Bicycle &amp; Pedestrian Advisory Committee</td>
</tr>
<tr>
<td>Disabled community</td>
<td>Committee for Transit Accessibility</td>
</tr>
</tbody>
</table>

Each representative must be a member of their appointing committee during their term on the CAC.

c. Business and Labor Groups

Five citizens representing the following business and labor groups, one appointed by each organization:

- Silicon Valley Leadership Group
- Homebuilders Association of Northern California
- Building Owners and Managers Association - Silicon Valley (BOMA-SV)
- South Bay AFL-CIO Labor Council
- Santa Clara County Chamber of Commerce Coalition

The Board of Directors shall ratify the appointments of all members of the Committee.
§3.2 Members’ Terms

Committee members, with the exception of those appointed by VTA advisory committees, shall be appointed for a continuous term, serving until resignation or replacement by their appointing organization or the Board of Directors. Members appointed by VTA advisory committees shall serve a two-year term commencing on the date specified in the appointing committee’s bylaws. Members appointed by VTA advisory committees are eligible to serve consecutive terms.

§3.3 Vacancies

Vacancies shall be filled by the body which made the original appointment.

...
Article V
MEETINGS

§5.1 Regular Meetings

Regular meetings of the Committee shall be held on the second Thursday of each month. The committee meeting shall commence at 4:00 p.m. at the VTA Administrative Offices, 3331 North First Street, San Jose, California. Whenever a regular meeting falls on a holiday observed by VTA, the meeting shall be held on another day or cancelled at the direction of the Committee. A rescheduled regular meeting shall be designated a regular meeting.

§5.2 Special Meetings

A special meeting may be called by the chairperson in accordance with the Ralph M. Brown Act. The meeting shall be called and noticed as provided in Section 5.3 below. (For a general description of the noticing procedures, see the Rules of Procedure of the Board of Directors.)

§5.3 Calling and Noticing of Meetings

All meetings shall be called, noticed and conducted in accordance with the applicable provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code). The General Manager and General Counsel shall be given notice of all meetings. The Committee shall meet at least once every three months, unless the Committee’s activities are suspended.

§5.4 Quorum; Vote; Committee of the Whole

The presence of a majority of appointed members or seven members, whichever is greater, shall constitute a quorum for the transaction of business. All acts of the Committee shall require the presence of a quorum and the affirmative vote of a majority of the quorum. If the number of votes approving a recommendation is less than a quorum, the minutes of the meeting shall contain a notation that the item was passed by less than a majority of the total appointed membership.
§5.5 Alternates

If a Committee member represented by an alternate is absent from all or a portion of a meeting, the alternate shall be seated in that Committee member’s seat and vote in the place of the absent member. An alternate shall be counted as part of the Committee quorum only when seated in the place of an absent member. When not serving in place of the absent member, the alternate is a member of the public and accordingly shall sit with the audience and follow the procedures for the public to address the Committee, as provided under Sections 5.9 and 6.2.

§5.6 Thirty Minute Rule

If a quorum has not been established within thirty minutes of the noticed starting time for the meeting, the secretary and clerical support staff may be excused from further attendance at the meeting.

§5.7 [Reserved]

§5.8 Matters Not Listed On the Agenda Requiring Committee Action

Except as provided below, a matter requiring Committee action shall be listed on the posted agenda before the Committee may act upon it. The Committee may take action on items not appearing on the posted agenda only upon a determination by a two-thirds vote of the Committee, or if less than two-thirds of the members are present, a unanimous vote of those members present, there is a need to take immediate action AND the need to take action came to the attention of the Committee subsequent to the agenda being posted.

§5.9 Time Limits for Speakers

Each member of the public appearing at a Committee meeting shall be limited to two minutes in his or her presentation, unless the chairperson, at his or her discretion, permits further remarks to be made. Any person addressing the Committee may submit written statements, petitions or other documents to complement his or her presentation.

§5.10 Impertinence; Disturbance of Meeting

Any person making personal, impertinent or indecorous remarks while addressing the Committee may be barred by the chairperson from further appearance before the Committee at that meeting, unless permission to continue is granted by an affirmative vote of the Committee. The chairperson may order any person removed from the Committee meeting who causes a disturbance or interferes with the conduct of the meeting, and the chairperson may direct the meeting room cleared when deemed necessary to maintain order.
§5.11 Access to Public Records Distributed at Meeting

Writings which are public records and which are distributed during a Committee meeting shall be made available for public inspection at the meeting if prepared by VTA or a member of the Committee, or after the meeting if prepared by some other person.
DRAFT BYLAWS FOR THE TECHNICAL ADVISORY COMMITTEE

... 

Article III
MEMBERSHIP

§3.1 Membership

The Committee shall be composed of 16 members and their alternates, each of whom shall be a staff member from each Member Agency. One member and one alternate shall be appointed by the chief administrative officer of each Member Agency and shall serve at the pleasure of the Member Agency. In addition, VTA and the California Department of Transportation (Caltrans) may each appoint one ex-officio member and one alternate, who shall not be counted for purposes of establishing a quorum and who shall have no voting rights.

§3.2 Members’ Terms

Members and alternates to the Committee shall serve continuously until resignation or replacement by their respective appointing authorities.

§3.3 Vacancies

Vacancies shall be filled by the body which made the original appointment.

... 

Article V
MEETINGS

§5.1 Regular Meetings

Regular meetings of the Committee shall be held on the second Thursday of each month. The Committee meeting shall commence at 1:30 p.m. at the VTA Administrative Offices, 3331 North First Street, San Jose, California. Whenever a regular meeting falls on a holiday observed by VTA, the meeting shall be held on another day or cancelled at the direction of the Committee. A rescheduled regular meeting shall be designated a regular meeting.
§5.2 Special Meetings

A special meeting may be called by the chairperson with the approval of the General Manager. The meeting shall be called and noticed as provided in Section 5.3 below. (For a general description of the noticing procedures, see the Rules of Procedure of the Board of Directors.)

§5.3 Calling and Noticing of Meetings

All meetings shall be called, noticed and conducted in accordance with the applicable provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code). The General Manager and General Counsel shall be given notice of all meetings. The Committee shall meet at least once every three months, unless the Committee’s activities are suspended.

§5.4 Quorum; Vote; Committee of the Whole

The presence of nine members shall constitute a quorum for the transaction of business. All acts of the Committee shall require the presence of a quorum and the affirmative vote of a majority of the total membership. At any regularly called meeting not held because of a lack of a quorum, the members present may constitute themselves a “committee of the whole” for the purpose of discussing matters on the agenda of interest to the committee members present. The committee of the whole shall automatically cease to exist if a quorum is present at the meeting.

§5.5 Alternates

If a Committee member represented by an alternate is absent from all or a portion of a meeting, the alternate shall be seated in that Committee member’s seat and vote in the place of the absent member. An alternate shall be counted as part of the Committee quorum only when seated in the place of an absent member. **When not serving in place of the absent member, the alternate is a member of the public and accordingly shall sit with the audience and follow the procedures for the public to address the Committee, as provided under Sections 5.9 and 6.2**

§5.6 Thirty Minute Rule

If a quorum has not been established within thirty minutes of the noticed starting time for the meeting, the secretary and clerical support staff may be excused from further attendance at the meeting.

§5.7 [Reserved]
Sec. 4-26. Policy Advisory Committee.

(a) **Membership.** A Policy Advisory Committee is established consisting of sixteen members and their alternates, who are elected officials, as follows: one governing board member from each Member Agency governing board and an alternate for each member, who also shall be a governing board member, shall be appointed by their respective governing board for a two-year term. The alternate representing the County Board of Supervisors may be selected from a Member Agency city council. If a member or an alternate ceases to hold office on the governing board from which he or she was appointed, the appointing body shall appoint another member or alternate for the remainder of the term. No Director shall be appointed to serve on the committee, although alternate Board members may be appointed to the committee. Committee bylaws may establish further restrictions on qualifications for membership. *(Amend. Motion 6/5/03; Amended Resolution 04.12.22, §3, 12/9/2004.)*

(b) **Duties.** It shall be the duty of the committee to advise the Board on:

1) Policy issues referred to the committee by either the Board or the General Manager
2) The countywide transportation plan (Valley Transportation Plan), the Short-Range Transit Plan (SRTP), development of the annual or biennial budget, and tariff and service modifications.

The Committee may also advise the Board of Directors with respect to any policy matter the members determine to be relevant to their Member Agency or to VTA.

It shall be the members’ responsibility to keep their respective appointing agencies informed of key issues, facilitate communication between those agencies and VTA, and to help build the consensus necessary to make policy decisions. *(Amended Resolution 05.03.03, §2, 3/30/05.)*
Sec. 4-27. Technical Advisory Committee.

(a) Membership. A Technical Advisory Committee is established consisting of one staff member from each Member Agency. One member and one alternate shall be appointed by the chief administrative officer of each Member Agency and shall serve at the pleasure of the represented agency. In addition, VTA and the California Department of Transportation (Caltrans) may each appoint one ex-officio member and one alternate, who shall not be counted for purposes of establishing a quorum and who shall have no voting rights. Committee bylaws may establish further restrictions on qualifications for membership. (Amended Resolution 04.03.02, §4, 3/4/04; Amended Resolution 04.12.22, §3, 12/9/04.)

(b) Duties. It shall be the duty of the committee to advise the Board on major policy and technical issues related to VTA projects and programs which are referred to the committee either by the Board or the General Manager in consultation with the Chairperson or which are raised by the committee upon its own initiative. It shall be the members’ responsibility to keep their respective appointing agencies informed of key issues, facilitate communication between those agencies and VTA, and to help build the consensus necessary to make policy decisions.

Sec. 4-28. Citizens Advisory Committee.

(a) Membership. A Citizens Advisory Committee is established consisting of seventeen members appointed in accordance with subsection (b), as follows: six citizens at large from the city and County groupings, six citizens representing certain specified community interests, and five citizens representing certain specified business and labor groups. All members shall be residents of Santa Clara County during their term. No member of the Board of Director or alternate, Policy Advisory Committee member or alternate, or other elected official shall serve on the committee. Each member shall be appointed for a continuous term, serving until resignation or replacement by their appointing organization or the Board of Directors. The Board of Directors shall ratify the appointments of all members of the committee. The committee shall have no alternate members. If a member is absent more than three meetings a year, the position may be declared vacant and another member appointed by the body which made the original appointment. Committee bylaws may establish further restrictions on qualifications for membership. (Amended Resolution 04.12.22, §3, 12/9/2004.)

(b) Appointments. Members shall be appointed as follows, with effort made to reflect the ethnic, gender, and geographic diversity of the County:

(1) City and County Groupings
   a. Two from Group 1:
      San Jose
   b. One from Group 2:
      Los Altos
c. One from Group 3:

Campbell
Cupertino
Los Gatos
Monte Sereno
Saratoga

d. One from Group 4:

Gilroy
Milpitas
Morgan Hill

e. One from the County Board of Santa Clara:

(2) Community Interests

a. Six Four citizens representing the following community interests, appointed by the Administration & Finance Committee from nominations submitted by advocacy groups or received at large, one for each category:

   Senior citizens
   Disabled persons
   Mass Transit users
   Environmentalists
   Bicyclists
   Pedestrians

b. Two by the following VTA advisory committees, one by each committee from its current membership:

   • Bicycle & Pedestrian Advisory Committee (BPAC)
   • Committee for Transit Accessibility (CTA)

   Each representative must be a voting member of their appointing committee during their term on the CAC.

(3) Business and Labor Groups

Five citizens representing the following business and labor groups, one appointed by each organization:
c) Duties. It shall be the duty of the committee to advise the Board on policy issues referred to the committee either by the Board or the General Manager in consultation with the Chairperson.

As specified by the 2000 Measure A ballot, the Committee shall also serve as the independent Citizens Watchdog Committee (CWC) for the 2000 Measure A Transit Sales Tax (“2000 Measure A”) during its term (April 2006 – March 2036) and perform the duties specified in the Measure A ballot.

As specified in the 2008 Measure D ballot, the 2000 Measure A Citizens Watchdog Committee further shall review and comment on a comprehensive transit program submitted by VTA.

Except when acting in its capacity as the Citizens Watchdog Committee as specified in the 2000 Measure A Transit Sales Tax ballot, the committee shall not have the authority to communicate externally, but all communications by the committee shall be to and through the Board.

4-29. Committee for Transit Accessibility

(a) Membership. A Committee for Transit Accessibility is established consisting of twenty-one voting members and one ex-officio, non-voting member, as follows: twelve individuals with disabilities, one each designated by each member of the Board of Directors; and nine members designated by human service agencies familiar with public transportation and serving seniors or persons with disabilities. These nine members shall be employees of the designating agency. The Chairperson of the Board of Directors shall, with the advice and consent of the Board of Directors, from time to time designate the agencies that shall be entitled to designate members, as set forth in the committee by-laws.

The current contract paratransit broker shall designate an employee thereof to service as the ex-officio, non-voting member.

Committee bylaws may establish further restrictions on qualifications for membership.

(b) Duties. It shall be the duty of the committee to perform the functions of a paratransit coordinating council, and to advise the Board of Directors on matters pertaining to
paratransit services in Santa Clara County, and on issues and policies related to accessibility to VTA transit services, facilities, and media, and on state and federal laws related thereto.

(Added Resolution 01.04.24, 4/5/01)

(c) Representative to Citizens Advisory Committee. The committee shall appoint one individual from its voting membership to serve as its representative on the Citizens Advisory Committee (CAC). The representative must meet all established CAC membership requirements and be a voting CTA member during their term on the CAC.

4-30. Bicycle and Pedestrian Advisory Committee

(a) Membership. A Bicycle and Pedestrian Advisory Committee is established consisting of sixteen members who are bicyclists or pedestrians, and who either live or work in Santa Clara County. Each Member Agency shall appoint one member. In addition, the Silicon Valley Bicycle Coalition (SVBC) may appoint one ex-officio member and one alternate, who shall not be counted for purposes of establishing a quorum and who shall have no voting rights. Committee by-laws may establish further restrictions on qualifications for membership.(Amend.Motion 6/5/03.) (Amended Resolution 04.03.02, §4, 3/4/04) (Amended Resolution 07.03.05, §4, 3/1/07)

(b) Duties. It shall be the duty of the committee to advise the Board and to make recommendations regarding bicycle and pedestrian related issues affecting the countywide transportation system and with regard to prioritization of bicycle and pedestrian projects in the TDA Article 3 program; to review and comment to Congestion Management Program staff on plans and designs related to the countywide bikeway system updates of the Countywide Bicycle Plan and Countywide Bicycle Map, Countywide Bicycle Expenditure Plan, and bicycle-related issues affecting the transit system; and to coordinate with other groups concerned with bicycle and pedestrian issues and to report to the Board concerning the same. It shall also serve as the countywide bicycle and pedestrian advisory committee for the County Santa Clara.

(Added. Resolution 01.04.24, 4/5/01; Amend.Motion 6/5/03.) (Amended Resolution 04.03.02, §4, 3/4/04)

(c) Representative to Citizens Advisory Committee. The committee shall appoint one individual from its voting membership to serve as its representative on the Citizens Advisory Committee (CAC). The representative must meet all established CAC membership requirements and be a voting BPAC member during their term on the CAC.
Resolution to Amend Advisory Committee Bylaws and VTA Administrative Code

WILL BE FORWARDED UNDER SEPARATE COVER
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief External Affairs Officer, Greta Helm

SUBJECT: Bicycle & Pedestrian Advisory Committee and Committee for Transit Accessibility Appointments to the Citizens Advisory Committee

Policy-Related Action: No  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Ratify the appointments of the following individuals to the Citizens Advisory Committee (CAC) to represent the specified stakeholder group, as indicated:

- Herman Wadler  Represents  Bicyclists and Pedestrians
- Aaron Morrow  Represents  Disabled Community

BACKGROUND:

The BPAC advises the VTA Board and management on planning and funding issues related to bicycle and pedestrian mobility and access, and also serves as the bicycle and pedestrian advisory committee for the County of Santa Clara. The CTA provides advice to the VTA Board and management on bus and rail system accessibility issues, on paratransit service, and on transportation accessibility matters in Santa Clara County. The CAC represents the residents of Santa Clara County, as well as specified community stakeholder groups, including business and labor, with an interest in transportation. The CAC advises the Board and VTA administration on issues impacting the communities and organizations they represent. It also serves as: (1) the ballot-specified Citizens Watchdog Committee for the 2000 Measure A Transit Improvement Program; and (2) the 2008 Measure D ballot-specified advisory body that reviews and comments on VTA’s comprehensive transit program as part of the countywide transportation plan.

In August 2008, VTA General Manager Michael Burns initiated the Advisory Committee Enhancement (ACE) process to engage advisory committee members in the development of recommendations for improving the existing advisory committee process, in order to maximize
the committees’ efficiency and usefulness to the VTA Board and administration.

Over the course of 17 months, the ACE Task Force, comprised of representatives from each of VTA’s five advisory committees, developed, evaluated and prioritized recommendations for improving communication with the Board, or improving and streamlining the advisory committee process in general while still supporting VTA’s mission and goals.

The Task Force achieved consensus on a set of recommended modifications for enhancing the advisory committee process. The Board of Directors considered these recommendations at its January 7, 2010 meeting and approved them without change.

To implement the changes to the advisory committee process recommended by the ACE Task Force requires modification to each respective advisory committee’s bylaws. Advisory committee bylaws govern the proceedings of the committee and its meetings and must be consistent with the VTA Administrative Code. Amendments to advisory committee bylaws require VTA Board of Directors approval.

DISCUSSION:

The comprehensive package of ACE Task Force-recommended advisory committee bylaws modifications being considered by the Board in June includes the conversion of two existing CAC at-large positions in the Community Interests section. The first position, representing Bicyclists, would be converted to represent both Bicyclists and Pedestrians, and be a member of and appointed by BPAC. The second position, representing Pedestrians, which represents Pedestrians, would be converted to represent the Disabled Community, and be a member of and appointed by the CTA.

The CAC bylaws specify requirements for membership on that committee, which also apply to the BPAC and CTA members appointed to the CAC. These requirements stipulate that while on the CAC the member must be a resident of Santa Clara County, cannot hold elected public office, and cannot be VTA staff or employed by a city they represent.

Due to timing challenges between BPAC, CTA and Board of Directors meetings over the next several months, staff requested that both advisory committees appoint their respective representative to the CAC in advance of Board establishment of these positions and the associated appointment process. Based on this request:

- At its May 2010 meeting, the BPAC appointed Herman Wadler.
- At its April 2010 meeting, the CTA appointed CTA Chairperson Aaron Morrow.

Both Messrs. Wadler and Morrow are current CAC members:

- Mr. Wadler’s represents Bicyclist on the CAC, being newly appointed in 2010. His community involvement includes as a member of the BPAC since 2003, where he acted as chair for 2007 and vice chair for 2006. He has been a member of Campbell’s bicycle advisory committee for eight years, serving as chairperson for most of those years. He has been a member of the Silicon Valley Bicycle Coalition and the Almaden Cycle Touring Club for many years.
Aaron Morrow, who was appointed in 2010 to the Pedestrians position on the CAC, is also a CTA member, having served on that committee since 2000. His CTA service includes serving five terms as the CTA chairperson, including the current year, and four years as the vice chairperson. He volunteers his time and services extensively in the community, including as a member of the Santa Clara County Persons with Disabilities Commission.

Based on their qualifications, experience, and service to the local community and VTA, staff recommends that the Board ratifying the appointments of Herman Wadler and Aaron Morrow to the newly-created CAC positions, as indicated.

**ALTERNATIVES:**
The Board could choose to not make appoint one or both of these individuals to the indicated CAC positions.

**FISCAL IMPACT:**
There is no fiscal impact associated with appointing a BPAC or CTA member to the CAC.

**ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:**

The Bicycle & Pedestrian Advisory Committee considered this item on May 12, 2010, and unanimously approved the appointment of member Herman Wadler to the Citizens Advisory Committee.

The Committee for Transit Accessibility considered this item on April 7, 2010, and unanimously approved the appointment of member Aaron Morrow to the Citizens Advisory Committee.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATIONS:**

The Administration and Finance Committee approved this item on its May 20, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the Administration and Finance Committee meeting.

Prepared by: Stephen Flynn, Sr. Management Analyst
Memo No. 2589
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Board Secretary, Sandra Weymouth

SUBJECT: Bicycle and Pedestrian Advisory Committee (BPAC) Member Appointments

Policy-Related Action: No

Government Code Section 84308 Applies: No

ACTIONS ITEM

RECOMMENDATION:

Ratify the following appointments and re-appointments to the Bicycle & Pedestrian Advisory Committee (BPAC):

New Appointment:
- Breene Kerr, Town of Los Altos Hills for term commencing July 1, 2010 to June 30, 2012.

Reappointments:
- Jerri-Ann Meyer, City of Mountain View for term commencing July 1, 2010 to December 31, 2011;
- Ray Cosyn, City of Saratoga; Thomas Muniz, City of Gilroy; John Sullivan, City of Santa Clara; and Richard Swent, City of Palo Alto for term commencing July 1, 2010 to June 30, 2012.

BACKGROUND:

The BPAC advises the VTA Board of Directors on planning and funding for bicycle and pedestrian projects and issues. The BPAC also serves as the countywide bicycle and pedestrian advisory committee for the County of Santa Clara. The 16 voting members are appointed by each of VTA’s Member Agencies (15 cities in the County and the County of Santa Clara), and there is also a non-voting ex-officio member and an alternate ex-officio member appointed by the Silicon Valley Bicycle Coalition (SVBC).

The BPAC bylaws specify the appointment term is two years and members may be appointed to...
successive terms. BPAC members must live or work in Santa Clara County during their term. Voting members must be a representative of the Member Agency’s local bicycle advisory committee. If the Member Agency does not have a local bicycle advisory committee, their representative must be individuals interested in bicycle or pedestrian issues. BPAC members are precluded from representing a Member Agency that is their employer.

To fill vacancies, VTA staff notifies the appointing authority of the vacancy and current membership requirements. The appointing authority then appoints one member for the designated membership position. For vacancies occurring mid-term, the bylaws specify that they be filled for the remainder of the term by the appointing authority. In both cases, the VTA Board must ratify the appointment.

**DISCUSSION:**

Staff notified Member Agencies of their current representatives’ term expiration, advised them of their current standing, provided information on the appointment process and requested that they appoint their BPAC representative to a new term.

On April 15, 2010, the Town of Los Altos Hills appointed Breene Kerr to serve as their representative to the VTA BPAC for the term beginning July 1, 2010 until June 30, 2012. Mr. Kerr currently serves as the Town of Los Hills Mayor and serves as a council liaison to the Town of Los Altos Hills’ Standing Pathways Committee. Mr. Kerr previously served in the VTA Board of Directors as a regular member and an alternate. Mr. Kerr is a supporter of alternatives to motorized vehicles. He advocates for safe and convenient bicycle and pedestrian friendly paths/routes.

Due to Mr. Kerr’s qualifications, experience and knowledge of bicycle and pedestrian issues, staff recommends the Board ratify this appointment.

The City of Mountain View reappointed Jerri-Ann Meyer as their representative effective July 1, 2010 until December 31, 2011. Ms. Meyer has served the BPAC as a voting member since 2008 and as an alternate ex-officio member in 2007. Ms. Meyer currently serves as the BPAC Vice Chairperson and well-served the Committee.

Thomas Muniz (Gilroy), Richard Swent (Palo Alto), and John Sullivan (Santa Clara) were re-appointed by their respective cities on November 2009. Ray Cosyn was newly appointed by the City of Saratoga on November 2009. On January 2010, the VTA Board of Directors ratified their appointments to complete the remainder of their term until June 30, 2010. Since the ratification of their appointments was off-cycle, staff is recommending ratification of their appointments to an additional term to commence on July 1, 2010 until June 30, 2012.

Staff recommends the VTA Board of Directors ratify these re-appointments based on the individuals’ good standing as current BPAC members.

**ALTERNATIVES:**

The Board could choose not to ratify some or all of these appointments.
FISCAL IMPACT:

There is no financial impact as a result of this action.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration and Finance Committee (A&F) approved this item on its May 20, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the A&F meeting.

Prepared by: Elaine F. Baltao
Memo No. 2629
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: VTA FY 2010-2011 Transportation Development Act and State Transit Assistance Allocation Claim

Policy-Related Action: No
Government Code Section 84308 Applies: No

Resolution

ACTION ITEM

RECOMMENDATION:

Adopt a resolution authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2010-2011 Transportation Development Act (TDA) and State Transit Assistance (STA) funds.

BACKGROUND:

TDA funds originate from a statewide 1/4-cent sales tax that is returned to a Local Transportation Fund (LTF) in the county of origin specifically for transit purposes. Since FY 1992-1993, VTA has claimed all available TDA funds to offset annual operating expenses, including funds apportioned according to TDA Article 4.0 (public transit) and Article 4.5 (paratransit) funds.

Assembly Bills 6 and 8 of the 2010 8th Eight Extraordinary Session, signed by Governor Schwarzenegger on March 22, 2010, changed how STA funds are generated. They are now derived solely from taxes on diesel (salestax and excise tax). STA funds are distributed statewide to regional transportation planning agencies (e.g., MTC), under Article 6.5 partly on the basis of population (Sect. 99313) and partly on the basis of local revenues (Sect. 99314) used to support regional paratransit and transit operations, respectively. MTC apportions a relatively small amount of STA funds to VTA for paratransit purposes, and a larger amount for general transit operating or capital purposes. VTA’s combined TDA/STA Claim to MTC is made with the understanding that budgeted funding for the paratransit program will be at least as large as the combined total of TDA Article 4.5 and STA paratransit funds. The FY 2010-2011 budget
includes approximately $34.3 million for paratransit services.

As a result of the passage of Assembly Bill 1951 (Chapter 632, Statutes of 2000), VTA is eligible to claim STA funds on behalf of ACE. AB 1951 amended Sections 99314 and 99314.3 and added Section 99314.1 to provide STA funds for ACE to be allocated to ACE member agencies to help meet their obligations for ACE operating costs. Each member agency now claims a prorated share of the STA funding earned as a result of operating ACE.

**DISCUSSION:**

VTA is required to file a claim with MTC in order to receive its annual allocations of TDA and STA funding. This year's TDA/STA estimates (net of FY2009-10 adjustments) are:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
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<td>TDA Article 4.0 (Public Transit)</td>
<td>$ 51,536,696</td>
</tr>
<tr>
<td>TDA Article 4.5 (Paratransit)</td>
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</tr>
<tr>
<td><strong>Total TDA</strong></td>
<td><strong>54,249,136</strong></td>
</tr>
<tr>
<td>STA VTA Base Revenue Estimate</td>
<td>$ 15,505,375</td>
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<tr>
<td>STA Paratransit Base Revenue Estimate</td>
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</tr>
<tr>
<td>STA ACE Base Revenue Estimate</td>
<td>254,162</td>
</tr>
<tr>
<td><strong>Total STA</strong></td>
<td><strong>$ 17,572,183</strong></td>
</tr>
<tr>
<td><strong>TOTAL TDA/STA for FY 2010-11</strong></td>
<td><strong>$ 71,821,319</strong></td>
</tr>
</tbody>
</table>

**ALTERNATIVES:**

There is no alternative to this recommendation if VTA intends to claim the combined TDA and STA revenues.

**FISCAL IMPACT:**

Once the claim is approved by MTC, the combined TDA/STA funds will provide an estimated $71 million in VTA’s FY 2010-2011 budget. These funds will be used to support VTA operations, including those associated with paratransit service and VTA’s contribution to ACE operations. These revenues are included in the FY 2010-2011 Budget (TDA: $65,841,000).

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration & Finance Committee considered this item on May 20, 2010 as part of the Consent Agenda and unanimously recommended it to the Board of Directors for adoption at its June 3, 2010 meeting.

Prepared by: Jeffery Ballou
Memo No. 2627
Resolution No.__________

RESOLUTION AUTHORIZING THE FILING OF A CLAIM WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR ALLOCATION OF TRANSPORTATION DEVELOPMENT ACT AND STATE TRANSIT ASSISTANCE FUNDS FOR FISCAL YEAR 2010-2011

WHEREAS, a Local Transportation Fund (LTF) has been established by the Board of Supervisors of the County of Santa Clara pursuant to Article 11, Chapter 2, Division 3 of Title 3 of the Government Code, commencing with Section 29530, for the purpose of collecting local sales tax for transit purposes; and

WHEREAS, the Transportation Development Act (TDA), Chapter 4 of Part 11, Division 10 of the Public Utilities Code commencing with Section 99200 provides for the disbursement of funds from the Local Transportation Fund (LTF) of the County of Santa Clara for use by operators and eligible claimants for the support of public transit systems, and community transit (paratransit) services; and

WHEREAS, pursuant to the provisions of the TDA, and pursuant to the applicable rules and regulations thereunder (21 Cal. Code of Regs. Section 6600 et. seq.), a prospective applicant wishing to receive an allocation from the LTF shall file its claim with the Metropolitan Transportation Commission (MTC); and

WHEREAS, the State Transit Assistance (STA) fund is created pursuant to Public Utilities Code Section 99313.6; and

WHEREAS, STA Fund monies are available for allocation to eligible applicants for public transportation purposes and community transit services; and

WHEREAS, allocations from the Local Transportation Fund of Santa Clara County and the State Transit Assistance Fund will be required by the Santa Clara Valley Transportation Authority (VTA) in Fiscal Year 2010-2011 for the support of public transportation systems; and

WHEREAS, VTA will file a combined claim for TDA Article 4.0 (transit operations) and Article 4.5 (paratransit) funds, and commits to spend an amount at least equal to the total available for paratransit purposes through Public Utilities Code Section 99313, 99313.6 and 99314 to fulfill its commitments toward the implementation of its obligations under the Americans With Disabilities Act (ADA); and

WHEREAS, VTA is an eligible claimant for TDA and STA funds for the purposes set forth in Public Utilities Code Sections 99260(a) and 99275(a) as attested to by the Opinion of Counsel dated June 30, 2010.
NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Santa Clara Valley Transportation Authority, that the General Manager is authorized to execute and file the appropriate TDA, LTF and STA claim with all necessary supporting documents, with the Metropolitan Transportation Commission for an allocation of TDA, LTF and STA funds in Fiscal Year 2010-2011; and

BE IT FURTHER RESOLVED, that the VTA General Manager is designated to furnish such additional information as the Metropolitan Transportation Commission may require in connection with the claim; and

BE IT FURTHER RESOLVED, that a copy of this Resolution be transmitted to the Metropolitan Transportation Commission in conjunction with the filing of the claim; and the Metropolitan Transportation Commission hereby is requested to grant the allocations of funds as specified herein.

Passed and adopted by the Board of Directors of the Santa Clara Valley Transportation Authority on ________________________ by the following Vote:

AYES:

NOES:

ABSENT:

____________________________________
SAM LICCARDO, Chairperson
Board of Directors

ATTEST:

____________________________________
SANDRA WEMYOUTH, Secretary
Board of Directors

APPROVED as to Form

____________________________________
KEVIN D. ALLMAND
General Counsel
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief External Affairs Officer, Greta Helm

SUBJECT: Bill Position: SB 901 (Ashburn)

Policy-Related Action: Yes  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Adopt a support position for SB 901 (Ashburn), which authorizes the lead agency for a grade separation or safety project funded through the Proposition 1B Highway-Railroad Crossing Safety Account to apply for a Letter of No Prejudice (LONP) that would allow the agency to expend its own funds for any bond-funded component of the project and be eligible to seek reimbursement from bond proceeds at a later date under certain circumstances.

BACKGROUND:

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 was approved by the voters of California in November 2006 as Proposition 1B. This ballot measure authorizes the state to issue $19.925 billion in bonds for transportation over a 10-year period, subject to annual appropriations by the Legislature. The revenue generated from the sale of these bonds is intended to supplement existing state transportation programs, as well as provide money for several new programs that were created to address some of California’s emerging transportation infrastructure needs, such as goods movement, corridor mobility, and public transit security.

Proposition 1B includes $250 million for the Highway-Railroad Crossing Safety Account to fund high-priority grade separation projects and railroad crossing safety improvements. In August 2008, the California Transportation Commission (CTC), which is responsible for overseeing the Highway-Railroad Crossing Safety Account, approved the program of projects for this funding. VTA, in partnership with the city of Fremont, was awarded a total of $19.6 million for the following two grade separation projects: (1) Warren Avenue = $9.6 million; and (2) Kato Road = $10 million. In addition to reducing vehicle congestion, decreasing emissions from idling cars
and trucks, and enhancing traffic flow and the movement of emergency vehicles within the city of Fremont, both of these projects will facilitate the implementation of the BART Silicon Valley Project.

In 2009, AB 672 (Bass) was enacted into law. This legislation, which VTA supported, allows the lead agency for most Proposition 1B bond projects to apply to the applicable state administering entity for a Letter of No Prejudice (LONP). If granted, the LONP enables the local agency to proceed with its project, expending its own funds prior to an allocation of Proposition 1B bond money by the state administering entity. The local agency is then eligible to be reimbursed with Proposition 1B bond funding when it becomes available, if the following conditions are met:

1. The project component for which the LONP was granted has commenced, and local expenditures have been incurred.

2. The expenditures made by the local agency are eligible for reimbursement in accordance with federal and state laws and procedures.

3. The local agency has complied with the California Environmental Quality Act (CEQA) and all other legal requirements applicable to the project.

4. The expenditures were incurred after the project was programmed or otherwise approved for funding by the appropriate state administering entity.

5. There is an appropriate amount of funding available in the applicable Proposition 1B account to make the reimbursement payment.

AB 672 was modeled after prior legislation sponsored by VTA that set up an LONP mechanism for Traffic Congestion Relief Program (TCRP) projects. However, the provisions of AB 672 do not cover Proposition 1B bond projects funded through the Highway-Railroad Crossing Safety Account.

LONPs have proved to be valuable tools for expediting the delivery of TCRP and Proposition 1B bond projects. Through LONPs, local agencies have been able to use their own funds to move work forward, rather than having to put their projects on hold while they wait for state dollars to flow. VTA, for instance, used an LONP to advance preliminary engineering work for the BART Silicon Valley Project at a time when TCRP funds were not available because they were being loaned to the General Fund to close state budget gaps. Proposition 1B project sponsors are already taking advantage of the LONP authority granted under AB 672 because the state’s precarious budget situation is preventing the timely issuance of bonds by the Treasurer’s Office.

**DISCUSSION:**

SB 901 (Ashburn) would allow LONPs to be used for grade separation or railroad crossing
safety projects funded through the Proposition 1B Highway-Railroad Crossing Safety Account. Specifically, the bill authorizes a local agency to seek an LONP from the CTC to allow it to expend its own funds for its Highway-Railroad Crossing Safety Account project and then be eligible for reimbursement upon commission approval of its allocation request for Proposition 1B bond funds. SB 901 is intended to allow project sponsors to move forward with their grade separation and railroad crossing safety projects through the use of local funds in those instances when Proposition 1B cannot accommodate them at the time they are ready to award contracts for their projects. Given that VTA is involved in two grade separation projects with the city of Fremont that will be funded through the Highway-Railroad Crossing Safety Account, we recommend that the Board of Directors support SB 901 to ensure that we have the ability to utilize LONPs for these project should it become necessary to do so.

**ALTERNATIVES:**

The Board of Directors could decide to adopt a position for SB 901 that is different from the one being recommended, or could opt to take no position on the bill at this time.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration and Finance Committee approved this item on its May 20, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the Administration and Finance Committee meeting.

This item also was considered by the Citizens Advisory Committee on May 12, 2010. The committee took a formal action recommending that the Board of Directors support SB 901.

**FISCAL IMPACT:**

There is no fiscal impact associated with this recommendation.

Prepared by: Kurt Evans  
Memo No. 2330
BOARD MEMORANDUM

TO:       Santa Clara Valley Transportation Authority
             Board of Directors

THROUGH:  General Manager, Michael T. Burns

FROM:     Chief External Affairs Officer, Greta Helm

SUBJECT:  Bill Position: SB 964 (Alquist)

Policy-Related Action: Yes  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Adopt a support position for SB 964 (Alquist), which requires the California High-Speed Rail Authority to contract with the state Employment Development Department to put together a strategy for ensuring that the necessary training programs are in place to facilitate the availability of a skilled, in-state workforce for California's proposed high-speed train system.

BACKGROUND:

Rapid population growth, congested highways and constrained airports prompted California leaders to consider building a high-speed train system in the state along the lines of those that have been in operation for decades in Europe and Asia. In 2000, the California High-Speed Rail Authority, the agency responsible for planning, constructing and operating the state’s high-speed train system, unveiled a plan for an 800-mile system that would link all of the state’s major population centers, including the Bay Area, Los Angeles, Sacramento, the Inland Empire, Orange County, and San Diego. Through a subsequent program-level environmental document, the High-Speed Rail Authority recommended using an alignment over the Pacheco Pass to enter the Bay Area.

To fund the core segment of the state’s proposed high-speed train system, SB 1856 (Costa) was enacted in 2002 to provide for the submission of the Safe, Reliable, High-Speed Passenger Train Bond Act for the 21st Century to the voters of California for their approval. The bond act authorizes the issuance of a total of $9.95 billion in general obligation bonds, $9 billion of which would be used in conjunction with federal and private funds for the planning and construction of the first phase of the system, which would run from Anaheim through Los Angeles to the Bay Area. The remaining $950 million would be made available for capital projects on other passenger rail lines in California to provide connectivity to the high-speed train system, and for...
capacity enhancements and safety improvements to those lines. Under the provisions of SB 1856, the bond act was initially scheduled for the 2004 general election. However, two subsequent bills postponed its consideration until November 2008, at which time it was approved by the voters as Proposition 1A.

In 2009, the Obama Administration unveiled a long-term strategy intended to build an efficient, high-speed passenger rail network of 100- to 600-mile intercity corridors as one element of a modernized national transportation system. In the near term, the proposal lays the foundation for this network by investing in intercity and high-speed rail infrastructure, equipment and intermodal connections, beginning with an $8 billion down payment provided under the American Recovery and Reinvestment Act (ARRA), and continuing with a grant program of $1 billion per year over the next five fiscal years. In January 2010, California was awarded $2.25 billion in ARRA funding to aid in the development of the first phase of the state’s high-speed rail system.

Earlier this year, the Democratic leadership in the Senate unveiled a package of 27 bills intended to stimulate the state’s economy and reduce its high unemployment rate. SB 964 is one of those bills. This legislation requires the High-Speed Rail Authority to contract with the California Employment Development Department to conduct a labor market assessment of the state’s workforce, and to identify the education and skills needed to construct, operate and maintain a high-speed train system in California. The measure requires this assessment to include a recommended strategy for ensuring that the necessary training programs are put in place to facilitate the availability of a skilled, in-state workforce to participate, to the maximum extent feasible, in the construction of California’s high-speed train system.

To help achieve these objectives, SB 964 creates an advisory committee to provide information to the High-Speed Rail Authority and the Employment Development Department pertaining to the availability of skilled labor, by region, necessary to perform the work associated with building, operating and maintaining a high-speed train system in the state. In addition, the committee would advise the two agencies on the establishment and funding of training programs that would be needed to produce an adequate skilled, in-state workforce for high-speed rail. Under the provisions of SB 964, the advisory committee would consist of representation from the High-Speed Rail Authority, the state’s higher education institutions, the California Workforce Investment Board, the state Employment Training Panel, the state Department of Education, and labor organizations with expertise in conducting apprenticeship programs for the skills necessary to build, operate and maintain a high-speed train system in California. SB 964 calls for appropriating $500,000 in Proposition 1A bond funds to cover the costs of these activities.

DISCUSSION:

According to the High-Speed Rail Authority, California’s high-speed train system is projected to provide approximately 600,000 construction jobs and 450,000 permanent jobs for the state’s economy. Constructing, operating and maintaining a high-speed train system in California will require not only a large traditional labor pool, but also many unique skill sets that are not typical
for more conventional transportation projects. In order to maximize the use of California labor for high-speed rail, there is a need for skilled and trained individuals in the fields of engineering, electrical power systems, materials experts, train control system technicians, computer system technicians, and specialize maintenance workers, to name a few. Therefore, it is important for the state to begin to take actions to ensure the availability of these labor resources to allow for California workforce participation in the state’s high-speed train system.

As a first step, the state should initiate a full assessment of the workforce needs for high-speed rail, and provide the necessary training and educational opportunities so that Californians may participate in, and benefit from, the project. Along these lines, the High-Speed Rail Authority should work collaboratively with other appropriate state agencies, California’s institutions of higher education and labor organizations with expertise in trade apprenticeship programs that are relevant to the skill sets needed for high-speed rail. SB 964 would accomplish this first step. Therefore, we recommend that the Board of Directors support this legislation.

**ALTERNATIVES:**

The Board of Directors could decide to adopt a position for SB 964 that is different from the one being recommended, or could opt to take no position on this bill at this time.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration and Finance Committee approved this item on its May 20, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the Administration and Finance Committee meeting.

This item also was considered by the Citizens Advisory Committee on May 12, 2010. The committee took a formal action recommending that the Board of Directors support SB 964.

**FISCAL IMPACT:**

There is no fiscal impact associated with this recommendation.

Prepared by: Kurt Evans  
Memo No. 2599
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief External Affairs Officer, Greta Helm

SUBJECT: Bill Position: AB 2324 (J. Perez)

Policy-Related Action: Yes
Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Adopt a support position for AB 2324 (J. Perez), which prohibits the following: (a) a person from knowingly possessing specified weapons within a sterile area of a public transit facility; (b) an unauthorized person from knowingly entering a restricted area of a public transit facility; and (c) a person from intentionally avoiding submission to screening and inspection when entering or re-entering a sterile area of a public transit facility. In addition, this bill increases the penalties for repeat fare evasion offenders and for certain acts of public transit passenger misconduct.

BACKGROUND:

Following the terrorist attacks of September 11, 2001, California enacted several bills to address gaps in state law pertaining to trespassing and possession of dangerous weapons at airports and seaports. Over time, these laws were expanded to include different types of public buildings and other facilities, but not public transit vehicles and facilities. AB 2324 is intended to strengthen the safety and security of public transit systems in California by prohibiting the possession of dangerous weapons in certain areas of a public transit facility, and by prohibiting individuals from intentionally engaging in certain activities that could jeopardize the safety of passengers, operators, and the public.

First, there is no state law that prohibits an individual who is carrying a dangerous weapon from accessing a public transit system. More and more law enforcement and security officials are coming across people entering public transit facilities armed with dangerous weapons. To address this situation, AB 2324 creates a definition of “sterile area” for public transit systems similar to the one that currently exists in state law for airports and seaports. The legislation further prohibits: (a) possessing certain, specified dangerous weapons and trespassing within
sterile areas; and (b) intentionally avoiding submission to screening and inspection when entering or re-entering sterile areas, as current law does for airports and seaports. Examples of possible sterile areas for VTA are our operating divisions, which have 24-hour continuous security coverage with a secured perimeter, and light rail platforms and transit centers when staffed by security personnel.

Second, current state law does not adequately address the penalties for certain activities committed on or in a public transit vehicle or facility that pose safety and security concerns. For example, under current law, carrying an “explosive” or “flammable” liquid, or other toxic or hazardous substance onto a public transit bus or train is only an infraction. Similarly, engaging in unruly behavior that disturbs other passengers or the operator, willfully destroying public transit equipment, and willfully blocking the free movement of another individual on or in a public transit vehicle or facility are infractions. AB 2324 would change these offenses to misdemeanors punishable by a fine of not more than $400, by imprisonment in a county jail for a period of not more than 90 days, or by both.

Finally, AB 2324 would increase the penalties for repeated acts of fare evasion. Under the provisions of the bill, the first and second occurrence of fare evasion would remain the same -- an infraction punishable by a fine not to exceed $250 and community service up to a maximum of 48 hours over a period not to exceed 30 days. However, a third and subsequent violation would become a misdemeanor punishable by a fine of not more than $400, by imprisonment in a county jail for a period of not more than 90 days, or by both. It is estimated that VTA loses roughly $500,000 per year as a result of fare evasion.

**DISCUSSION:**

Public transit is a critical element of the nation’s infrastructure, contributing greatly to the economic vitality of the United States. Public transit systems are, by design and necessity, an open environment. More than 9.7 billion trips are taken annually on all modes of public transit. People use public transit vehicles more than 32 million times each weekday -- 16 times the number of daily travelers aboard the nation’s airlines and 450 times the number of travelers on Amtrak.

Safety and security must be top priorities for public transit agencies across the country and in California. Since the terrorist attacks of September 11, 2001, public transit agencies have upgraded and strengthened their emergency response and security plans, taken steps to protect their infrastructure, and deployed security personnel on their vehicles and at their facilities to protect their patrons and employees. To be sure, these efforts are paying off, and many public transit systems are more secure now than they were prior to 9/11, nonetheless, more needs to be done. Public transit systems around the world have been the targets of terrorist attacks. Israel, Britain, Spain, Russia, and Iraq are examples of counties where people have been injured or killed as a result of terrorist attacks on public transit systems. In the United States, a man affiliated with terrorist organizations recently pled guilty to conspiring to detonate explosives in the New York City subway system. AB 2324 is intended to take steps to prevent these types of events from occurring in California.
Under current state law, airports and seaports enjoy a wide range of statutory protections that are designed to ensure safer and more secure environments for employees and passengers. These protections include the creation of sterile areas, as well as prohibitions against trespassing and possession of dangerous weapons within such areas. AB 2324 would apply these same statutory provisions to public transit facilities. In addition, the legislation increases the penalties for certain disruptive acts that could threaten the safety and well-being of transit passengers, operators, and the public, and for repeat fare evasion violations. We recommend that the Board of Directors support AB 2324.

ALTERNATIVES:

The Board of Directors could decide to adopt a position for AB 2324 that is different from the one being recommended, or could opt to take no position on this bill at this time.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration and Finance Committee approved this item on its May 20, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the Administration and Finance Committee meeting.

This item also was considered by the Citizens Advisory Committee on May 12, 2010. The committee took a formal action recommending that the Board of Directors support AB 2324.

FISCAL IMPACT:

There is no fiscal impact associated with this recommendation.

Prepared by: Kurt Evans
Memo No. 2609
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Financial Officer, Joseph T. Smith

SUBJECT: Approval of Investment Banking Firm Pool

Policy-Related Action: No
Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Designate fourteen investment banking firms to an underwriting pool for a period of seven years to provide the VTA access to capital markets in order to finance capital projects or refinance existing debt.

BACKGROUND:
Investment Banks play a key role in VTA’s financing team by assisting in the structuring, marketing and distribution of bonds. The banks’ market reach, access, and understanding of the needs of the investor provide a direct benefit to VTA in the form of wide distribution resulting in the lowest cost of borrowing. In addition, investment banks are able to offer advice and insight on financing options and market conditions.

Most of VTA’s previous transactions have been done through a negotiated sales method due to transaction complexity and market environment; however, having a pool of qualified investment banking firms will not preclude VTA from using a competitive sale process, if such a method of sale is suitable to a particular transaction.

DISCUSSION:

On January 15, 2010, VTA issued a notice inviting Requests for Qualifications (RFQ) for underwriting services. Staff’s objective was to form a pool of underwriting firms that are: (1) capable of optimizing VTA’s general financing plan (included in VTA’s Short Range Transportation Plan 2010-2019) and/or (2) able to assist in the widest distribution of VTA bonds in the capital markets in order to ensure the lowest cost of funds.

Nineteen firms submitted proposals. The proposals were reviewed by a panel consisting of the
Manager for the Department of Finance, a Sr. Financial Analyst, a Financial Analyst, and a Contract Administrator. The panel was assisted by VTA’s financial advisor, Ross Financial. The proposals were evaluated based on the following criteria:

- Qualifications of the firm (including capital capacity and distribution capabilities) - 30 points;
- Staffing and project organization - 30 points;
- Understanding of VTA and the project requirements - 30 points;
- Local preference - 10 points

Pursuant to these criteria, the selection committee eliminated five firms from further consideration. The lowest ranking firms who submitted proposals, but are not included in the proposed pool of underwriters are: Backstrom, McCarley, Berry & Co., LLC; Edward Jones; Finacorp Securities; Grigsby & Associates, Inc., and Stern Brothers & Co. Six firms that are new to VTA were invited for interviews with the selection committee, which took place on March 4th and 5th. No firms were eliminated following the interviews.

All of the firms included in the proposed pool of underwriters (identified in Attachment A) adequately demonstrated 1) the availability of, and willingness to use, their firm’s capital to underwrite transactions, 2) sufficient experience with transportation and/or California issuers, and 3) how the firm's resources and team member skills and abilities could be helpful in context of VTA’s needs and requirements over the next few years.

Specific firms will be selected from the pool on a transaction by transaction basis, depending on the type and amount of bonds to be issued when the need arises. Fee proposals, distribution capabilities and suggestions on transaction structures will be used in the decision making process to determine which firms will be utilized for each transaction. VTA retains the option for using a competitive sale process, if such a method of sale is suitable for a particular transaction.

Underwriters are compensated at the time bonds are actually issued with fees that are dependent on the type of financing structure and contingent on the bond sale. For example, underwriting fees in the current market for tax-exempt fixed rate bonds could range from $4.50-$5.50 per $1,000 of bonds and for Build America Bonds (taxable) could range from $5.50-$6.50 per $1,000 of bonds. Each financing transaction will be brought to the Board of Directors for approval prior to issuance of any debt.

Staff may from time to time eliminate firms from the pool, for reasons that include: 1) change in key personnel, 2) consistently poor sales performance (e. g., a retail co-manager that does not sell bonds, but was included in the transaction), 3) firm exits the municipal finance industry, or 4) VTA’s bonding program becomes significantly down sized.

**ALTERNATIVES:**

An individual request for proposal could be issued for each transaction requiring underwriting services. However, this approach would significantly limit VTA flexibility to be responsive to market conditions and project needs.
SBE PARTICIPATION:

There is no specific Small Business Enterprise (SBE) goal established for this underwriting pool as there are no sub-contracting opportunities.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration & Finance Committee heard this item on May 20, 2010 and after discussing Build America Bonds and the benefits of using a negotiated or competitive bond sale process in the issuance of bonds, recommended it to the Board of Directors for adoption at its June 3, 2010 meeting.

FISCAL IMPACT:

There is no immediate fiscal impact as a result of this action. Fees will be negotiated with selected underwriters on a transaction by transaction basis and approved by the Board at the time a transaction is approved.

Prepared by: Kimberly Koenig, Fiscal Resources Manager
Memo No. 2504
### Investment Banking Pool

<table>
<thead>
<tr>
<th>Firm</th>
<th>Team Member</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America Merrill Lynch</td>
<td>Kim Nakahara, Vice President</td>
<td>Lead Banker</td>
</tr>
<tr>
<td>401 N. Tryon Street</td>
<td>Bryon Rockwell, Managing Director</td>
<td>Co-Lead Banker</td>
</tr>
<tr>
<td>Charlotte, NC 28255</td>
<td>Mitch Gold, Director</td>
<td>Transportation Specialist</td>
</tr>
<tr>
<td>(415) 627-3195</td>
<td>Dave Andersen, Managing Director</td>
<td>Fixed Rate Underwriting</td>
</tr>
<tr>
<td></td>
<td>Mona Payton, Managing Director</td>
<td>Variable Rate Underwriting</td>
</tr>
<tr>
<td>Barclays Capital</td>
<td>John McCray-Goldsmith, Director</td>
<td>Lead Banker</td>
</tr>
<tr>
<td>555 California St, Suite 3000</td>
<td>Michael Gomez, Director</td>
<td>Co-Lead Banker</td>
</tr>
<tr>
<td>San Francisco, CA 94104</td>
<td>Stephen Howard, Director</td>
<td>Project Finance/TIFIA/Toll Road Specialist</td>
</tr>
<tr>
<td>(415) 274-5374</td>
<td>Steve Milano, Managing Director</td>
<td>Long-term Underwriting</td>
</tr>
<tr>
<td></td>
<td>Frank Murphy, Managing Director</td>
<td>Short-term Underwriting</td>
</tr>
<tr>
<td>BMO Capital Markets</td>
<td>Eric Zampol, Vice President</td>
<td>Co-Lead Banker</td>
</tr>
<tr>
<td>One Market Plaza</td>
<td>Jeff Holt, Managing Director</td>
<td>Co-Lead Banker</td>
</tr>
<tr>
<td>Spear Tower</td>
<td>Jim Fitzgerald, Managing Director</td>
<td>Lead Underwriter</td>
</tr>
<tr>
<td>San Francisco, CA 94111</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(415) 354-7500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citigroup Global Markets Inc.</td>
<td>Mike Carlson, Director</td>
<td>Lead Banker</td>
</tr>
<tr>
<td>1 Sansome St, 28th Floor</td>
<td>Matt Bernstein, Associate</td>
<td>Banker</td>
</tr>
<tr>
<td>San Francisco, CA 94109</td>
<td>Ron Marino, Managing Director</td>
<td>Transportation Specialist</td>
</tr>
<tr>
<td>(415) 951-1616</td>
<td>Jerry Abrahams, Managing Director</td>
<td>Variable Rate Underwriting</td>
</tr>
<tr>
<td></td>
<td>Ron Blake, Director</td>
<td>California Underwriting</td>
</tr>
<tr>
<td>E. J. De La Rosa &amp; Co. Inc.</td>
<td>Paul Rosenstiel, Principal</td>
<td>Lead Banker</td>
</tr>
<tr>
<td>101 Montgomery St</td>
<td>John Kim, Principal</td>
<td>Co-Lead Banker</td>
</tr>
<tr>
<td>Suite 2150</td>
<td>Raul Amezcue, Principal</td>
<td>Transportation Specialist</td>
</tr>
<tr>
<td>San Francisco, CA 94104</td>
<td>Ben Stern, Principal</td>
<td>Lead Underwriter</td>
</tr>
<tr>
<td>(415) 495-8863</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goldman Sachs &amp; Co.</td>
<td>Ian Parker, Vice President</td>
<td>Team Leader</td>
</tr>
<tr>
<td>85 Broad Street</td>
<td>Chris Higgins, Vice President</td>
<td>Banker</td>
</tr>
<tr>
<td>New York, NY 10004</td>
<td>Ed Droesch, Managing Director</td>
<td>Tax-Exempt Underwriting</td>
</tr>
<tr>
<td>(212) 902-1000</td>
<td>Caroline Mutter, Managing Director</td>
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<tr>
<td>Jefferies &amp; Company, Inc</td>
<td>Scott Nagelson, Managing Director</td>
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<tr>
<td>One Montgomery St</td>
<td>Steve Wood, Managing Director</td>
<td>Transportation Specialist</td>
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<tr>
<td>24th Floor</td>
<td>Roy Carlberg, Managing Director</td>
<td>Long-term Underwriting</td>
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<tr>
<td>San Francisco, CA 94104</td>
<td></td>
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<tr>
<td>(415) 229-1428</td>
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<td>JP Morgan Securities Inc.</td>
<td>Dan Feitelberg, Executive Director</td>
<td>Lead Banker</td>
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<td>560 Mission Street, 3rd Floor</td>
<td>Andy Nakahata, Executive Director</td>
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<tr>
<td>San Francisco, CA 94105</td>
<td>Robert Servas, Executive Director</td>
<td>Fixed Rate Underwriting</td>
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<tr>
<td>(415) 315-5957</td>
<td>Kyle Pulling, Executive Director</td>
<td>Short-term Underwriting</td>
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<tr>
<td>Loop Capital Markets</td>
<td>Nikolai Sklaroff, Managing Director</td>
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<td>One Market St, Spear Tower, Suite 3500</td>
<td>Bob Walsh, Managing Director</td>
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<tr>
<td>San Francisco, CA 94105</td>
<td>Bill Sadowski, Managing Director</td>
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<tr>
<td>(415) 293-8144</td>
<td>Rita Ho, Managing Director</td>
<td>Short Term Underwriting</td>
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<td>Role(s)</td>
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<td>Margaret Backstrom, <em>Executive Director</em></td>
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<td>David Rush, <em>Executive Director</em></td>
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<td>Brian Wynne, <em>Managing Director</em></td>
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<td>Jamie Durando, <em>Managing Director</em></td>
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<td>Joseph Huseman, <em>Head of Municipal Taxable Underwriting</em></td>
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<td>Siebert Brandford Shank &amp; Co.</td>
<td>Nic Malas, <em>Sr. Vice President</em></td>
<td>Lead Banker &amp; Transportation Specialist</td>
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<td>David Thomson, <em>Managing Director</em></td>
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<td>Sherman Swanson, <em>Managing Director</em></td>
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<td>Stone &amp; Youngberg</td>
<td>Sohail Bengali, <em>Managing Director</em></td>
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<td>Eileen Gallagher, <em>Managing Director</em></td>
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<td>Rob Larkins, <em>Managing Director</em></td>
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<td>John Nguyen, <em>Vice President</em></td>
<td>Banker</td>
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<td></td>
<td>Brad Thiel, <em>Sr Vice President</em></td>
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BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Administrative Officer, Bill Lopez

SUBJECT: Cellular Mobility - Contract Extension

Policy-Related Action: No  Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract amendment with AT&T for cellular voice and data service. The contract amendment will extend the contract term for an additional one year for a cost of $200,000, for a new contract value of $1,558,000.

BACKGROUND:

In 2004, the VTA Board of Directors approved the purchase of cellular wireless equipment and services from Cingular Wireless (now AT&T) under a cooperative purchase agreement utilizing the Western States Contracting Alliance (WSCA). WSCA is a consortium of fifteen states whose primary purpose is to use their collective purchasing power to achieve cost effective and efficient acquisition of quality products and services. At that time, WSCA offered the most advantageous pricing on wireless equipment and services, and VTA continues to utilize AT&T with WSCA pricing. The original contract from 2004 has been extended twice. The current contract expires on June 30, 2010.

VTA had originally planned to include cellular service in the upcoming Technology General Store RFP. In our final analysis it was determined to be more advantageous for VTA to bid this contract separately resulting in this delay. VTA has developed an RFP for a successor contract with the objectives of maximizing cost savings through rate plans based on the VTA's aggregate usage, simplifying the rate plan structure to better align with VTA's requirements, and to improve processes to facilitate the ongoing management of the program. The RFP was issued on April 4, 2010. The new RFP also includes new wireless technologies such as smart signs to be used by the Real Time Information (RTI) projects.

It is unknown if AT&T will be the vendor selected after the 2010 RFP process. If AT&T is not
selected, all cellular phones, smartphones / PDA’s, and wireless LAN cards would need to be transitioned to the selected vendor’s products. Following industry practice and to ensure a smooth transition, an additional one year extension and contract authorization of $200,000 is necessary for the current AT&T wireless contract.

**DISCUSSION:**

Since 2004, when VTA entered into the contract with AT&T Mobility (then Cingular Wireless) they have provided an increasing amount of wireless cellular services. Beginning with simple voice cellular telephone service, they now provide wireless cellular services for both voice and data devices including wireless laptop cards allowing for mobile computing, enterprise enabled PDA’s allowing for mobile email, calendar, contacts, and tasks, Bluetooth devices for short range transmission, and BlackBerry Enterprise Server support.

Staff recommends that VTA extend its contract with AT&T Mobility for an additional one (1) year term. This recommendation is made with the following considerations:

- Preparations are currently under way for new vendor to be selected via a competitive RFP process at the September 2010 Board Meeting.
- Extension of the AT&T agreement will give staff time to properly select the most qualified provider that meets our current and future needs. Transition to a new wireless carrier will take VTA approximately 12 months, due to the individual cell phone agreements and swap out of hardware.
- As a result of the delay in the issuance of the RFP, staff has been able to include within the scope of the RFP a solicitation for support of new wireless technologies applicable to the RTI project, such as smart signs.
- The extension allows VTA to retain usage of recently deployed exclusive and non-transferable devices.

**ALTERNATIVES:**

The Board of Directors can request that staff negotiate a sole source contract with an alternate provider.

**FISCAL IMPACT:**

This action will authorize a one-year extension for AT&T cellular voice and data services. Based on historical trends and the previously negotiated rates, the cost for this 1 (one) year extension is estimated to be $200,000. Appropriation for this expenditure is included in the FY11 adopted VTA Transit Enterprise fund operating budget.

**STANDING COMMITTEE DISCUSSION / RECOMMENDATION:**

The Administration and Finance Committee considered this item at the May 20th meeting, attended by Board member Kniss, Board member Gage, and Board Member Woodward. Board Member Kniss asked about the potential to offset costs by renting antennae space on the VTA
owned radio towers. Chief Information Officer Gary Miskell responded that VTA has recently completed negotiations with Clear Wire to rent space on the River Oaks’ communication tower and as a result will obtain wireless data at a greatly reduced rate. The board memo was approved by all members without further comment or questions.

Prepared by: Richard Bertalan
Memo No. 2592
Attachment to Cellular Mobility – Contract Extension

**AT&T California**
1 River Oaks, Room 1600
San Jose, CA 95134

Phone numbers  408-493-8363
                650-483-0862
                408-439-3792

Yvonne Stone – Senior Account Manager, Public Sector Bay Area
Juan Sebastian – Mobility Consultant, Government, Education & Medical
Ralph de la Vega - President and CEO, AT&T Mobility and Consumer Markets
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: Federal Fiscal Year 2010 Federal Transit Administration Grant Applications

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to submit federal Fiscal Year 2010 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5309 Fixed Guideway.

BACKGROUND:

FTA’s current authorization, the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU), expired September 30, 2009. Since that time, Congress has enacted short term extensions allowing FTA to continue its current programs through December 31, 2010.

Congress appropriates funds for the FTA grant programs through the enactment of the annual Department of Transportation Appropriations Act. Division A of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act 2010 (Pub. L. 111-68), which was signed into law by President Obama on December 16, 2009, appropriated funds for FTA general-funded programs for FY 2010. It extends contract authority for the Formula and Bus Grants programs at the same levels that were available under the 2009 Omnibus Appropriations until February 28, 2010, i.e., approximately 512th of the contract authority available in fiscal year 2009. The amounts available for FTA programs were published in the Federal Registers of February 16, 2010. Congress is expected to follow up with a subsequent appropriations bill to fund the remainder of expected FFY 2010 appropriation.

DISCUSSION:
A summary of VTA’s proposed grant projects for FFY 2010 is provided below. For the formula programs, which include the Section 5307 Urbanized Area (UZA) Formula Program and the Section 5309 Fixed Guideway programs, the amounts shown are based on the anticipated FFY 2010 appropriations for these programs. The grant applications may be split to capture the initial 5/12ths of the adopted appropriation and later resubmitted for the remaining balance when it is appropriated. It is anticipated that minor adjustments to the formula program may be required.

**FTA Section 5307 Urbanized Area Formula Grant Program**

Of the available Section 5307 UZA Program funds, VTA proposes to use $37,794,173 towards Preventive Maintenance costs and $3,742,405 for ADA Operating Set Aside to help meet its operating needs in FY 2010. The remaining funds will go to ADA Bus Stop Improvements and Security Improvements for Light Rail to meet the 1% Section 5307 enhancement and security program requirements. See Table 1 for a complete listing of projects and programmed amounts.

**FTA Section 5309 Fixed Guideway Formula Grant Program**

Under the Section 5309 Program, Fixed Guideway funds in the amount of $6,351,750 will be available to VTA in FFY 2010. The funds are programmed for Rail Replacement Program and Rail Substation Replacement Program. See Table 1 for a complete listing of projects and programmed amounts.

**Proposed FFY 2010 Grant Program Summary**

VTA’s proposed FFY 2010 FTA Grant program is summarized in Table 1 below.

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<th>GRANT PROGRAM</th>
<th>FEDERAL</th>
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<th>TOTAL</th>
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<td><strong>FTA Section 5307</strong></td>
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<td>Preventive Maintenance</td>
<td>37,794,173</td>
<td>9,448,544</td>
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<td>ADA Operating Set Aside</td>
<td>3,742,405</td>
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<td>4,678,006</td>
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<td>ADA Bus Stop Improvements</td>
<td>439,084</td>
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<td>548,855</td>
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<td>Security Improvements for Light Rail</td>
<td>439,084</td>
<td>109,771</td>
<td>548,855</td>
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<td><strong>Subtotal Section 5307</strong></td>
<td>42,414,746</td>
<td>10,603,687</td>
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<td><strong>FTA Section 5309 - Fixed Guideway</strong></td>
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<td>Rail Replacement Program</td>
<td>2,301,750</td>
<td>575,438</td>
<td>2,877,188</td>
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<td>Rail Substation Replacement</td>
<td>4,050,000</td>
<td>1,012,500</td>
<td>5,062,500</td>
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<td><strong>Subtotal Section 5309</strong></td>
<td>6,351,750</td>
<td>1,587,938</td>
<td>7,939,688</td>
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<td><strong>Total FY 2010 FTA Grant Program</strong></td>
<td>48,766,496</td>
<td>12,191,625</td>
<td>60,958,121</td>
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**ALTERNATIVES:**

Page 2 of 3
While the Board may always consider other options, this is the only practical alternative that funds the Board's adopted FY'10 & FY'11 operating and capital budgets.

**FISCAL IMPACT:**

The current fund estimates for the grant formula programs indicate that VTA will receive an estimated $42,414,746 in federal Section 5307 UZA Formula funds and $6,351,750 in Section 5309 Fixed Guideway funds. The Section 5307 UZA Formula funds for Preventive Maintenance are slightly higher than were anticipated in the Adopted FY10 VTA Transit Enterprise Fund Operating Budget.

The required local match for Preventive Maintenance and the ADA Operating Set Aside is $10,384,145. The required local match for VTA’s capital program projects is $1,807,480. The local matches are included in the Adopted FY 2010 VTA Transit Enterprise Fund Operating and Capital Budgets.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration & Finance Committee considered this item on May 20, 2010 as part of the Consent Agenda and unanimously recommended it to the Board of Directors for adoption at its June 3, 2010 meeting.

Prepared by: Jeffery Ballou
Memo No. 2645
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: Prop 84 Urban Greening for Sustainable Communities Planning Grant

Policy-Related Action: No  Government Code Section 84308 Applies: No

Resolution

ACTION ITEM

RECOMMENDATION:

Adopt a resolution authorizing the filing and execution of grants under the Proposition 84 Urban Greening for Sustainable Communities Planning funding through the State of California’s Strategic Growth Council.

BACKGROUND:

VTA has applied for funds under the Proposition 84 Urban Greening for Sustainable Communities Planning Grant program. The Strategic Growth Council for the State of California manages the program and apportions funds for the purpose of creating urban greening plans that will improve air and water quality, protect natural resources, increase affordable housing, improve infrastructure systems, promote public health and assist local agencies in planning of sustainable communities. VTA is applying for grant funding to administer a master plan for development at Tamien Station.

The Strategic Growth Council requires all applicants to submit a resolution approved by their governing body authorizing the submittal of the grant application.

DISCUSSION:

In November of 2009, the Board of Directors approved the JD Portfolio and Priority Schedule, which identified the VTA-owned assets that are best suited for joint development (the JD Portfolio) and the assets within the JD Portfolio that present the greatest development potential
in the near term (the *Priority Schedule*). Tamien Station is one of the assets on the *Priority Schedule*, and staff has been moving forward to advance the development of Tamien Station. This asset, however, has land use, parking and other infrastructure issues that must be addressed before development can occur. This grant funding opportunity will provide resources to address some of these issues. Specifically, the funding will enable the development of a master land use plan which will evaluate circulation and infrastructure issues in the entire station area.

On April 30th 2010, the VTA submitted to the Strategic Growth Council a grant application applying for $195,000 to fund the master plan development. Although matching funds are not required for the program, the grant application also includes $5,000 of in-kind funding to support the master plan study.

**ALTERNATIVES:**

The Board of Directors could elect not to accept the Proposition 84 Urban Greening Planning grant, in which case there would be no funding for the development of a master land use plan for the Tamien Station.

**FISCAL IMPACT:**

Proposition 84 funds totaling $195,000 will be made available to VTA to help defray the cost of other resources to develop a master plan at Tamien Station. Although matching funds are not required for the program, the grant application also includes $5,000 of in-kind funding to support the master plan study.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Congestion Management Program and Planning (CMPP) Committee approved this item on its May 21, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board meeting. There was no discussion of the item at the CMPP meeting.

Prepared by: Jennifer Rocci
Memo No. 2602
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
AUTHORIZING THE FILING AND EXECUTION OF GRANTS FOR THE URBAN
GREENING PLANNING GRANT PROGRAM UNDER THE SAFE DRINKING
WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND
COASTAL PROTECTION BOND ACT OF 2006 (PROPOSITION 84)

WHEREAS, the Legislature and Governor of the State of California have authorized to make grants and funding for the program shown above; and

WHEREAS, the Strategic Growth Council has been designated by the Governor of the State of California to administer this grant program, establishing necessary procedures, and said procedures established by the Strategic Growth Council require a resolution certifying the approval of application by the VTA Board before submission of said application to the State; and

WHEREAS, the Santa Clara Valley Transportation Authority (VTA) desires to apply for Proposition 84 funding to create a master park plan at Tamien Station in Santa Clara County; and

WHEREAS, the Santa Clara Valley Transportation Authority (VTA) has, to the maximum extent feasible, coordinated with other local agencies and users in the region;

NOW, THEREFORE, BE IT RESOLVED, that the VTA Board of Directors does hereby authorize the General Manager to file and execute grant applications and agreements with The Strategic Growth Council on behalf of VTA as amended.

BE IT FURTHER RESOLVED that the General Manager is authorized to:

1. Execute and file all assurances or any other document required by The Strategic Growth Council; and

2. Provide additional information as The Strategic Growth Council may require in connection with the application for Proposition 84 projects; and

3. Submit and approve the request for reimbursement of funds from The Strategic Growth Council for Proposition 84 projects.
PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority (VTA) Board of Directors on June 3, 2010.

AYES:

NOES:

ABSENT:

__________________________
Sam Liccardo, Chairperson
Board of Directors

ATTEST:

_____________________
Sandra Weymouth, Board Secretary

APPROVED AS TO FORM:

_______________________
Kevin Allmand, General Counsel
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: STIP PPM Fund Transfer Agreement with Caltrans

Policy-Related Action: No  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Adopt a resolution authorizing the General Manager to execute a fund transfer agreement with the State of California Department of Transportation (Caltrans) for five fiscal years from 2010 to 2014 for the State Transportation Improvement Program Planning, Programming and Monitoring Program.

BACKGROUND:

The VTA Board of Directors, at its December 10, 2009 meeting, approved VTA's Regional Improvement Program (RIP) for the 2010 State Transportation Improvement Program (STIP). The VTA program included funds for VTA's Congestion Management Agency Planning, Programming and Monitoring (PPM) activities.

The 2010 STIP programs $695,000 for each of the five years from FY 2010 to FY 2014. This is an increase over the prior annual amount, which was approximately $547,000 per year.

PPM funding is provided to Congestion Management Agencies to assist with the costs of preparing the STIP program every other year, performing oversight of projects receiving STIP and/or Federal funding, and performing project development support activities for STIP projects. VTA uses these funds for project development and program oversight activities including preparation of the Programmed Projects Quarterly Monitoring Reports.

DISCUSSION:

To receive the PPM funding, VTA is required to execute a fund transfer agreement with Caltrans.
for each fiscal year. The recommendation is to approve the attached resolution authorizing the General Manager to execute a fund transfer agreement with Caltrans, covering the next five years.

**ALTERNATIVES:**

There are no practical alternatives. Caltrans requires that a resolution be adopted by the governing body of the recipient, authorizing execution of fund transfer agreements, as a condition of receiving the funds.

**FISCAL IMPACT:**

If approved, planning, programming and monitoring funds will be available to offset VTA CMA activities for planning, programming, developing and monitoring STIP projects for the five fiscal years from 2010 to 2014.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Congestion Management Planning and Programming Committee (CMPP), considered this item at its May 21, 2010 meeting. The Committee unanimously recommended this item to the full Board for approval.

Prepared by: Celeste Fiore
Memo No. 2590
RESOLUTION OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS AUTHORIZING THE GENERAL MANAGER TO EXECUTE
FUND TRANSFER AGREEMENTS WITH THE STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR FISCAL YEARS 2010-
2014 STIP PLANNING, PROGRAMMING AND MONITORING PROGRAM

WHEREAS, the Board of Directors of the Santa Clara Valley Transportation Authority (VTA),
on December 10, 2009, approved the 2010 State Transportation Improvement Program (STIP)
that allocated to VTA $695,000 for each of the five fiscal years from 2010 to 2014 for the STIP
Planning, Programming and Monitoring Program; and

WHEREAS, VTA is eligible to receive STIP funding through Caltrans; and

WHEREAS, VTA will use these funds to meet the 1997 Senate Bill 45 (chapter 622, stats. 1997)
local requirements for program planning, programming and monitoring STIP projects in Santa
Clara County; and

WHEREAS, Caltrans has requested the VTA to execute fund transfer agreements in order to
receive the STIP funds.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley
Transportation Authority that the General Manager is authorized to execute fund transfer
agreements and any amendments thereto with Caltrans to receive fiscal years 2010 to 2014 funds
for the STIP Planning, Programming and Monitoring Program; and

BE IT FURTHER RESOLVED that VTA agrees to comply with all terms and conditions of
the fund transfer agreements.
PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on this third day of June, 2010 by the following vote:

AYES:

NOES:

ABSENT:

__________________________________
Sam Liccardo, Chairperson
Board of Directors

I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the Board of Directors of the Santa Clara Valley Transportation Authority, California, at a meeting of said Board of Directors on the date indicated, as set forth above.

ATTEST:

__________________________________
Sandra Weymouth
Board Secretary

APPROVED AS TO FORM:

__________________________________
Kevin D. Allmand
General Counsel
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: FY2010/11 TDA3 Project Priorities

Policy-Related Action: Yes  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Adopt a resolution approving the project priorities for the FY2010/11 Countywide
Transportation Development Act Article 3 Program.

BACKGROUND:

Transportation Development Act (TDA) funds are derived from a ¼-cent of the State’s general
sales tax. Article 3 of the TDA makes a portion of these funds available for use on bicycle and
pedestrian projects.

The Metropolitan Transportation Commission (MTC) programs TDA Article 3 funds in the nine
Bay Area counties. Each year, MTC requests that the Congestion Management Agency (CMA)
in each Bay Area county coordinate and submit annual TDA Article 3 program funding
priorities for their respective counties. VTA serves as the CMA for Santa Clara County. At its
August 3, 2000 meeting, the VTA Board of Directors amended the TDA Article 3 project
prioritizing process as follows:

Seventy percent of the annual allocation is guaranteed to Member Agencies based on the most
recent California Department of Finance population estimates. These funds may be used for any
eligible project.

Thirty percent of the annual allocation is dedicated to projects in the Countywide Bicycle
Expenditure Program (BEP) for the 10-year period FY 2002 through FY 2011.

At its November 5, 2009 meeting, the VTA Board of Directors adopted a new funding program
for County Expressway Pedestrian Projects and dedicated up to $150,000 per year from the
TDA3 BEP set-aside to fund such projects.

If a Member Agency is unable to complete a project within the two-year period, the Agency may rescind the project. When a project is rescinded, the funds are reallocated to the agency as part of its Guarantee in the following cycle instead of reverting back to the countywide pool. In case a project is not rescinded, the funds revert back to the countywide pool.

VTA policy also allows an agency to bank their TDA funds for up to three cycles in order to fund a larger project. Banked funds are added to an agency’s Guarantee amount in the following year.

**DISCUSSION:**

The total TDA Article 3 funding available for programming this year is $1,202,570. Attachment A lists the staff recommendations for all of the TDA Article 3 projects requested by the cities and the County under the Guarantee program, the Bicycle Expenditure Program and the County Expressway Pedestrian Projects program. The project list was developed in accordance with MTC’s Local Process Resolution, MTC’s project requirements and the VTA board-adopted policies discussed above. The following paragraphs explain the staff recommendation for programming these funds:

**Guarantee Fund**
This year, a total of $902,570 is available to the cities and the County for the Guarantee Fund as discussed above. This total includes funds that were banked or rescinded in prior years. When an amount of funds is not used, the funds may be carried over to the next cycle and are not lost. Member agencies claimed $791,563 of the Guarantee Fund this year. During this TDA cycle Cupertino, Los Altos Hills, Monte Sereno and Palo Alto are banking $111,007 of their guaranteed funds and this total is not being added to the amount claimed.

**BEP Fund**
For this cycle, there is $150,000 available for BEP projects. Four agencies submitted project applications for BEP funding requesting a total of $895,000, as shown in Attachment B. Because BEP applications are oversubscribed this year, staff recommends that preference be given to projects that are ready for construction and/or have other funding sources that could be jeopardized if the project is not delivered in a timely manner.

This year, all four agencies have indicated that their projects are ready to implement within one year. However, Morgan Hill’s West Little Llagas Creek Trail project is also partially funded by a 2008 Transportation Fund for Clean Air (TFCA) grant from the Bay Area Air Quality Management District. If this project is not funded, Morgan Hill could forfeit the TFCA grant. In order to protect these funds, VTA staff recommends that the entire $150,000 in BEP funds be awarded to Morgan Hill’s West Little Llagas Creek Trail project.

**County Expressway Pedestrian Projects**
A total of $150,000 is available for County Expressway Pedestrian Program projects this year. Santa Clara County Roads and Airports Division staff worked directly with the cities to develop projects for this program. County Staff has requested that the entire amount be allocated to the City of Santa Clara for the San Tomas Expressway Bike/Ped Trail project. VTA staff concurs.
with this request and recommends that it be adopted by the VTA Board.

**ALTERNATIVES:**

The VTA Board may recommend an alternative list of project priorities, however all projects submitted for consideration in the TDA Article 3 program must adhere to MTC's TDA Article 3 Rules and Procedures.

**FISCAL IMPACT:**

Approximately $1.2 million in TDA Article 3 funds will be made available to projects in Santa Clara County. The projects and programming described in this memorandum are not included in the VTA Capital Budget as the funds are only a pass through grant from VTA to the project sponsors. The appropriation for costs of VTA staff support of this program is included in the FY11 Adopted Congestion Management Program Fund Operating Budget.

**ADVISORY COMMITTEE REVIEW/RECOMMENDATION:**

The Technical Advisory and Policy Advisory Committees received this item at their May 13, 2010 meetings. The committees voted to forward the recommendations to the Board.

**STANDING COMMITTEE REVIEW/RECOMMENDATION:**

The Congestion Management Program & Planning Committee met on May 21, 2010. The committee considered this item as part of its Consent Agenda and approved it unanimously without comment.

Prepared by: Bill Hough
Memo No. 2508
RESOLUTION OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE SUBMITTAL OF COUNTYWIDE COORDINATED CLAIM TO THE METROPOLITAN TRANSPORTATION COMMISSION FOR THE ALLOCATION OF FISCAL YEAR 2010/11 TDA ARTICLE 3 PEDESTRIAN/BICYCLE PROJECT FUNDS TO CLAIMANTS IN SANTA CLARA COUNTY

WHEREAS, Article 3 of the Transportation Development Act (TDA), Public Utilities Code (PUC) Section 99200 et seq., authorizes the submission of claims to a regional transportation planning agency for the funding of projects exclusively for the benefit and/or use of pedestrians and bicyclists; and

WHEREAS, the Metropolitan Transportation Commission (MTC), as the regional transportation planning agency for the San Francisco Bay region, has adopted MTC Resolution No. 875, Revised, which delineates procedures and criteria for submission of requests for the allocation of TDA Article 3 funds; and

WHEREAS, MTC Resolution No. 875, Revised requires that requests from eligible claimants for the allocation of TDA Article 3 funds be submitted as part of a single, countywide coordinated claim, composed of certain required documents; and

WHEREAS, the Santa Clara Valley Transportation Authority has undertaken a process in compliance with MTC Resolution No. 875, Revised for consideration of project proposals submitted by eligible claimants of TDA Article 3 funds in Santa Clara County, and a prioritized list of projects, included as Attachment A of this resolution, was developed as a result of this process; and

WHEREAS, each claimant in Santa Clara County whose project or projects have been prioritized for inclusion in the fiscal year 2010/11 TDA Article 3 countywide coordinated claim, has forwarded to the Santa Clara Valley Transportation Authority a certified copy of its governing body resolution for submittal to MTC requesting an allocation of TDA Article 3 funds; now, therefore, be it

RESOLVED, that the Santa Clara Valley Transportation Authority approves the prioritized list of projects included as Attachment A to this resolution; and furthermore, be it

RESOLVED, that the Santa Clara Valley Transportation Authority approves the submittal to MTC, of the Santa Clara County fiscal year 2010/11 TDA Article 3 countywide, coordinated claim, composed of the following required documents:

A. transmittal letter;
B. a certified copy of this resolution, including Attachment A;
C. One copy of the governing body resolution and required attachments, for each claimant whose project or projects are the subject of the coordinated claim;
D. a description of the process for public and staff review of all proposed projects submitted by eligible claimants for prioritization and inclusion in the countywide, coordinated claim;
E. confirmation that each project meets Caltrans’ minimum safety design criteria and is ready to implement within the next fiscal year.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Transportation Authority on _________________ by the following vote:

AYES:

NOES:

ABSENT:

________________________
Sam Liccardo, Chairperson
Board of Directors

ATTEST:       Approved as to Form:

Approved as to Form:

________________________
Kevin D. Allmand
General Counsel

________________________
Sandra Weymouth, Board Secretary
### Attachment A: Submittal of Countywide Coordinated Claim to MTC for the Allocation of FY2010/11 Funds to Claimants in Santa Clara County

<table>
<thead>
<tr>
<th>Project Sponsor</th>
<th>Project Name</th>
<th>Banked Funds</th>
<th>Rescinded funds</th>
<th>Guarantee Request</th>
<th>BEP Project Request</th>
<th>Expressway Pedestrian Imps.</th>
<th>Total 2010/11 Request</th>
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</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>Harriet/McCoy Avenues Enhanced Crosswalk Project</td>
<td>$0</td>
<td>$0</td>
<td>$18,583</td>
<td>$0</td>
<td>$0</td>
<td>$18,583</td>
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<td>$0</td>
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<td>$0</td>
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<td>Gilroy</td>
<td>Citywide Handicap Ramp Installation</td>
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<td>$0</td>
<td>$101,738</td>
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<td>Los Altos</td>
<td>Grant Road Bicycle/Pedestrian Path</td>
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<td>$0</td>
<td>$38,803</td>
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<td>$0</td>
<td>$38,803</td>
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<tr>
<td>Los Altos Hills</td>
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<td>$0</td>
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<td>Los Gatos</td>
<td>Oak Meadow Sidewalks</td>
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<td>Milpitas</td>
<td>Enhanced Crosswalk Improvements Phase 2</td>
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<td>Monte Sereno</td>
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<td>Morgan Hill</td>
<td>West Little Llagas Creek Trail</td>
<td>$0</td>
<td>$0</td>
<td>$15,003</td>
<td>$150,000</td>
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<td>$165,003</td>
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<td>Mountain View</td>
<td>Showers Drive In-Roadway Warning Lights</td>
<td>$0</td>
<td>$0</td>
<td>$35,282</td>
<td>$0</td>
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<td>Palo Alto</td>
<td>Funds banked</td>
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<td>San Jose</td>
<td>Citywide curb ramps</td>
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<td>$0</td>
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<td>San Jose</td>
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<td>Santa Clara</td>
<td>San Tomas Expressway Bike/Ped Trail</td>
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<td>$0</td>
<td>$0</td>
<td>$150,000</td>
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<td>Santa Clara</td>
<td>City Bicycle Map</td>
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<td>$0</td>
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<td>Saratoga</td>
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<td>Sunnyvale</td>
<td>Borregas Avenue Bike Improvements</td>
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<td>S. C. County</td>
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<td><strong>Totals</strong></td>
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### Attachment B: 2010/11 TDA3 BEP applications

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<thead>
<tr>
<th>Agency</th>
<th>Project</th>
<th>Amount Requested</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Morgan Hill</td>
<td>West Little Llagas Creek Trail</td>
<td>$215,000</td>
<td>Recommended for funding-$165,003, including guarantee funds.</td>
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<tr>
<td>Mountain View</td>
<td>Stevens Creek trail Crosswalk at Dale/heatherstone</td>
<td>$80,000</td>
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<tr>
<td>SC County</td>
<td>Oregon/Page Mill Bicycle Signal Detection</td>
<td>$300,000</td>
<td></td>
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<tr>
<td>Santa Clara</td>
<td>San Tomas Aquino Creek Trail Reach 4 ID Enhancements</td>
<td>$300,000</td>
<td></td>
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<tr>
<td><strong>total</strong></td>
<td></td>
<td><strong>$895,000</strong></td>
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</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, Ristow, Chief Engineering & Construction Officer, Robinson

SUBJECT: SR 237/I-880 Express Connectors - System Integrator Contract Award

Policy-Related Action: No  Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract with TransCore for the the Electronic Toll Systems integration on the SR 237/I-880 Express Connectors project for the amount of $2.9 million. This authorization includes technical options which may be exercised by amendment. A combination of federal stimulus funds and VTA highway local funds will be used to fund this contract.

BACKGROUND:

At the December 11, 2008, Board Meeting, VTA Board of Directors (Board) approved the Silicon Valley Express Lanes Program (Program). The Program includes the SR 237/I-880 Express Connectors project that is to implement a roadway pricing system to allow the use of unused capacity in carpool lanes to provide congestion relief. This means that carpool lanes converted to Express Lane operations would be open for use by solo commuters that pay a fee. Carpoolers and other commuters that already can use the carpool lanes for free would be able to continue to use the lanes for free. The fee would change dynamically in response to existing congestion levels and available capacity in the carpool lanes. The lane use fee would be collected electronically using the Bay Area’s FastTrak transponder system. This implementation of roadway pricing is part of the planned Bay Area Express Lanes Network and is included in the Regional Transportation Plan approved by the Metropolitan Transportation Commission in April 2009.

The Program has been undertaken to provide long-term mobility benefits to corridor travelers and to provide a funding stream for transportation improvements within the corridor. Specifically, the primary objectives of the Program are the following:
1. Provide congestion relief through more effective use of existing roadways;
2. Provide commuters with a new mobility option; and
3. Provide a new funding source for transportation improvements including public transit.

DISCUSSION:

On February 4, 2010, the Board authorized the use of a negotiated procurement process for the award of the Electronic Toll System Integrator (SI) contract for the SR 237/I-880 Express Connectors project. The selected SI contractor will perform the final design, procurement, installation, and operation of the electronic toll system components of the project.

VTA issued a Request For Proposals (RFP) for this SI contract on February 12, 2010. Notice to prospective proposers was also published in the San Jose Post-Record on February 12, 2010.

The following five (5) proposals were received on or before the March 24, 2010 deadline:

1. Affiliated Computer Services (ACS)
2. Electronic Transaction Consultants (ETC)
3. Sirit Corp.
4. TransCore
5. TRMI Systems Integration (TRMI)

A technical evaluation committee consisting of representatives from Caltrans, the Bay Area Toll Authority (BATA), the Federal Highway Administration (FHWA) and a Senior Transportation Engineer from VTA conducted a technical review of the five proposals. The rating and weighting criteria used is as follows:

- Overall qualifications of the firm to implement Electronic Toll System (5 points)
- Qualifications of key personnel (10 points)
- Project manager’s experience (15 points)
- Financial capability (satisfy bonding, insurance and indemnification requirements) (5 points)
- Ability to complete the work on schedule (5 points)
- Conformance with the design objectives (10 points)
- Quality, robustness, and suitability of proposed system design (20 points)
- Features and procedures to maximize reliability of hardware, software and equipment (10 points)
- Overall quality and clarity of proposal (5 points)
- Strength, clarity and soundness for Express Lanes project implementation (15 points)

The technical evaluation committee shortlisted two (2) of the five (5) proposals based on the scores from the technical review. The two shortlisted proposers were ETC and TransCore. On April 22, 2010, the technical evaluation committee, as part of the competitive negotiation process, met with each of the two shortlisted proposers to seek clarification on their proposals. This step of the competitive negotiation process allows a dialogue between the technical evaluation committee and the remaining proposers leading to the proposers making their "Best
and Final Offer" (BAFO) that includes updates to their technical scope and cost proposals.

The BAFOs from each proposer were received on May 3, 2010. A final technical review was conducted by the technical evaluation committee and a recommendation was provided to the negotiation committee comprised of a Senior Transportation Engineer, Deputy Director of Project Development and the Contract Program Manager. The technical evaluation committee deemed both firms technically responsive and equally capable to provide system engineering services. The negotiation committee evaluated ETC's and TransCore's proposals and determined TransCore's proposal offered VTA the best overall value. On May 11, 2010, a notice of recommended award to TransCore was issued.

TransCore is one of the more experienced systems integrators in the country. TransCore has express lanes project experience from the I-15 Express Lanes in San Diego for San Diego Association of Governments (SANDAG) and is currently undertaking the I-15 Express Lanes project in Salt Lake City, Utah for the Utah Department of Transportation (UDOT). Attachment A provides a list of the recommended prime and sub-consultants for this project along with their contact information. In addition to TransCore as the prime contractor, the SI team also consists of subcontractors T.Y. Lin International (TYLI) and Transport Data Systems (TDS). TYLI will be responsible for obtaining Caltrans design approval of the Electronic Toll System (ETS). TDS's involvement supports the provision of violation toll systems. The TransCore team also includes the Underutilized Disadvantaged Business Enterprise (UDBE) firms of NET Electric for installation of electrical service conduits and KRC Safety Company, Inc for traffic control services during installation and maintenance.

The work scope includes the following tasks:

- Detail design of electronic toll systems
- Factory Acceptance Test to demonstrate that all functional and performance requirements set forth in the RFP are met
- Installation of ETS equipment related to transponders, toll pricing, vehicle detection system, communications (hardware/software), the toll data center and devices that are used to interface to external systems (e.g. BATA, Regional Customer Service Center and Caltrans Transportation Management Center)
- Systems Acceptance Test and final system approval after 90-day operational test without equipment failure
- Documentation that at a minimum includes project management plan, software development plan, software specifications, and configuration management plan
- Preliminary design documents, detailed design documents and various test plans
- Full maintenance of ETS including roadside and toll data center hardware and software, from the time of commissioning through the warranty period

This contract is estimated to take approximately 540 days including an anticipated opening to traffic date in July 2011 and the completion of system performance evaluation and warranty period in July 2012. It will be completed under firm fixed price contract terms. VTA conducted a price analysis and has found that the final negotiated price is fair and reasonable based upon comparable procurements in the marketplace. The VTA cost estimate for this project was $3.2
million.

The contract needs to be awarded by end of June 2010 to meet the American Reinvestment and Recovery Act (ARRA) funding award requirement.

**ALTERNATIVES:**

The Board may elect to reject staff recommendation of award and to rebid the contract.

**FISCAL IMPACT:**

This action authorizes a contract for Electronic Toll Systems Integration for the SR 237/I-880 Express Connectors project. Appropriation of these expenditures is included in the FY10 Adopted VTP Highway Improvement Program Fund Capital Budget. The proposed funding for the contract is from the American Recovery and Reinstatement Act of 2009 and Local Program Reserves approved by VTA Board of Directors on December 11, 2008.

**UNDERUTILIZED DISADVANTAGED BUSINESS ENTERPRISE (UDBE) PARTICIPATION:**

Based on identifiable subcontracting opportunities, an Underutilized Disadvantaged Business Enterprise (UDBE) goal of 2% has been established for this contract. TransCore has committed to 2.8% UDBE participation on this contract.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Congestion Management Program and Planning (CMPP) Committee heard this item on May 21, 2010. The CMPP Committee recommended that VTA Board of Directors authorize the General Manager to execute a contract with TransCore for the the Electronic Toll Systems integration on the SR 237/I-880 Express Connectors project for the amount of $2.9 million. This authorization includes technical options which may be exercised by amendment.

Prepared by: Murali Ramanujam, Leo Scott, Marshall Ballard
Memo No. 2075
## Attachment A: Listing of Recommended Prime and Sub-Consultants

**SR 237/I-880 Express Connectors Project**
**System Integrator Contract Award**

<table>
<thead>
<tr>
<th>Contractor Firm</th>
<th>Role</th>
<th>Contact Person</th>
<th>Office Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransCore</td>
<td>Prime</td>
<td>Michael Mauritz</td>
<td>Pleasanton, CA</td>
</tr>
<tr>
<td>TY Lin international</td>
<td>Sub-consultant</td>
<td>Allan Morris</td>
<td>San Jose, CA</td>
</tr>
<tr>
<td>Transport Data Systems</td>
<td>Sub-consultant</td>
<td>Tom Hasslebring</td>
<td>San Diego, CA</td>
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<tr>
<td>NET Electric</td>
<td>Sub-consultant</td>
<td>Nathan Tyler</td>
<td>Rodeo, CA</td>
</tr>
<tr>
<td>KRC Safety Company, Inc.</td>
<td>Sub-consultant</td>
<td>Gary Castro</td>
<td>Visalia, CA</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: Bike Sharing Study Final Report

Policy-Related Action: No  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Accept the Bike Sharing Study Final Report.

BACKGROUND:

Bike sharing is designed as an affordable and environmentally friendly mode of transportation. The concept is a system of publicly available bicycles shared by residents and workers of a community through the use of automated, secure locking stations. Advances in security and tracking technology have enabled bike sharing to evolve into a viable transportation mode for people traveling short distances (~3 miles). With the use of smart card technology and Radio Frequency Identification (RFID) tracking, subscribers of the system can rent, ride and safely return the bicycle to any bike sharing station within the service area. Bike sharing stations are typically located at major destinations and along transit corridors to make bicycling a convenient mode of travel. In addition to its intrinsic value as a transportation mode, bike sharing may help Santa Clara County address several transit related issues including first/last mile connections and bike over-crowding on Caltrain and light rail.

In January 2009, VTA's Board of Directors directed staff to conduct a proof-of-concept study to test if a bike sharing program would be viable in Santa Clara County. In April 2009, VTA staff initiated the Bike Sharing Pilot Study to: 1) identify the potential market/consumer needs; 2) evaluate existing bike sharing programs and technologies; and 3) develop a business plan to define a funding and operation/management model. The study evaluated the market potential and feasibility of centering the initial bike sharing system around three Caltrain stations - one each in San Jose, Mountain View and Palo Alto - as main “hubs” with multiple locking stations or “pods” located around each hub to serve other major destinations.
The Bike Sharing Pilot Study planning process has been collaborative and productive involving VTA and a diverse project working group. The project working group is comprised of VTA staff, a consultant team of economists and market analysts, city staff from San Jose, Mountain View and Palo Alto, and representatives from Caltrain, Stanford University, San Jose State University, Silicon Valley Leadership Group, Silicon Valley Bicycle Coalition, Moffett Business Park, Adobe, and Paypal/Ebay. The project working group has met monthly to provide input on the project parameters as well as the project recommendations stemming from the Bike Sharing Study results. The study findings discussed below will inform the implementation activities for the Bike Sharing Pilot Program.

In December 2009, the Metropolitan Transportation Commission (MTC) awarded VTA with a $500,000 Safe Routes to Transit (SR2T) grant to fund the implementation of the Bike Sharing Pilot Program. The grant is expected to cover the capital acquisitions to purchase approximately 100 bicycles and 10-12 "hubs/pods" (hubs and pods include all necessary infrastructure to lock and check-out bikes). The SR2T grant funds will not cover all program start-up tasks such as the development of an implementation plan, the selection of a vendor and operator, and the initial design and development of bike stations. Additional funds will be needed for these tasks. The Bike Sharing Pilot Program is anticipated to launch in Spring of 2011.

**DISCUSSION:**

The following summarizes the major findings of the three main tasks of the Bike Sharing Pilot Study as well as highlights other considerations for program implementation. The attached Bike Sharing Study Final Report provides a more detailed discussion of the overall study and each of the main tasks.

1. **Technology Review**

VTA staff identified two main considerations for choosing a bike sharing system: 1) a proprietary system and an "open-bike" system and 2) the management/operation provider - both which affect the cost per bike and ultimately - determines the number of bikes the grant will be able to purchase. A proprietary system means the bicycles are proprietary to the locking system, and therefore must be purchased and used together. This type of system typically cost approximately $3,500 per bike, which includes locking and check-out infrastructure. These types of systems are usually operated and maintained by the vendor. Open-bike systems have proprietary locking mechanisms that can work with almost any bicycle and typically provide agencies more local control over system operations. Although open-bike systems are typically cheaper at approximately $2,000 per bike, this bike sharing model is currently only found in geographically controlled or closed bike sharing systems such as those operating on college campuses.

VTA and the working group are still exploring the merits and drawbacks of each bike sharing model. The funding constraints and the goal of providing at least 100 bikes at the onset of the pilot program launch will be key factors in implementation recommendations.

2. **Market Analysis**

Surveys were conducted during October 2009 to gather consumer information on potential bike sharing users such as commute characteristics, influence of bike sharing features, likely use of
the program, barriers to program use, and willingness to pay. Survey results reveal several important findings about potential bike sharing users in Santa Clara County:

- Fifty-percent of respondents indicated they would use bike sharing if it were available at the proposed Caltrain/VTA transit centers
- Respondents were willing to pay between $1 and $3 for a daily pass and at least $28 for a monthly pass
- Heavy commute markets are found in Mountain View and Palo Alto; in San Jose, the commute market is smaller but respondents reported using bike sharing for running errands and conducting personal business during afternoons and evenings which makes demand for bikes more evenly distributed throughout the day.

Overall, the survey results show roughly equal daily demand for bike sharing in each of the three cities with high demand transit stations - Palo Alto, Mountain View, and San Jose.

3. Business/Finance Plan
The typical capital costs for most bike sharing systems are around $3,500 per bicycle and locking station; annual operating and maintenance costs averages about $1,500 per bicycle. The business plan worked within the constraints of the $500,000 grant amount to develop the revenue assumptions for two scenarios which describe how to distribute the 100 bikes in the pilot program.

Scenario A. 100 bikes focused around one Caltrain hub
This scenario would place all 100 bikes around a single Caltrain hub, providing a concentrated network of bike sharing stations to serve more destinations. Operating and maintenance costs would be slightly lower compared to Scenario B and projected user fees would generate sufficient revenue to cover annual operating and maintenance costs. Based on these considerations, this is the preferred scenario for implementation.

Scenario B. 100 bikes spread amongst three Caltrain hubs
This scenario would allow the bike sharing program to serve numerous users in a wider geographic area. However, bicycles would be sparsely located with fewer trip destinations and operation costs would be slightly higher given the cost for system operations over a larger geographic area. It is estimated that this scenario would not generate sufficient revenue from user fees to support the annual operating and maintenance costs of the Pilot Program. Based on these considerations, VTA staff does not recommend further evaluation of this scenario should all considerations remain the same.

Conclusions
Scenario A emerged as the preferred scenario for implementing the pilot program, but staff has yet to identify which Caltrain station will be chosen as the first hub to host bike sharing. In addition to the associated operating costs and revenues of the two scenarios, there are several other considerations that will affect which transit station will be selected including:

- Local support to serve as champions for promoting and expanding the program;
- Financial contributions from either public agencies or private companies;
• Existing and planned bicycle lanes/paths to provide an integrated bicycling network within the bike sharing program area;
• Physical constraints at each Caltrain station; and
• Availability on City’s right-of-way (ROW) including public space and sidewalks to install bike sharing stations.

While the findings from the Business Plan support a one-station hub scenario, there is a probability of the pilot program ending up at two or even three stations if the revenue and/or cost figures change in program implementation. If the unit cost of the bike ends up significantly lower, the grant funds can be used towards purchasing more bicycles to serve another hub station. Additional funding could be secured through program sponsors and/or advertising opportunities.

Next Steps
The next steps for program implementation are:

• **Develop an implementation plan**
  VTA staff will develop an implementation plan for Board approval that will include recommendations for use of the initial capital funds ($500k grant), a technology package (e.g., bikes, locking stations, and management software), and an operations and management strategy.

• **Enter into an agreement with MTC to receive the SR2T grant**

• **Conduct a human-factor evaluation to identify features of the bike sharing technology**
  VTA staff and/or a consultant will evaluate human factor design issues to identify one or more of the following: understand possible cases and needs of potential bike sharing customers; determine the most effective branding “messages”; and evaluate the user interface and technology features. The findings from this task will inform the details of the Request for Proposals (RFP).

• **Select the initial hub station(s) for the pilot program**
  The Caltrain station(s) selected for the pilot program would ideally meet many of the qualities identified in the list of considerations for implementing the pilot program including: available right-of-way (ROW) on prime bike sharing locations, local support from the community, and an integrated network of connected bicycling facilities. VTA will work with Caltrain and City staff on siting issues including physical constraints, power supply, and security.

• **Procurement and installation of the bike sharing pods**
  Issue a RFP to qualified vendors and manufacturers to provide and install approximately 100 bikes and 10-12 hub/pod stations in the Fall of 2010. The RFP will include a list of desirable bike sharing program characteristics.

• **Identify the locations of the supporting pod stations**
Based on the service area selected for the pilot program, VTA will work the individual cities and Caltrain staff to install bike sharing pods on selected sites in the right-of-way owned by either VTA, the Caltrain Joint Powers Board, or the cities of Palo Alto, Mountain View or San Jose. Selected sites on private property will be subject to the discretion of the private owner to host a station.

- **Identify an outside agency to operate and manage the system**
  The study consultant also recommended that VTA transfer the operation and management of the Bike Sharing Pilot Program to an outside agency to handle the daily operation and maintenance of the system; preferably a non-profit as this model has worked in other locations. In addition to unique opportunities in Santa Clara County, this is a practice implemented in other areas to maximize value and minimize costs. The operator will be expected to engage in public outreach to solicit community partners and corporate sponsorships to support the existing system as well as future expansion of the program.

- **Promotional activities and events to market the new program**
  Provide marketing and outreach support to the program operator in anticipation of the public launch. This includes advising on the development of the branding concept, web site design, and promotional marketing events.

**Anticipated Implementation Schedule**
- April 2010 - Complete Bike Sharing Pilot Study
- Summer 2010 - Finalize MTC grant agreement
- Summer 2010 - Develop pilot program implementation plan
- Fall 2010 - Issue RFP(s) to procure bike sharing equipment and determine/set up operator
- Winter 2010/11 - Prepare bike pod sites including physical space and wayfinding signs
- Winter 2010/11 - Select bike sharing vendor/bikes and order equipment
- Spring 2011 - Launch Pilot Program to the public

**ALTERNATIVES:**

The Board may choose not to accept the Final Report.

**FISCAL IMPACT:**

Initial capital cost for the Pilot Program will come from the MTC grant of $500,000 and Measure A Caltrain funding. The specific funding plan for implementation of the project is currently under development and will be brought back to the Board for approval. Long-term ongoing operating and maintenance costs are expected to be covered by revenue generated from users of the service, and/or advertising revenue and sponsorships.

**ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:**

The Bicycle and Pedestrian Advisory Committee heard this item on May 12, 2010 and was generally supportive of the report and VTA’s leadership with investigating the potential of a bike share program for Santa Clara County. Members provided input and comment, including the suggestion to begin seeking additional fund sources to help implement the project.
Two members voiced concern regarding the revenue assumptions and the potential financial impacts on VTA. Additionally, some members suggested performance measure might be valuable to evaluate the success of the pilot program and VTA consider bike share locations other than transit stations.

A motion to accept the report received 8 aye votes, 2 no's, and 0 abstentions. The motion did not carry because 9 ayes were needed.

The Technical Advisory Committee considered this item on May 13, 2010 and asked for clarification on the number of users assumed in the 1-hub station compared to the 3-hub station. Staff responded that more users are expected in a 1-hub station due to the concentrated network of stations and bikes. The Committee complimented VTA's approach to study bike sharing before implementing the program and unanimously accepted the report.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The CMPP heard this item at the May 21, 2010 meeting. Member Moylan asked questions about the BPAC’s comments and staff provided clarification. He suggested considering the bike network of the community when selecting which city to proceed with first in addition to Caltrain ridership. Member Herrera expressed her hope that this would indeed help the bike-bumping situation on Caltrain. Committee members also asked questions to clarify the pricing of the program and the locations of the pods. The Committee approved the action unanimously.

Prepared by: Aiko Cuenco
Memo No. 2071
ACKNOWLEDGEMENTS

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  2. Market Research Report
  3. Bike Share Business Plan
INTRODUCTION

The Bike Sharing Concept

Bike sharing is designed as an affordable and environmentally friendly mode of transportation. The concept is a system of publicly available bicycles shared by residents of a community through the use of automated, secure locking stations. Advances in security and tracking technology have enabled bike sharing to evolve into a viable transportation mode for people traveling short distances. With the use of smart card technology and Radio Frequency Identification (RFID) tracking, subscribers of the system can rent, ride and safely return the bicycle to any bike share station within the service area. Bike share stations are typically located at major destinations and along transit corridors to make bicycling a convenient mode of travel.

The popularity of bike sharing programs have gained momentum in the last few years following the successful implementation of such programs like Velib in Paris, BIXI in Montreal and Bicing in Barcelona. While bike sharing has been implemented in over 100 countries throughout the world, bike sharing is still considered a relatively new transportation strategy.

Why Bike Sharing?

Bike sharing represents an opportunity for an attractive travel choice and to grow the County’s bicycling mode share. Most of the automobile trips in our County extend less than two miles. Bike sharing will provide Santa Clara County residents 24/7 access to public bicycles for making those short trips that would otherwise be made in a car. With self-service kiosks that allow users to access a fleet of electronically locked bicycles anytime, bicycling becomes a convenient option for making short trips when walking is too far and transit options are not available. As demonstrated by successful bike sharing programs in Paris and Montreal, bike sharing also complements the existing transit system by expanding the reach of transit stops and destinations. It is hoped that bike sharing as a transportation strategy can provide the following benefits to Santa Clara County:

- help alleviate “bike bumping” on board transit
- supplement transit services in non-peak hours
- provide the first and last-mile connection to/from transit centers
- provide an alternative to driving and parking in congested downtown areas
- reduce the possibility of theft and need for additional bike parking by allowing transit passengers to leave personal bikes at home

Figure 1 Bike parking at Palo Alto Caltrain station at capacity
Study Description

VTA’s Board of Directors recognized the potential of bike sharing programs and in January 2009, directed staff to study opportunities for bike sharing in Santa Clara County. In April 2009, VTA’s Congestion Management Program (CMP) staff with the assistance of a consultant team of economists and market analysts, and a project working group initiated the Bike Share Pilot Study. The purpose of the study is to examine the feasibility of bike sharing in Santa Clara County. As proven by the various types of bike sharing systems in the world, there are many possible approaches to bike sharing. VTA recognizes that the approach selected must fit Santa Clara County conditions and that a comprehensive evaluation process is necessary to select the appropriate program to implement in our County.

To define the bike share program area and project parameters, VTA identified three distinct tasks of the Bike Share Pilot Study:

1) **Technology Review** - evaluate existing bike sharing programs and technologies appropriate for Santa Clara County;

2) **Market Research** - identify the potential market/consumer needs for bike sharing through market analysis; and

3) **Business and Finance Plan** - develop a funding and operation/management model for a self-sustaining bike sharing program.

The pilot program will base the initial service network at one or more of the three highest demand Caltrain and VTA transit centers in San Jose, Mountain View and Palo Alto. These stations will serve the as

main “hub” stations for the bike sharing system while multiple locking stations or “pods” will be dispersed at various locations around each hub to serve other major destinations. Users can rent and return the bike share bicycles from hub-to-pod or from pod-to-pod. Since bike share hubs are located at Caltrain stations, a hub-to-hub trip is also possible by taking transit between the hub stations.

A phased approach is necessary to ensure that the project will be sustainable and expandable. If the program proves successful during the pilot phase at one or more Caltrain station(s) selected, VTA will evaluate opportunities to expand the program to include other major transit centers.

In December 2009, the Metropolitan Transportation Commission (MTC) awarded VTA with a $500,000 Safe Routes to Transit (SR2T) grant to fund the implementation of the Bike Share Pilot Program. The grant is expected to cover the capital acquisitions to purchase approximately 100 bicycles and 10-12 hubs/pods (hubs and pods include the entire necessary infrastructure to lock and check-out bikes). Start-up costs such as signage and product evaluation are also expected to be covered by the grant.

The Bike Share Pilot Study was completed in April 2010. Following the program development efforts slated for 2010, the Bike Share Pilot Program is anticipated to launch in spring of 2011.

Purpose

The purpose of the project is to conduct a proof of concept study to test bike sharing
in Santa Clara County. A pilot project is necessary given Santa Clara County is unlike any other city that has proven success in implementing bike sharing – our lack of dense urban cores and multiple job centers requires a program specifically tailored to Santa Clara County conditions.

VTA’s approach to bike sharing is uniquely distinct from other bike sharing programs. Given our dispersed land use and low densities, mass distribution of bike sharing pods every 150 meters is not likely to work in Santa Clara County. The Business Plan supports that a densely populated service area increases the pool of potential bike share users the program is able to serve. Accordingly, our bike share pods would have to be strategically placed in areas that support vibrant, busy pedestrian uses.

VTA’s approach is to develop a transit-based bike sharing program structured around the three highest ridership transit stations. Particularly, a transit-based program designed to support the existing transit system can address some of the transportation issues currently facing Santa Clara County including:

- **Bike bumping** – Caltrain has been very successful in attracting passenger-cyclists with their onboard bicycle program. However, onboard capacity for bikes on trains is limited and many bicyclists have experienced inability to board due to the overcrowding and capacity constraints for bicycles. Caltrain has made improvements by retrofitting the bike cars with 20 percent more capacity and by developing the Bicycle Access and Parking Plan, in which bike sharing was identified as one of the supported initiatives to increase onboard bike capacity.

- **First and last mile access to Caltrain from surrounding last uses** – The three highest ridership stations in Santa Clara County have been chosen to address the issue of providing access to and from major rail stations and the surrounding last uses located between roughly one and three miles from the station.

- **Infrequent transit service in non peak periods** – Providing increased transit service during non peak periods is cost prohibitive especially in times of service reductions and decreased revenues. Bike sharing presents an opportunity to fill in the gaps of service that are not covered by scheduled transit or employer shuttles.

- **Congestion and limited parking in downtown areas** – Bike sharing provides alternatives to driving and parking in busy downtown areas.

### Project Working Group

The Bike Share Study was a collaborative planning process involving key staff members and bicycling advocates and professionals. The project working group is comprised of VTA staff, city staff from San Jose, Mountain View and Palo Alto, and representatives from Caltrain, Stanford University, San Jose State University, Silicon Valley Leadership Group, Silicon Valley

The project working group was formed to provide guidance and input on the development of the study. Since April 2009, the group has met monthly to provide extensive input on the project parameters, the development of survey materials, and project recommendations stemming from the Bike Share Study results.

STUDY AREA PROFILE

Program Areas

The following three transit centers in Palo Alto, Mountain View and Downtown San Jose were selected as potential service areas for the pilot program. For the purpose of this study, the service area is defined as one- to three-mile radius around each of the three Caltrain stations. The three transit centers represent the highest ridership demand for Caltrain and VTA transit service and are in close proximity to major activity centers such as universities, large employment campuses and vibrant, pedestrian-friendly downtowns supportive of alternative transportation modes. In addition, these transit centers are strategically located in three different cities situated along a north-south commute corridor, conveniently capturing the commute market of those traveling north to the peninsula from San Jose and vice-versa.

San Jose Diridon Transit Center
Existing land use patterns have created, and will continue to create, significant demand for bicycling and walking in the San Jose Diridon Transit Station area. Within a two- mile radius of the Diridon Transit Station are several thousand medium- and high-density housing units, more than 30,000 jobs, major entertainment venues such as the San Jose Arena, and a major university (San Jose State University). A collection of freeways, arterials, collectors, and neighborhood streets connect to downtown San Jose. Most roadways have existing sidewalks. Within a two mile radius of the station, 20 miles of existing bike lanes and trails currently exist, with another 10 miles planned, including expansion of the existing Guadalupe River Trail, Coyote Creek Trail, and Los Gatos Creek Trail.

Figure 2 Mountain View Caltrain Station

Mountain View Transit Center
The transit center is located in downtown, the civic, commercial and social hub of the City. Downtown is well served by public transit including VTA local buses, light rail, Caltrain, private shuttles and multiple bike shelters. Downtown residents are also able to walk or bike to retail stores and office buildings within a 10- to 15-minute period. Medium scale residential buildings and parking lots serve as buffers between single-family residences and commercial buildings in the downtown area. Large scale commercial, multi-family and mixed-use buildings are concentrated along Castro
Street and at the southern edge along El Camino Real. The City actively looks for opportunities to enhance pedestrian travel and balance the needs of all street users including pedestrians, bicyclists and automobile drivers. The City has installed pedestrian refuge islands, mid-block crosswalks, and signage on Castro Street to increase driver awareness of pedestrians and provide acceptable gaps in traffic to allow for crossings.

**Palo Alto Transit Center**

The Palo Alto Transit Center is a transit hub for Caltrain, VTA, Marguerite Shuttles (Stanford University’s shuttle service), SamTrans and Dumbarton Express serving both Santa Clara County and San Mateo County residents. The transit center is located on Alma Street just west of downtown and in close proximity to Stanford University. The city is known for its strong bicycling community as well as for its extensive bicycling facilities. The Palo Alto Bike Station is the first Bike Station located along the Caltrain corridor to provide commuters access to secure bike parking. The city is also the first to create a bicycle boulevard along Bryant Street which removed unnecessary STOP signs to improve travel time and access for bicyclists. In total, there are over 30 miles of bike lanes, 7.5 miles of bike paths and 11 bicycle bridges in Palo Alto.

**Ridership**

The three cities evaluated for the pilot program have the three highest ridership stations in Santa Clara County. As shown in Table 1, all three stations have an average weekday ridership of 3,000 boardings and alightings combined.

### Table 1 Existing Weekday Average Ridership at 3 Caltrain Stations

<table>
<thead>
<tr>
<th>Cities</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palo Alto</td>
<td>3,307</td>
<td>3,672</td>
<td>3,962</td>
</tr>
<tr>
<td>Mt. View</td>
<td>2,999</td>
<td>3,137</td>
<td>3,455</td>
</tr>
<tr>
<td>San Jose Diridon</td>
<td>2,422</td>
<td>2,750</td>
<td>2,983</td>
</tr>
</tbody>
</table>

Note: Ridership is the average of boardings and alightings. Total on and offs is approximately two times these numbers.

Source: *Caltrain Annual Passenger Counts*

These transit centers also prove to be areas that are conducive to other modes of travel. Table 2 shows the existing mode splits to the three Caltrain stations. In Palo Alto, the biking and walking mode shares to the Caltrain station is as competitive to driving. 31 percent and 16 percent of walking and biking trips are made to the station compared to 15 percent of driving trips. Mountain View and San Jose Diridon also show moderately high walking mode shares to the transit center at 17 percent and 16 percent, respectively.
Table 2 Existing Mode Splits to Caltrain Stations

<table>
<thead>
<tr>
<th>Mode</th>
<th>Palo Alto</th>
<th>Mountain View</th>
<th>San Jose Diridon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walk</td>
<td>31.4%</td>
<td>17.2%</td>
<td>15.8%</td>
</tr>
<tr>
<td>Bicycle</td>
<td>15.8%</td>
<td>9.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Transit</td>
<td>22.7%</td>
<td>20.1%</td>
<td>23.4%</td>
</tr>
<tr>
<td>Kiss and Ride (Includes taxi)</td>
<td>5.0%</td>
<td>12.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Drive (Includes carpool)</td>
<td>14.8%</td>
<td>28.9%</td>
<td>34.3%</td>
</tr>
<tr>
<td>Other*</td>
<td>10.1%</td>
<td>10.5%</td>
<td>8.4%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>99.8%</strong></td>
<td><strong>99.5%</strong></td>
<td><strong>99.3%</strong></td>
</tr>
</tbody>
</table>

Totals are not 100 % due to rounding.
*Includes private and university shuttles.

Source: October 2007 Caltrain Onboard Omnibus Survey.

TECHNOLOGY REVIEW

Purpose

The purpose of this task is to study existing bike share programs and technologies currently available in the market. This review will assist staff in identifying the elements of existing bike sharing programs that are desirable and appropriate for Santa Clara County.

Overview

Current bike sharing systems are more than a fleet of bicycles with standard locks and racks. These “third generation” systems are defined by the technology integrated into the system including the lock, kiosk and bicycle. The use of technology has enabled bike sharing programs to increase security and user accountability of the bicycles rented. Most bike sharing systems now feature advanced tracking and proprietary locking mechanisms, “back end” software for monitoring usage and maintenance, and in some cases proprietary bicycles.

System Components

In July 2009, VTA issued a Request for Information (RFI) to known bike share vendors and firms to gather information on existing technologies and products. Eight firms responded to the RFI providing information on the following system considerations:

- Locking and tracking mechanisms
- Bike features and components
- Payment technology/methodology
- Maintenance and operation
- Role of the vendor
- Legal liability
- System expandability

Based on staff analysis of the product information provided by various bike sharing vendors and manufacturers, it was concluded that the key features of most bike sharing programs include:

- Modular or portable bike share stations;
- Solar-powered stations with backup batteries - most can be hard-wired if desired;
- Various subscription options;
- Payment and security deposit via credit card;
• Radio Frequency Identification (RFID) tags to identify bikes with user information; and
• Website interface with real-time information to check bike availability by station.

In addition to these basic features, VTA staff is working with the project working group to identify other user interface elements that will make the Bike Share Pilot Program attractive to Silicon Valley's "tech-savvy" market, including:

• Reservation option for bicycles;
• User directions at the kiosk in multiple languages;
• User’s personal page on the bike share website;
• GPS tracking;
• Cell-phone registration; and
• Mobile application

These bike sharing features will be determined once staff is closer to drafting a Request for Proposals (RFP) for procurement of the bike sharing equipment in the fall of 2010.

In regards to bike sharing models, VTA identified two main considerations when choosing a bike sharing system: 1) a proprietary system versus an "open-bike" system and 2) the management/operation provider – both which affect the cost per bike and ultimately, determines the number of bikes the grant will be able to purchase. The proprietary systems are all inclusive which means the bicycles are proprietary to the locking system and therefore, must be purchased and used together. This type of system typically costs $3,500 per bike and

locking station and are usually operated and maintained by the vendor. Since more established bike sharing programs in the world use proprietary systems, this model while higher in cost, has been tested and proven on the ground. Open-bike systems have proprietary locking mechanisms that can work with almost any bicycle. For local agencies, this model provides more flexibility in customizing the bicycles and more local control in the choice of system operator and management. Although the open-bike systems are typically cheaper at approximately $2,000 per bike and locking station, this bike sharing model is currently only found in geographically controlled or closed bike share systems such as those operating on college campuses.

VTA staff is continuing to explore the merits and drawbacks of each bike sharing model given the funding constraints and goal of providing at least 100 bikes at the onset of the pilot program launch. The funding constraints and the goal of providing at least 100 bikes at the onset of the pilot program launch will be key factors in implementation recommendations.

Figure 3 BIXI’s locking mechanism
MARKET RESEARCH

Purpose
The second task of the bike share study is to conduct a market analysis of the bike share program area. The purpose of this task is to determine the potential market for bike sharing through surveys. This task would gauge the level of interest in bike sharing and assess the anticipated use of the program within the potential service areas of San Jose, Mountain View and Palo Alto.

Survey Description and Methodology
VTA worked with Godbe Research, Inc. (Godbe) to develop and execute the market research task. Godbe conducted surveys during October 2009 to gather consumer information on potential bike share users. In particular, the survey included questions regarding: commute characteristics, influence of bike share features, likely use of the program, barriers to program use, and willingness to pay. The surveys were a combination of intercept and web-based surveys conducted over a two-week period from October 2-21, 2009, at the following locations:

- San Jose Diridon Station
- Mountain View Transit Center
- Palo Alto Transit Center
- Oak Court Apartments (Palo Alto)
- Downtown Palo Alto
- Downtown Mountain View
- Downtown San Jose
- Stanford University
- San Jose State University
- San Jose City Hall

The survey locations were selected based on the diverse cross-section of foot traffic present in these areas. Additionally, a web-based survey was used to encourage major employers within the 3-mile radius of the three Caltrain stations to participate in the survey. This method was also offered to time-constrained respondents as another means of completing the survey. In order to minimize the risk of self-selection for the web-based survey, a generic email invitation was sent out asking respondents to complete a survey for transportation improvements. Likewise, to avoid systematic position bias, in which the order of the response options influence the answers, response options were randomized as to not reveal the possible choices available. Overall, over 1,200 respondents completed the survey – 972 intercept responses and 310 web-based responses.

Study Findings
An analysis of the market research results reveals several important findings about potential bike share users in Santa Clara County:

Bike Share Features
Attributes that were most appealing to respondents included automated machines, 24-hour access to bicycles, baskets/racks, and adjustable seats and handlebars.

Usage
Heaviest use is expected during evening peak commute hours (3PM to 7PM) and lightest use during early morning and late evening (before 5AM and after 7PM).
Barrier for Non‐Use
Respondents cited inability to ride a bicycle and the need for a car to make various trips as the main barriers for not using the system.

Price Sensitivity
Respondents were willing to pay between $1 and $3 for a daily pass and at least $28 for a monthly pass.

Transit Use
The availability of bike share at transit stations has the biggest influence on respondents riding transit more often.

Likelihood of Use
As shown in Figure 2, 50 percent of respondents indicated they would use bike share if it were available at the proposed Caltrain/VTA transit centers.

Overall, interest levels were fairly equal in each of the three cities surveyed. The results show that Mountain View and Palo Alto exhibit a strong commute market for bike sharing, indicating likely use of the program for work trips and linking to transit. San Jose respondents are more likely to use bike share for conducting personal trips and errands in the afternoon and evenings which suggests program usage throughout the entire day.

The survey findings confirm that all three Caltrain station areas are prime locations for the pilot program.

BUSINESS/FINANCE PLAN

Purpose
VTA worked with economic firm Economic and Planning Systems (EPS) for the final task of developing a business and finance plan. The purpose of the business plan is to determine the appropriate operation and management model for the pilot program as well as for the expanded, full-scale program.

In line with the market research findings which supported all three cities for further evaluation, two scenarios were developed to test the viability of a 100-bike program among the three geographic areas. The scenarios relied on researching other bike sharing business models to gain an understanding of the different models in operation and estimating the market size to develop the revenue stream.

Funding Assumptions
Existing programs indicate that capital costs for most bike share systems are around $3,500 per bicycle and locking station; annual operating and maintenance costs
averages to approximately $1,500 per bicycle. For a 100-bike system, the total capital cost for the system is estimated at $350,000. Annual operating and maintenance (O&M) costs are estimated at $150,000 and this cost is assumed on a yearly basis. Given that the SR2T grant is the only known funding source for implementation, the business plan worked within the constraints of the $500,000 grant amount to develop the revenue assumptions for each scenario.

Table 3 shows the market sized estimates used to develop the revenue assumptions. Based on census population data, the Business Plan assumed a market size of potential users for each Caltrain station area. Potential users are the number of residents, employees, and students within 1-mile radius of the Caltrain station (the 1-mile radius was chosen over the 3-mile radius to keep market size estimates conservative). To find the number of potential users that would use the program, an estimate of probable users was developed. Probable users are those who are likely to use the program based on survey results. The population of potential users was discounted by age (considers only the population that is 18-65 years old) and the ability to ride a bicycle, to arrive at a conservative estimate of probable users. For the purpose of this business plan, the low estimates of probable users for each Caltrain station were used.

Table 3 Probable Users within 1-mile radius of the Caltrain Station

<table>
<thead>
<tr>
<th>City</th>
<th>High Estimate</th>
<th>Moderate Estimate</th>
<th>Low Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palo Alto Caltrain</td>
<td>17,589</td>
<td>12,664</td>
<td>6,332</td>
</tr>
<tr>
<td>Mt. View Caltrain</td>
<td>10,081</td>
<td>7,258</td>
<td>3,629</td>
</tr>
<tr>
<td>San Jose Caltrain</td>
<td>23,146</td>
<td>16,665</td>
<td>8,332</td>
</tr>
</tbody>
</table>

Table 4 shows the costs and revenues for each scenario after the first year of implementation. Subscription costs were assumed from the market research results which indicated the price users would pay to participate in the program. Based on the number of probable users and estimated costs for subscription, the program scenarios were then analyzed for system efficiency, expected utilization, revenue stream and operating costs. It is estimated that revenues generated from user fees would be able to cover the annual O&M costs in Scenario A but not Scenario B. The prospects for and challenges to each scenario as the preferred pilot program model are discussed below.

Scenario A. 100 bikes focused around one Caltrain hub station
This scenario would place all 100 bikes around a single Caltrain hub, providing a concentrated network of bike sharing stations to serve more destinations. Program efficiency would rise with the entire system located within a few square miles from the main Caltrain hub. Operating and maintenance costs would be slightly lower compared to Scenario A and user fees would generate sufficient revenue to cover annual operating and maintenance costs.
Based on these considerations, this is the preferred scenario to move forward.

Scenario B. 100 bikes spread amongst three Caltrain hub stations
This scenario would implement bike sharing bicycles and pods around the three Caltrain hub stations considered. One benefit under this scenario is the availability of bike share to serve numerous users in a wide geographic area. However, bicycles would be sparsely located with fewer trip destinations, utilization would likely decrease, and operation costs would be slightly higher given the cost for system operations over a larger geographic area. More importantly, given the expected annual operating costs, this scenario would not generate sufficient revenue from user fees to support the annual operating and maintenance costs. Based on these considerations, this scenario will not be evaluated further should all considerations remain the same.

Conclusions
Scenario A emerged as the preferred scenario for implementing the pilot program, but it is important to note that between the three Caltrain stations evaluated, VTA has yet to identify which Caltrain station will be chosen as the first hub to host bike sharing. There are several considerations that can affect which transit station will be selected:

- Local support to serve as champions for promoting and expanding the program;
- Financial contributions from either public agencies or private companies;
- Existing and planned bicycle lanes(paths to provide safe and connected riding facilities within the bike share program area;
- Physical constraints at each Caltrain station; and
- Availability on City’s right-of-way (ROW) including public space and sidewalks to install bike sharing stations.

While the findings from the Business Plan support a one-station hub scenario, there is a probability of the pilot program ending up at two or even three stations if the revenue and/or cost figures change in program implementation. For example, if VTA chooses an open-bike system, which costs approximately $1,500 less per bike than a proprietary system, additional grant money can be allocated towards purchasing more bicycles to serve another hub station. Additionally, if VTA is successful in attracting additional funding from program sponsors or other advertising opportunities, the pilot program can be implemented at two or three hub stations. The Business Plan developed a third scenario (Scenario C) which describes a sustainable model for a 3-station implementation. Using Scenario A as the base for a sustainable, revenue-neutral model, a 3-station implementation would require 300 or more bicycles (approximately 100 bicycles located in each Caltrain service area) to earn sufficient revenue to support the system. The Business Plan supports this scenario as the ideal model for the pilot program. Until additional funding can be identified, this scenario should serve as a near-term goal for the pilot program.
In addition to analyzing the business model, the consultant also recommended that VTA transfer the operation and management of the Bike Sharing Pilot Program to an outside agency, preferably a non-profit, to devote a full-time staff to take care of the daily operation and maintenance of the bicycles and system. The consultant also suggested that a non-profit would be an ideal choice due to their low-overhead cost, expertise in partnership building and identifying funding partners, and dedication to community programs like Bike Sharing.
Note: [1] Conservatively assumes only weekday use (250 days per year)
NEXT STEPS

After the completion of the Bike Share Study, the next phase of the project is to develop and implement the pilot program. The project development efforts will require close collaboration with City staff and the Project Working Group to deliver a successful program by the anticipated public launch in spring 2011. The next steps for program implementation are:

- Select the initial hub station(s) for the pilot program
- Conduct human-factors evaluation to identify features of the bike share technology
- Issue a Request of Proposal (RFP) for procurement and installation of the bike share pods
- Identify the locations of the supporting pod stations
- Identify an outside agency to operate and manage the system
- Market the new program through promotional activities and events
- Launch the pilot program

Selection of First Hub(s) for Pilot Program

There are two implementation options available:

1) 100 bikes/docks at a single Caltrain station with surrounding pods within a three-mile maximum radius of the hub station, and

2) 100 bikes equally spread the among the three Caltrain stations with surrounding pods within one-mile radius of each station hub.

Staff currently recommends Option 1, but if the winning RFP response can provide more than approximately 100 bikes and 150 docks, then there is a possibility to install bike share pods and bikes at more than one station.

The Caltrain station(s) selected for the pilot program would ideally meet many of the qualities identified in the list of considerations for implementing the pilot program. The following describes some of these considerations in more detail:

Figure 5 Washington D.C.'s Smart Bike Program

Physical constraints for locating hubs/pods

Based on the Caltrain station(s) selected for the pilot program, VTA will work with the individual cities to install bike share pods on property in the right-of-way owned by either VTA, the Joint Powers Board (VTA, Caltrain and SamTrans), or the cities of Palo Alto, Mountain View or San Jose. For the hub station(s), VTA and Caltrain staff will work together to identify constraints and considerations such as physical constraints, visibility, power supply, and security. Staff will also ensure the specific site selected at
the Caltrain station(s) will not impede the flow of passengers coming and going to/from the platforms and trains.

**Availability on City’s right-of-way to place supporting pod stations**
The goal of the bike share network is to locate the pod stations within one- to three-mile radius of the Caltrain hub stations to create an integrated, well-connected service area. Ideally, the pod sites will be located at major activity centers within the proposed service area. VTA will work with City staff to facilitate the process of placing bike share pod stations on the City’s right-of-way. This could include a permitting process to gain permission or acquire additional right-of-way for placement of the pod stations. Priority areas for bike share pods will be city halls and other major civic centers, downtown plazas, and universities.

**Local support to champion the program**
The success of the bike share pilot program will be largely based on the level of community support for the program. VTA staff and the project working group will consider where the pilot program has the most potential and opportunity to grow. Factors that can contribute to the growth of the program are: community support from local bike retailers, Chambers of Commerce, employers, and downtown retail; city goals for increasing bicycle mode share; and city’s interest in leveraging the bike share pilot program for expansion.

**Existing and planned bicycling facilities**
A city’s existing or planned bicycling infrastructure (bicycle lanes and paths) should support the bike share system by providing a well-integrated, bicycle-friendly network. A connected network of bicycle lanes and paths could encourage more users to try the system. In addition, it would help users travel between hubs and pods with ease. Cities with 24-hour bike paths would add benefit to the bike share network by making bicycling more accessible and commute-friendly.

**Human Factors Research**
Prior to launching the pilot program to the public, staff will conduct Human Factors research to evaluate the technology and potential locations for the bike share stations. Staff is currently exploring the various methods for conducting this research including evaluating the system with a limited number of users. This task would procure the services of a product design research consultant to assess the behaviors and usage patterns of this small test group of users. The Human Factors exercise is an opportunity to test the system and uncover any issues prior to opening the program to the public. The results of this research will inform the details of the bike share system including bike style and bike components, payment schedule and methodology, and user interface elements. Staff will use these results to determine exact locations of the pods and the final list of features to include in the Request for Proposals (RFP).

This work is anticipated to begin in summer of 2010 to inform the details of the RFP.


**Pilot Program Implementation**

**Procurement and Installation of Bike Share System**
The bulk of the grant will be spent on purchasing the bikes, kiosks and inclusive electronics for the system. Since the average cost for most bike share systems is $3,500 per bike and accompanying hardware, it is assumed approximately $350,000 of the grant will be used to purchase a 100-bike system. The grant, however, will not cover all start-up costs related to the development and implementation of the project. VTA will need to seek additional funds to cover the remaining costs for project development efforts.

In the fall of 2010, VTA will issue a request for proposals (RFP) to qualified vendors and manufacturers of known bike share systems as well as companies with related technology or bicycles suitable for bike sharing. Bids from both proprietary and non-proprietary systems (“open bike” systems) will be encouraged. The RFP will include a list of desirable bike share program characteristics that will be influenced by the findings of the Human Factors Research and will be evaluated by the parallel process VTA is conducting with the project working group.

Ideally, the vendor will provide technical support and warranty service on the proprietary locking technology and backend software. VTA will be responsible for capital procurement and program administration set-up. This will include agreements between the vendor and VTA on maintenance for proprietary systems.

**Pod Locations**
The exact pod locations will be determined after the Human Factors Research is completed. Depending on how many Caltrain hubs will be selected for the program, potential pod sites will be located within one- to three-mile radius of the Caltrain hub(s). The service area(s) selected will also determine the specific destination points that are considered priority areas in the city. Ideally, the priority areas for all three cities are the downtowns, universities (if located in either San Jose or Palo Alto) and City Halls. VTA will coordinate with the individual cities to install bike share pods in the right-of-way owned by either VTA, the Joint Powers Board (VTA, Caltrain and SamTrans), or the cities of Palo Alto, Mountain View or San Jose.

If one of the pod sites selected is on private property, it will be at the invitation of the private owner and subject to the remaining bikes available. It is hoped that private sectors will approach VTA to expand the pilot program to include bike share pods onto their property. In this case, they have the option to host a bike share station by purchasing the actual pod and bikes or to finance additional stations through advertising on existing bikes and pod stations.

**Program Operation and Maintenance**
Staff intends to partner with a private entity, preferably with a non-profit, to handle the daily operation and maintenance of the Bike Sharing Program. Depending on whether or not the selected bike share system includes bicycle maintenance, the operator may need to contract separately with a maintenance
provider (e.g. local bike shop) to handle the day to day maintenance and upkeep of the bicycles. This could include frequent rebalancing of bicycles, bicycle replacement and repair, and tracking down lost bicycles. The operator will also be expected to engage in public outreach to solicit community partners and corporate sponsorships to support the existing system as well as future expansion of the program.

Marketing and Outreach
VTA will work with the program operator to develop the branding concept for the program. The market research conducted for the study provided some broad indications of what characteristics of the program appealed to people including: “exercise”, “green transportation”, “fun” and “low-cost”. The branding concept can use these attributes as the building blocks for developing the unique message and look of the program. VTA will also support the program operator in developing the promotional activities and marketing tools to advertise the program including the website, media campaigns and community events.

For the system to expand over time, it is important to engage in public outreach to solicit community partners and corporate sponsorships. VTA will provide support to the program operator in identifying potential partners to develop ideas for creative sponsorship opportunities and/or marketing strategies. The following lists several sponsorship ideas for potential partners to get involved in bike sharing:

- **Sponsor a station** – Fund a bike sharing station to locate on or near your property
- **Advertise** – Advertise your company on the bike share bicycle and/or kiosk
- **Donate goods and services** – Provide goods and services that could be needed to operate or maintain a program e.g. solar panel roofing for a bike station
- **Provide real estate** - Provide space for a bike share station on your property
- **Adopt a station** – Select a station to “adopt” and maintain
- **Subsidize subscription costs** - Participate your company in the program by subsidizing subscription costs for employees
- **Create promotional packages** – Include bike share subscription cards for hotel guests or visitors

This lists only a few of the possibilities to sponsor the bike share program. Outreach efforts will also encourage individuals, companies and organizations to provide direct financial contributions to the program.

**Beyond the Pilot Program**

The SR2T grant requires the funds to be expended within 3 years. Accordingly, VTA expects the pilot program to operate no
more than 3 years in the pilot phase. As the pilot program is in operation, VTA will evaluate its success and current funding availability to transition the pilot into a full-scale program. It is envisioned that the expanded program will be close to 750 bicycles to support approximately 9,750 to 15,000 subscribers (based on the “subscriber to bike” ratio range of 13 to 20 as outlined in the Business Plan). Similar to the pilot program, the full-scale program is also expected to be financially sustainable and revenue neutral in the expanded phase.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: MTC Funding Agreement for Delivery of Freeway Performance Initiative (FPI) Projects

Policy-Related Action: No
Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Authorize General Manager to execute a funding agreement for up to $2 million with the Metropolitan Transportation Commission (MTC) that specifies the roles and responsibilities to implement Traffic Operations Systems (TOS) improvements including ramp metering in Santa Clara County.

BACKGROUND:

Valley Transportation Plan 2035 (VTP 2035) highlighted that over the next 25 years, Santa Clara County will grow by over 500,000 (27.5%) residents and 400,000 (45.6%) jobs. Over the same period, the capacity of the roadway system is projected to increase by 5 to 6 percent. This is the case because of the relatively built-out, mature nature of the roadway system in Santa Clara County and the greater Bay Area. One strategy to keep the roadway system operating efficiently and cost-effectively is through the use of technology.

In 2003, the Metropolitan Transportation Commission (MTC) initiated work with Caltrans and Bay Area Congestion Management Agencies to develop a list of high priority technology-based system management improvements for freeways. These technology-based freeway improvements include as examples the implementation of ramp metering, closed circuit television camera surveillance systems, and real-time traveler information for commuters. Building upon these earlier efforts, MTC launched its Freeway Performance Initiative (FPI) program in 2007 to continue to implement these system management improvements. FPI targets predictable congestion caused by normal commute traffic on freeways during rush hours as well as congestion resulting from unanticipated incidents (e.g., traffic collisions) and attempts to
implement technology-based improvements to squeeze more throughput out of the existing freeway system.

The current regional transportation plan, known as Transportation 2035, adopted by MTC on April 22, 2009 commits $1.6 billion in funding to FPI. Deploying more of the FPI improvements means that the existing gaps in the freeway Traffic Operations System (TOS) which includes ramp metering systems, changeable message signs, video monitoring and incident management systems would be upgraded and system gaps closed. MTC and Caltrans forecast that significantly gains in freeway operations, mobility and improved ability to respond to incidents would be achieved if these gaps in the surveillance system, ramp metering system, and information systems are filled.

In a similar effort, VTA is leading the implementation of ramp metering on SR 87, SR 85, US 101 and I-880 using Congestion Mitigation and Air Quality (CMAQ) funding provided by MTC.

**DISCUSSION:**

At its June 2010 Committee meeting, MTC is set to approve the use of up to $2.0 million in CMAQ to design TOS elements for six freeway corridors within Santa Clara County: SR 87, SR 17, SR 237, I-880, I-280, and US 101. MTC has asked VTA to act as the project manager for the corridors and using these funds VTA will be tasked with designing TOS elements within these six freeway corridors.

The cooperative agreement between VTA and the MTC will define roles and responsibilities between the MTC as the funding agency and VTA as the project manager and MTC as the funding agency will be responsible to cover costs for VTA staff and design consultant services. VTA as the project manager will be responsible for managing the project development, design work and coordination amongst affected agencies including affected cities, County and Caltrans. The anticipated schedule is to complete this design work in about one year’s time so that projects can be ready for construction funding to be provided through the MTC FPI Program.

Attachment A displays proposed TOS improvement locations within the County.

**ALTERNATIVES:**

If VTA were to elect not to lead this project and forego this opportunity, MTC could choose another agency such as Caltrans to manage the work. This would result in a delay of implementation due to staffing resource issues with Caltrans.

**FISCAL IMPACT:**

The FY10 Adopted VTP Highway Improvement Program Fund Capital Budget includes a $5 million appropriation for the Intelligent Transportation Systems (ITS) projects. The $2.0 million provided through this agreement covers the estimated funding for VTA staff and consulting services to design and manage development of the projects. Future agreements would be needed to cover the construction phase of the projects.
STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Congestion Management Program & Planning Committee approved this item on its May 21, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the Congestion Management Program & Planning Committee meeting.

Prepared by: David Kobayashi
Memo No. 2617
<table>
<thead>
<tr>
<th>Route</th>
<th>Direction</th>
<th>Interchange</th>
<th>Ramp Type</th>
<th>Proposed Work Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>S</td>
<td>Santa Cruz Avenue</td>
<td>diagonal</td>
<td>Install Ramp Metering (RM) and Widen ramp for carpool Lane &amp; additional storage.</td>
</tr>
<tr>
<td>17</td>
<td>S</td>
<td>Saratoga Highway 9</td>
<td>diagonal</td>
<td>Install RM and Widen ramp for carpool Lane &amp; additional storage.</td>
</tr>
<tr>
<td>17</td>
<td>S</td>
<td>Saratoga Highway 9</td>
<td>loop</td>
<td>Install RM and Widen ramp for carpool Lane &amp; additional storage.</td>
</tr>
<tr>
<td>17</td>
<td>N</td>
<td>Saratoga Ave. (Highway 9) (SB)</td>
<td>loop</td>
<td>Upgrade existing RM and Widen for carpool lane and additional storage.</td>
</tr>
<tr>
<td>17</td>
<td>N</td>
<td>Saratoga Ave. (Highway 9) (NB)</td>
<td>diagonal</td>
<td>Upgrade existing RM and Widen for carpool lane and additional storage.</td>
</tr>
<tr>
<td>87</td>
<td>N</td>
<td>SB85 to NB87 Connector</td>
<td>connector</td>
<td>Install additional advance electronic warning signs for SB SR 85 to NB SR 87 Connector</td>
</tr>
<tr>
<td>101</td>
<td>N</td>
<td>Old Bayshore Hwy</td>
<td>diagonal</td>
<td>Install Traffic Monitoring Station (TMS)</td>
</tr>
<tr>
<td>101</td>
<td>S</td>
<td>SR 87 SB</td>
<td>connector</td>
<td>Install TMS and upgrade structural section and restripe Entrance to two lane off.</td>
</tr>
<tr>
<td>101</td>
<td>S</td>
<td>N. 4th Street</td>
<td>hook</td>
<td>Install TMS.</td>
</tr>
<tr>
<td>101</td>
<td>S</td>
<td>Story Road (EB)</td>
<td>diagonal</td>
<td>Install RM and Widen ramp for carpool lane and additional storage.</td>
</tr>
<tr>
<td>101</td>
<td>S</td>
<td>Story Road (WB)</td>
<td>loop</td>
<td>Install RM and Widen ramp for carpool lane and additional storage.</td>
</tr>
<tr>
<td>101</td>
<td>S</td>
<td>Blossom Hill Road (WB)</td>
<td>loop</td>
<td>Install RM and Widen ramp for carpool lane and additional storage.</td>
</tr>
<tr>
<td>101</td>
<td>N</td>
<td>Capitol Expressway</td>
<td>collector/diagonal</td>
<td>Improve storage by widening on-ramp and moving RM to collector.</td>
</tr>
<tr>
<td>237</td>
<td>E</td>
<td>Maude Avenue</td>
<td>diagonal</td>
<td>Upgrade existing RM and Widen for carpool lane and additional storage.</td>
</tr>
<tr>
<td>237</td>
<td>E</td>
<td>Mathilda Ave.</td>
<td>diagonal</td>
<td>Install RM and Widen ramp for carpool lane and additional storage.</td>
</tr>
<tr>
<td>237</td>
<td>W</td>
<td>Middlefield Road</td>
<td>diagonal</td>
<td>Install necessary RM equipment to make operational, build out WB 237</td>
</tr>
<tr>
<td>237</td>
<td>W</td>
<td>Fair Oaks Avenue</td>
<td>diagonal</td>
<td>Install RM and Widen ramp for carpool lane and additional storage.</td>
</tr>
<tr>
<td>280</td>
<td>S</td>
<td>SR 85 SB</td>
<td>connector</td>
<td>Upgrade existing RM, restripe ramp to provide additional storage.</td>
</tr>
<tr>
<td>280</td>
<td>S</td>
<td>SR 85 NB</td>
<td>connector</td>
<td>Upgrade existing RM, restripe ramp to provide additional storage.</td>
</tr>
<tr>
<td>880</td>
<td>N</td>
<td>EB SR 237 to NB I-880 Connector</td>
<td>connector</td>
<td>Install additional advance electronic warning signs for EB237 to NB880 Connector</td>
</tr>
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</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: FY08 Transit Security Grant Program (TSGP)

Resolution

ACTION ITEM

RECOMMENDATION:

Adopt a resolution authorizing the General Manager to submit and execute grant applications and agreements, certifications, assurances, and other documents as necessary to receive $1,256,836 from the U.S. Department of Homeland Security (DHS) FY 2008 Transit Security Grant Program (TSGP).

BACKGROUND:

In 2008, the U.S. Department of Homeland Security (DHS) provided funds to owners and operators of transit systems through the Transit Security Grant Program (TSGP) to protect critical transportation infrastructure and the traveling public from acts of terrorism, major disasters and other emergencies. The FY 2008 TSGP is authorized by Section 1406 of the Implementing Recommendations of the 9/11 Commission Act of 2007 (Public Law 110-53) (the 9/11 Act).

The Department of Homeland Security requires the Governor of each State and Territory to designate a State Administrative Agency (SAA) to apply for and administer the funds awarded under the TSGP. The Governor of the State of California designated the California Emergency Management Agency (CalEMA) as the SAA. CalEMA further requires that eligible transit systems applying for funding adopt a Governing Body Resolution authorizing the submittal and execution of grant applications and agreements, certifications, assurances and other documents as necessary to obtain federal financial assistance provided by DHS. In addition, DHS requires eligible transit systems to participate in a Regional Transit Security Working Group (RTSWG).
The purpose of the RTSWG is to develop a comprehensive list of security-related investments in order to mitigate risk in the region. This list must be prioritized by regional risk that addresses near and long-term investments. VTA staff actively participate in the Bay Area RTSWG.

**DISCUSSION:**

For the FY 2008 TSGP grant cycle, VTA was identified as a Tier I transit property, eligible for both bus and rail transit funding. For this grant cycle, funding allocations for bus and rail properties were based upon risk analysis criteria developed at DHS.

In February 2008, DHS allocated $28,259,722 to the Bay Area RTSWG to help protect critical transportation infrastructure, as well as passengers and workers who use the region's transit systems. The RTSWG collaboratively developed a comprehensive list of security-related investments to mitigate risk in the region, prioritized by regional risk.

In August 2008, VTA submitted an Investment Justification to DHS for the Chaboya Bus Operating Division Hardening project. In March 2010, DHS awarded VTA $1,256,836 to enhance the physical security of the Chaboya Bus Operating Division by installing high security fencing, motorized gates and CCTV video on demand equipment.

This memorandum follows through on the requirement of grant recipients to adopt a Governing Body Resolution authorizing the submittal and execution of grant applications and agreements, certifications, assurances and other documents as necessary to obtain the federal grant funds.

**ALTERNATIVES:**

The Board of Directors could choose not to accept the grant or select qualifying security projects. DHS has final approval authority.

**FISCAL IMPACT:**

$1,256,836 will be made available to VTA to enhance the physical security of the Chaboya Bus Operating Division.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION**

The Transit Planning and Operations (TP&O) Committee approved this item on its May 20, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the TP&O meeting.

Prepared by: Mike Tasosa
Memo No. 2605
Resolution No. ____________

FY08 TRANSIT SECURITY GRANT PROGRAM (TSGP)

Grant # 2008-RL-T8-K018, Cal EMA ID # 085-95000

RESOLUTION AUTHORIZING THE SUBMITTAL AND EXECUTION OF GRANT APPLICATIONS AND AGREEMENTS, CERTIFICATIONS AND ASSURANCES AND OTHER DOCUMENTS AS MAY BE NECESSARY FOR THE PURPOSE OF OBTAINING FEDERAL FINANCIAL ASSISTANCE PROVIDED BY THE FEDERAL DEPARTMENT OF HOMELAND SECURITY AND SUBGRANTED THROUGH THE STATE OF CALIFORNIA

WHEREAS, the United States (U.S.) Department of Homeland Security (DHS) provides federal financial assistance to eligible grantees, and

WHEREAS, the California Emergency Management Agency (Cal EMA) is the grantee for DHS funds in the State of California, and

WHEREAS, the Santa Clara Valley Transportation Authority (VTA) is an eligible subgrantee for DHS funding through Cal EMA;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Transportation Authority that the General Manager or designee is hereby authorized to file and execute grant applications and agreements, certifications and assurances, and other documents as may be necessary for the purpose of obtaining federal financial assistance provided by DHS and subgranted through the California Emergency Management Agency.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 3, 2010 by the following vote:

AYES:

NOES:

ABSENT:
Sam Liccardo, Chairperson  
Board of Directors

I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the vote of the Board of Directors of the Santa Clara Valley Transportation Authority, California, at a meeting of said Board of Directors on the date indicated, as set forth above.

Date: _____________

Sandra Weymouth, Board Secretary

APPROVED AS TO FORM:

Kevin D. Allmand, General Counsel
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Engineering & Construction Officer, Mark S. Robinson

SUBJECT: Wrigley Creek Improvements Contract Award

Policy-Related Action: No  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract with Top Grade Construction, the lowest responsible bidder, in the amount of $997,635 for the construction of Wrigley Creek Improvements. This contract is 100% funded by the 2000 Measure A Program.

BACKGROUND:

In December 2002, VTA purchased right-of-way from the Union Pacific Railroad (UPRR) for use as a transportation corridor extending approximately 15 miles from Fremont to San Jose. In June 2008, the VTA Board of Directors authorized the design and construction of Freight Railroad Relocation (FRR) activities as part of the effort to fulfill VTA’s obligations under the Purchase and Sale Agreement with UPRR. The FRR activities are compatible with the eventual use of the property as a transportation corridor.

The FRR activities include constructing drainage improvements on Calera Creek, and enlarging box culverts on Toroges, Scott, Berryessa, Wrigley and two other unnamed creeks, impacting waters of the U.S. and State. The Regional Water Quality Control Board (RWQCB) requires mitigation of these impacts. The C211 - Wrigley Creek Improvements will mitigate these impacts by realigning the existing linear channel to a more natural meandering creek configuration, and creating 1.0 acre of seasonal floodplain and riparian area south of Calaveras Boulevard in the City of Milpitas (Exhibit A).
DISCUSSION:
The prequalification of contractors was concluded on February 4, 2010 and the contract was advertised on February 19, 2010. Bids were opened on April 26, 2010 with the following results:

<table>
<thead>
<tr>
<th>Bidder Name</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Grade Construction</td>
<td>$ 997,635</td>
</tr>
<tr>
<td>Pavex Construction/ Granite Rock</td>
<td>$1,075,533</td>
</tr>
<tr>
<td>Gordon N. Ball Inc.</td>
<td>$1,173,900</td>
</tr>
<tr>
<td>HSR, Inc.</td>
<td>$1,409,785</td>
</tr>
<tr>
<td>McGuire &amp; Hester</td>
<td>$1,826,480</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$2,159,325</td>
</tr>
</tbody>
</table>

Top Grade Construction is the lowest responsible and responsive bidder. The bid is 54% below the Engineer’s Estimate. Staff has completed a bid analysis, has determined the bid to be fair and reasonable, and recommends award of this contract to Top Grade Construction. VTA continues to receive a high number of bidders and extremely aggressive pricing on infrastructure improvement contracts as a result of a very competitive market condition.

Construction is scheduled to begin in June 2010, with substantial completion by October 2010. The maintenance/plant establishment period extends to February 2016.

ALTERNATIVES:
The VTA Board may decide not to award this contract, and instead direct staff to seek alternatives for the mitigation required by RWQCB. The RWQCB Permit stipulates a 10% penalty per year if mitigation is not completed by fall 2010. Delaying the mitigation work would result in an increase in the amount of creek restoration and wetland acreage required, with a resultant increase in design and construction costs to VTA.

FISCAL IMPACT:
This action will authorize $997,635 for construction of Wrigley Creek Improvements. Appropriation for this expenditure is included in the FY10 2000 Measure A Transit Improvement Program Fund Capital Budget.

SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:
Based on identifiable subcontracting opportunities, a Small Business Enterprise (SBE) goal of 15% was established for this contract. Based on review of the documentation of good faith efforts to meet the goal, it is determined that the contractor made sufficient good faith efforts to comply with SBE goal requirements. The contractor has committed to 19.71% participation on this contract.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:
The Transit Planning & Operations Committee considered this item at their May 20, 2010 meeting and made note of the continuing favorable pricing trend on construction contracts. The
Committee unanimously recommended approval of this item, and that it be placed on the Consent Agenda for the June 3, 2010 Board meeting.

Prepared by: Jim Costantini, Deputy Director
Memo No. 1997
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Engineering & Construction Officer, Mark S. Robinson

SUBJECT: Closed Circuit Television (Phase 6) Contract Award

Policy-Related Action: No
Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract with Cal Coast Telecom, the lowest responsible bidder, in the amount of $650,851 for the procurement and installation of Closed Circuit Television at Light Rail Stations (Phase 6). This contract is 100% funded under the Department of Homeland Security Transit Security Grant Program (FY07-TSGP) and Prop 1B California Transit Security Grant Program - California Transit Assistance Fund (FY07-08-CTSGP-CTAF).

BACKGROUND:

The VTA light rail system includes Closed Circuit Television (CCTV) improvements at the Chynoweth, Santa Clara, Mountain View, Alum Rock, Great Mall, Hamilton, Penitencia Creek, I-880/Milpitas, Baypointe, Cropley, Montague, Convention Center, Tasman, Capitol, Blossom Hill, Snell, Cottle and Santa Teresa light rail stations, Tasman East elevated light rail structure, and the San Jose Diridon light rail station and tunnel portals.

This contract will enhance and expand the CCTV video-on-demand program by adding CCTV at the Almaden, Branham, Children’s Discovery Museum, Chynoweth (additional cameras), Oakridge, Virginia and Lick Mill light rail stations.

The CCTV video on demand system directs live video streams via a network from the light rail stations to the VTA Light Rail Operations Control Center and the Protective Services Department for 24/7 monitoring as well as allowing retrieval of data by date/time query.
DISCUSSION:

The CCTV at Light Rail Stations (Phase 6) construction contract was advertised on April 2, 2010. Bids were opened on May 6, 2010 with the following results:

<table>
<thead>
<tr>
<th>Bidders’ Name</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cal Coast Telecom</td>
<td>$650,851</td>
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<tr>
<td>Harris Electric</td>
<td>$777,260</td>
</tr>
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<td>Siemens Industry</td>
<td>$947,543</td>
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<tr>
<td>CS Construction</td>
<td>$962,077</td>
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<tr>
<td>Cupertino Electric</td>
<td>$1,011,536</td>
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<td>RFI Communication &amp; Security Systems</td>
<td>$1,047,618</td>
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<td>HSQ Technology</td>
<td>$1,418,110</td>
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<tr>
<td>Tennyson Electric</td>
<td>$1,686,085</td>
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</table>

Engineer’s Estimate          $581,976

Cal Coast Telecom is the lowest responsible and responsive bidder. The bid is 12.2% under/over the Engineer’s Estimate. VTA staff has completed a bid analysis, and has determined the bid to be fair and reasonable. Staff recommends award to Cal Coast Telecom.

Construction is scheduled to begin in June 2010 with completion in October 2010.

ALTERNATIVES:

There are no practical alternatives to the recommended action.

FISCAL IMPACT:

This action will authorize $650,851 for procurement and installation of CCTV at Light Rail Stations. Appropriation for this project is included in the Adopted FY09 VTA Transit Enterprise Fund Capital Budget. The contract is funded by Federal Department of Homeland Security Transit Security Grant Program (FY07-TSGP) and Prop 1B California Transit Security Grant Program – California Transit Assistance Fund (FY07-08-CTSGP-CTAF).

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

VTA is complying with Federal requirements that the advertisement and award of this contract would utilize race-neutral provisions, as this contract will have Federal Financial assistance. There was no DBE contract goal established. DBE participation was not a condition of contract award.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Transit Planning & Operations Committee considered this item at their May 20, 2010 meeting. Staff noted that the recommendation to award the contract is preliminary until the bid review and notification period is completed. The Committee made the comment that bids coming in over the Engineer’s Estimate has not happened in recent memory. Staff responded
that bids on previous CCTV contracts did not experience this higher pricing, and that this new
data would influence future estimates. The Committee asked how many light rail stations have
cameras, and whether there are plans to do more stations. The response from staff was that at the
conclusion of this contract 22 stations would be equipped with cameras out of the total of 62
stations on the system. Additional stations will be equipped as grant funds become available.
The Committee unanimously recommended approval of this item, and that it be placed on the
Consent Agenda for the June 3, 2010 Board of Directors meeting.

Subsequent to the Transit Planning & Operations Committee meeting on May 20, 2010 staff
performed the bid review and completed the notification process. The staff recommendation is
now final.

Prepared by: Ken Ronsse, Deputy Director
Memo No. 2281
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Engineering & Construction Officer, Mark S. Robinson

SUBJECT: Freight Railroad Relocation - Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation Contract Amendment to the Gordon N. Ball Inc. Construction Contract

Policy-Related Action: No  Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to amend the Gordon N. Ball Inc. construction contract to accommodate scope additions and claims on the Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation contract in the amount of $3,425,000 for a new total contract amount of $20,953,305. This contract is funded by the 2000 Measure A Program.

BACKGROUND:

In January 2009, the Board of Directors authorized the General Manager to enter into a construction contract with Gordon N. Ball, Inc. in the amount of $15,242,004 to execute the Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation (C210), as part of VTA’s Freight Railroad Relocation (FRR) activities. The scope of Contract C210 includes the following work:

- Improvement of the Berryessa Creek crossing with a new structure and widening of the creek to accommodate a 100-year storm event across the railroad corridor.
- Seismic retrofit of the Abel Street Overhead Bridge.
- Replacement of existing culverts and crossings at Wrigley Creek, Scott Creek and Line “B” Channel with reinforced concrete box culverts.
- Construction of pier protection walls at Abel Street Overhead and Calaveras Boulevard Overhead.
- Construction of a 1,140-foot retaining wall.
• Embankment and subballast preparation for new UPRR track installation from south of Line “B” Channel to north of Montague Expressway.
• Installation of split casings on existing and new utilities.
• Realignment of an existing sanitary sewer at Berryessa Creek.

The Contract C210 limits of work is shown in Attachment A. The contractor and subcontractors involved in Contract C210 are listed in Attachment B.

The purpose of this contract is consistent with the objective of FRR activities to clear the VTA owned right-of-way of freight railroad facilities and enhance flood control measures at multiple creeks to make the corridor available for future transit improvements.

DISCUSSION:

Contract C210 construction got underway in February 2009. In the initial stages of work several unforeseen conditions were encountered in the field resulting in the need for the contractor to perform extra work. The extra work items included the following:

• UPRR construction support ($350,000)
• Unsuitable material removal and embankment backfill ($300,000)
• Protective cover for a shallow AT&T communications line ($208,000)
• Berryessa Creek ballast curb addition ($127,000)
• Embankment required with the introduction of a track shoofly ($119,557)
• Storm drain revisions at Wrigley Creek ($90,500)
• Traffic control and pedestrian management ($80,000)

Contract changes were issued to address these and other extra work items within the General Manager’s 15% amendment authority, revising the total amount of the contract to $17,528,305. Contract C210 has subsequently encountered additional major issues.

On June 4, 2009, UPRR imposed a stop work order for all activities related to Contract C210 within the UPRR right-of-way (ROW). The stop work order lasted eight weeks to July 30, 2009 and was deemed warranted by UPRR due to contractual anomalies that needed resolution with VTA. The loss of eight weeks of work during the dry season had a serious impact on critical path activities that had to be completed prior to the October 31st deadline specified by the California Department of Fish and Game Permit for suspending all construction work within creek channels and removing all obstructions to natural flow. An accelerated work schedule was developed with the contractor to complete Stage 1 construction at Berryessa Creek (critical path) prior to October 31, 2009. The goal was met but the acceleration changed the means, methods and work schedule anticipated by the contractor, resulting in claims as described below.

When work resumed after UPRR lifted the stop work order, the contractor embarked on a 12 hours/day, 6 to 7 days/week schedule to complete critical path Stage 1 work at Berryessa Creek. Working under an accelerated schedule brought additional labor costs for larger crew sizes, overtime, additional mobilizations and equipment usage expenses at an additional cost of $450,000.
Other cost impacts attributed to the stop work order have been claimed by the contractor such as standby equipment costs, extended shoring material rental costs, re-sequencing of work activities, and crowded, less efficient working conditions in the amount of $600,000.

The VTA and UPRR rights-of-way contain soil that is contaminated with lead and arsenic and must be removed and disposed of in an appropriate hazardous materials disposal site. Although the bid documents identified the potential for encountering hazardous materials during excavation and the need to dispose of the material in an appropriate manner, a bid item was not included as the amount of material to be disposed of was unknown at the time of bidding. This work was to be done on a force account basis, with the cost to be paid for by the contract contingency. However, testing of the excavated material has indicated that the contamination is much deeper and more widespread than anticipated and the cost to haul and dispose of the material exceeds the available funds. The estimated cost to remove the hazardous material from the railroad ROW is $2,068,000.

Unforeseen issues have also been encountered resulting in additional costs to the contract. An existing 14-inch diameter waterline crosses the VTA and UPRR rights-of-way near Calera Creek. The contract provided for the encasement of this waterline within the VTA ROW and partially in the UPRR ROW but not under the current UPRR tracks. When the waterline was found to be made of asbestos-concrete, an old and very brittle material susceptible to damage if exposed, the City of Milpitas requested to have the entire line replaced within both rights-of-way. However, the cost was deemed to be prohibitive. After negotiations, parties settled on installing an empty casing across the two rights-of-way fifteen feet south of the existing waterline that will allow future replacement of the waterline at the City’s convenience with no future impact to VTA, UPRR or longitudinal utilities. The installation of this casing requires cutting an open trench across the UPRR rail line. Such a trench requires UPRR approval for rail service shutdown over a weekend, and work carries on around the clock. It also requires coordination with UPRR track crews and protection in place of various impacted fiber optic facilities and petroleum pipelines, resulting in additional costs to the contract in the amount of $200,000.

The City of Milpitas has also requested VTA to have the C210 contractor replace a fuel tank at its pump station near Berryessa Creek. The fuel tank was damaged by a utility contractor who has deferred to its insurance provider to handle the required repairs and settle the claim. Having the C210 contractor take charge of this work makes sense from a logistics standpoint as this is a very congested work area, central to Contract C210. All related costs payable to the C210 contractor, $107,000, are fully recoverable from the insurance provider.

The estimated costs for the above changes are summarized as follows:

- Acceleration of Work to complete Stage 1 prior to 10/31 $ 450,000
- Other cost impacts related to UPRR stop work order $ 600,000
- Disposal of Contaminated Material $2,068,000
- Installation of casing for City of Milpitas waterline $ 200,000
- Replacement of fuel tank at City of Milpitas pump station $ 107,000
These contract changes during construction will increase the contract amount to the point that additional funds are necessary over and above the previously established construction contingency to complete the contract. Administrative Code Section 9.2(g) limits the authority for amendments to an amount not to exceed 15% greater than the amount authorized by the Board of Directors. This contract amendment will provide sufficient funds to allow the contractor to complete the additional scope of work and address the claims.

ALTERNATIVES:
There are no practical alternatives to the recommended action.

FISCAL IMPACT:
This action will authorize $3,425,000 in scope additions and changes for the Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation contract. Appropriation for this expenditure is included in the FY10 2000 Measure A Transit Improvement Program Fund Capital Budget. VTA will receive reimbursements from the insurance provider in the amount of $107,000 for the fuel tank replacement.

SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:
Based on identifiable subcontracting opportunities, as Small Business Enterprise (SBE) goal of 9% was established for this contract. The contractor has achieved 15.18% participation to date and has committed to a 9.18% SBE participation on the scope being added to Contract C210.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:
The Transit Planning & Operations Committee considered this item at their May 20, 2010 meeting. Discussion on the item centered on the cost for contaminated material disposal and the costs associated with the stop work order issued by UPRR, and whether UPRR has responsibility to pay for some or all of these costs. Staff responded that VTA’s and UPRR’s obligations were defined in the December 2002 Purchase and Sale Agreement. Soil conditions encountered in the corridor as a part of our construction is a VTA responsibility. With regards to the stop work order, VTA was not strictly adhering to the UPRR review and approval requirements set forth in the Agreement and thus the stop work order was issued until VTA came into compliance. Staff noted that additional testing was being performed on the excavated material, with the expectation that a portion of the material would not be classified as contaminated soil and therefore be the responsibility of the contractor. The Committee unanimously recommended approval of this item, and that it be placed on the Consent Agenda for the June 3, 2010 Board of Directors meeting. Additionally, staff was directed to report back to the Committee on the final outcome of the contaminated material item and the cost of completing the contract.

Prepared by: Jim Costantini, Deputy Director
Memo No. 2295
## ATTACHMENT A

**Berryessa Creek Crossing, Abel Street Seismic Retrofit and UPRR Railroad Relocation**  
**Contractor and Subcontractors’ List**

<table>
<thead>
<tr>
<th>Contractor Firm</th>
<th>Contractor Role</th>
<th>Name</th>
<th>Location</th>
</tr>
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<tr>
<td>Gordon N. Ball, Inc.</td>
<td>General</td>
<td>Hal Stober</td>
<td>Alamo, CA</td>
</tr>
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<td></td>
<td></td>
<td>925-838-5675</td>
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<tr>
<td>Bay Area Geotechnical Group</td>
<td>Material Testing</td>
<td>Ebbi Hamidieh</td>
<td>Sunnyvale, CA</td>
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<td></td>
<td></td>
<td>650-852-9133</td>
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<td>Central Fence Company</td>
<td>Fencing &amp; Railing</td>
<td>John DaPonte</td>
<td>San Martin, CA</td>
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<td></td>
<td></td>
<td>408-993-9993</td>
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<tr>
<td>CMC Fontana Steel</td>
<td>Rebar</td>
<td>Gloria Roberts</td>
<td>Stockton, CA</td>
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<td>209-951-9620</td>
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<td>Del Secco Diamond Core &amp; Saw</td>
<td>Core &amp; Sawcut</td>
<td>David Del Secco</td>
<td>Hayward, CA</td>
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<td></td>
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<td>510-475-6313</td>
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<tr>
<td>Hughes Construction</td>
<td>Temp Shoring</td>
<td>Jason Page</td>
<td>Suisun City, CA</td>
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<td></td>
<td>707-374-5155</td>
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<td>Jeffco Painting and Coating, Inc.</td>
<td>Painting</td>
<td>Steve Jeffress</td>
<td>Vallejo, CA</td>
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<td>Johnson Western Gunite</td>
<td>Shotcrete</td>
<td>Alice James</td>
<td>San Leandro, CA</td>
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<td>510-568-8112</td>
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<td>Pacific Boring, Inc.</td>
<td>Jack &amp; Bore</td>
<td>John Iles</td>
<td>Caruthers, CA</td>
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<td>559-864-9444</td>
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<tr>
<td>Yerba Buena Engineering</td>
<td>Earthword (Partial)</td>
<td>Miguel Galarza</td>
<td>San Francisco, CA</td>
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<td></td>
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<td>415-822-4400</td>
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BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief SVRT Program Officer, Carolyn M. Gonot

SUBJECT: Silicon Valley Rapid Transit Master Agreement between VTA and City of Milpitas

Policy-Related Action: No  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to enter into a master agreement with the City of Milpitas in support of the BART Silicon Valley Project. This agreement will include provisions to ensure a commitment of cooperation from both parties.

BACKGROUND:

The extension of Bay Area Rapid Transit (BART) services into Santa Clara County is being implemented under agreement with BART by VTA’s Silicon Valley Rapid Transit Program. This extension is being implemented in stages, the first stage being a two-station (Milpitas and Berryessa) extension of approximately 10-miles from BART’s planned Warm Springs station in Alameda County to VTA’s planned Berryessa Station in the City of San Jose. This initial segment has been identified as the Silicon Valley Berryessa Extension (SVBX) Project. VTA is seeking $900 million in federal funds for the Berryessa Extension Project to be provided by the Federal Transit Administration’s (FTA) New Starts program, with the balance of capital funding provided by state and local sources including 2000 Measure A revenues.

The receipt of federal funding for the BART Extension into Santa Clara County in an amount of at least $750 million is a precondition to the collection of revenue from Measure B passed by the voters in November 2008. To satisfy this precondition, and to provide a significant portion of the capital funding for the project, VTA is requesting Federal Transit Administration (FTA) New Starts funding for the BART Extension and working with FTA to move the project through the FTA New Starts program.

VTA was granted permission to enter the Preliminary Engineering phase of the federal New
Starts program in December 2009. VTA is seeking permission to enter the Final Design phase of the New Starts Program and anticipates that FTA will grant that permission in late 2010. This will position the project for negotiating a full Funding Grant Agreement with FTA and make the final arrangements for project completion.

In considering whether VTA is ready to advance the Berryessa Extension Project into New Starts Final Design, FTA evaluates the status of third-party agreements required for project implementation. FTA prefers to see project sponsors establish agreements with local jurisdictions before entering into Final Design. These agreements guide the working relationship between the project sponsor and its local partner agencies and are intended to minimize risk to the project by defining the framework for key overarching interactions between stakeholder agencies.

DISCUSSION:

Due to the magnitude of the Silicon Valley Rapid Transit Project, staff determined that establishment of master agreements with our city partners was the most appropriate approach to ensuring a commitment of cooperation from both parties. After several months of negotiations, the final agreement focuses on several key areas, including the establishment of lines of communication, foundation for sub-agreements, and processes for dispute resolution and review and approval of design plans for City facilities. The master agreement defines the relationship between the City of Milpitas and VTA with respect to the project, and provides for the subsequent creation of sub-agreements to address specific project issues.

Staff anticipates that several sub-agreements will be developed under this master agreement, including but not limited to utility relocation agreement(s), reimbursement for City staff review of design of proposed City facilities to be constructed or modified by the BART project, cost-sharing for project elements that involve city funding participation, and multi-agency agreements. Features, either as part of the project or located in the project corridor, that are noted in the master agreement because they are of particular concern to the City include:

- Dixon Landing Road - BART Crossing
- S. Milpitas Boulevard Extension
- Milpitas BART Station - selection of West Transit Center Alternative
- City Utility Crossings of the BART Corridor
- Montague Expressway Widening to provide a frontage road for access to BART station
- Piper Drive Improvements
- At-Grade Pedestrian Crossing Connecting Piper Drive to Great Mall
- BART Corridor Improvements including sound walls, landscaping, storm pump stations and other necessary street and utility infrastructure.

In the past, VTA has typically not reimbursed the cost of internal review of VTA plans by local agencies. The proposed Master Agreement departs from this policy because of the large magnitude of the project, the need for expedited reviews, and because a potential design-build project delivery approach would necessitate increased cooperation between VTA and the cities. The proposed reimbursement would cover City review related to encroachment permits for work within City rights-of-way or for relocation of City-owned facilities.

ALTERNATIVES:
There are no practical alternatives to the recommended action, if VTA is to meet the planned New Starts Project schedule as reported to the FTA and satisfy FTA’s expectations with respect to inter-agency cooperation.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Transit Planning and Operations Committee considered this item at their May 20, 2010 committee meeting. Board Member Larsen wanted clarification of this item as it relates to the design-build approach. Ms. Gonot, Chief SVRT Program Officer, noted that the Master Agreement with the City of Milpitas would be needed whether the Silicon Valley Berryessa Extension was implemented using a design-bid-build approach or a design-build approach. In addition, the reimbursement of city staff time for design review of City infrastructure and facilities to be constructed or modified by the BART project would be also included with either delivery approach due to the magnitude and schedule of the project. The Transit Planning and Operations Committee unanimously approved the item.

FISCAL IMPACT:

The Master Agreement provides for VTA to establish a deposit account with the City of Milpitas to fund the city's work in reviewing project plans. The initial deposit amount would be $700,000, which is expected to be sufficient to cover the city's review cost through February 2011. This cost will be covered by the project budget as part of the 2000 Measure A Transit Improvement Program Fund Capital Budget.

Prepared by: Kevin Kurimoto
Memo No. 1281
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief SVRT Program Officer, Carolyn M. Gonot

SUBJECT: Silicon Valley Rapid Transit Program – Amendment to Engineering Services Contract with AECOM Technical Services, Inc.

Policy-Related Action: No  Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract amendment with AECOM Technical Services, Inc. (formerly known as Earth Tech, Inc.) in an amount not to exceed $7.0 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current AECOM Technical Services, Inc. (AECOM) contract amount is $43.3 million.

BACKGROUND:

The extension of Bay Area Rapid Transit (BART) services into Santa Clara County is being implemented under agreement with BART by VTA’s Silicon Valley Rapid Transit Program. This extension is being implemented in stages, the first stage being a two-station (Milpitas and Berryessa) extension of approximately 10-miles from BART’s planned Warm Springs station in Alameda County to VTA’s planned Berryessa Station in the City of San José. This initial segment has been identified as the SVBX Project.

VTA completed Conceptual Engineering for the SVRT Program in 2003 and Preliminary Engineering activities in December 2006. The 65% design phase began in early 2007 and was completed in December 2008. In December 2009 the SVBX project was granted permission to enter the Preliminary Engineering phase of the Federal Transit Administration’s (FTA) New Starts funding program. VTA is seeking permission to enter the Final Design phase of the New Starts Program and anticipates that FTA will grant that permission in late 2010. This will position the project for negotiating a full Funding Grant Agreement with FTA and make the final arrangements for project completion.
In May 2010, the VTA Board of Directors approved a resolution of findings that allows the use of the design-build process for the SVBX Project and authorized the General Manager to proceed with solicitation of design-build contractors. As VTA moves forward with design-build contract formation engineering services are required to support the process.

**DISCUSSION:**

AECOM was selected to provide engineering services for the passenger station facilities for the SVRT Program, including the services contemplated by this recommended contract amendment. Services are contracted for incrementally as the project becomes better defined. Below is a listing of the amendments to the AECOM contract since its inception.

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<th>Scope of Services</th>
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<td>SVRT Preliminary Engineering</td>
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<td>SVBX Engineering Support for Design Build Contract Formation</td>
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<td><strong>Total:</strong></td>
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<td>$50.3 million</td>
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Under this amendment the contract period of performance is extended through June 30, 2012. AECOM will provide passenger station facilities engineering services to support the RFP development, bid, evaluation, and award of the SVBX design-build contracts; and provide support for planning, management, environmental clearance, utility coordination, and interface coordination activities during this period. Specific to design-build contracting, AECOM will progress the station design to a level suitable for the design-build contract documents, modify the existing station 65% Phase design-bid-build engineering documents for use in the design-build contract(s), assist in obtaining aesthetics approval from municipalities, incorporate changes to the BART Facilities Standards, and support VTA during the bid and bid evaluation periods.

The proposed contract amendment will be structured on a time and materials basis and be managed through issuance of work directives. The estimated amendment value of $7.0 million will provide approximately 46,000 hours of engineering design services through June 30, 2012.

The AECOM team consists of twelve sub-consultants. Company names and details are included in Attachment A.
ALTERNATIVES:

There are no practical alternatives to the recommended action if VTA is to continue with formation of the SVBX design-build contracts per the project schedule.

SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:

Based on the identifiable subcontracting opportunities, an SBE goal of 19% has been established for this contract. This Contractor has continued to meet this goal established for this contract, and has committed to maintaining 19% SBE participation for the contract.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Transit Planning and Operations Committee considered this item at their May 20, 2010 committee meeting. Board Member Larsen expressed concern about the magnitude of the amendment and the cost spent to date for the project in design efforts. Ms. Gonot, Chief SVRT Program Officer, provided a presentation that noted what activities each design team would be conducting, if directed by VTA, during the design-build procurement process. The work tasks will be managed by VTA and administered through work directives based on a need to meet requirements to move through the contract procurement process. The Transit Planning and Operations Committee approved the item with a 3-1 vote; Member Larsen voted no.

FISCAL IMPACT:

This action will authorize up to an additional $7.0 million for engineering services for the SVBX project through June 30, 2012. Appropriation for this contract amendment is available in the FY10 Adopted 2000 Measure A Transit Improvement Program Fund Capital Budget.

Prepared by: Hassan Basma
Memo No. 2511
## Silicon Valley Rapid Transit Program – Amendment to Engineering Services
Contract with AECOM Technical Services, Inc. (Contract No. S04023)

### Attachment A

<table>
<thead>
<tr>
<th>Contractor Firm</th>
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<tr>
<td>AECOM Technical Services, Inc</td>
<td>Prime Consultant, Management, QA, QC, Doc Control, Scheduling, Project Control, Estimating, Electrical, Comm., Structural, Civil, Utilities, Environmental, specifications</td>
<td>Charles Beauvoir</td>
<td>2101 Webster Street Suite 1000 Oakland, CA 946123060 (510) 419-6000</td>
</tr>
<tr>
<td>VBN Architects</td>
<td>Sub-Consultant Architecture</td>
<td>Eli Naor</td>
<td>560 14th Street, Suite 4 Oakland, CA 946121454 (510) 763-1313</td>
</tr>
<tr>
<td>Anil Verma Architects</td>
<td>Sub-Consultant * Architecture</td>
<td>Anil Verma</td>
<td>444 So. Flower Street Suite 1688 Los Angeles, CA 90071 (213) 624-6908</td>
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<tr>
<td>FMG Architects</td>
<td>Sub-Consultant * Architecture</td>
<td>Claudia Guadagne</td>
<td>330 15th Street Oakland, CA 94612 (510) 465-8700</td>
</tr>
<tr>
<td>Biggs Cardosa Associates</td>
<td>Sub-Consultant Structural</td>
<td>Steve Biggs</td>
<td>1871 The Alameda Suite 200 San Jose, CA 95126 (408) 296-5515</td>
</tr>
<tr>
<td>Parikh Consultants, Inc.</td>
<td>Sub-Consultant * Geotechnical for Parking Structures and Campuses</td>
<td>Gary Parikh</td>
<td>356 S. Milpitas Blvd. Milpitas, CA 95035 (408) 945-1011</td>
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<tr>
<td>Sub-Consultant</td>
<td>Consultant</td>
<td>Office Address</td>
<td>Phone</td>
</tr>
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<tr>
<td>Sierra Engineering Group</td>
<td>Sub-Consultant * Structural</td>
<td>Jesus Sierra</td>
<td>1328 Decoto Road Suite 120 Union City, CA 94587 (510) 487-9192</td>
</tr>
<tr>
<td>Hexagon Transportation Consultants, Inc.</td>
<td>Sub-Consultant * Traffic</td>
<td>Brett Walinski</td>
<td>40 S. Market Street Suite 600 San Jose, CA 95113 (408) 971-6100</td>
</tr>
<tr>
<td>Horton Lees Brogden Lighting</td>
<td>Sub-Consultant Specialty Lighting</td>
<td>Angela McDonald</td>
<td>300 Brannan St Suite 212 San Francisco, CA 94107 (415) 348-8273</td>
</tr>
<tr>
<td>V&amp;A Consulting</td>
<td>Sub-Consultant * Stray Current</td>
<td>Jose L. Villalobos</td>
<td>155 Grand Avenue Suite 700 Oakland, CA 94612 (510) 903-6600</td>
</tr>
<tr>
<td>Merrill Morris Partners</td>
<td>Sub-Consultant * Landscape Architecture</td>
<td>Dan Morris</td>
<td>249 Front Street San Francisco, CA 94111 (415) 291-8960</td>
</tr>
</tbody>
</table>

* Indicates SBE firm
This memo is written to provide general background to the Board regarding planned amendments to the Silicon Valley Rapid Transit Program (SVRT) engineering services contracts to support design-build contract formation for the Silicon Valley Berryessa Extension Project (SVBX).

In May 2010, the VTA Board of Directors approved a resolution of findings that allows the use of the design-build process for the SVBX project and authorized the General Manager to proceed with solicitation of design-build contractors. As VTA moves forward with design-build contract formation, engineering services are required to support the process.

The SVRT program has existing agreements with design consultants to provide engineering services for all phases of the program\(^1\). Services are contracted incrementally by phase as the project becomes better defined and implementation proceeds. The existing consultants, the original award date of their contracts, and their area of design responsibility are as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Award Date</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>HNTB Corp</td>
<td>April 2004</td>
<td>Guideway and Utility Design</td>
</tr>
<tr>
<td>AECOM Technical Services, Inc</td>
<td>May 2004</td>
<td>Stations Design</td>
</tr>
<tr>
<td>Kimley-Horn and Associates, Inc</td>
<td>October 2009</td>
<td>Station Campus and Parking Design</td>
</tr>
<tr>
<td>PGH Wong Eng / PB Americas Inc</td>
<td>March 2004</td>
<td>Systems Design</td>
</tr>
<tr>
<td>Booz Allen Hamilton, Inc</td>
<td>June 2004</td>
<td>Design Integration</td>
</tr>
</tbody>
</table>

\(^1\) This statement does not apply to Kimley-Horn. Kimley-Horn was contracted to perform conceptual engineering for SVBX Station Campus and Parking Structures in October 2009, and is recommended to provide support for the Station Campus and Parking Structure design-build contract formation based on their successful execution of conceptual engineering.
On May 20, 2010, the Transit Planning and Operations (TP&O) Committee members will consider contract amendments for support of SVBX design-build contract formation. They are the TP&O agenda items 14, 15, 16, 17 and 18. A summary of the amendment values and scope is shown on Attachment A. At the June 3, 2010 VTA Board Meeting, staff will recommend the authorization of the General Manager to execute the contract amendments. This approval is a critical step in advancing the Silicon Valley Berryessa extension into the contract solicitation process.
## SVRT Program
### Design Consultant Amendments for Design-Build Contract Formation
*(Cost in $ x 1M)*

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Existing Contract Amount</th>
<th>Recommended Amendment Amount</th>
<th>Recommended New Contract Amount</th>
<th>Amendment Scope of Services</th>
</tr>
</thead>
</table>
| HNTB                | $82.5                    | $5.5                        | $88.0                         | - Package/Progress Guideway Design for design-build contract documents  
                                  - Develop portions of design further to obtain UPRR approvals  
                                  - Provide ROW acquisition support  
                                  - Provide Utility relocation support  
                                  - Incorporate changes to BART Facility Standards  
                                  - Support VTA during the bid and bid evaluation periods |
| AECOM               | $43.3                    | $7.0                        | $50.3                         | - Package/Progress Station Design for design-build contract documents  
                                  - Assist in obtaining aesthetics approval from municipalities  
                                  - Incorporate changes to BART Facility Standards  
                                  - Support VTA during the bid and bid evaluation periods |
| Kimley-Horn         | $8.0                     | $3.3                        | $11.3                         | - Package/Progress Station Campus and Parking design for design-build contract documents  
                                  - Assist in obtaining aesthetics approval from municipalities  
                                  - Incorporate changes to BART Facility Standards  
                                  - Support VTA during the bid and bid evaluation periods |
| Wong / PB           | $30.7                    | $9.3                        | $40.0                         | - Progress Systems Design for design-build contract documents  
                                  - Incorporate changes to BART Facility Standards  
                                  - Support VTA during the bid and bid evaluation periods |
| Booz Allen Hamilton | $16.2                    | $4.0                        | $20.2                         | - Risk Management and Mitigation  
                                  - Configuration Management  
                                  - Design Review Administration  
                                  - Interface co-ordination  
                                  - Third Party Agreement assistance  
                                  - Independent Design Review services |
| **TOTAL**           | $180.7                   | $29.1                       | $209.8                        |                                                                 |
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief SVRT Program Officer, Carolyn M. Gonot

SUBJECT: Silicon Valley Rapid Transit Program – Amendment to Engineering Services Contract with Booz Allen Hamilton, Inc.

Policy-Related Action: No
Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract amendment with Booz Allen Hamilton, Inc. in an amount of $4.0 million, and extend the contract term to June 30, 2012, for design integration engineering services for the Silicon Valley Rapid Transit Program. The current Booz Allen Hamilton, Inc. contract amount is $16.19 million.

BACKGROUND:

The extension of Bay Area Rapid Transit (BART) services into Santa Clara County is being implemented under agreement with BART by VTA’s Silicon Valley Rapid Transit Program. This extension is being implemented in stages, the first stage being a two-station (Milpitas and Berryessa) extension of approximately 10-miles from BART’s planned Warm Springs station in Alameda County to VTA’s planned Berryessa Station in the City of San José. This initial segment has been identified as the SVBX Project.

VTA completed Conceptual Engineering for the SVRT Program in 2003 and Preliminary Engineering activities in December 2006. The 65% design phase began in early 2007 and was completed in December 2008. In December 2009 the SVBX project was granted permission to enter the Preliminary Engineering phase of the Federal Transit Administration’s (FTA) New Starts funding program. VTA is seeking permission to enter the Final Design phase of the New Starts Program and anticipates that FTA will grant that permission in late 2010. This will position the project for negotiating a full Funding Grant Agreement with FTA and make the final arrangements for project completion.

In May 2010, the VTA Board of Directors approved a resolution of findings that allows the use
of the design-build process for the SVBX Project and authorized the General Manager to proceed with solicitation of design-build contractors. As VTA moves forward with design-build contract formation engineering services are required to support the process.

**DISCUSSION:**

Booz Allen Hamilton, Inc. was selected to provide engineering services for the design integration requirements for the SVRT Program, including the services contemplated by this recommended contract amendment. Services are contracted for incrementally as the project becomes better defined. The following is a listing of the amendments to the Booz Allen Hamilton, Inc. contract since its inception.

<table>
<thead>
<tr>
<th>Board Action</th>
<th>Scope of Services</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2004 Original Contract</td>
<td>SVRT Preliminary Engineering</td>
<td>$5.0 million</td>
</tr>
<tr>
<td>December 2006 Contract Amendment</td>
<td>SVRT 65% Engineering</td>
<td>$9.0 million</td>
</tr>
<tr>
<td>December 2008 Contract Amendment</td>
<td>SVRT Engineering Readiness Work Activities</td>
<td>$0.0 million</td>
</tr>
<tr>
<td>October 2009 Contract Amendment</td>
<td>SVRT Engineering Support for FTA New Starts PE</td>
<td>$2.19 million</td>
</tr>
<tr>
<td>June 2010 proposed Contract Amendment</td>
<td>SVBX Engineering Support for Design Build Contract Formation</td>
<td>$4.0 million</td>
</tr>
</tbody>
</table>

**Total:** $20.19 million

Under this amendment the contract period of performance is extended through June 30, 2012. Booz Allen Hamilton, Inc. will provide design integration engineering services to support the RFP development, bid, evaluation, and award of the SVBX design-build contracts; and provide support for planning, management, environmental clearance, and utility coordination activities during this period. More specifically, Booz Allen Hamilton, Inc will provide risk management and mitigation, configuration management, design review administration, interface coordination, third party agreement assistance, and independent design review services.

The proposed contract amendment will be structured on a time and materials basis and be managed through issuance of work directives. The estimated amendment value of $4.0 million will provide approximately 16,000 hours of engineering design services through June 30, 2012.

The Booz Allen Hamilton, Inc. team consists of four sub-consultants. Company names and details are included in Attachment A.

**ALTERNATIVES:**
There are no practical alternatives to the recommended action if VTA is to continue with formation of the SVBX design-build contracts per the project schedule.

**SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:**
Based on the identifiable subcontracting opportunities, an SBE goal of 15% has been established for this contract. This Contractor has continued to meet this goal established for this contract, and is currently forecast to maintain 15% SBE participation for the contract.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**
The Transit Planning and Operations Committee considered this item at their May 20, 2010 committee meeting. Board Member Larsen expressed concern about the magnitude of the amendment and the cost spent to date for the project in design efforts. Ms. Gonot, Chief SVRT Program Officer, provided a presentation that noted what activities each design team would be conducting, if directed by VTA, during the design-build procurement process. The work tasks will be managed by VTA and administered through work directives based on a need to meet requirements to move through the contract procurement process. The Transit Planning and Operations Committee approved the item with a 3-1 vote; Member Larsen voted no.

**FISCAL IMPACT:**
This action will authorize up to an additional $4.0 million for engineering services for the SVBX project through June 30, 2012. Appropriation for this contract amendment is available in the FY10 Adopted 2000 Measure A Transit Improvement Program Fund Capital Budget.

Prepared by: John Donahue
Memo No. 2512
## Silicon Valley Rapid Transit Program – Amendment to Engineering Services

**Contract with Booz Allen Hamilton, Inc. (Contract No. S04035)**

### Attachment A

<table>
<thead>
<tr>
<th>Contractor Firm</th>
<th>Contractor Role</th>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booz Allen Hamilton, Inc.</td>
<td>Prime Consultant</td>
<td>Bob Jones</td>
<td>101 California St., Suite 3300 San Francisco, CA 94111 (415) 391-1900</td>
</tr>
<tr>
<td>B&amp;C Transit Consultants, Inc.</td>
<td>Sub-Consultant</td>
<td>Tom Tolentino</td>
<td>14500 Doolittle Drive San Leandro, CA 94577 (510) 483-3560</td>
</tr>
<tr>
<td>LKG-CMC, Inc. (SBE)</td>
<td>Sub-Consultant</td>
<td>Claudia Elliott</td>
<td>130 S. Jackson St., Suite 200 Glendale, CA 91205 (818) 844-0800</td>
</tr>
<tr>
<td>Robert Clemons</td>
<td>Sub-Consultant</td>
<td>Robert Clemons</td>
<td>312 Panoramic Hwy Mill Valley, CA 94941-2633 (415) 388-3641</td>
</tr>
<tr>
<td>Richard Blake</td>
<td>Sub-Consultant</td>
<td>Richard Blake</td>
<td>1900 Mountain Blvd. #2 Oakland, CA 94611 (510) 339-1336</td>
</tr>
<tr>
<td>Capital Project Strategies, LLC</td>
<td>Sub-Consultant</td>
<td>Michael Loulakis</td>
<td>11710 Plaza America Drive, Suite 2000 Reston, VA 20190 (703) 871-5079</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief SVRT Program Officer, Carolyn M. Gonot

SUBJECT: Silicon Valley Rapid Transit Program – Amendment to Engineering Services Contract with HNTB Corporation

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract amendment with the HNTB Corporation in an amount not to exceed $5.5 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current HNTB Corporation board authorized contract amount is $83.34 million.

BACKGROUND:

The extension of Bay Area Rapid Transit (BART) services into Santa Clara County is being implemented under agreement with BART by VTA’s Silicon Valley Rapid Transit Program. This extension is being implemented in stages, the first stage being a two-station (Milpitas and Berryessa) extension of approximately 10-miles from BART’s planned Warm Springs station in Alameda County to VTA’s planned Berryessa Station in the City of San José. This initial segment has been identified as the SVBX Project.

VTA completed Conceptual Engineering for the SVRT Program in 2003 and Preliminary Engineering activities in December 2006. The 65% design phase began in early 2007 and was completed in December 2008. In December 2009 the SVBX project was granted permission to enter the Preliminary Engineering phase of the Federal Transit Administration’s (FTA) New Starts funding program. VTA is seeking permission to enter the Final Design phase of the New Starts Program and anticipates that FTA will grant that permission in late 2010. This will position the project for negotiating a full Funding Grant Agreement with FTA and make the final arrangements for project completion.
In May 2010, the VTA Board of Directors approved a resolution of findings that allows the use of the design-build process for the SVBX Project and authorized the General Manager to proceed with solicitation of design-build contractors. As VTA moves forward with design-build contract formation engineering services are required to support the process.

**DISCUSSION:**

Since April 2004, HNTB has provided engineering services necessary to support the SVRT Program and FRR activities from Warm Springs Station to south of Berryessa Station. Services are contracted for incrementally as the project becomes better defined and funding plans with partnering agencies are agreed to. Below is a listing of all board authorizations to the HNTB contract since its inception.

<table>
<thead>
<tr>
<th>Board Action</th>
<th>Scope of Services</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2004 Original Contract</td>
<td>SVRT Preliminary Engineering</td>
<td>$20.00 million</td>
</tr>
<tr>
<td>February 2006 Contract Amendment</td>
<td>Mission/Warren/ Truck Rail (MWT) Preliminary Engineering</td>
<td>$ 3.90 million</td>
</tr>
<tr>
<td>December 2006 Contract Amendment</td>
<td>SVRT 65% Engineering and MWT 65% Engineering</td>
<td>$36.60 million</td>
</tr>
<tr>
<td>November 2008 Contract Amendment</td>
<td>Kato Road Grade Separation 100% Engineering</td>
<td>$ 4.16 million</td>
</tr>
<tr>
<td>December 2008 Contract Amendment</td>
<td>MWT 100% Engineering and SVRT Engineering Readiness Work Activities</td>
<td>$ 7.70 million</td>
</tr>
<tr>
<td>October 2009 Contract Amendment</td>
<td>SVRT Engineering Support for FTA New Starts PE and FRR</td>
<td>$10.98 million</td>
</tr>
<tr>
<td>June 2010 Contract Amendment (Proposed)</td>
<td>SVBX Engineering Support for Design Build Contract Formation</td>
<td>$5.5 million</td>
</tr>
<tr>
<td></td>
<td><strong>Total:</strong></td>
<td><strong>$88.84 million</strong></td>
</tr>
</tbody>
</table>

Under this amendment the contract period of performance is extended through June 30, 2012. HNTB will provide guideway engineering services to support the RFP development, bid, evaluation, and award of the SVBX design-build contracts; and provide support for planning,
management, environmental clearance, utility coordination, and interface coordination activities during this period. Specific to design-build contracting, HNTB will progress the guideway design to a level suitable for the design-build contract documents, modify the existing guideway 65% Phase design-bid-build engineering documents for use in the civil design-build contract(s), develop portions of design further to achieve UPRR approvals, incorporate changes to the BART Facilities Standards, and support VTA during the bid and bid evaluation periods.

The proposed contract amendment will be structured on a time and materials basis and be managed through issuance of work directives. The estimated amendment value of $5.5 million will provide approximately 36,000 hours of engineering design services through June 30, 2012.

The HNTB team consists of seventeen sub-consultants. Company names and details are included in Attachment A.

ALTERNATIVES:
There are no practical alternatives to the recommended action if VTA is to continue with formation of the SVBX design-build contracts per the project schedule.

SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:
Based on the identifiable subcontracting opportunities, an SBE goal of 21% has been established for this contract. Contractor has achieved 18% SBE participation to date, and the contractor is currently forecast to maintain the 21% SBE goal for this contract.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:
The Transit Planning and Operations Committee considered this item at their May 20, 2010 committee meeting. Board Member Larsen expressed concern about the magnitude of the amendment and the cost spent to date for the project in design efforts. Ms. Gonot, Chief SVRT Program Officer, provided a presentation that noted what activities each design team would be conducting, if directed by VTA, during the design-build procurement process. The work tasks will be managed by VTA and administered through work directives based on a need to meet requirements to move through the contract procurement process. The Transit Planning and Operations Committee approved the item with a 3-1 vote; Member Larsen voted no.

FISCAL IMPACT:
This action will authorize up to an additional $5.5 million for engineering services for the SVBX project through June 30, 2012. Appropriation for this contract amendment is available in the FY10 Adopted 2000 Measure A Transit Improvement Program Fund Capital Budget.

Prepared by: Chris Metzger
Memo No. 2513
<table>
<thead>
<tr>
<th>Contractor Firm</th>
<th>Contractor Role</th>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>HNTB Corporation</td>
<td>Prime Consultant</td>
<td>Steve Whitaker</td>
<td>1735 Technology Drive, Suite 650, San Jose, CA 95110 (408) 451-7100</td>
</tr>
<tr>
<td>Biggs Cardosa Associates</td>
<td>Sub-Consultant Structural Design</td>
<td>Steve Biggs</td>
<td>1871 The Alameda, Suite 200, San Jose, CA 951261752 (408) 296-5515</td>
</tr>
<tr>
<td>BKF Engineering</td>
<td>Sub-Consultant</td>
<td>Dave Richwood</td>
<td>1650 Technology Drive, Suite 650, San Jose, CA 95110 (408) 467-9100 ext.16</td>
</tr>
<tr>
<td>Balance Hydrologics, Inc</td>
<td>Sub-Consultant Environmental and Hydrology Studies</td>
<td>Shawn Chartrand</td>
<td>800 Bancroft Way, Suite 101, Berkeley, CA 94710 (510) 704-1000</td>
</tr>
<tr>
<td>DE Group (SBE)</td>
<td>Sub-Consultant Longitudinal Utility Design</td>
<td>Hajaah Deen</td>
<td>2175 The Alameda, Suite 100, San Jose, CA 951261149 (408) 345-3860</td>
</tr>
<tr>
<td>AECOM Technical Services, Inc</td>
<td>Sub-Consultant</td>
<td>Dave Minister</td>
<td>2101 Webster St., Suite 1000, Oakland, CA 946123060 (510)419-6000</td>
</tr>
<tr>
<td>EXARO Technologies Corporation (SBE)</td>
<td>Sub-Consultant Field Potholing Investigation</td>
<td>Hector Dominguez</td>
<td>310 Shaw Road, Suite E, South San Francisco, CA 94080 (650) 583-3365</td>
</tr>
<tr>
<td>H T Harvey &amp; Associates</td>
<td>Sub-Consultant Plant and Irrigation Design</td>
<td>Daniel Stephens</td>
<td>983 University Ave, Bldg D, Los Gatos, CA 95032 (408) 458-3200</td>
</tr>
<tr>
<td>HDR</td>
<td>Sub-Consultant</td>
<td>Greg Chiodo</td>
<td>2121 N California Blvd, Suite 475, Walnut Creek, CA 94596 (925) 974-2511</td>
</tr>
<tr>
<td>Company</td>
<td>Sub-Consultant</td>
<td>Name</td>
<td>Address</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------------------------------------------</td>
<td>----------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Kleinfelder Inc</td>
<td>Sub-Consultant Geotech Design</td>
<td>Brian Oneill</td>
<td>1970 Broadway, Suite 710, Oakland, CA 94612</td>
</tr>
<tr>
<td>Parikh Consultants (SBE)</td>
<td>Sub-Consultant Geotech Analysis</td>
<td>Gary Parikh</td>
<td>2360 Qume Dr., Suite A, San Jose, CA 95131</td>
</tr>
<tr>
<td>PB Americas, Inc.</td>
<td>Sub-Consultant Bridge Stage Construction Plans</td>
<td>Nasser Ashrafi</td>
<td>303 Second Street, #700 North, South San Francisco, CA 94107</td>
</tr>
<tr>
<td>QEI (SBE)</td>
<td>Sub-Consultant Quality Assurance</td>
<td>Chuck Ralston</td>
<td>417 Harrison Street, Oakland, CA 94607</td>
</tr>
<tr>
<td>Transmetrics (SBE)</td>
<td>Sub-Consultant Right of Way Support</td>
<td>Jack Ybarra</td>
<td>2155 S. Bascom Ave., Suite 214, Campbell, CA 95008</td>
</tr>
<tr>
<td>Wilson, Ihrig &amp; Associates, Inc.</td>
<td>Sub-Consultant Noise and Vibration Analysis</td>
<td>Richard Carman</td>
<td>5776 Broadway, Oakland, CA 94618</td>
</tr>
<tr>
<td>Wreco (SBE)</td>
<td>Sub-Consultant Drainage Systems</td>
<td>John Mountain</td>
<td>1243 Alpine Road, Suite 108, Walnut Creek, CA 94596</td>
</tr>
<tr>
<td>YEI Engineers (SBE)</td>
<td>Sub-Consultant Mechanical and Electrical Design</td>
<td>Lawrence Lam</td>
<td>7700 Edgewater Drive, Suite 128, Oakland, CA 94621</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief SVRT Program Officer, Carolyn M. Gonot

SUBJECT: Silicon Valley Rapid Transit Program - Planning and Outreach Services
         Contract with Kimley-Horn and Associates, Inc.

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract amendment with Kimley-Horn and
Associates, Inc. in an amount of $3.3 million, and extend the contract term to June 30, 2012, for
engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the
Silicon Valley Rapid Transit Program (SVRT). The current Kimley-Horn and Associates, Inc.
board authorized contract amount is $9.5 million.

BACKGROUND:

The extension of Bay Area Rapid Transit (BART) services into Santa Clara County is being
implemented under agreement with BART by VTA’s Silicon Valley Rapid Transit Program.
This extension is being implemented in stages, the first stage being a two-station (Milpitas and
Berryessa) extension of approximately 10-miles from BART’s planned Warm Springs station in
Alameda County to VTA’s planned Berryessa Station in the City of San José. This initial
segment has been identified as the SVBX Project.

VTA completed Conceptual Engineering for the SVRT Program in 2003 and Preliminary
Engineering activities in December 2006. The 65% design phase began in early 2007 and was
completed in December 2008. In December 2009 the SVBX project was granted permission to
enter the Preliminary Engineering phase of the Federal Transit Administration’s (FTA) New
Starts funding program. VTA is seeking permission to enter the Final Design phase of the New
Starts Program and anticipates that FTA will grant that permission in late 2010. This will
position the project for negotiating a full Funding Grant Agreement with FTA and make the final
arrangements for project completion.
In May 2010, the VTA Board of Directors approved a resolution of findings that allows the use of the design-build process for the SVBX Project and authorized the General Manager to proceed with solicitation of design-build contractors. As VTA moves forward with design-build contract formation engineering services are required to support the process.

**DISCUSSION:**

Kimley-Horn and Associates, Inc. was selected to provide general planning and conceptual engineering services, and technical support and management services for SVBX. Under this agreement Kimley-Horn and Associates, Inc completed conceptual engineering for the SVBX station campuses and parking structures. Based on their successful completion of this scope Kimley-Horn and Associates, Inc are the most qualified firm to provide engineering support for this portion of design-build contract formation. Below is a listing of the board authorizations for the Kimley-Horn and Associates, Inc contract since its inception.

<table>
<thead>
<tr>
<th>Board Action</th>
<th>Scope of Services</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2009 Original</td>
<td>On-Call Transit Planning &amp; Engineering Services</td>
<td>$9.5 million</td>
</tr>
<tr>
<td>Contract Award</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 2010 Proposed</td>
<td>SVBX Engineering Support for Design Build Contract Formation</td>
<td>$3.3 million</td>
</tr>
<tr>
<td>Contract Amendment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total:</strong> $12.8 million</td>
</tr>
</tbody>
</table>

Under this amendment the contract period of performance is extended through June 30, 2012. Kimley-Horn and Associates, Inc. will provide station campus and parking engineering services to support the RFP development, bid, evaluation, and award of the SVBX design-build contracts; and provide support for planning, management, environmental clearance, utility coordination, and interface coordination activities during this period. Specific to design-build contracting, Kimley-Horn and Associates, Inc. will progress the station campus and parking design to a level suitable for the design-build contract documents, assist in obtaining aesthetics approval from municipalities, incorporate changes to the BART Facilities Standards, and support VTA during the bid and bid evaluation periods.

The proposed contract amendment will be structured on a time and materials basis and be managed through issuance of work directives. The estimated amendment value of $3.3 million will provide approximately 22,000 hours of engineering design services through June 30, 2012.

The Kimley-Horn team consists of 6 sub-consultants. Company names and details are included in Attachment A.

**ALTERNATIVES:**

There are no practical alternatives to the recommended action if VTA is to continue with formation of the SVBX design-build contracts per the project schedule.
SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:

Based on the identifiable subcontracting opportunities, an SBE goal of 15% has been established for this contract. Contractor has exceeded the SBE participation goal to-date, and the contractor is currently forecast to maintain the 15% SBE goal for the overall contract.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Transit Planning and Operations Committee considered this item at their May 20, 2010 committee meeting. Board Member Larsen expressed concern about the magnitude of the amendment and the cost spent to date for the project in design efforts. Ms. Gonot, Chief SVRT Program Officer, provided a presentation that noted what activities each design team would be conducting, if directed by VTA, during the design-build procurement process. The work tasks will be managed by VTA and administered through work directives based on a need to meet requirements to move through the contract procurement process. The Transit Planning and Operations Committee approved the item with a 3-1 vote; Member Larsen voted no.

FISCAL IMPACT:

This action will authorize up to an additional $3.3 million for engineering services for the SVBX project through June 30, 2012. Appropriation for this contract amendment is available in the FY10 Adopted 2000 Measure A Transit Improvement Program Fund Capital Budget.

Prepared by: Hassan Basma
Memo No. 2517
## Silicon Valley Rapid Transit Program Amendment to Engineering Services Contract with Kimley-Horn and Associates, Inc. (Contract No. S09148)

### Attachment A

<table>
<thead>
<tr>
<th>Contractor Firm</th>
<th>Contractor Role</th>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>VBN Architects</td>
<td>Sub-Consultant Architect Aesthetics for Campuses and Parking Structures</td>
<td>Eli Naor</td>
<td>560 14th Street Suite 4 Oakland, CA 94612 (510) 763-1313</td>
</tr>
<tr>
<td>FMG Architects</td>
<td>Sub-Consultant * Architectural for Campuses and Parking Structures</td>
<td>Claudia Guadagne</td>
<td>330 15th Street Oakland, CA 94612 (510) 465-8700</td>
</tr>
<tr>
<td>Merrill Morris Partners</td>
<td>Sub-Consultant * Landscape Architecture</td>
<td>Dan Morris</td>
<td>249 Front Street San Francisco, CA 94111 (415) 291-8960</td>
</tr>
<tr>
<td>Sierra Engineering Group</td>
<td>Sub-Consultant * Structural for Upper Penitencia Creek Crossing</td>
<td>Jesus Sierra</td>
<td>1328 Decoto Road Suite 120 Union City, CA 94587 (510) 487-9192</td>
</tr>
<tr>
<td>Taradigm</td>
<td>Sub-Consultant* Scheduling</td>
<td>Terri Maginnis</td>
<td>4227 Sunrise Boulevard #220 Fair Oaks, CA 95628 (866) 847-7515</td>
</tr>
<tr>
<td>Morrow Surveying, Inc.</td>
<td>Sub-Consultant* Surveying</td>
<td>Matt Morrow</td>
<td>1255 Starboard Drive West Sacramento, CA 95691 (916) 372-8124</td>
</tr>
</tbody>
</table>

*Indicates SBE Firm
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief SVRT Program Officer, Carolyn M. Gonot

SUBJECT: Silicon Valley Rapid Transit Program – Amendment to Engineering Services Contract with PGH Wong Engineering/PB Americas Joint Venture

Policy-Related Action: No  Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract amendment with PGH Wong Engineering, Inc. and PB Americas, Inc. (Wong/PB Joint Venture) in an amount not to exceed $9.3 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current Wong/PB Joint Venture contract amount is $30.7 million.

BACKGROUND:

The extension of Bay Area Rapid Transit (BART) services into Santa Clara County is being implemented under agreement with BART by VTA’s Silicon Valley Rapid Transit Program. This extension is being implemented in stages, the first stage being a two-station (Milpitas and Berryessa) extension of approximately 10-miles from BART’s planned Warm Springs station in Alameda County to VTA’s planned Berryessa Station in the City of San José. This initial segment has been identified as the SVBX Project.

VTA completed Conceptual Engineering for the SVRT Program in 2003 and Preliminary Engineering activities in December 2006. The 65% design phase began in early 2007 and was completed in December 2008. In December 2009 the SVBX project was granted permission to enter the Preliminary Engineering phase of the Federal Transit Administration’s (FTA) New Starts funding program. VTA is seeking permission to enter the Final Design phase of the New Starts Program and anticipates that FTA will grant that permission in late 2010. This will position the project for negotiating a full Funding Grant Agreement with FTA and make the final arrangements for project completion.
In May 2010, the VTA Board of Directors approved a resolution of findings that allows the use of the design-build process for the SVBX Project and authorized the General Manager to proceed with solicitation of design-build contractors. As VTA moves forward with design-build contract formation engineering services are required to support the process.

**DISCUSSION:**

The Wong/PB Joint Venture was selected to provide engineering services for the systems components for the SVRT Program, including the services contemplated by this recommended contract amendment. Services are contracted for incrementally as the project becomes better defined. The following is a listing of the amendments to the Wong/PB Joint Venture contract since its inception.

<table>
<thead>
<tr>
<th>Board Action</th>
<th>Scope of Services</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2004 Original</td>
<td>SVRT Preliminary Engineering</td>
<td>$14.2 million</td>
</tr>
<tr>
<td>Contract Amendment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2006</td>
<td>SVRT 65% Engineering</td>
<td>$15.0 million</td>
</tr>
<tr>
<td>Contract Amendment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2008</td>
<td>SVRT Engineering Readiness Work Activities</td>
<td>time extension</td>
</tr>
<tr>
<td>Contract Amendment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>October 2009</td>
<td>SVRT Engineering Support for FTA New Starts PE</td>
<td>$1.5 million</td>
</tr>
<tr>
<td>Contract Amendment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 2010 proposed</td>
<td>SVBX Engineering Support for Design Build Contract Formation</td>
<td>$9.3 million</td>
</tr>
<tr>
<td>Contract Amendment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total:** $40.0 million

Under this amendment the contract period of performance is extended through June 30, 2012. The Wong/PB Joint Venture will provide systems engineering services necessary to support the RFP development, bid, evaluation, and award of the SVBX design-build contracts; and provide support for planning, management, environmental clearance, utility coordination, and interface coordination activities during this period. Specific to design-build contracting, Wong/PB Joint Venture will progress the systems design to a level suitable for the design-build contract documents, modify the existing 65% Phase design-bid-build engineering documents for use in the design-build contract(s), incorporate changes to the BART Facilities Standards, and support VTA during the design-build contract bid and bid evaluation periods.

The proposed contract amendment will be structured on a time and materials basis and be managed through issuance of work directives. The estimated amendment value of $9.3 million will provide approximately 62,000 hours of engineering design services through June 30, 2012.

The Wong/PB Joint Venture team consists of five sub-consultants. Company names and details...
are included in Attachment A.

**ALTERNATIVES:**

There are no practical alternatives to the recommended action if VTA is to continue with the formation of the SVBX systems design-build contract per the project schedule.

**SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:**

Based on the identifiable subcontracting opportunities, an SBE goal of 19% has been established for this contract. To-date the contractor has continued to meet the established SBE participation goal, and is currently forecast to maintain the 19% SBE goal for the contract.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Transit Planning and Operations Committee considered this item at their May 20, 2010 committee meeting. Board Member Larsen expressed concern about the magnitude of the amendment and the cost spent to date for the project in design efforts. Ms. Gonot, Chief SVRT Program Officer, provided a presentation that noted what activities each design team would be conducting, if directed by VTA, during the design-build procurement process. The work tasks will be managed by VTA and administered through work directives based on a need to meet requirements to move through the contract procurement process. The Transit Planning and Operations Committee approved the item with a 3-1 vote; Member Larsen voted no.

**FISCAL IMPACT:**

This action will authorize up to an additional $9.3 million for engineering services for the SVBX project through June 30, 2012. Appropriation for this contract amendment is available in the FY10 Adopted 2000 Measure A Transit Improvement Program Fund Capital Budget.

Prepared by: Sai Ramadas
Memo No. 2518
## Silicon Valley Rapid Transit Program – Amendment to Engineering Services Contract with PGH Wong Engineering, Inc./PB Americas, Inc. Joint Venture (Contract No. S03100)

### Attachment A

<table>
<thead>
<tr>
<th>Contractor Firm</th>
<th>Contractor Role</th>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGH Wong Engineering, Inc.</td>
<td>Prime Consultant</td>
<td>Jeffrey Katz</td>
<td>182 Second Street, 5th Floor San Francisco, CA 94105 415-566-0800</td>
</tr>
<tr>
<td>PB Americas, Inc.</td>
<td>Prime Consultant</td>
<td>Anthony Murphy</td>
<td>303 Second Street, Suite 700, North San Francisco, CA 94107 415-243-4787</td>
</tr>
<tr>
<td>B&amp;C Transit Consultants, Inc. (SBE)</td>
<td>Sub-Consultant</td>
<td>Alberto Fernandez</td>
<td>14500 Doolittle Drive San Leandro, CA 94577 510-483-3560</td>
</tr>
<tr>
<td>AECOM Technical Services, Inc.</td>
<td>Sub-Consultant</td>
<td>Charles Beauvoir</td>
<td>2101 Webster Street, Suite 1000, Oakland, CA 94612-3060 510-419-6000</td>
</tr>
<tr>
<td>Transportation Decision Systems, Inc. (SBE)</td>
<td>Sub-Consultant</td>
<td>Bjorn Conrad</td>
<td>444 First Street, Suite K Los Altos, CA 94022 650-949-1101</td>
</tr>
<tr>
<td>Philip J. McQueen Corporation</td>
<td>Sub-Consultant</td>
<td>Philip J. McQueen</td>
<td>2175 Francisco Blvd., Suite J San Rafael, CA 94901 415-456-3771</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Financial Officer, Joseph T. Smith

SUBJECT: Fiscal Year 2010 Quarterly Statement of Revenues and Expenses for the Period
         Ending March 31, 2010

Policy-Related Action: No  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Review and accept the Fiscal Year 2010 Quarterly Statement of Revenues and Expenses for the period ending March 31, 2010.

DISCUSSION:

This memorandum provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through March 31, 2010. The schedule has been designed to follow the same company-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of actual to budget activities for the current fiscal year, along with a column reflecting the percentage of the budget exhausted (actual revenue received or funds expended) to date. The $7.5M reduction in FY 2010 appropriation approved by the Board of Directors on December 10, 2009 is reflected in the current budget column. The current staff projections of Revenues and Expenses for Fiscal Year 2010 are also included.

The following are highlights of the current Statement of Revenues and Expenses:

Revenues

Fiscal year-to-date Total Revenues (line 11) are below budget estimates by $5.7M, primarily due to unfavorable variances in Sales Tax-based accounts including 1976 Half-Cent Sales Tax (line 2), TDA (line 3), and Measure A Sales Tax Operating Assistance (line 4). This shortfall was partially offset by a positive variance in Federal Operating Grants (line 6).
Sales Tax-based revenues, including 1976 Half-Cent Sales Tax (line 2), TDA (line 3), and Measure A Sales Tax Operating Assistance (line 4), accounted for a collective shortfall of $10.3M below budget estimates. This is a reflection of the impact of a slowing economy upon locally generated taxable sales. Current projections for these revenue sources for FY 2010 reflect a 6.6% decrease from FY 2009 receipts.

Federal Operating Grants (line 6) shows an increase of $5.9M over budget, the result of utilizing 10% of American Recovery and Reinvestment Act of 2009 (ARRA) funds for operating and reprogramming unused capital grants and supplemental ARRA funds to preventive maintenance.

Expenses

Overall, Fiscal year-to-date Total Expenses (line 44) were $7.8M below budget driven primarily by favorable variances in Professional & Special Services (line 15), Other Services (line 16), Fuel (line 17), Paratransit (line 30), and Debt Service (line 38).

Professional & Special Services (line 15) and Other Services (line 16) have positive variances of $0.9M and $0.6M respectively, generally due to timing of contracted activities and overall cost containment measures.

Fuel (line 17) was $0.6M below budget due primarily to lower usage related to service reductions instituted in January 2010.

Paratransit (line 31) shows a positive variance of $1.4M through the third quarter, the product of continued efficiency strategies to contain costs and a decrease in passenger rides.

Debt Service (line 38) shows a positive variance of $1.8M through the first two quarters due to lower than anticipated interest rates on variable rate debt.

SUMMARY:

Through the first three quarters of the year, revenues fell short of budgeted projections by $5.7M while expenses were $7.8M below budget estimates, for an overall positive variance of revenues over expenses (line 45) of $2.2M.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration and Finance Committee approved this item on its May 20, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the Administration and Finance Committee meeting.

FISCAL IMPACT:

There is no fiscal impact as a result of this action.
### SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

#### STATEMENT OF REVENUES AND EXPENSES

**Fiscal Year 2010**

**through March 31, 2010**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Category</th>
<th>Fiscal Year-to-Date Actual</th>
<th>Fiscal Year-to-Date Budget</th>
<th>Year-to-Date Variance</th>
<th>FY 2010 Current Budget¹</th>
<th>% of Budget Received/Expended</th>
<th>FY 2010 Projection²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fares</td>
<td>27,231</td>
<td>28,218</td>
<td>(987)</td>
<td>38,533</td>
<td>70.67%</td>
<td>35,860</td>
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<tr>
<td>2</td>
<td>1976 Half-Cent Sales Tax</td>
<td>99,868</td>
<td>107,160</td>
<td>(7,292)</td>
<td>144,420</td>
<td>69.15%</td>
<td>128,509</td>
</tr>
<tr>
<td>3</td>
<td>TDA</td>
<td>49,176</td>
<td>50,908</td>
<td>(1,732)</td>
<td>67,877</td>
<td>72.45%</td>
<td>60,399</td>
</tr>
<tr>
<td>4</td>
<td>Measure A Sales Tax-Oper Asst</td>
<td>18,256</td>
<td>19,574</td>
<td>(1,318)</td>
<td>26,380</td>
<td>69.20%</td>
<td>23,719</td>
</tr>
<tr>
<td>5</td>
<td>STA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>15,505</td>
</tr>
<tr>
<td>6</td>
<td>Federal Operating Grants</td>
<td>44,104</td>
<td>38,166</td>
<td>5,938</td>
<td>50,946</td>
<td>86.57%</td>
<td>61,641</td>
</tr>
<tr>
<td>7</td>
<td>State Operating Grants</td>
<td>1,778</td>
<td>1,517</td>
<td>261</td>
<td>2,023</td>
<td>87.89%</td>
<td>2,023</td>
</tr>
<tr>
<td>8</td>
<td>Investment Earnings</td>
<td>1,369</td>
<td>1,647</td>
<td>(278)</td>
<td>2,196</td>
<td>62.34%</td>
<td>1,500</td>
</tr>
<tr>
<td>9</td>
<td>Advertising Income</td>
<td>1,289</td>
<td>1,517</td>
<td>(228)</td>
<td>2,023</td>
<td>63.72%</td>
<td>1,683</td>
</tr>
<tr>
<td>10</td>
<td>Other Income</td>
<td>6,787</td>
<td>6,819</td>
<td>(32)</td>
<td>15,202</td>
<td>44.65%</td>
<td>15,202</td>
</tr>
<tr>
<td></td>
<td><strong>Total Revenues</strong></td>
<td><strong>249,857</strong></td>
<td><strong>255,526</strong></td>
<td><strong>(5,668)</strong></td>
<td><strong>349,600</strong></td>
<td><strong>71.47%</strong></td>
<td><strong>346,042</strong></td>
</tr>
<tr>
<td>11</td>
<td>Labor Costs</td>
<td>186,643</td>
<td>187,158</td>
<td>515</td>
<td>249,302</td>
<td>74.87%</td>
<td>249,302</td>
</tr>
<tr>
<td>12</td>
<td>Materials &amp; Supplies</td>
<td>11,537</td>
<td>11,554</td>
<td>17</td>
<td>15,412</td>
<td>74.86%</td>
<td>15,322</td>
</tr>
<tr>
<td>13</td>
<td>Security</td>
<td>5,386</td>
<td>5,611</td>
<td>225</td>
<td>7,484</td>
<td>71.97%</td>
<td>7,484</td>
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<tr>
<td>14</td>
<td>Professional &amp; Special Services</td>
<td>1,821</td>
<td>2,697</td>
<td>876</td>
<td>3,745</td>
<td>48.62%</td>
<td>3,510</td>
</tr>
<tr>
<td>15</td>
<td>Other Services</td>
<td>5,444</td>
<td>6,028</td>
<td>584</td>
<td>7,913</td>
<td>68.80%</td>
<td>7,872</td>
</tr>
<tr>
<td>16</td>
<td>Fuel</td>
<td>7,488</td>
<td>8,125</td>
<td>637</td>
<td>10,829</td>
<td>69.15%</td>
<td>10,944</td>
</tr>
<tr>
<td>17</td>
<td>Traction Power</td>
<td>2,300</td>
<td>2,449</td>
<td>149</td>
<td>3,351</td>
<td>68.64%</td>
<td>3,276</td>
</tr>
<tr>
<td>18</td>
<td>Tires</td>
<td>1,146</td>
<td>1,198</td>
<td>52</td>
<td>1,597</td>
<td>71.76%</td>
<td>1,523</td>
</tr>
<tr>
<td>19</td>
<td>Utilities</td>
<td>1,799</td>
<td>1,846</td>
<td>47</td>
<td>2,461</td>
<td>73.10%</td>
<td>2,462</td>
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<tr>
<td>20</td>
<td>Insurance</td>
<td>3,537</td>
<td>3,579</td>
<td>42</td>
<td>4,722</td>
<td>74.12%</td>
<td>4,772</td>
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<tr>
<td>21</td>
<td>Data Processing</td>
<td>1,501</td>
<td>1,810</td>
<td>309</td>
<td>2,459</td>
<td>61.04%</td>
<td>2,459</td>
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<tr>
<td>22</td>
<td>Office Expense</td>
<td>214</td>
<td>260</td>
<td>46</td>
<td>347</td>
<td>61.67%</td>
<td>347</td>
</tr>
<tr>
<td>23</td>
<td>Communications</td>
<td>848</td>
<td>798</td>
<td>(50)</td>
<td>1,039</td>
<td>81.62%</td>
<td>1,039</td>
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<tr>
<td>24</td>
<td>Employee Related Expense</td>
<td>406</td>
<td>627</td>
<td>221</td>
<td>828</td>
<td>49.03%</td>
<td>818</td>
</tr>
<tr>
<td>25</td>
<td>Leases &amp; Rents</td>
<td>303</td>
<td>385</td>
<td>82</td>
<td>512</td>
<td>59.18%</td>
<td>512</td>
</tr>
<tr>
<td>26</td>
<td>Miscellaneous</td>
<td>396</td>
<td>637</td>
<td>241</td>
<td>908</td>
<td>43.61%</td>
<td>840</td>
</tr>
<tr>
<td>27</td>
<td>Reimbursements</td>
<td>(32,108)</td>
<td>(31,696)</td>
<td>412</td>
<td>(41,604)</td>
<td>77.18%</td>
<td>(41,447)</td>
</tr>
<tr>
<td>28</td>
<td><strong>Subtotal Operating Expense</strong></td>
<td><strong>198,660</strong></td>
<td><strong>203,066</strong></td>
<td><strong>4,405</strong></td>
<td><strong>271,356</strong></td>
<td><strong>73.21%</strong></td>
<td><strong>271,036</strong></td>
</tr>
<tr>
<td>29</td>
<td>Paratransit³</td>
<td>20,201</td>
<td>21,620</td>
<td>1,419</td>
<td>29,275</td>
<td>69.00%</td>
<td>26,690</td>
</tr>
<tr>
<td>30</td>
<td>Caltrain³</td>
<td>13,612</td>
<td>13,632</td>
<td>20</td>
<td>18,179</td>
<td>74.88%</td>
<td>18,179</td>
</tr>
<tr>
<td>31</td>
<td>Light Rail Shuttles³</td>
<td>30</td>
<td>26</td>
<td>(4)</td>
<td>34</td>
<td>88.24%</td>
<td>34</td>
</tr>
<tr>
<td>32</td>
<td>Altamont Commuter Express³</td>
<td>3,280</td>
<td>3,350</td>
<td>70</td>
<td>4,468</td>
<td>73.41%</td>
<td>4,388</td>
</tr>
<tr>
<td>33</td>
<td>Highway 17 Express³</td>
<td>251</td>
<td>309</td>
<td>58</td>
<td>411</td>
<td>61.07%</td>
<td>325</td>
</tr>
<tr>
<td>34</td>
<td>Dumbarton Express³</td>
<td>308</td>
<td>343</td>
<td>35</td>
<td>457</td>
<td>67.40%</td>
<td>410</td>
</tr>
<tr>
<td>35</td>
<td>Monterey-San Jose Express Service³</td>
<td>30</td>
<td>34</td>
<td>4</td>
<td>46</td>
<td>65.22%</td>
<td>46</td>
</tr>
<tr>
<td>36</td>
<td>Contribution to Other Agencies</td>
<td>431</td>
<td>503</td>
<td>72</td>
<td>671</td>
<td>64.23%</td>
<td>657</td>
</tr>
<tr>
<td>37</td>
<td>Debt Service</td>
<td>9,274</td>
<td>11,039</td>
<td>1,765</td>
<td>20,568</td>
<td>45.09%</td>
<td>18,893</td>
</tr>
<tr>
<td>38</td>
<td>Other Expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
</tr>
<tr>
<td>39</td>
<td><strong>Subtotal Other Expense</strong></td>
<td><strong>47,417</strong></td>
<td><strong>50,856</strong></td>
<td><strong>3,439</strong></td>
<td><strong>74,109</strong></td>
<td><strong>63.98%</strong></td>
<td><strong>69,622</strong></td>
</tr>
<tr>
<td>40</td>
<td><strong>Operating &amp; Other Expenses</strong></td>
<td><strong>246,077</strong></td>
<td><strong>253,922</strong></td>
<td><strong>7,844</strong></td>
<td><strong>345,465</strong></td>
<td><strong>71.23%</strong></td>
<td><strong>340,658</strong></td>
</tr>
<tr>
<td>41</td>
<td>Contingency</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>250</td>
<td>0.00%</td>
<td>250</td>
</tr>
<tr>
<td>42</td>
<td>Contingency Utilization</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
</tr>
<tr>
<td>43</td>
<td><strong>Total Expenses</strong></td>
<td><strong>246,077</strong></td>
<td><strong>253,922</strong></td>
<td><strong>7,844</strong></td>
<td><strong>345,715</strong></td>
<td><strong>71.18%</strong></td>
<td><strong>340,908</strong></td>
</tr>
<tr>
<td>44</td>
<td>Surplus/(Deficit) to Reserves</td>
<td><strong>3,780</strong></td>
<td><strong>1,604</strong></td>
<td><strong>2,176</strong></td>
<td><strong>3,885</strong></td>
<td><strong>5,134</strong></td>
<td></td>
</tr>
</tbody>
</table>

¹ Reflects Adopted Budget approved by the Board on June 4, 2009 less $7.5M reduction approved by Board on December 10, 2009 and $180K transfer to Capital
² Reflects current staff projection as of 4/8/10
³ Includes allocation of indirect costs
### SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
### SOURCES AND USES OF FUNDS SUMMARY
### Fiscal Year 2010
### through March 31, 2010
### (Dollar in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY 2010 Adopted Budget</th>
<th>FY 2010 Current Budget</th>
<th>FY 2010 Projection</th>
<th>FY 2011 Adopted Budget</th>
<th>FY 2010 Current Budget</th>
<th>FY 2010 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Revenues</td>
<td>349,600</td>
<td>349,600</td>
<td>346,042</td>
<td>336,255</td>
<td>336,255</td>
<td>322,363</td>
</tr>
<tr>
<td>2</td>
<td>Total Operating Expenses</td>
<td>353,395</td>
<td>345,715</td>
<td>340,908</td>
<td>359,529</td>
<td>352,029</td>
<td>348,329</td>
</tr>
<tr>
<td>3</td>
<td>Operating Revenues Over (Under) Expenses</td>
<td>(3,795)</td>
<td>3,885</td>
<td>5,134</td>
<td>(23,274)</td>
<td>(15,774)</td>
<td>(25,966)</td>
</tr>
<tr>
<td>4</td>
<td>Total VTA Transit Capital</td>
<td>102,481</td>
<td>102,661</td>
<td>102,661</td>
<td>17,228</td>
<td>17,228</td>
<td>17,228</td>
</tr>
<tr>
<td>5</td>
<td>Less: Funding from Grants &amp; Other Sources</td>
<td>(96,040)</td>
<td>(96,040)</td>
<td>(88,683)</td>
<td>(13,403)</td>
<td>(13,403)</td>
<td>(13,403)</td>
</tr>
<tr>
<td>6</td>
<td>VTA Transit Share, drawn from Reserves</td>
<td>6,441</td>
<td>6,621</td>
<td>13,978</td>
<td>3,825</td>
<td>3,825</td>
<td>3,825</td>
</tr>
<tr>
<td>7</td>
<td>Beginning Reserves</td>
<td>46,045</td>
<td>46,045</td>
<td>46,045</td>
<td>42,250</td>
<td>49,930</td>
<td>51,179</td>
</tr>
<tr>
<td>8</td>
<td>Operating Revenues Over (Under) Expenses</td>
<td>(3,795)</td>
<td>3,885</td>
<td>5,134</td>
<td>(23,274)</td>
<td>(15,774)</td>
<td>(25,966)</td>
</tr>
<tr>
<td>9</td>
<td>From (To) Debt Reduction Fund for Capital</td>
<td>6,441</td>
<td>6,621</td>
<td>13,978</td>
<td>3,825</td>
<td>3,825</td>
<td>3,825</td>
</tr>
<tr>
<td>10</td>
<td>VTA Transit Funds, drawn from Reserves for Capital</td>
<td>(6,441)</td>
<td>(6,621)</td>
<td>(13,978)</td>
<td>(3,825)</td>
<td>(3,825)</td>
<td>(3,825)</td>
</tr>
<tr>
<td>11</td>
<td>Projected Ending Operating Reserves</td>
<td>42,250</td>
<td>49,930</td>
<td>51,179</td>
<td>18,976</td>
<td>34,156</td>
<td>25,213</td>
</tr>
<tr>
<td>12</td>
<td>Projected Operating Reserve %</td>
<td>12.0%</td>
<td>14.4%</td>
<td>14.8%</td>
<td>5.3%</td>
<td>9.7%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

1. Adopted Budget approved by the Board on June 4, 2009
2. Reflects $7.5M reduction approved by the Board on December 10, 2009 for each fiscal year and $180K transfer from Operating Expense (line 2) to Capital (line 4) for FY10
3. Reflects current staff projection as of 4/8/10
4. Line 11 divided by Budgeted Line 2
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: Programmed Project Monitoring - Quarterly Report

FOR INFORMATION ONLY

Every quarter, the Programmed Projects Quarterly Monitoring Report is presented to the VTA Board of Directors and the Policy and Technical Advisory Committees. The objective of the report is to assist VTA staff, the Advisory Committees, the VTA Board and project sponsors in tracking progress of the projects funded through programming actions of the VTA Board.

The Programmed Projects Quarterly Monitoring Report for January-March 2010 is attached for review. This report provides the latest status on discretionary funded projects.

All of the projects with funds that expired in 2009 are progressing smoothly.

Selection of federally funded projects for fiscal years 2010 and 2011 will be programmed in July 2010.

The next Programmed Projects Quarterly Monitoring Report will be prepared for the quarter between April and June 2010.

ADVISORY COMMITTEE REVIEW/RECOMMENDATION:

The Technical Advisory and Policy Advisory Committees received this item at their May 13, 2010 meetings. The committees voted to forward the recommendations to the Board.

STANDING COMMITTEE REVIEW/RECOMMENDATION:

The Congestion Management Program & Planning Committee met on May 21, 2010. The committee considered this item as part of its Consent Agenda and approved it unanimously without comment.

Prepared By: Bill Hough
Memo No. 2562
**Project Title:** ACE Track Improvements

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>ACE</th>
<th>Project Title:</th>
<th>ACE Track Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Project Phase</td>
<td>Funds ($000)</td>
</tr>
<tr>
<td>1 of 1</td>
<td>ALA010015</td>
<td>Construct 8,000 ft. passing siding between UPRR milepost 56.9 &amp; 30.8 in the Livermore Valley.</td>
<td>Planning</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PE/ENV</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Right of Way</td>
</tr>
<tr>
<td>Fund Source</td>
<td></td>
<td>Manager Name</td>
<td>Brian Schmidt</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Phone/Fax</td>
<td>(209) 944-6220</td>
</tr>
<tr>
<td></td>
<td></td>
<td>E-Mail</td>
<td><a href="mailto:brian@acerail.com">brian@acerail.com</a></td>
</tr>
</tbody>
</table>

Project remains on hold. Working out issues with UPRR.
### Programmed Projects Quarterly Monitoring Report
January-March 2010

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>Caltrans</th>
<th>Project Title:</th>
<th>Guadalupe, riparian habitat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>SCL030008</td>
<td>Project Description</td>
<td>Route 87 San Jose - monitor riparian habitat</td>
</tr>
<tr>
<td>Project Title:</td>
<td>Guadalupe, riparian habitat</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Phase</td>
<td>Funds ($000)</td>
<td>Schedule</td>
<td></td>
</tr>
<tr>
<td>Programmed Year</td>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start</td>
<td>End</td>
<td>Comments</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PE/ENV</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Right of Way</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This project is for long-term monitoring of environmental commitments.

| Fund Source | RIP $750 |
| Manager Name | Nick Saleh |
| Phone/Fax | 510-286-6355/510-622-5460 |
| E-Mail | nick_saleh@dot.ca.gov |
| Funds Expire | 6/30/11 |

| Project Title: | US 101/SR 87 Trimble Road Landscaping |
| Project No | SCL050013 |
| Project Description | US 101 from SR 87 interchange to 0.4 km north of Trimble Road. Landscape mitigation. |
| Project Phase | Funds ($000) | Schedule |
| Programmed Year | Current |
| Start | End | Comments |
| Planning | $0 | |
| PE/ENV | $0 | |
| Right of Way | $23 | 10/11 |

| Fund Source | HTP (FY11) $2,290 |
| Manager Name | Nick Saleh |
| Phone/Fax | (510) 286-6355/ (510) 622-5460 |
| E-Mail | nick_saleh@dot.ca.gov |
| Funds Expire | 6/30/11 |

### Additional Information
- **Manager Name**: Nick Saleh
- **Phone/Fax**: 510-286-6355/510-622-5460
- **E-Mail**: nick_saleh@dot.ca.gov
- **Last Updated**: 10/5/2009
- **Funds Expire**: 6/30/11

---

**Caltrans**
## Project Title:
Route 680 Southbound HOV Lane Between Route 84 and Route 237

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>Caltrans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
</tr>
<tr>
<td>SCL991077</td>
<td>Construct final southbound HOV lane on I-680 between Rte 84 and Rte 237, including aux. lanes &amp; ramp metering.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PE/ENV</td>
<td>$0</td>
<td></td>
<td>complete</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$0</td>
<td></td>
<td>complete</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>RTIP $11,102</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$8,308</td>
<td>07/08</td>
<td>11/11</td>
</tr>
</tbody>
</table>

| Manager Name | Emily Landin-Lowe | Design | $0 | complete |

| Phone/Fax | (510) 286-5124 | Construction | Total | $8,308 | Last Updated | 3/22/2010 |

| E-Mail | emily_landin-lowe@dot.ca.gov | Total | $8,308 |               |          |

<table>
<thead>
<tr>
<th>Days Expire</th>
<th>obligated/awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Under construction and ahead of schedule.
<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of Campbell</th>
<th>Project Title:</th>
<th>Winchester Boulevard Improvement Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Project Phase</td>
<td>Funds ($000)</td>
</tr>
<tr>
<td>4656.00</td>
<td>In Campbell: Winchester Blvd. from Latimer Ave to Budd Ave; pedestrian enhancements; install landscaped median; install decorative street lights.</td>
<td>Planning</td>
<td>$0</td>
</tr>
<tr>
<td>PE/ENV</td>
<td>$110</td>
<td>2010</td>
<td>3/10</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager Name</td>
<td>Fredrick Ho</td>
<td>Design</td>
<td>$0</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-866-2156</td>
<td>Construction</td>
<td>$1,289</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:fredh@cityofcampbell.com">fredh@cityofcampbell.com</a></td>
<td>Total</td>
<td>$1,399</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of Campbell</th>
<th>Project Title:</th>
<th>East Campbell Avenue Master Plan Project (BEP Project)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Project Phase</td>
<td>Funds ($000)</td>
</tr>
<tr>
<td>SCL070022</td>
<td>East Campbell Ave from Railroad Ave to Union Ave; Reconfiguring intersection, widen the bridge over Los Gatos Creek, install bike lanes where feasible plus landscaping, streetscaping &amp; public art.</td>
<td>Planning</td>
<td>$0</td>
</tr>
<tr>
<td>PE/ENV</td>
<td>$712</td>
<td>2007/9</td>
<td></td>
</tr>
<tr>
<td>Right of Way</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager Name</td>
<td>Matthew Jue</td>
<td>Design</td>
<td>$0</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-866-2154</td>
<td>Construction</td>
<td>$2,996</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:MATTHEWJ@ci.campbell.ca.u">MATTHEWJ@ci.campbell.ca.u</a></td>
<td>Total</td>
<td>$3,708</td>
</tr>
</tbody>
</table>
**Programmed Projects Quarterly Monitoring Report**  
January-March 2010

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL070039</td>
<td>On 6th St. btw Eigleberry &amp; Monterey St. and Monterey &amp; Railroad Street; streetscape enhancements including decorative sidewalks, curb bulbouts, pedestrian lighting, banners, shade trees, bike racks &amp; street furniture.</td>
<td>Planning</td>
<td>$0</td>
<td></td>
<td>Gilroy anticipates collecting bids this spring.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PE/ENV</td>
<td>$48</td>
<td>2008</td>
<td>completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Right of Way</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Fund Source**  
CMAQ $1174  
Local $197

**Manager Name**  
Don Dey

**Phone/Fax**  
408-846-0450

**E-Mail**  
don.dey@ci.gilroy.ca.us

**Funds Expire**  
obligated

**Last Updated**  
3/22/2010

**Project Title:** Gilroy 6th Street Streetscape West/East

**Sponsor:** City of Gilroy
<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of Milpitas</th>
<th>Project Title:</th>
<th>So. Abel &amp; So. Main Streetscape Imps. - Phase 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Project Phase</td>
<td>Funds ($000)</td>
</tr>
<tr>
<td>SCL070037</td>
<td>Implement roadway infrastructure, bike/ped, public transit and streetscape improvements on S. Abel &amp; S. Main Streets btw Great Mall Parkway &amp; Montague Expressway.</td>
<td>Planning</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PE/ENV</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Right of Way</td>
<td>$0</td>
</tr>
<tr>
<td>Fund Source</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>CMAQ $850</td>
<td></td>
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</tr>
<tr>
<td>local $450</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Project Phase</td>
<td>Schedule</td>
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<td></td>
<td>Programmed Year</td>
<td>Current</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Start</td>
<td>End</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PE/ENV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Right of Way</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager Name</td>
<td>Joe Ezeokeke</td>
<td>Design</td>
<td>$100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete</td>
<td></td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>(408) 586-3316</td>
<td>Construction</td>
<td>$888</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Funds Expire</td>
<td>obligated/awarded</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:jezeokeke@ci.milpitas.ca.gov">jezeokeke@ci.milpitas.ca.gov</a></td>
<td>Total</td>
<td>$988</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Last Updated</td>
<td>4/15/2010</td>
</tr>
</tbody>
</table>

Comments: Work completed except for PG&E power connection, currently scheduled for April 26.
<table>
<thead>
<tr>
<th>Sponsor: City of Palo Alto</th>
<th>Project Title: Citywide Traffic Signal Upgrade</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Project Phase</td>
</tr>
<tr>
<td>SCL050001</td>
<td>Traffic signal upgrades requiring the installation of hardware and software at 9 major intersections in Palo Alto.</td>
<td>Planning</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PE/ENV</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Right of Way</td>
</tr>
<tr>
<td></td>
<td>Manager Name</td>
<td>Design</td>
</tr>
<tr>
<td></td>
<td>Phone/Fax</td>
<td>Construction</td>
</tr>
<tr>
<td></td>
<td>E-Mail</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sponsor: City of Palo Alto</th>
<th>Project Title: Stanford Avenue-El Camino Real Intersection Project</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Project Phase</td>
</tr>
<tr>
<td>SCL070023</td>
<td>Palo Alto: Intersection of Stanford Ave and El Camino Real; Design and Construction of intersection improvements including bulbouts, enhanced paving, lighting and storm drain outlet</td>
<td>Planning</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PE/ENV</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Right of Way</td>
</tr>
<tr>
<td></td>
<td>Manager Name</td>
<td>Design</td>
</tr>
<tr>
<td></td>
<td>Phone/Fax</td>
<td>Construction</td>
</tr>
<tr>
<td></td>
<td>E-Mail</td>
<td>Total</td>
</tr>
</tbody>
</table>

Earmark $368
Local $98

Manager Name: Sam Peiris
Phone/Fax: 650-329-2425
E-Mail: Sam.Peiris@CityofPaloAlto.org

Manager Name: Shahla Yazdy
Phone/Fax: 650-617-3151
E-Mail: Shahla.Yazdy@CityofPaloAlto.org

City of Palo Alto

Page 7 of 25
### San Carlos Multimodal Streetscape Improvements

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Title</th>
<th>Sponsor: City of San Jose</th>
<th>Project Description</th>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>4653.00</td>
<td></td>
<td></td>
<td>in San Jose: pedestrian-oriented improvements to enhance pedestrian accessibility to public transit including VTA's light rail and bus system that will link San Jose State University and Downtown San Jose.</td>
<td>Planning</td>
<td>$343</td>
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### Lower Guadalupe River Trail-Tasman Drive Underpass

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<tr>
<td>4654.00</td>
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<td>Improve Lower Guadalupe River Trail's Tasman Drive underpass.</td>
<td>Planning</td>
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### Silicon Valley Transportation Management Center (TMC)

**Project Title:** Construct a new regional Traffic Management Center in the SJ Civic Center that will allow for better integration of local & regional traffic management

<table>
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<th>Sponsor:</th>
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<tr>
<td><strong>Project No</strong></td>
<td>SCL010041</td>
<td><strong>Project Description</strong></td>
<td>Construct a new regional Traffic Management Center in the SJ Civic Center that will allow for better integration of local &amp; regional traffic management</td>
<td><strong>Silicon Valley Transportation Management Center (TMC)</strong></td>
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<td><strong>Fund Source</strong></td>
<td>City Funds $300</td>
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<td>Advertisement of the SVITS WAN Consultant selected 1/10. Contract executed 3/10.</td>
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<td>Fed ITS $580</td>
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<td>TFCA $240 (2002)</td>
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<td><strong>Manager Name</strong></td>
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<td><strong>Phone/Fax</strong></td>
<td>(408) 975-3269</td>
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<td><strong>E-Mail</strong></td>
<td><a href="mailto:lily.lim-tsao@sanjoseca.gov">lily.lim-tsao@sanjoseca.gov</a></td>
<td><strong>Construction</strong></td>
<td>$1,158</td>
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### Almaden Expressway Pedestrian Bridge (BEP Project)

**Project Title:** Almaden Expressway, near Coleman Rd; Construct a 360 ft. Ped Bridge over Almaden Expressway to connect nearby trails and to the Almaden Light Rail Station.

<table>
<thead>
<tr>
<th>Sponsor:</th>
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<tr>
<td><strong>Project No</strong></td>
<td>SCL050039</td>
<td><strong>Project Description</strong></td>
<td>Almaden Expressway, near Coleman Rd; Construct a 360 ft. Ped Bridge over Almaden Expressway to connect nearby trails and to the Almaden Light Rail Station.</td>
<td><strong>Almaden Expressway Pedestrian Bridge (BEP Project)</strong></td>
<td><strong>Comments</strong></td>
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<tr>
<td><strong>Fund Source</strong></td>
<td>Earmark $496</td>
<td><strong>Planning</strong></td>
<td>$0</td>
<td>City met with Caltrans to update Field Review and Preliminary Environmental Study forms for a bridge extension that would span both the expressway and Guadalupe Creek. The City will send in an additional E76 request to receive the remainder of the funds allocated for this project since the increased scope has increased the consultant's fees.</td>
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</tr>
<tr>
<td></td>
<td></td>
<td><strong>PE/ENV</strong></td>
<td>$113</td>
<td>07/08 9/08 9/10</td>
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<tr>
<td><strong>Manager Name</strong></td>
<td>Yves Zsutty</td>
<td><strong>Design</strong></td>
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<td>complete complete</td>
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<tr>
<td><strong>Phone/Fax</strong></td>
<td>(408) 793-5561</td>
<td><strong>Construction</strong></td>
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<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:yves.zsutty@sanjoseca.gov">yves.zsutty@sanjoseca.gov</a></td>
<td><strong>Total</strong></td>
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</tr>
<tr>
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<td><strong>Last Updated</strong></td>
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</table>
### Project Description:
- **SCL050079**
  - **Project No**: SCL050079
  - **Project Description**: Transportation Incident Management Center: Implement subregional hub for traffic management activities including arterial traffic, incident management, traveler information and emergency incident management center. HPP #2017
  - **Comments**: City received Section 106 Cultural Resources clearance on 10/2/07. City obtained NEPA clearance from Caltrans in Dec. 07. PE obligation was approved by Caltrans on May 28, 2008. Construction award anticipated for July 2011.

<table>
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<tr>
<th>Project Phase</th>
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<td>Right of Way</td>
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### Fund Source:
- Earmark $6,038
- Local $1,510

### Manager Name:
- Devin Gianchandani

### Phone/Fax:
- (408) 975-3254/292-6093

### E-Mail:
- devin.gianchandani@sanjoseca.gov

### Last Updated:
- 4/16/2010

---

### Project Description:
- **SCL050081**
  - **Project No**: SCL050081
  - **Project Description**: Construct 6.4 mile trail including safety enhancement and improvements from I-880 to Bay Trail 9B ped bridge in San Jose.
  - **Comments**: PE at 95% stage of development. Final environmental study in process to define any impacts as part of elevating Tasman Drive Underpass. With receipt of NEPA, City to complete PSE and bid project for construction.

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Funds ($000)</th>
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### Fund Source:
- CMAQ $1,377
- Earmark $5,879
- Local $6,040

### Manager Name:
- Yves Zsutty

### Phone/Fax:
- (408) 793-5561

### E-Mail:
- yves.zsutty@sanjoseca.gov

### Last Updated:
- 4/7/2010
**Bay Trail Reach 9**

<table>
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<tr>
<td>SCL050082</td>
<td>Preparation of CNST and ENV documents for 1.2 miles of trail, a pedestrian bridge, and underpass with safety and enhancement improvements.</td>
<td>Earmark $675, Local $2,365</td>
<td>Yves Zsutty</td>
<td><a href="mailto:yves.zsutty@sanjoseca.gov">yves.zsutty@sanjoseca.gov</a></td>
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**Comments**

- PE and NEPA related studies underway.

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**Funds ($000)**

- Total: $7,030

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**Coyote Creek Trail (BEP Project)**

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<tbody>
<tr>
<td>SCL050083</td>
<td>Master Plan, design of 9.8 miles transportation trail, including safety and improvements between SR 237 and Story Rd.</td>
<td>Earmark $3,774, Local $5,095</td>
<td>Yves Zsutty</td>
<td><a href="mailto:yves.zsutty@sanjoseca.gov">yves.zsutty@sanjoseca.gov</a></td>
<td>3/26/2010</td>
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**Comments**

- Community outreach completed. Master plan alignment to be finalized and environmental studies are underway. Supplemental field review conducted to include 5 more pedestrian bridges.

<table>
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**Funds ($000)**

- Total: $15,970

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**City of San Jose**
## Programmed Projects Quarterly Monitoring Report
### January-March 2010

#### Silicon Valley Smart Corridor - Highway 880 Enhancement

<table>
<thead>
<tr>
<th>Project No</th>
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<td>SCL976002</td>
<td>Silicon Valley Smart Corridor, various highways, expressways and arterials - fiber optics, video cameras, changeable message signals, traffic sensors, data collection stations &amp; software upgrades.</td>
<td>CMAQ $500, Demo $1,409, FAU $1,187, TFCA $835 (1998)</td>
<td>Planning</td>
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<td>City ready to advertise construction 5/10, award 7/10 and begin construction 9/10.</td>
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### Sponsor
- **City of San Jose**

### Manager Name
- Lilly Lim-Tsao

### Phone/Fax
- (408) 277-2549

### E-Mail
- lily.lim-tsao@sanjoseca.gov
## DeAnza Trail (BEP Project)

<table>
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<tr>
<th>Sponsor:</th>
<th>City of Saratoga</th>
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<th>Funds ($000)</th>
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<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>Project No</td>
<td>SCL070026</td>
<td>Project Title: Saratoga: DeAnza Trail between Saratoga-Sunnyvale Rd and Saratoga Ave; Development and construct bike/pedestrian trail.</td>
<td><strong>Planning</strong></td>
<td>0</td>
<td><strong>PE/ENV</strong></td>
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<tr>
<td>Manager Name</td>
<td>Macedonio Nunez</td>
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</tr>
<tr>
<td>Phone/Fax</td>
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<td>E-Mail</td>
<td><a href="mailto:mnunez@saratoga.ca.us">mnunez@saratoga.ca.us</a></td>
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## Saratoga Village Pedestrian Enhancements

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<th>Project Description</th>
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<tbody>
<tr>
<td>Project No</td>
<td>SCL070038</td>
<td>Project Title: Downtown; Bike/Ped enhancements including street crossing improvements minor sidewalk repair, bike racks, bus shelters and other enhanced pedestrian travel routes to bus stops.</td>
<td><strong>Planning</strong></td>
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<td><strong>PE/ENV</strong></td>
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<td>2008</td>
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</tr>
<tr>
<td>Manager Name</td>
<td>Macedonio Nunez</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-868-1218</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:mnunez@saratoga.ca.us">mnunez@saratoga.ca.us</a></td>
<td></td>
<td></td>
<td></td>
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<td>4/7/2010</td>
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<tr>
<td>Sponsor: City of Saratoga</td>
<td>Project Title: Highway 9 Safety Improvements (BEP Project)</td>
<td></td>
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<tr>
<td>Project No</td>
<td>Project Description</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SCL070050</td>
<td>Construct bike/ped safety improvements on SR9</td>
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<tr>
<td><strong>Fund Source</strong></td>
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<td></td>
<td>CMAQ $462</td>
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<tr>
<td></td>
<td>HSIP $900</td>
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<td></td>
<td>Local $100</td>
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<td></td>
<td>Local $60</td>
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<td><strong>Schedule</strong></td>
<td><strong>Comments</strong></td>
<td></td>
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<tr>
<td>PE/ENV</td>
<td>$522</td>
<td>2008/09</td>
<td>12/09</td>
<td>10/10</td>
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<td>Right of Way</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Manager Name</strong></td>
<td>Macedonio Nunez</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Design</strong></td>
<td>$0</td>
<td>12/09</td>
<td>6/10</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Phone/Fax</strong></td>
<td>408-868-1218/408-868-1281</td>
<td></td>
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<tr>
<td><strong>Construction</strong></td>
<td>$1,000</td>
<td>2008/09</td>
<td>2/11</td>
<td>6/11</td>
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<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:mnunez@saratoga.ca.us">mnunez@saratoga.ca.us</a></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,522</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td><strong>Funds Expire</strong></td>
<td>obligated</td>
<td></td>
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<tr>
<td><strong>Last Updated</strong></td>
<td>3/30/2010</td>
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</table>
### Programmed Projects Quarterly Monitoring Report

**January-March 2010**

#### Sunnyvale Downtown Streetscape Improvements

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Title</th>
<th>Project Description</th>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>4657.00</td>
<td>Sunnyvale Downtown Streetscape Improvements</td>
<td>In Sunnyvale: implement the Downtown Specific Plan and adopted streetscape design standards.</td>
<td>Planning</td>
<td>$281</td>
<td>2010</td>
<td>4/2010 to 10/2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PE/ENV</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Right of Way</td>
<td>$0</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Last Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local $375</td>
<td>Jack Witthaus</td>
<td>408-730-7330</td>
<td><a href="mailto:jwitthaus@ci.sunnyvale.ca.us">jwitthaus@ci.sunnyvale.ca.us</a></td>
<td>3/12/2010</td>
<td></td>
</tr>
</tbody>
</table>

#### Mathilda Avenue Bridge Replacement

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Title</th>
<th>Project Description</th>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL050006</td>
<td>Mathilda Avenue Bridge Replacement</td>
<td>On Mathilda Avenue, over Caltrain/UPRR at Evelyn Ave. Widen structure along both sides, add south bound aux lane, realign, replace.</td>
<td>Planning</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PE/ENV</td>
<td>$3,522</td>
<td>2006</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td>Right of Way</td>
<td>$84</td>
<td>2007</td>
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</table>

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Manager Name</th>
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<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Last Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>HBR (10/11) $28,826 Local $3,735</td>
<td>Manny Kadkhodayam</td>
<td>408-730-7430</td>
<td><a href="mailto:mkadkhodayam@ci.sunnyvale.ca.us">mkadkhodayam@ci.sunnyvale.ca.us</a></td>
<td>3/30/2010</td>
<td></td>
</tr>
</tbody>
</table>

| Last Updated | |
| 3/30/2010 |  

City of Sunnyvale
### Programmed Projects Quarterly Monitoring Report
January-March 2010

**Project No:** SCL070036
**Project Title:** Murphy Ave Streetscape Revitalization

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL070036</td>
<td>In Sunnyvale: On Murphy between Evelyn &amp; Washington; Streetscape &amp; intersection improvements including sidewalk modification, street furniture, lighting, crosswalk paving, signage etc.</td>
<td>Planning</td>
<td>$0</td>
<td></td>
<td>Construction 85% completed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PE/ENV</td>
<td>$0</td>
<td>2009</td>
<td>completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Right of Way</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Manager Name:** Chuck Neumayer

**Fund Source:**
- CMAQ $1,697
- Local $3,071

**Design**
- $787
done

**Construction**
- $3,981
- 2009

**Funds Expire:** obligated/awarded

**E-Mail:** cneumayer@ci.sunnyvale.ca.us

**Funds ($000):**
- CMAQ: $1,697
- Local: $3,071
- Total: $4,768

**Last Updated:** 3/30/2010
Project Description: Various non-expressway roadways; Rehabilitation of pavement on various federal-aid eligible arterial/collectors.

Fund Source:
- Local: $1,701

Manager Name: Khoa Vo

Phone/Fax: 408-494-1329/408-297-0530

E-Mail: khoa.vo@rda.sccgov.org

**Project Title:** Various Non-Expressway Rehab

**PE/ENV**
- Start: 07/08
- End: 08/09
- Complete

**Comments:** Phase 1 construction complete. Phase 2 was advertised in March with bid opening in April.

---

Project Description: Traffic improvements including traffic signal upgrade, optimizing timing plans & bike and pedestrian facilities on Oregon-Page Mill Expressway between US 101 and SR 82.

Fund Source:
- Earmark: $3,020
- Local: $780

Manager Name: Mike Griffis

Phone/Fax: 408-573-2492/408-441-0276

E-Mail: mike.griffis@rda.sccgov.org

**Project Title:** Oregon-Page Mill Expressway Improvements

**PE/ENV**
- Start: 06/07
- End: 11/10
- Complete

**Comments:** Conceptual engineering is underway.
### Almaden Expressway Improvements

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Project Description</th>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Programmed Year</th>
<th>Current</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earmark $2,642</td>
<td>Mike Griffis</td>
<td>408-573-2492/408-441-0276</td>
<td><a href="mailto:mike.griffis@rda.sccgov.org">mike.griffis@rda.sccgov.org</a></td>
<td>Various improvements including adding northbound and southbound auxiliary lanes on Almaden Expressway from north of Branham Lane to south of Blossom Hill Road.</td>
<td>Planning</td>
<td>$0</td>
<td></td>
<td>complete</td>
<td>Property acquisition and design underway. Construction is scheduled in summer 2010.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PE/ENV</td>
<td>$0</td>
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<td></td>
<td>complete</td>
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<td>Right of Way</td>
<td>$450</td>
<td>2007</td>
<td>7/08</td>
<td>3/10</td>
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<td>Design</td>
<td>$300</td>
<td>06/07</td>
<td>9/08</td>
<td>6/10</td>
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<td></td>
<td></td>
<td>Construction</td>
<td>$4,679</td>
<td>07/08 &amp; 08/09</td>
<td>7/10</td>
<td>7/11</td>
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</table>

### San Tomas Bicycle Shoulder Delineation - Phase 2

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Project Description</th>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Programmed Year</th>
<th>Current</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMAQ $249</td>
<td>Dan Collen</td>
<td>408-573-2492</td>
<td><a href="mailto:dan.collen@rda.sccgov.org">dan.collen@rda.sccgov.org</a></td>
<td>Stripe bicycle delineation along San Tomas Expressway and Camden Avenue in Campbell.</td>
<td>Planning</td>
<td>$11</td>
<td>2006</td>
<td></td>
<td>Encroachment permit from Caltrans has been received. Project scheduled to be advertised in April with award scheduled for June.</td>
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<tr>
<td>Local $25</td>
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<td></td>
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<td>PE/ENV</td>
<td>$3</td>
<td>2006</td>
<td>complete</td>
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<tr>
<td>TDA3 $125</td>
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<td>Right of Way</td>
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<td>Design</td>
<td>$36</td>
<td>2006</td>
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<td>Construction</td>
<td>$349</td>
<td>2009</td>
<td>4/10</td>
<td>10/10</td>
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</table>

### Last Updated

- Almaden Expressway Improvements: 4/8/2010
- San Tomas Bicycle Shoulder Delineation - Phase 2: 4/8/2010
### Programmed Projects Quarterly Monitoring Report
#### January-March 2010

#### Diridon Station Track/Signal/Terminal Upgrade

<table>
<thead>
<tr>
<th>Sponsor: JPB</th>
<th>Project Title:</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Diridon Station Track/Signal/Terminal Upgrade</td>
<td>Rebuild track, platforms, terminal facilities and pedestrian subways at the San Jose Diridon Station to improve operations for all users (Caltrain, Amtrak, Capitol Corridor, ICE and UPRR).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPB991001</td>
<td>Rebuild track, platforms, terminal facilities and pedestrian subways at the San Jose Diridon Station to improve operations for all users (Caltrain, Amtrak, Capitol Corridor, ICE and UPRR).</td>
</tr>
</tbody>
</table>

| Planning | $0 |
| PE/ENV | $0 |
| Right of Way | $0 |

**Manager Name:** Joel Slavit  
**Phone/Fax:** (650) 508-6476  
**E-Mail:** slavitj@samtrans.com

| Fund Source | CMAQ $6,593  
Local $857  
STIP $2,626 |
|-------------|----------------|

**Comments:** Construction work at both Diridon and Santa Clara are being combined into the same contract referred to as the Santa Clara and South Terminal Stations Improvement Project. On February 2, 2010, a limited notice to proceed was issued and the contractor was in the process of obtaining all required construction submittals.

<table>
<thead>
<tr>
<th>Programmed Year</th>
<th>Current</th>
</tr>
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<tbody>
<tr>
<td>Start</td>
<td>End</td>
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<td>12/09</td>
<td>12/11</td>
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**Total:** $10,056

**Funds Expire awarded/obligated:**

**Last Updated:** 4/2/2010

---

#### Caltrain/ACE Santa Clara Train Station

<table>
<thead>
<tr>
<th>Sponsor: JPB</th>
<th>Project Title:</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Caltrain/ACE Santa Clara Train Station</td>
<td>Rebuild the track and passenger platforms and construct track connections to enable ACE trains to stop at the Santa Clara Station.</td>
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</table>

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL991060</td>
<td>Rebuild the track and passenger platforms and construct track connections to enable ACE trains to stop at the Santa Clara Station.</td>
</tr>
</tbody>
</table>

| Planning | $0 |
| PE/ENV | $0 |
| Right of Way | $0 |

**Manager Name:** Joel Slavit  
**Phone/Fax:** (650) 508-5476  
**E-Mail:** slavitj@samtrans.com

| Fund Source | CMAQ $3,998 (2000)  
Local $403 |
|-------------|----------------|

**Comments:** Construction work at both Diridon and Santa Clara are being combined into the same contract referred to as the Santa Clara and South Terminal Stations Improvement Project. On February 2, 2010, a limited notice to proceed was issued and the contractor was in the process of obtaining all required construction submittals.

<table>
<thead>
<tr>
<th>Programmed Year</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>End</td>
</tr>
<tr>
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<td>12/11</td>
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**Total:** $3,501

**Funds Expire awarded/obligated:**

**Last Updated:** 4/2/2009
### Programmed Projects Quarterly Monitoring Report
January-March 2010

<table>
<thead>
<tr>
<th>Sponsor: MTC</th>
<th>Project Title: Planning, Programming and Monitoring - Santa Clara County Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>MTC990005</td>
</tr>
<tr>
<td>Project Description</td>
<td>Planning, programming &amp; monitoring activities in the San Francisco Bay Area.</td>
</tr>
<tr>
<td>Fund Source</td>
<td>AB3090 $346 (06/07) RTP $133 (07/08) RTP $229 (08/09) RTP $29 (06/07) RTP $44 (04/05)</td>
</tr>
<tr>
<td>Manager Name</td>
<td>Kenneth Kao</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>(510) 817-5768</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:kkao@mtc.ca.gov">kkao@mtc.ca.gov</a></td>
</tr>
<tr>
<td>Project Phase</td>
<td>Planning $662</td>
</tr>
<tr>
<td>Schedule</td>
<td>03/04-05 &amp; 06/07-09 07/03 08/09</td>
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</tbody>
</table>
| Comments     | AB3090 (06/07) - $346 allocated  
RTP (05/06 & 06/07) - $58 allocated  
RTP (07/08) - $30  
RTP (08/09) - $120 |

<table>
<thead>
<tr>
<th>Sponsor: MTC</th>
<th>Project Title: STP 3% Set-aside for Planning Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>SCL978008</td>
</tr>
<tr>
<td>Project Description</td>
<td>STP 3% set-aside for planning purposes.</td>
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<tr>
<td>Fund Source</td>
<td>Local $271 STP-G $3,943</td>
</tr>
<tr>
<td>Manager Name</td>
<td>Kenneth Kao</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>(510) 464-7842</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:kkao@mtc.ca.gov">kkao@mtc.ca.gov</a></td>
</tr>
<tr>
<td>Project Phase</td>
<td>Planning $4,214</td>
</tr>
<tr>
<td>Schedule</td>
<td>99/00 to 04/05 Ongoing</td>
</tr>
</tbody>
</table>
| Comments     | Ongoing program managed by MTC.  
FY 99/00-01/02: STP $2,141,000  
FY 02/03: STP $452,000 - oblig.  
FY 03/04: STP $671,000 - oblig. 9/3/03  
FY 04/05: STP $679,000 - oblig. 8/12/04  
FY 05/06: STP $690,000 - oblig.  
FY 06/07: STP $700,000 - oblig.  
Funds Expire obligated |
### Project Title: US-101/Tully Road Interchange Modifications

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Funds ($000)</th>
<th>Programmed Year</th>
<th>Current Start</th>
<th>Current End</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
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Design complete. Construction expected to begin in Spring 2010, subject to state selling I-bonds.

### Project Title: I-880/I-280/Stevens Creek Interchange Improvements

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VTA received additional $32 million for this project; specific funding and schedule information will be revised in the next quarterly update.
### I-880 Widening - SR237 to US101

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<td>2009</td>
<td>06/09</td>
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**Fund Source**
- Local ($23,400)
- Other I-Bond/CMIA ($71,600)

**Manager Name**
- Lam Trinh

**Phone/Fax**
- 408-952-4217

**E-Mail**
- Lam.Trinh@vta.org

**Total**
- $95,000

**Last Updated**
- 3/24/2010

---

### US101 Auxiliary Lanes - SR85 to Embarcadero Road

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**Fund Source**
- Local ($17,328)
- Other I-bond/CMIA ($84,930)

**Manager Name**
- Lam Trinh

**Phone/Fax**
- 408-952-4217

**E-Mail**
- lam.trinh@vta.org

**Total**
- $102,258

**Last Updated**
- 3/24/2010
## Programmed Projects Quarterly Monitoring Report
### January-March 2010

**Project: Route 152 new alignment**

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<tbody>
<tr>
<td>SCL090016</td>
<td>Route 152 new alignment from Rte 101 to Rte 156. Realign highway and evaluate route management strategies, including potential roadway pricing. Also includes SR152 “trade corridor” study from 101 to SR99.</td>
<td>Planning</td>
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- **Fund Source:** CTC in 12/2008.
- **Manager Name:** Darrell Vice
- **Phone/Fax:** 408-952-4214
- **E-Mail:** darrell.vice@vta.org
- **Sponsor:** VTA

**Project: SR 237/I-880 Express Connectors**

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<tr>
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<tbody>
<tr>
<td>SCL090029</td>
<td>Implement roadway pricing on the carpool lane-to-carpool lane direct connectors between SR 237 and I-880.</td>
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- **Fund Source:** ARRA $2,700, Local $2,300, VPPP $3,960
- **Manager Name:** Leo Scott
- **Phone/Fax:** 408-321-5972
- **E-Mail:** leo.scott@vta.org
- **Sponsor:** VTA

**Last Updated:** 7/6/2009

**Funds Expire:** 3/33/2010
### Programmed Projects Quarterly Monitoring Report
January-March 2010

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<table>
<thead>
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<th>Project Description</th>
<th>Project Title: Santa Clara Caltrain Station Pedestrian Grade Separated Crossing</th>
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<tbody>
<tr>
<td>SCL090031</td>
<td>Provide a safe crossing for pedestrians to cross the UPRR tracks between the Caltrain Station on the west side to the commercial and industrial complexes on the east side of the tracks.</td>
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<table>
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<tr>
<td><a href="mailto:ken.ronsse@vta.org">ken.ronsse@vta.org</a></td>
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<th>Project Title: Regional Planning Activities and PPM - Santa Clara</th>
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<td>SCL090035</td>
<td>Santa Clara: Regional Planning Activities and Planning, Programming and Monitoring</td>
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<tr>
<td>Amin Surani</td>
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<tr>
<td><a href="mailto:amin.surani@vta.org">amin.surani@vta.org</a></td>
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## Programmed Projects Quarterly Monitoring Report
### January-March 2010

### I-880 Smart Park Project

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<td>Develop Smart Park at Tasman Drive and other I-880 Smart Corridor locations which incorporates various ITS features.</td>
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| E-Mail | keith.roan@vta.org |

### Integrated ITS Program

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<td>E-Mail</td>
<td><a href="mailto:keith.roan@vta.org">keith.roan@vta.org</a></td>
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BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: Proactive CMP Quarterly Report for January-March 2010

FOR INFORMATION ONLY

BACKGROUND:

VTA has two programs through which it reviews and comments on development and transportation projects occurring in and adjacent to Santa Clara County: 1) the Development Review Program which reviews environmental documents and development proposals submitted by Member Agencies; and 2) the review of Transportation Impact Analysis (TIA) reports for proposed projects meeting the Congestion Management Program (CMP) TIA Guideline requirements.

The Proactive CMP (“Proactive”) process integrates these two VTA review processes prior to project development approval by Member Agencies. The objectives of the Proactive process include improving land use/transportation coordination, promoting alternative travel modes, and encouraging a balanced approach to addressing congestion. As part of the Proactive process, VTA produces quarterly reports on land-use approvals highlighting two sets of projects and types of information:

- **Projects Reviewed by VTA & VTA Comments:** For projects reviewed by VTA staff under the Congestion Management Program and Development Review Program in the past quarter, relevant VTA comments are summarized.

- **Projects Approved by Local Agencies & City/County Responses:** For projects approved by local agencies in the past quarter, relevant VTA comments and the Member Agency responses are summarized.

The Discussion section below contains a summary of the January through March 2010 Proactive CMP Quarterly Report. The summary highlights key themes and topics contained in the report, which is provided as an attachment.
DISCUSSION:

Summary of the Proactive CMP Quarterly Report - January through March 2010

The following are highlights of key items in this edition of the Proactive CMP Quarterly Report:

- VTA commented on nine projects through the Proactive CMP process between January and March 2010, and six projects upon which VTA had previously commented were approved by local agencies during this period. The largest number of projects were in the City of Mountain View (3 projects) followed by the Town of Los Gatos and City of Mountain View (2 projects each).

- Out of the nine projects that VTA commented on this quarter, 3 projects were at the Notice of Preparation (NOP) or revised NOP stage and 6 projects involved draft environmental documents such as Environmental Impact Reports (EIRs), and Negative Declarations or Mitigated Negative Declarations. One project, the Baseball Stadium in the Diridon/Arena Area of San Jose, passed two review stages in one quarter, the Revised NOP and Draft Supplemental EIR/TIA.

- Three of the nine projects were transportation, infrastructure or public facility projects. This includes the Master Plan for Martial Cottle State Park/County Park on unincorporated land near Branham Lane and Snell Avenue in San Jose, safety improvements along State Route west of Saratoga, and a Water and Sewer Master Plan Update in Milpitas.

- Three of the six projects that were approved this past quarter were public facility projects or policy documents. This includes the Los Altos Community Center Master Plan, a new Town Library in Los Gatos, and an updated General Plan Circulation Element in Morgan Hill.

Key projects and plans that VTA reviewed and commented on during the past quarter included the following:

- **425 & 455 West Evelyn Avenue, Mountain View**: An Initial Study/Mitigated Negative Declaration and TIA report were circulated for this residential development project, which would demolish the existing Minton's Lumber to construct approximately 213 residential units on 3.5 acres directly across the street from the Mountain View Transit Center. In a comment letter in early February 2010, VTA supported the proposed land use and density given the project's strategic location; confirmed that the TIA was prepared in accordance with CMP TIA Guidelines; provided relevant research results to support the applicant's proposed reduction in automobile trip generation and the proposed parking ratios; and discussed bicycle parking and transit incentives. In March and April 2010, a VTA staff representative attended the Environmental Planning Commission and City Council hearings on the project and made brief statements highlighting points in VTA's comment letter. The VTA staff representative also answered a few follow-up questions raised by EPC members and City Councilors at these meetings.
• **Yahoo! Office Campus, Santa Clara**: This project would involve the phased redevelopment of a 48.6 acre site near the Old Ironsides light rail station with approximately 3.2 million square feet of new office space and auxiliary buildings, and demolition of 10 existing R&D buildings totaling approximately 640,000 square feet. VTA's comments on the DEIR and TIA for this project emphasized the opportunity it presents for reducing single-occupant trips, encouraging Transportation Demand Management (TDM) measures, and parking management measures; discussed the proposed freeway & other roadway mitigation measures; and discussed pedestrian impacts, bus stop improvements, and bicycle accommodations.

• **Baseball Stadium in Diridon/Arena Area, San Jose**: A revised NOP as well as a Draft Supplemental EIR and Supplemental TIA report were circulated for this project this past quarter. The revised/supplemental documents concerned the modification of a 2006 proposal for a baseball stadium in the Diridon/Arena area, to include a maximum seating capacity of 36,000, one of three parking structure options, and realignment of South Autumn Street. VTA's comments focused on reducing single-occupant trips; bus & shuttle operations near the site and on Montgomery & Autumn Streets; light rail operations & capacity; the relationship of the project to the Diridon Station Area Plan; High Speed Rail, and the BART Silicon Valley extension; auto parking; and TDM measures.

As noted above, six projects that VTA previously provided comments for were approved during this past quarter. The following is a brief summary of key VTA comments and the local agency responses on these projects.

• **Los Altos Community Center Master Plan**: This project would involve the demolition and reconstruction of the Los Altos Community Center. VTA commented on pedestrian access to transit; bicycle parking; and several technical aspects of the TIA analysis. In its responses in the FEIR, the City clarified the technical TIA aspects and confirmed that pedestrian access to nearby bus stops as well as bicycle parking would be further addressed during final design, but noted that a flashing pedestrian signal had recently been installed near a VTA bus stop at the corner of the site.

• **Morgan Hill Circulation Element Update**: The City of Morgan Hill recently revised the Circulation Element of its General Plan to include a more multimodal approach to addressing congestion, changes to the planned future buildout of certain roadways, and changes to complement the City's recently adopted Downtown Specific Plan. VTA commented on the multimodal approach and LOS policy being considered by the City; the relationship of the Update to the South County Circulation Study; the US 101 overcrossing at Middle Avenue; the role of transit; and parking. The City's FEIR acknowledged each of VTA's comments, and included an extensive discussion of the relationship of the Circulation Element Update to the South County Circulation Study.

• **Castro Station and VeriSign office developments, Mountain View**: The City of Mountain View approved two new office developments directly adjacent to train stations this past quarter - Castro Station (adjacent to the Mountain View Transit Center) and VeriSign TOD (adjacent to the Middlefield light rail station). VTA's comments on these developments
included support for the proposed land use & density near transit, support for transit-supportive measures, and technical comments of the transportation analysis. Each of these projects as approved included transit-supportive features such as higher Floor-Area Ratios, extensive bicycle parking, pedestrian enhancements, and connections to transit.

- **Airport West Stadium and Great Oaks Place in San Jose:** A DEIR was circulated in fall 2009 for this project, which consists of two distinct components tied together due to funding considerations: a new soccer stadium with up to 18,000 seats near Coleman Avenue & Newhall Drive, and development of between 1,100 and 1,500 residential units near Monterey Road & Manassas Road close to the Santa Teresa LRT Station. VTA’s comments on the Airport West Stadium component focused on the relationship to the BART extension project; technical aspects of the transportation analysis; TDM; automobile parking; and pedestrian and bicycle accommodations. VTA’s comments on the Great Oaks Place component focused on whether the site density and land use mix were appropriate for a unique site that is so large and within such close proximity to transit. In the FEIR and staff report to the City Council, the City of San Jose confirmed that the City and the project proponent will coordinate with VTA on design near the stadium site; clarified a number of technical questions on the transportation analysis; included considerable detail on the Transportation & Parking Management Plan (TPMP) that the proponent will be required to implement; and added a requirement about a strong pedestrian connection between the Great Oaks Place site and the Santa Teresa light rail station.

The San Jose City Council approved the adoption of the EIR for the Airport West Stadium and Great Oaks Place at its March 16, 2010 meeting. At that meeting, the Council also approved a Planned Development Rezoning for the Airport West Stadium site to allow a professional sports stadium. The Council has not taken further action on the Great Oaks Place development, and it is VTA’s understanding that the Stadium and Great Oaks Place components will proceed separately from this point.

**STANDING/ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:**

This item was on the regular agenda as an Information item at the May CAC, TAC, PAC, and CMPP meetings, and on the consent agenda as an Information item at the May BPAC meeting.

At CAC, staff gave a brief presentation on this item, and the committee had several questions and comments. These included two comments supporting recent efforts by VTA staff to speak at key Planning Commission or Council hearings to highlight and clarify VTA’s comments on projects. A question was asked about whether VTA had received the Draft EIR for the Santa Clara General Plan Update yet; staff noted that the GP Update document is now available but staff does not believe the DEIR is available yet. Other committee members had questions and comments on how VTA staff has been tracking large projects such as the proposed new Yahoo Office Campus, the 49ers Santa Clara Stadium, the Diridon Baseball Stadium, and the California High-Speed Rail Project. It was noted that VTA staff has been tracking these projects and coordinating with agency staff on all of them.

At TAC, staff gave a brief presentation on this item. There were no questions or comments from the committee.
At PAC, this item was deferred to the June meeting.

At BPAC, this item was received as part of the consent agenda and there was no discussion on the item.

At CMPP, staff gave a brief presentation on this item. Board Member Moylan shared additional background information on the Yahoo Office Campus project.

Prepared By: Robert Swierk
Memo No. 2098
VTA Development Review Program

Proactive CMP Quarterly Report
January, February and March of 2010
# Development Review Projects Summary

**January – March of 2010**

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<tr>
<th>Map No.</th>
<th>Lead Agency</th>
<th>CMP ID</th>
<th>Project Name/Location</th>
<th>Project Description</th>
<th>Doc. Type</th>
<th>Comments this quarter?</th>
<th>Approved this quarter?</th>
<th>VTA Comment Topics</th>
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<tr>
<td>1</td>
<td>County of Santa Clara</td>
<td>CO1001</td>
<td>Martial Cottle Park State Park General Plan/County Park Master Plan</td>
<td>Master Plan for creation of a 256-acre park</td>
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<td>Y</td>
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<td>Pedestrian &amp; bicycle accommodations, ped. access to Blossom Hill LRT station, bus service &amp; accommodations</td>
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<td>2</td>
<td>Caltrans</td>
<td>CT0902</td>
<td>State Route 9 Safety Improvement Project</td>
<td>Construction of improvements at three spot locations</td>
<td>DEIR/EA</td>
<td>Y</td>
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<td>Bicycle accommodations during construction period</td>
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<td>3</td>
<td>City of Los Altos</td>
<td>LA0901</td>
<td>Community Center Master Plan</td>
<td>Master Plan for demolition and reconstruction of the Los Altos Community Center</td>
<td>FEIR</td>
<td>Y</td>
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<td>Pedestrian access to transit; bicycle parking; turning movement counts; CMP LOS threshold; traffic volumes; trip generation; freeway analysis</td>
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<td>4</td>
<td>Town of Los Gatos</td>
<td>LG0901</td>
<td>Los Gatos General Plan Update</td>
<td>General Plan Update</td>
<td>Revised NOP</td>
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<td>Land use/transit integration; multimodal streets in circulation element/analysis; roadway LOS standards</td>
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<td>5</td>
<td>Town of Los Gatos</td>
<td>LG0902</td>
<td>Town Library</td>
<td>Demolish 6 houses and construct a 30,000 SF library on a 1.86-acre site</td>
<td>FEIR</td>
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<td>Bicycle parking; transit analysis; existing bus service</td>
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<td>6</td>
<td>City of Morgan Hill</td>
<td>MH0901</td>
<td>Morgan Hill General Plan Circulation Element Update</td>
<td>General Plan Circulation Element Update including modification to planned future roadway improvements within the City &amp; roadway LOS policy</td>
<td>FEIR</td>
<td>Y</td>
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<td>Multimodal approach and LOS policy; relationship to South County Circulation Study; US 101 overcrossing @ Middle Ave; role of transit; parking</td>
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<td>7</td>
<td>City of Milpitas</td>
<td>ML0806</td>
<td>Milpitas Water and Sewer Master Plan Update</td>
<td>Draft EIR for a Water and Sewer Master Plan Update</td>
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<td>Y</td>
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<td>Potential impacts to transit service, bus stops</td>
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<td>8</td>
<td>City of Mountain View</td>
<td>MV0808</td>
<td>Castro Station</td>
<td>Amendment to Evelyn Avenue Corridor Precise Plan to accommodate 3-story office building of 48,738 square feet with underground garage</td>
<td>Initial Study/ Mit Neg Dec, TIA</td>
<td>Y</td>
<td>Y</td>
<td>Site design &amp; development density; bicycle parking; potential impact of High-Speed Rail</td>
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Proactive CMP Report Page 2 of 4 January, February and March of 2010
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<th>Map No.</th>
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<td>City of Mountain View</td>
<td>MV0901</td>
<td>425 &amp; 455 W. Evelyn Avenue</td>
<td>Demolish existing Minton's Lumber to construct residential development totaling 213 units on 3.5 acres</td>
<td>Initial Study/ Mit Neg Dec, TIA</td>
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<td>Project location &amp; density; Transportation Impact Analysis report: automobile parking, bicycle parking &amp; transit incentives: site design &amp; proximity to transit</td>
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<td>VeriSign TOD</td>
<td>TOD Permit for 101,760 square foot office building directly adjacent to the Middlefield light rail station</td>
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<td>City of Santa Clara</td>
<td>SC0808</td>
<td>Yahoo! Santa Clara Campus</td>
<td>Phased redevelopment of a 48.6 acre site with approx. 3.2 million square feet of new office space and auxiliary buildings, and demolition of 10 existing R&amp;D buildings totaling approx. 640,000 square feet.</td>
<td>DEIR</td>
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<td>TDM measures; reducing single-occupant vehicle trips; parking management; TIA report; freeway &amp; other roadway mitigation measures; pedestrian impacts – removal of Democracy Way; bus stop improvements; bicycle accommodations</td>
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<td>12</td>
<td>City of San Jose</td>
<td>SJ0550</td>
<td>Baseball Stadium in the Diridon/Arena Area</td>
<td>Modification of a 2006 proposal for a baseball stadium in the Diridon/Arena Area to include max. seating of 36,000, one of 3 parking structure options, realignment of S. Autumn St.</td>
<td>2 review documents this quarter: NOP, Draft Supplemental EIR/TIA</td>
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<td>Reducing single-occupant vehicle trips; bus &amp; shuttle operations; circulation on Montgomery/Autumn St; light rail operations &amp; capacity, crossings; relationship to Diridon Station Area Plan, High Speed Rail, &amp; BART extension; auto parking; TDM measures; TIA analysis</td>
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<td>13a, 13b</td>
<td>City of San Jose</td>
<td>SJ0745</td>
<td>Airport West Stadium and Great Oaks Place</td>
<td>Two components tied together due to funding: a stadium with up to 18,000 seats on 14.5 acres at one location, and between 1,100-1,500 residential units on 7.62 acres at second location</td>
<td>FEIR (Stadium component approved this quarter)</td>
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<td>Existing transit services; relationship to BART extension project; CMP intersections; trip generation, freeway ramp metering; TDM; auto parking; ped. &amp; bicycle accommodations; site density &amp; land use mix</td>
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BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Engineering & Construction Officer, Mark S. Robinson

SUBJECT: March 2010 Facilities Projects Semi-Annual Report

FOR INFORMATION ONLY

Please find attached the Semi-Annual Report for the Facilities Program for the period ending March 31, 2010.

The goal of this report is to communicate overall progress in a simple yet informative manner. We look forward to your continued feedback on this report as the Facilities Program moves forward.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Transit Planning & Operations Committee received this item on its May 20, 2010 Consent Agenda and moved it to the Consent Agenda for the June 3, 2010 Board Meeting. There was no discussion of the item at the Transit Planning & Operations Committee meeting.

Prepared By: John Rowe
Memo No. 2272
Semi-Annual Report
March 2010
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<td>3.</td>
<td>Perimeter Fence Upgrades/Site Hardening</td>
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<td>1.2 Incurred Costs</td>
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SECTION 1.0

EXECUTIVE SUMMARY AND PROJECT COSTS
SECTION 1.0

EXECUTIVE SUMMARY AND PROJECT COSTS

A. EXECUTIVE SUMMARY

The Facilities Projects are comprised of diverse efforts that include upgrades to passenger facilities, maintenance of public-facing light rail and bus infrastructure, upgrades to repair and fueling facilities, improvements to system-wide security, and energy efficiency initiatives. The prioritization of projects and the allocation of funding has always focused on advancing the most needed upgrades and repairs, and this Semi-Annual report was conceived to better communicate the scope and progress of these projects.

Particularly in light of the difficult current economic conditions, funding for these projects remains a challenge. VTA is maintaining the required capital infrastructure investment while creatively leveraging federal and state revenue sources. This includes using State Proposition 1B funds to provide matching funding for federal rail grants that will pay for rail, substation, and overhead catenary rehabilitation and replacement. In addition, federal and state security funding is utilized to pay for a series of security improvements including closed-circuit TV, laser intrusion detection, and facility perimeter fencing.

By way of a brief progress report, during the six-month period covered by this report:

- Construction was completed on the FY09 Bus Stop Improvements project, resulting in the improvement of 15 bus stops and two transit centers.
- The first phase of work to upgrade Public Address systems at 15 Light Rail stations was completed.
- Green Facility Improvements focused on energy efficiency and solar power generation have reduced or offset 270,000 kWh of energy.
- Phases 1, 2, 3, and 4 of the Closed Circuit Television improvements to the Light Rail system were completed. Phases 5 and 6 are underway.
- The Laser Intrusion Detection System for the Tasman East Elevated Guideway was completed.
- High Security Fence improvements were completed at the Cerone Division.
- The Cerone/Chaboya Steam Clean Lift Replacement achieved substantial completion.
B. PROJECT APPROPRIATIONS

Figure 1.1 at the end of this section shows the prior and current period appropriations for each group of Facilities Projects. Changes in appropriations during the report period are discussed below.

Changes in Appropriations

1. Passenger Facilities Projects
   The appropriation decreased by a total of $1.8 million to a new amount of $4.5 million due to the following:
   a. FY08 Bus Stops (P-0638) was closed, resulting in the removal of $0.8 million of appropriation from the program.
   b. The appropriation for the De Anza Transit Center project was decreased by $1.0 million due to project closeout savings.

2. Maintenance of Way Projects
   The project appropriation remains unchanged at $52.9 million.

3. Coach/LRV Facilities Projects
   The appropriation decreased by $0.4 million to a new value of $5.9 million due to the closure of the Cerone/Chaboya Steam Clean Lift project.

4. Security Projects
   The appropriation changed at the project category level as follows:
   a. The net appropriation for CCTV Projects increased by $0.7 million due to:
      i. $1.1 million in closeout savings from the CCTV Guadalupe Yard Project.
      ii. A $1.8 million increase in appropriation to add Phases 5 and 6 to the CCTV Phase 1-6 project.
   b. The appropriation for Laser Intrusion Detection System (LIDS) projects decreased by $0.7 million due to closeout savings from the LIDS – LR Stations project.
## Facilities Projects Appropriations

### $'s in millions

<table>
<thead>
<tr>
<th>Project/Category</th>
<th>a Previous Appropriation Through FY10 Sep-09</th>
<th>b Current Appropriation Through FY10 Mar-10</th>
<th>c = (b - a) Changes This Period</th>
<th>d Text</th>
<th>Reference</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>1.a</td>
</tr>
<tr>
<td>Bus Stop Improvements</td>
<td>$2.2</td>
<td>$1.4</td>
<td>($0.8)</td>
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<tr>
<td>De Anza Transit Center</td>
<td>$2.6</td>
<td>$1.6</td>
<td>($1.0)</td>
<td>1.b</td>
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<tr>
<td>Upgrade LR Sta Public Address System</td>
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<td>$1.5</td>
<td>$0.0</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
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<td>$4.5</td>
<td>($1.8)</td>
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</tr>
<tr>
<td>Guadalupe Platforms Retrofit</td>
<td>$24.3</td>
<td>$24.3</td>
<td>$0.0</td>
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<tr>
<td>Rail Rehabilitation</td>
<td>$8.9</td>
<td>$8.9</td>
<td>$0.0</td>
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<tr>
<td>Green Facility Improvements</td>
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<td>$3.0</td>
<td>$0.0</td>
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<td>$4.0</td>
<td>$0.0</td>
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<td>$0.0</td>
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<td><strong>Coach/LRV Facilities Projects</strong></td>
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<td>Maintenance Facilities Upgrades</td>
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<td>$1.6</td>
<td>($0.4)</td>
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<td>$3.7</td>
<td>$0.0</td>
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<tr>
<td>Facilities Master Plan</td>
<td>$0.6</td>
<td>$0.6</td>
<td>$0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6.3</td>
<td>$5.9</td>
<td>($0.4)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCTV Projects</td>
<td>$3.9</td>
<td>$4.6</td>
<td>$0.7</td>
<td>4.a</td>
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<tr>
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<td>($0.7)</td>
<td>4.b</td>
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<td>Perimeter Fence Upgrades/Site Hardening</td>
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<td>$4.5</td>
<td>$0.0</td>
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<td><strong>Total</strong></td>
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<td><strong>$74.5</strong></td>
<td><strong>($2.2)</strong></td>
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</table>
C. INCURRED COSTS

Figure 1.2 below shows incurred costs for the Facilities Projects at the beginning and end of the period as well as the percent of the project appropriation incurred as of March 31, 2010.

### Figure 1.2

**Incurred Costs**

<table>
<thead>
<tr>
<th>Project/Category</th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
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<td><strong>Passenger Facilities Projects</strong></td>
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<td>Bus Stop Improvements¹</td>
<td>$0.1</td>
<td>$0.6</td>
<td>$0.5</td>
<td>43.9%</td>
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<td>De Anza Transit Center</td>
<td>$1.4</td>
<td>$1.5</td>
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<td>Upgrade LR Sta Public Address System</td>
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<td>58.1%</td>
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<td><strong>Total</strong></td>
<td>$1.9</td>
<td>$3.0</td>
<td>$1.1</td>
<td>65.9%</td>
</tr>
<tr>
<td><strong>Maintenance of Way Projects</strong></td>
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</tr>
<tr>
<td>Guadalupe Platforms Retrofit</td>
<td>$19.8</td>
<td>$20.1</td>
<td>$0.2</td>
<td>82.6%</td>
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<td>Rail Rehabilitation</td>
<td>$3.3</td>
<td>$5.0</td>
<td>$1.7</td>
<td>56.3%</td>
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<td>Green Facility Improvements</td>
<td>$2.3</td>
<td>$2.5</td>
<td>$0.2</td>
<td>84.6%</td>
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<td>Track Intrusion Abatement/Prevention</td>
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<td>22.3%</td>
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<td>Traction Power Improvements</td>
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<td>$0.6</td>
<td>$0.1</td>
<td>4.4%</td>
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<td><strong>Total</strong></td>
<td>$26.2</td>
<td>$29.1</td>
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<tr>
<td>Maintenance Facilities Upgrades¹</td>
<td>$0.2</td>
<td>$0.2</td>
<td>$0.0</td>
<td>14.0%</td>
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<td>Fueling Improvements</td>
<td>$0.4</td>
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<td>29.9%</td>
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<td>Facilities Master Plan</td>
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<td>$0.3</td>
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<td><strong>Total</strong></td>
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<td>$1.6</td>
<td>$0.9</td>
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<td>CCTV Projects</td>
<td>$1.1</td>
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<td>Laser Intrusion Detection at LR Stations</td>
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<td>$30.6</td>
<td>$39.3</td>
<td>$8.2</td>
<td>52.7%</td>
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¹Incurred costs for previous period do not include projects closed during this period.
SECTION 2.0

PROJECT SUMMARY REPORTS
FACILITIES PROJECTS SUMMARY REPORTS

A. PASSENGER FACILITIES PROJECTS
   1. Bus Stop Improvements
   2. De Anza Transit Center
   3. Upgrade LR Stations Public Address System

B. MAINTENANCE OF WAY PROJECTS
   1. Guadalupe Platforms Retrofit – South Line
   2. Rail Rehabilitation
   3. Green Facility Improvements
   4. Track Intrusion Abatement/Prevention
   5. Traction Power Improvements

C. COACH/LRV FACILITIES PROJECTS
   1. Maintenance Facilities Upgrades
   2. Fueling Improvements
   3. Facilities Master Plan

D. SECURITY PROJECTS
   1. CCTV Projects
   2. Laser Intrusion Detection at LR Stations
   3. Perimeter Fence Upgrades/Site Hardening
Bus Stop Improvements

Estimated Cost: $1.4 million
Approved Budget: $1.4 million
Year of Completion: 2010
Project Manager: Jing Quan
Designers: VTA
Contractors:
FY09 - Weber Tractor Service
FY10 – Golden Bay Construction, Inc

Project Description:
This project is part of an annual program to identify, repair and upgrade bus stops. The scope of the upgrades includes concrete bus pads along roadways and pedestrian access improvements. In addition, accessibility improvements will be made to enable wheelchair use of the bus stops and to provide appropriate access clearances.

The FY08 Bus Stop Improvements included work in the cities of Mountain View, Sunnyvale, Santa Clara and San Jose. The FY09 Bus Stop Improvements address priority stops throughout the county, with a focus on stops along King Road in San Jose.

The FY10 Bus Stop Improvements include additional priority stops throughout the county, with a focus on stops along Story Road in San Jose.

Project Status:
The Bus Stop Improvements FY08 project has been closed.

The Bus Stop Improvements FY09 (P-0676) construction is complete. A total of 15 bus stops and two transit centers were improved under this contract. The construction contract cost at closeout was $294,000, 15% over the bid amount. This project is the beneficiary of a $352,000 Federal stimulus (ARRA) grant.

The Bus Stop Improvements FY10 (P-0703) Phase 1 construction is underway and will be completed in June 2010. Preparation of the bid package for Phase 2 work is underway, with construction anticipated in Summer 2010.

Project Schedule:

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<th>2009</th>
<th>2010</th>
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<td>Dec-08</td>
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<td>Design (FY09 &amp; FY10)</td>
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<td>Jan-10</td>
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<td></td>
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<tr>
<td>Construction (FY08)</td>
<td>Jun-08</td>
<td>May-09</td>
<td></td>
<td>Ph I</td>
<td>II</td>
</tr>
<tr>
<td>Construction (FY09 &amp; FY10)</td>
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<td>Oct-10</td>
<td>FY09</td>
<td></td>
<td>FY10</td>
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<tr>
<td>Closeout</td>
<td>Aug-08</td>
<td>Dec-10</td>
<td>08</td>
<td>09</td>
<td>10</td>
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**Approved Budget:**

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<th>Project Cost Element</th>
<th>Approved Project Budget a</th>
<th>Mar-10 Committed Costs b</th>
<th>Mar-10 Incurred Costs c</th>
<th>Budget Balance d = (a-c)</th>
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<td>Construction and Major Procurement</td>
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<td>643</td>
<td>321</td>
<td>334</td>
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<td>Real Estate</td>
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</tr>
<tr>
<td>Labor, Services and Support</td>
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<td>320</td>
<td>298</td>
<td>419</td>
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<tr>
<td>Contingency</td>
<td>37</td>
<td>-</td>
<td>-</td>
<td>37</td>
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<td><strong>Total</strong></td>
<td><strong>1,408</strong></td>
<td><strong>963</strong></td>
<td><strong>618</strong></td>
<td><strong>790</strong></td>
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Approved Budget Incurred 44%
Approved Budget Committed 68%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

**Approved Funding:**

<table>
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<tr>
<th>Funding Source</th>
<th>FY09 (P-0676)</th>
<th>FY10 (P-0703)</th>
<th>Total</th>
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<tbody>
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<td>Federal</td>
<td>$0.61</td>
<td>$0.58</td>
<td>$1.20 million</td>
</tr>
<tr>
<td>Local</td>
<td>0.07</td>
<td>0.15</td>
<td>0.21 million</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$0.68</strong></td>
<td><strong>$0.73</strong></td>
<td><strong>$1.41 million</strong></td>
</tr>
</tbody>
</table>

Federal 85%
Local 15%

Asphalt work in progress along Moffet Blvd in Mountain View, looking South
Completed Concrete sidewalk and asphalt, along Moffet Blvd in Mountain View, looking North
De Anza Transit Center

Estimated Cost: $1.6 million
Approved Budget: $1.6 million
Year of Completion: 2009
Project Manager: Jing Quan
Designers: VTA
Contractor:
Phase 1 – Bianchi-Amaker Construction
Phase 2 – J.J. Albanese, Inc.

Project Description:
Phase 1 of this project constructed a new bus stop on the De Anza College campus.

The new facilities include the new bus stop, a passenger plaza with one bus shelter, and other improvements. A new concrete walkway was added within the existing landscaped parking lot median to connect the campus to the new bus stop. Various underground utilities in conflict with the bus stop improvements were also re-routed.

Phase 2 work constructed Campus Drive roadway improvements in the area frequented by VTA buses.

Project Status:
Phase 1 - The new bus stop has been placed in service, with the opening event held in October 2008. The construction contract cost at close-out was $339,412, 10% over the bid amount.

Phase 2 - Construction was completed in September 2009. The final construction contract cost is $79,485, the same as the bid amount.

Project closeout is underway.

Project Schedule:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Phase 1</td>
<td>Sep-08</td>
<td>Jul-09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Phase 2</td>
<td>Jun-08</td>
<td>Oct-08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closeout Phase 1</td>
<td>Oct-08</td>
<td>Jun-09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Phase 2</td>
<td>Jul-09</td>
<td>Sep-09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closeout Phase 2</td>
<td>Oct-09</td>
<td>May-09</td>
<td></td>
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</tr>
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</table>
## Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget (a)</th>
<th>Mar-10 Committed Costs (b)</th>
<th>Mar-10 Incurred Costs (c)</th>
<th>Budget Balance (d = a - c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>478</td>
<td>478</td>
<td>478</td>
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<tr>
<td>Real Estate</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Labor, Services and Support</td>
<td>1,059</td>
<td>1,014</td>
<td>994</td>
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<tr>
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<td>48</td>
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<tr>
<td>Total</td>
<td>1,584</td>
<td>1,492</td>
<td>1,472</td>
<td>112</td>
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Approved Budget Incurred 93%
Approved Budget Committed 94%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

## Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Federal</td>
<td>$0.87 million</td>
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<tr>
<td>Local</td>
<td>0.72 million</td>
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<tr>
<td>Total</td>
<td>$1.58 million</td>
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</tbody>
</table>

Local 45%
Federal 55%
Passenger Facilities Projects

Upgrade LR Stations Public Address System

**Estimated Cost:** $1.5 million  
**Approved Budget:** $1.5 million  
**Year of Completion:** 2010  
**Project Manager:** Jane Yu  
**Designer:** SBTA / Lamoreaux McLendon  
**Contractor:** HSQ Technology

**Project Description:**
The project consists of public address (PA) system modifications to 15 existing North Line Stations, from Old Ironsides Station in the north to Japantown/Ayer Station in the south, as well as the Convention Center Station.

This contract will upgrade the PA system by replacing existing amplifiers, speakers, associated PA hardware, maintenance telephone system and wiring as needed by the upcoming Real Time Information (RTI) project. The separate RTI project is planned to provide the software functionality to complete the enhanced information system, including separate messaging to center and split platforms, with accurate and reliable real-time transit information.

**Project Status:**
Construction bids were opened on June 22, 2009. The Contract was awarded to the lowest bidder, HSQ Technology, in August 2009, in the amount of $482,000.

The contractor has completed the first phase of work, which included installation of new station cabling and new speakers. The second phase will include installation of the remaining public address equipment, interconnect cabling and related testing. Construction is anticipated to be completed by May 2010.

**Project Schedule:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>Jun-08</td>
<td>Aug-09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Aug-09</td>
<td>May-10</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Closeout</td>
<td>Jun-10</td>
<td>Jul-10</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget (a)</th>
<th>Mar-10 Committed Costs (b)</th>
<th>Mar-10 Incurred Costs (c)</th>
<th>Budget Balance (d = (a-c))</th>
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</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
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<td>482</td>
<td>314</td>
<td>240</td>
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<td>Real Estate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Labor, Services and Support</td>
<td>857</td>
<td>583</td>
<td>562</td>
<td>295</td>
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<tr>
<td>Contingency</td>
<td>95</td>
<td>-</td>
<td>-</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,506</strong></td>
<td><strong>1,065</strong></td>
<td><strong>876</strong></td>
<td><strong>631</strong></td>
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</table>

Approved Budget Incurred 58%
Approved Budget Committed 71%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

## Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Federal</td>
<td>$1.2 million</td>
</tr>
<tr>
<td>Local</td>
<td>0.3 million</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1.5 million</strong></td>
</tr>
</tbody>
</table>

Local 20%
Federal 80%

Race Station PA Speakers on Visual Message Board Lighting Pole

Winchester Station PA Speakers on an Overhead Power Pole
Guadalupe Platforms Retrofit – South Line

Estimated Cost: $24.3 million
Approved Budget: $24.3 million
Year of Completion:
Platforms: 2009
Elevators/Escalators: 2011

Project Managers:
Ehsan Ilyas & Manjit Khalsa

Designer:
Nolte Associates

Contractor:
Platforms: Robert A. Bothman
Elevators/Escalators: TBD

Project Description:
The Platform Retrofit contract included 13 stations on the Guadalupe line to accommodate VTA's low floor light rail vehicles. This project retrofitted South Line platforms from the Children’s Discovery Museum south to Santa Teresa and Almaden Stations.

Work also included upgrades to the public address system, shelter lighting, furnishings, paint and landscaping.

A second phase of work - the South Line Elevators and Escalators Retrofit - includes the retrofit and rehabilitation of existing elevators and escalators at eight South Line LRT stations. The existing elevators and escalators at these stations have reached the end of their useful life, and require retrofits and code upgrades. This effort will include repairs and upgrades to escalators and elevators to improve safety, increase systems reliability, and comply with ADA requirements.

Project Status:
The South Line Platforms Retrofit contract completed the retrofit of all 13 existing South Line light rail stations to allow level boarding for low floor vehicles for the entire VTA system. All stations were returned to service on November 8, 2008, with contract closeout completed in June 2009. The construction contract cost at close-out was $14,210,909, 6% over the bid amount.

Design development for the South Line Elevator/Escalator retrofit effort is nearly complete. This contract is scheduled to be advertised in April 2010 with some of the work anticipated to be included as add-alternate items in the bid package to provide flexibility in awarding the contract.

Construction completion is anticipated in Fall 2011.

Project Schedule:

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>Jan-08</td>
<td>Jun-09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design - Elevator/Escalator</td>
<td>May-09</td>
<td>Jul-10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retrofit Elevator/Escalator</td>
<td>Aug-10</td>
<td>Nov-11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closeout</td>
<td>Nov-11</td>
<td>Feb-12</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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## Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget</th>
<th>Mar-10 Committed Costs</th>
<th>Mar-10 Incurred Costs</th>
<th>Budget Balance d = (a-c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>19,252</td>
<td>16,652</td>
<td>16,652</td>
<td>2,600</td>
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<tr>
<td>Real Estate</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Labor, Services and Support</td>
<td>4,634</td>
<td>3,496</td>
<td>3,442</td>
<td>1,193</td>
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<tr>
<td>Contingency</td>
<td>430</td>
<td>-</td>
<td>-</td>
<td>430</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>24,317</strong></td>
<td><strong>20,149</strong></td>
<td><strong>20,094</strong></td>
<td><strong>4,223</strong></td>
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</table>

Approved Budget Incurred 83%
Approved Budget Committed 83%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

## Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$17.50 million</td>
</tr>
<tr>
<td>Local</td>
<td>6.82 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24.32 million</strong></td>
</tr>
</tbody>
</table>

Local 28%
Federal 72%
## Rail Rehabilitation

**Estimated Cost:** $8.9 million  
**Approved Budget:** $8.9 million  
**Year of Completion:** 2011  
**Project Manager:** Jonn Duesterhaus  
**Designer:** Rail Surveyors & Engineers & HMH  
**Contractor:**  
Phase 1 - Stacy & Witbeck, Inc.  
Phase 2 - Stacy & Witbeck, Inc./Con-Quest J.V.  
Phase 3 – VTA, Future Phases - TBD

**Project Description:**

**Phase 1** included the replacement of three single-track curves and embedded track at the Downtown San Jose Transit Mall. The rail in this area had experienced extreme wear and rail was cracked in some locations. The three curves are located at the following intersections:  
- Second and San Carlos Streets  
- Second and Devine Streets  
- First and Devine Streets.

**Phase 2** work included replacement of embedded track at the Almaden and Market Street crossings, rehabilitation of deteriorating track along San Carlos Street, and repair of rail defects near Woz Way. Additionally, scope includes the installation of two lubricators at First Street/Devine Street and Second Street/Devine Street (Downtown Transit Mall).

Based on recommendations from the Track Assessment Study, contracts will be prepared over the next two fiscal years to address additional Rail Rehabilitation Scope. Areas being considered include the following:  

**Phase 3** work consists of hardwood Spur Removal with signal improvements (Vasona Line), De-stressing the rail at Tasman and Rio Robles (Guadalupe North Line), and tie replacement between Capitol Expressway and Route 85 (Guadalupe South Line).  

**Phase 4 and beyond** includes a Single Crossover at Clayton with signal improvements (Guadalupe North Line), restraining rail at Route 87/Children’s Discovery Museum and at Chynoweth Station (Guadalupe South Line), and two single crossovers at Younger Ave. with signal improvements (Guadalupe Line at Maintenance Yard)

**Project Status:**

**Phase 1** (P-0536): All three curves have been replaced. One of the three lubricators was installed. The construction contract cost at close-out was $2,021,000, 13% over the bid amount.

**Phase 2** (P-0670): The construction contract was awarded to Stacy & Witbeck in August 2009, in the amount of $1,338,000. The remaining two lubricators will be installed under this contract. This work was substantially complete as of February 2010.

**Phase 3** (P-0670): This work will be designed in-house, and construction administered under two separate contracts, with construction anticipated to be complete by the end of 2010.

**Phase 4 and beyond:** A Request for Proposals was issued for engineering services to create a new grant-eligible on-call list from which designers for future scopes will be selected. The new grant-eligible on-call list of designers is scheduled to go to the Board in May 2010.

**Project Schedule:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>Sep-07</td>
<td>Oct-08</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design - Phases 1-3</td>
<td>Mar-09</td>
<td>Jun-10</td>
<td></td>
<td>Phase 1</td>
<td></td>
<td>Ph3</td>
</tr>
<tr>
<td>Construction</td>
<td>Jan-08</td>
<td>Dec-10</td>
<td>Phase 1</td>
<td></td>
<td>Ph2</td>
<td>Ph3</td>
</tr>
<tr>
<td>Closeout</td>
<td>Dec-08</td>
<td>Apr-11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 4 and beyond</td>
<td>TBD</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
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</table>
### Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget (a)</th>
<th>Mar-10 Committed Costs (b)</th>
<th>Mar-10 Incurred Costs (c)</th>
<th>Budget Balance (d = (a-c))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
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<td>Real Estate</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Labor, Services and Support</td>
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<td>1,593</td>
<td>1,523</td>
<td>1,247</td>
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<tr>
<td>Contingency</td>
<td>207</td>
<td>-</td>
<td>-</td>
<td>207</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,932</strong></td>
<td><strong>5,117</strong></td>
<td><strong>5,033</strong></td>
<td><strong>3,900</strong></td>
</tr>
</tbody>
</table>

Approved Budget Incurred: 56%

Approved Budget Committed: 57%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

### Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Phase 1 (P-0536)</th>
<th>Phase 2+ (P-0670)</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$2.52</td>
<td>$4.37</td>
<td>$6.89 million</td>
</tr>
<tr>
<td>State</td>
<td>0.00</td>
<td>0.77</td>
<td>0.77 million</td>
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<tr>
<td>Local</td>
<td>0.63</td>
<td>0.65</td>
<td>1.28 million</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$3.14</strong></td>
<td><strong>$5.79</strong></td>
<td><strong>$8.93 million</strong></td>
</tr>
</tbody>
</table>

- Federal 77%
- State 9%
- Local 14%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's
Estimated Cost: $3.0 million
Approved Budget: $3.0 million
Year of Completion: 2010
Project Manager: Tom Fitzwater/Mark Mahaffey
Designers / Contractors: Various

Project Description and Status:
The VTA Board of Directors created the Green Facility Improvement Program to proactively reduce the consumption of natural resources, the creation of greenhouse gases, and the generation of pollution in the provision of public transportation services.

The Cerone High Gain Solar Plant is a partnership with Skyline Solar that installed a 27-kilowatt plant at the Cerone facility. Installation was completed in May 2009. For the balance of 2009, the plant generated 15,970 kWh of electricity for VTA, which saved VTA an estimated $2,236, based on a rate of 14 cents per kWh.

The Energy Efficient Lighting Project replaces inefficient fluorescent and metal halide lighting fixtures at VTA Divisions. In 2009, VTA replaced 1,852 lighting fixtures at the Cerone, Chaboya, and River Oaks Divisions. VTA estimates that the lighting retrofits have reduced 2009 electrical usage by 250,000 kWh and 2009 electrical costs by $35,000 since installation in September 2009.

New Flow Sensors at Park-and-Ride Lots provide new automatic shut off valves/flow sensors on the backflow preventers located at multiple VTA Park & Ride lots. The sensors monitor abnormally high or low flows at each location and will automatically shut off flow to avoid unnecessary water usage. The sensors were connected and configured to recently installed weather based irrigation controllers which enable staff to receive email alerts. Since installation in December 2009, VTA staff have received and reacted to alerts of a possible mainline break at Penitencia and abnormal flows of up to 18.9 gallons per minute at Hostetter. Based on consumption history for these locations, over 43,000 gallons have been saved so far.

Project Schedule:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
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<tr>
<td>Design</td>
<td>May-08</td>
<td>Oct-09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Dec-08</td>
<td>Dec-09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closeout</td>
<td>Mar-09</td>
<td>Jan-10</td>
<td></td>
<td></td>
<td></td>
</tr>
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### Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget</th>
<th>Mar-10 Committed Costs</th>
<th>Mar-10 Incurred Costs</th>
<th>Budget Balance</th>
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<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>1,753</td>
<td>1,523</td>
<td>1,496</td>
<td>257</td>
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<tr>
<td>Real Estate</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Labor, Services and Support</td>
<td>1,221</td>
<td>1,138</td>
<td>1,132</td>
<td>88</td>
</tr>
<tr>
<td>Contingency</td>
<td>27</td>
<td>(89)</td>
<td>(89)</td>
<td>116</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,000</strong></td>
<td><strong>2,571</strong></td>
<td><strong>2,538</strong></td>
<td><strong>462</strong></td>
</tr>
</tbody>
</table>

Approved Budget Incurred 85%
Approved Budget Committed 86%

*NOTE: All amounts are Year Of Expenditure dollars in $1,000's*

### Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>$3.0 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3.0 million</strong></td>
</tr>
</tbody>
</table>

*Local 100%*

---

Energy-Efficient Lighting at Cerone

Ribbon-Cutting Ceremony for Cerone High-Gain Solar Plant
**Track Intrusion Abatement/Prevention**

**Estimated Cost:**
$4.0 million

**Approved Budget:**
$4.0 million

**Year of Completion:**
- Abatement Ph 1: 2009; Ph 2: 2011
- Prevention: TBD

**Project Manager:**
- Ehsan Ilyas (Abatement Phase 1)
- Jane Yu (Abatement Phase 2)

**Designer:**
VTA

**Contractor:**
- Abatement Phase 1 – Republic ITS
- Abatement Phase II – TBD

**Project Description:**
VTA has experienced left hand turn and track intrusion incidents resulting in injuries, damage to VTA equipment, and service disruptions. **Track Intrusion Abatement** will be performed in two phases. **Phase 1** implemented the following strategies to reduce intrusions at nine locations:
- Relocating stop bars and limit lines
- Installing striping, pavement markings and markers
- Installing additional signage and bollards
- Replacing existing “Train Approaching” signs with dual flash “Train Approaching/No Left Turn” icon signs

**Phase 2** will include implementing the above strategies at additional LRT crossings, reconfiguring crossing gates at LRT crossings, and installing fences at LRT stations to deter trespassers.

**Track Intrusion Prevention** scope includes installing between-car barriers (BCB) on the station platform edges at LRT stations to prevent visually impaired passengers from entering the trackway between stopped light rail vehicles.

**Project Status:**
The **Abatement Phase 1** (P-0666) construction contract started in July 2009 and completed in February 2010 with contract close-out anticipated by April 2010. Procurement of active “Train Approaching/No left Turn” signs was also completed during Phase 1.

**Abatement Phase 2** (P-0666) Final Design is in progress, with comments from diagnostic meetings held in January 2010 with CPUC, City of San Jose, City of Milpitas and Caltrans being incorporated. Construction contract award is expected in fall 2010, with contract completion scheduled for mid 2011.

The temporary BCB installation demonstration for **Track Intrusion Prevention** (P-0681) at Almaden Station occurred in September 2009. A preliminary project schedule will be finalized after discussions with and input from CPUC and other stakeholders, once grant funding is identified.

**Project Schedule:***

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>Aug-07</td>
<td>Nov-10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Jul-09</td>
<td>May-11</td>
<td>Ph I</td>
<td></td>
<td></td>
<td>Ph II</td>
</tr>
<tr>
<td>Closeout</td>
<td>May-10</td>
<td>Aug-11</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

*P-0666, P-0681*
### Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget</th>
<th>Mar-10 Committed Costs</th>
<th>Mar-10 Incurred Costs</th>
<th>Budget Balance d = (a-c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>2,363</td>
<td>267</td>
<td>254</td>
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<tr>
<td>Real Estate</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>Labor, Services and Support</td>
<td>1,365</td>
<td>695</td>
<td>628</td>
<td>737</td>
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<tr>
<td>Contingency</td>
<td>233</td>
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<td>233</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>3,961</strong></td>
<td><strong>963</strong></td>
<td><strong>882</strong></td>
<td><strong>3,079</strong></td>
</tr>
</tbody>
</table>

- Approved Budget Incurred: 22%
- Approved Budget Committed: 24%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

### Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>P-0666</th>
<th>P-0681</th>
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<tbody>
<tr>
<td>Federal</td>
<td>$1.21</td>
<td>$0.00</td>
<td>$1.21 million</td>
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<tr>
<td>Local</td>
<td>1.05</td>
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<td><strong>Totals</strong></td>
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<td><strong>$1.70</strong></td>
<td><strong>$3.96 million</strong></td>
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</table>

Federal 31%
Local 69%

New Train approaching/no left turn sign along First Street

Train approaching/no left turn sign at First Street/Brokaw Road intersection


**Maintenance of Way Projects**

**March 2010**

### Traction Power Improvements

**Estimated Cost:** $12.7 million

**Approved Budget:** $12.7 million

**Year of Completion:** 2011

**Project Manager:** Ramesh Dhingra

**Designer:** PGH Wong Engineering Inc

**Contractor:** Bleyco Incorporated (TPSS Rehabilitation)

**Project Description:**

A program of phased upgrades and retrofits to the traction power system was identified in the Traction Power and Overhead Contact System assessment report. VTA is implementing the following portions of the recommended retrofits:

- Design rehabilitation for Traction Power Substation (TPSS) components (DC switches, transfer trip, etc.) for all Guadalupe substations
- Procure material for replacement of cable and TPSS components at the Younger yard
- Design replacement of entire substations at priority locations on the Guadalupe line
- Procure and replace a portion of the priority substations
- Rehabilitation/Replacement of worn Overhead Contact System (OCS) components at various locations

**Project Status:**

**TPSS Rehabilitation** (P-0626): In March 2010, a contract for rehabilitation in the Light Rail Yard and replacement of DC Switchgear at various Guadalupe Substations was awarded to Bleyco Incorporated in the amount of $1,907,000.

**TPSS Procurement** (P-0689): Selection of a design consultant is anticipated in April 2010, with award of the design contract to follow in May 2010.

**OCS Rehabilitation/Replacement** (P-0707): Design is scheduled to begin when State (Prop 1B) funds become available in Fall 2010.

**Project Schedule:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
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<tbody>
<tr>
<td><strong>TPSS Rehab:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Design - Rehab</td>
<td>Oct-08</td>
<td>Mar-10</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Construction</td>
<td>Mar-10</td>
<td>Oct-11</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Closeout</td>
<td>Nov-11</td>
<td>Jan-12</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td><strong>TPSS Procurement:</strong></td>
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<tr>
<td><strong>OCS Rehab/Replacement:</strong></td>
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*P-0626, P-0689, P-0707*
## Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget</th>
<th>Mar-10 Committed Costs</th>
<th>Mar-10 Incurred Costs</th>
<th>Budget Balance (d = (a-c))</th>
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<tbody>
<tr>
<td>Construction and Major Procurement</td>
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<td>52</td>
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<td>9,222</td>
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<td>712</td>
<td>554</td>
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<td>774</td>
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<td><strong>Total</strong></td>
<td><strong>12,728</strong></td>
<td><strong>764</strong></td>
<td><strong>554</strong></td>
<td><strong>12,174</strong></td>
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- Approved Budget Incurred: 4%
- Approved Budget Committed: 6%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

## Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>P-0626</th>
<th>P-0689</th>
<th>P-0707</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Federal</td>
<td>$2.55</td>
<td>$4.05</td>
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<td>$7.29 million</td>
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<td>State</td>
<td>0.68</td>
<td>1.35</td>
<td>0.23</td>
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<tr>
<td>Local</td>
<td>0.48</td>
<td>2.70</td>
<td>0.00</td>
<td>3.18 million</td>
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<td><strong>$3.70</strong></td>
<td><strong>$8.10</strong></td>
<td><strong>$0.93</strong></td>
<td><strong>$12.73 million</strong></td>
</tr>
</tbody>
</table>

- State 18%
- Local 25%
- Federal 57%
Coach/LRV Facilities Projects

Maintenance Facilities Upgrades

March 2010

Estimated Cost: $1.6 million
Approved Budget: $1.6 million
Year of Completion: 2012
Project Managers: John O’Brien, Manjit Khalsa
Designer: Stantec, SBAA
Contractors: Ferris Hoist & Repair
Peterson Hydraulics, RAM Building Company

Project Description:
Includes maintenance and rehabilitation projects for the North, Chaboya and Cerone Bus Operating Divisions, and the Guadalupe Light Rail Vehicle Division.

The Cerone/Chaboya Steam Clean Lift Replacement replaced the existing steam rack lifts and provided the necessary structural upgrades to the facility to allow the installation of new parallelogram lifts. This mitigates maintenance issues caused by frequent malfunctions of, and the diminishing availability of spare parts for the current system.

The LRV Paint Mix Room Improvements project will create a paint mixing and storage room in a maintenance shop area that currently lacks a room dedicated to this activity. The new room will provide safety measures specifically suited to paint mixing, and is consistent with improvements previously completed at the other bus operating Divisions.

The Guadalupe Emergency Power Generator Upgrade will replace the existing power generator with a 1200-KW rated emergency generator, thereby allowing the entire division to operate without interruption during a power outage.

Project Status:
The construction contract for the Chaboya Steam Clean Lift Replacement (P-0609, see page 2-20) was awarded to Peterson Hydraulics in August 2009, in the amount of $172,000. Construction was substantially completed in March 2010, and punchlist work is underway.

The LRV Paint Mix Room Improvements (P-0639) contract was awarded to RAM Building Company in the amount of $181,000. Construction will commence in spring 2010.

State (Prop 1B) funding for the Guadalupe Emergency Power Generator Upgrade (P-0714) is not anticipated to be available until summer 2010, at which point design efforts will commence. Construction is scheduled for completion in spring 2012.

Project Schedule:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td>Design</td>
<td>Feb-08</td>
<td>Oct-11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction (Cerone Minor Maint)</td>
<td>Jul-08</td>
<td>Oct-08</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Construction (Steam Clean Lift)</td>
<td>Sep-09</td>
<td>Apr-10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction (LRV Paint Mix Rm)</td>
<td>Apr-10</td>
<td>Aug-10</td>
<td></td>
<td></td>
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<tr>
<td>Construction (Emerg. Power Gen)</td>
<td>Jan-12</td>
<td>Mar-12</td>
<td></td>
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<tr>
<td>Closeout</td>
<td>Oct-08</td>
<td>Jun-12</td>
<td></td>
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Approved Budget:

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<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget</th>
<th>Mar-10 Committed Costs</th>
<th>Mar-10 Incurred Costs</th>
<th>Budget Balance $ = (a-c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>818</td>
<td>222</td>
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<td>818</td>
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<td>Real Estate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Labor, Services and Support</td>
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<td>262</td>
<td>223</td>
<td>421</td>
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<tr>
<td>Contingency</td>
<td>129</td>
<td>-</td>
<td>-</td>
<td>129</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1,591</strong></td>
<td><strong>484</strong></td>
<td><strong>223</strong></td>
<td><strong>1,369</strong></td>
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</table>

Approved Budget Incurred 14%
Approved Budget Committed 30%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>P-0639</th>
<th>P-0714</th>
<th>Total</th>
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<tbody>
<tr>
<td>Local</td>
<td>$0.65</td>
<td>$0.00</td>
<td>$0.65 million</td>
</tr>
<tr>
<td>State</td>
<td>0.00</td>
<td>0.94</td>
<td>0.94 million</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$0.65</strong></td>
<td><strong>$0.94</strong></td>
<td><strong>$1.59 million</strong></td>
</tr>
</tbody>
</table>

Local 41%
State 59%

Existing 4-post lift at Cerone Division

Example of Upgraded Parallelogram lift in service at North Division
Estimated Cost: $3.7 million
Approved Budget: $3.7 million
Year of Completion: TBD
Project Manager: John O’Brien
Designer: Mark Thomas, Inc., SBAA
Contractors: Balch Petroleum, Peterson Hydraulic

Project Description:
The implementation of the Community Bus Program utilizes gasoline-powered, small capacity buses. Currently, these buses are fueled off-site, since the existing VTA fuel dispensing infrastructure only supports diesel fuel.

This program, when completed, will allow VTA to store and dispense unleaded gasoline on-site for the Community Buses that operate out of each Division.

In addition, existing leak detection and monitoring systems will be replaced. Underground product piping will be reconfigured, and vapor recovery enhancements will be provided in accordance with regulatory requirements.

The Chaboya Division Fuel Island Modifications project converted one of the four existing 20,000 gallon diesel underground storage tanks to unleaded gasoline and added one new unleaded gasoline dispenser. Remaining budget is being used to install the Chaboya Steam Clean Lift (described on page 2-18).

The Cerone Division Fueling Facility Improvement project will construct a new fueling facility to store and dispense unleaded gasoline for the Community Bus Program and the Outreach Paratransit Program.

Project Status:
Fueling operations for the Chaboya (P-0609) project began in July 2008, and closeout is complete. The remaining budget is being used to install the Chaboya Steam Clean Lift, which was substantially completed in March 2010.

The Cerone (P-0669) project has completed the 100% Design phase. This project is currently on hold pending identification of an alternative funding source. Construction will include only the improvements necessary to fuel the Paratransit vehicles.

Project Schedule:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>Oct-08</td>
<td>Aug-10</td>
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<td></td>
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<td></td>
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<tr>
<td>Construction (Chaboya)</td>
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<td>Jun-08</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction (North Yard)</td>
<td>May-08</td>
<td>Sep-08</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction (Cerone)</td>
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<td>TBD</td>
<td></td>
<td></td>
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<td>Closeout</td>
<td>Jul-08</td>
<td>TBD</td>
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## Approved Budget:

<table>
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<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget</th>
<th>Mar-10 Committed Costs</th>
<th>Mar-10 Incurred Costs</th>
<th>Budget Balance $d = (a-c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>1,821</td>
<td>276</td>
<td>218</td>
<td>1,602</td>
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<td>Labor, Services and Support</td>
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<td>1,105</td>
<td>889</td>
<td>825</td>
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<tr>
<td>Contingency</td>
<td>164</td>
<td>-</td>
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<td>164</td>
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<td><strong>Total</strong></td>
<td><strong>3,698</strong></td>
<td><strong>1,381</strong></td>
<td><strong>1,107</strong></td>
<td><strong>2,592</strong></td>
</tr>
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</table>

Approved Budget Incurred: 30%
Approved Budget Committed: 37%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

## Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>P-0609</th>
<th>P-0669</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>$0.91</td>
<td>$2.79</td>
<td>$3.70 million</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$0.91</strong></td>
<td><strong>$2.79</strong></td>
<td><strong>$3.70 million</strong></td>
</tr>
</tbody>
</table>

Local 100%

North Division Bio-Diesel Dispenser
Chaboya Division Unleaded Dispenser
Coach/LRV Facilities Projects

Facilities Master Plan

Estimated Cost:
$0.6 million

Approved Budget:
$0.6 million

Year of Completion:
2010

Project Manager:
Kiyo Ushino

Designer:
TBD

Project Description:
This project provides planning services to update the existing Facilities Master Plan document, last revised in 2001. The Master Plan requires updating to reflect various completed projects, as well as improvements underway and/or under consideration. Also, long term assumptions relating to the size of the VTA system-wide bus fleet at the three operating divisions have changed since 2001. Therefore, an updated Master Plan document is necessary to ensure that future facility capital project needs are consistent with projected bus and rail operations.

The Master Plan document will review current VTA operations, maintenance facilities, and the administrative facility at River Oaks. It will evaluate servicing, storage capacities, and office capacities, and develop real property and facility expansion strategies to address the demands for the 10 and 20-year time horizons.

Project Status:
The project will deliver various technical reports: Interim Report #1, Interim Report #2 and a Final Facilities Master Plan. To date, Interim Report #1 and technical reports on auxiliary emergency rail access for the Guadalupe LRT Facility and the Santa Teresa LRT storage and servicing facility have been completed. The delivery of interim Report #2 is expected in April 2010 and the Final Facilities Master Plan in May 2010.

Project Schedule:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Oct-09</td>
<td>May-10</td>
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</table>
### Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget (a)</th>
<th>Mar-10 Committed Costs (b)</th>
<th>Mar-10 Incurred Costs (c)</th>
<th>Budget Balance (d = a - c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Real Estate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Labor, Services and Support</td>
<td>514</td>
<td>433</td>
<td>256</td>
<td>258</td>
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<tr>
<td>Contingency</td>
<td>46</td>
<td>-</td>
<td>-</td>
<td>46</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>560</strong></td>
<td><strong>433</strong></td>
<td><strong>256</strong></td>
<td><strong>304</strong></td>
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</table>

- Approved Budget Incurred: 46%
- Approved Budget Committed: 77%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

### Approved Funding:

<table>
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<tr>
<th>Funding Source</th>
<th>Amount</th>
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<tbody>
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<td><strong>$0.56 million</strong></td>
</tr>
</tbody>
</table>

Local 100%

- Maintenance Activities at Cerone O & R
- Maintenance Vehicle at Guadalupe Division
Security Projects

CCTV Projects

Estimated Cost: $4.6 million
Approved Budget: $4.6 million
Year of Completion: 2010
Project Managers: Bob Magliocco; Manjit Khalsa
Designer: VTA
Contractors: Siemens Building Tech, Cupertino Electric

Project Description:
Install video surveillance and recording equipment including Closed-Circuit TV (CCTV) cameras, video recorders, and associated hardware at these VTA facilities:

Phases 1,2 & 3: Penitencia Creek, I-880/Milpitas, Baypointe, Montague, Cropley, Convention Center, and Tasman light rail stations, and the Tasman East Aerial Structure

Phase 4: Capitol, Blossom Hill, Snell, Cottle and Santa Teresa light rail stations

Phase 5: Information Technology System upgrades to support CCTV expansion

Phase 6: Chynoweth, Virginia, Branham, Children’s Discovery Museum, Oakridge, Almaden, and Lick Mill light rail stations

Additional locations include the Guadalupe Division Rail Facility and the Chaboya Division Bus Facility (Chaboya division work is discussed on page 28). Once the CCTV equipment is installed, VTA’s Protective Services Department will have the ability to view these locations remotely in real time and in recorded images.

Project Status:
Construction is complete for Phases 1, 2, 3, 4 & Guadalupe Division. The construction contract cost at closeout and percent over (under) the bid amount for this work was:

Phases 1-3 $590,000 18.3% over
Guadalupe $659,000 2.3% over
Phase 4 $343,000 14.7% over

Phase 5 is substantially complete, with finalization of the punchlist underway.

Bid advertisement for Phase 6 is expected in April 2010, with completion of work expected in October 2010.

Project Schedule:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>Apr-08</td>
<td>Mar-10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Jun-09</td>
<td>Oct-10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closeout</td>
<td>Jan-10</td>
<td>Dec-10</td>
<td></td>
<td></td>
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### Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget</th>
<th>Mar-10 Committed Costs</th>
<th>Mar-10 Incurred Costs</th>
<th>Budget Balance $ = (a-c)</th>
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<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>2,162</td>
<td>2,233</td>
<td>2,059</td>
<td>104</td>
</tr>
<tr>
<td>Real Estate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Labor, Services and Support</td>
<td>1,900</td>
<td>1,451</td>
<td>1,420</td>
<td>480</td>
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<tr>
<td>Contingency</td>
<td>515</td>
<td>-</td>
<td>-</td>
<td>515</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>4,578</strong></td>
<td><strong>3,683</strong></td>
<td><strong>3,479</strong></td>
<td><strong>1,099</strong></td>
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Approved Budget Incurred 76%
Approved Budget Committed 80%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

### Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>P-0576</th>
<th>P-0697</th>
<th>Total</th>
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<tbody>
<tr>
<td>Federal</td>
<td>$2.53</td>
<td>$0.64</td>
<td>$3.17 million</td>
</tr>
<tr>
<td>State</td>
<td>0.73</td>
<td>0.59</td>
<td>1.31 million</td>
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<tr>
<td>Local</td>
<td>0.09</td>
<td>0.00</td>
<td>0.09 million</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>$3.34</strong></td>
<td><strong>$1.23</strong></td>
<td><strong>$4.58 million</strong></td>
</tr>
</tbody>
</table>

Federal 69%
State 29%
Local 2%

CCTV Camera at Capitol Station
Installation at Guadalupe Division
Laser Intrusion Detection at LR Stations

Estimated Cost: $2.1 million
Approved Budget: $2.1 million
Year of Completion: 2012
Project Manager: Manjit Khalsa
Contractor: Siemens Building Tech
Future Phases - TBD

Project Description:
Provide a Laser Intrusion Detection System at the following VTA facilities:

1) The west and east ends of the Tasman East Elevated Structure, Great Mall light rail station, and Montague light rail station

2) The south and north ends of the Hamilton Elevated Guideway and Hamilton light rail station

The system will detect human and other non-light-rail-vehicle intrusions.

Project Status:
Construction for Tasman East Elevated Guideway (P-0577) is complete, and the project is being closed out. The construction contract cost at closeout was $284,000, 10% under the bid amount.

State (Prop 1B) funding for the Hamilton Station Elevated Guideway (P-0705) design is not anticipated to be available until fall 2010. As a result, Preliminary Engineering will not begin before fall 2010, with construction to be completed by February 2012.

Project Schedule:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>Jun-08</td>
<td>Sep-09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Sep-09</td>
<td>Feb-10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closeout</td>
<td>Mar-10</td>
<td>May-10</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Schedule is for P-0577 (Tasman East) only - does not include P-0705 (Hamilton)
## Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Approved Project Budget</th>
<th>Mar-10 Committed Costs</th>
<th>Mar-10 Incurred Costs</th>
<th>Budget Balance $ = (a-c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>709</td>
<td>284</td>
<td>284</td>
<td>425</td>
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<tr>
<td>Real Estate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Labor, Services and Support</td>
<td>1,280</td>
<td>565</td>
<td>554</td>
<td>726</td>
</tr>
<tr>
<td>Contingency</td>
<td>143</td>
<td>-</td>
<td>-</td>
<td>143</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,131</strong></td>
<td><strong>849</strong></td>
<td><strong>838</strong></td>
<td><strong>1,293</strong></td>
</tr>
</tbody>
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Approved Budget Incurred 39%
Approved Budget Committed 40%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

## Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>P-0577</th>
<th>P-0705</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Federal</td>
<td>$0.42</td>
<td>$0.60</td>
<td>$1.02 million</td>
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<tr>
<td>State</td>
<td>0.47</td>
<td>0.56</td>
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<tr>
<td>Local</td>
<td>0.08</td>
<td>0.00</td>
<td>0.08 million</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>$0.97</strong></td>
<td><strong>$1.16</strong></td>
<td><strong>$2.13</strong> million</td>
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</tbody>
</table>

Federal 48%
State 48%
Local 4%

Two Laser Scanners and an audible warning unit at East Entrance of the Tasman East Elevated Structure

Hamilton Elevated Guideway
Perimeter Fence Upgrades/Site Hardening

Estimated Cost: $4.5 million
Approved Budget: $4.5 million
Year of Completion:
Cerone – 2010, Chaboya – 2011
Project Manager: Adolf Daaboul
Contractor:
Cerone High Security - Fence Corp.
Chaboya High Security - TBD

Project Description:
The Cerone/Chaboya Operating Division High Security Fence Upgrades and Site Hardening projects will replace the existing fence line and gates with a combination of High Security and Maximum Security fencing that will resist climbing and cutting. These projects will also shift the eastern fence line outward which will result in additional yard space being available within the protected perimeter.

Additional site hardening measures will be undertaken at the Chaboya Division, including guard shack relocation as well as CCTV and card reader installation.

Project Status:
The Cerone Division High Security Fence Improvements (P-0682) construction contract was awarded in July 2009, and construction was substantially complete at the end of January 2010. The construction contract cost at closeout was $657,000, 2.2% over the bid amount.

The Chaboya Division Site Hardening (P-0684) work has both state and federal funding components, and no work can begin prior to issuance of award letters from both the Department of Homeland Security and California Emergency Management Agency. The work will be contracted in three packages:
- Perimeter Fence
- CCTV
- Site Improvements and Guard Station

The preliminary schedule anticipates all construction to be complete by late 2011.

Project Schedule:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tbody>
<tr>
<td>Design (Cerone)</td>
<td>Oct-08</td>
<td>Aug-09</td>
<td></td>
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<tr>
<td>Construction (Cerone)</td>
<td>Aug-09</td>
<td>Jan-10</td>
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<td></td>
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<tr>
<td>Closeout (Cerone)</td>
<td>Feb-10</td>
<td>Apr-10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design (Chaboya)</td>
<td>TBD</td>
<td>TBD</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Construction (Chaboya)</td>
<td>TBD</td>
<td>TBD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closeout (Chaboya)</td>
<td>TBD</td>
<td>TBD</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Approved Budget:

<table>
<thead>
<tr>
<th>Project Cost Element</th>
<th>Project Cost Element</th>
<th>Approved Project Budget</th>
<th>Mar-10 Committed Costs</th>
<th>Mar-10 Incurred Costs</th>
<th>Budget Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Major Procurement</td>
<td>2,426</td>
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<td>665</td>
<td>1,762</td>
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<tr>
<td>Real Estate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Labor, Services and Support</td>
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<td>607</td>
<td>892</td>
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<tr>
<td>Contingency</td>
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<td>-</td>
<td>-</td>
<td>585</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
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<td><strong>1,280</strong></td>
<td><strong>1,271</strong></td>
<td><strong>3,239</strong></td>
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</tbody>
</table>

Approved Budget Incurred 28%
Approved Budget Committed 28%

NOTE: All amounts are Year Of Expenditure dollars in $1,000's

### Approved Funding:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>P-0682</th>
<th>P-0684</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$0.00</td>
<td>$1.76</td>
<td>$1.76 million</td>
</tr>
<tr>
<td>State</td>
<td>1.64</td>
<td>0.98</td>
<td>2.63 million</td>
</tr>
<tr>
<td>Local</td>
<td>0.12</td>
<td>0.00</td>
<td>0.12 million</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$1.77</strong></td>
<td><strong>$2.74</strong></td>
<td><strong>$4.51 million</strong></td>
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</tbody>
</table>

Federal 39%
State 58%
Local 3%

High Security Fence at Cerone Division
New High Security Perimeter Fence in Red (Chaboya Division)
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Financial Officer, Joseph T. Smith

SUBJECT: Advanced Farebox System Procurement

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract in the amount of $7,696,261 with GFI Genfare, of Elk Grove Village, Illinois (a subsidiary of SPX Corporation) for the purchase of 450 electronic validating bus fareboxes plus related revenue transfer equipment, data systems, spare parts, and supplies, with an option to purchase up to 50 additional fareboxes if needed to support VTA fleet requirements at a cost of $11,400 each, for a total not-to-exceed contract value of $8,266,261.

BACKGROUND:

VTA’s bus fareboxes are 22 years old and functionally obsolete. They are difficult to maintain, cannot issue tickets or accept electronic payments, and are susceptible to various forms of fare evasion. The data that they provide is limited and often inaccurate. Additional issues include the following:

- The fareboxes are VTA’s leading cause of road calls, resulting in increased operating costs as well as lost fare revenues.

- Current fareboxes are unable to distinguish different denominations of bills, which is a major weakness considering that 25% of the value of currency received on buses is comprised of $2, $5, $10, and $20 bills.

- The fareboxes have no ability to detect or reject counterfeit currency, foreign coins, or slugs.
• The fareboxes have no capacity to issue tickets for use as day passes or transfers.

• Due to age as well as obsolescence of the fareboxes, reconciliations of bus fare revenues are not accurate.

• The farebox data system will only run on obsolete DOS-based PC hardware. Parts for this hardware are no longer available, exposing VTA to the risk of major system failure.

A capital project to replace the fareboxes has been included in the Short Range Transit Plan since at least 2006 and the project was initially approved in the FY 2008 Transit Budget.

In 2008 and 2009, VTA performed a review of fare collection industry trends and an assessment of VTA bus fare collection needs. Fare collection is evolving to include significant technology components including coin and currency validation, integration with other on-board equipment, networked back-end data systems, and electronic payments including smart cards, credit cards, and mobile devices. It became clear that to procure a new fare collection system that could serve VTA needs for 15 or more years, VTA should utilize a process that would allow consideration of multiple factors including technical approach, performance reliability, life cycle costs, and price instead of a simple low-bid competitive procurement process.

Therefore, in June 2009, the Board of Directors approved a resolution finding that a competitive sealed bid process would not be appropriate for procuring a new bus fare collection system and directing the use of competitive negotiation for such a purchase, as authorized under the Public Contract Code.

**DISCUSSION:**

An initial Request for Proposals (RFP) for the “Advanced Farebox System” was released in July 2009. The RFP was downloaded by 69 interested parties and a pre-proposal conference was held on July 28, 2009. Proposals from three vendors were received in September 2009, as follows:

- ACS Transport Solutions, Inc. of Columbia, Maryland
- GFI Genfare, an SPX Division, of Elk Grove Village, Illinois
- Scheidt & Bachmann USA, Inc. of Burlington, Massachusetts

The proposals were reviewed by a VTA Technical Committee including coach operators and representatives of VTA maintenance, engineering, technology, revenue services, and executive staff. Following this review, all three vendors were invited to interviews in late October 2009 with a Selection Committee comprised of the Deputy Director of Accounting, the Deputy Director of Maintenance, the Executive Assistant to the General Manager, and the Revenue Services Manager.

In conjunction with the Selection Committee interviews, the three vendors also demonstrated their equipment to a larger group of VTA staff including bus operators, mechanics, security personnel, and data analysts. Participants viewed and touched the equipment, asked questions of
the vendors, and provided feedback to the Selection Committee. Members of VTA’s Committee on Transit Accessibility (CTA) were also invited to these demonstrations. Subsequent to the interview and demonstrations, VTA made inquiries of industry references for each of the proposing firms.

A primary focus of the technical review, demonstrations, and interviews was to identify emerging and best practices in fare collection and to gain an understanding of cost drivers for farebox systems. With this information, VTA would be able to reduce costs and improve the value of the project through modification of inexact or onerous technical specifications or contractual terms.

In December 2009, VTA issued revised RFP requirements and a request for Best and Final Offer (BAFO) to GFI Genfare and Scheidt & Bachmann. At the same time, VTA notified ACS Transport Solutions that their proposal would not be considered further, for the following reasons:

- The farebox prototype used in the demonstration was not fully functional. Software development was not complete.
- ACS did not demonstrate the proposed Driver Control Unit.
- No evidence was provided that the required revenue transfer equipment had been developed.

BAFO submittals from GFI Genfare and Scheidt & Bachmann were received in January 2010, including revised technical proposals and pricing. The VTA Selection Committee reviewed the submittals carefully considering all elements including technical approach, pricing, life-cycle costs, and past performance as indicated by references.

Following review of all elements of the two BAFO proposals, the Selection Committee determined that the proposal from GFI Genfare was more advantageous to VTA, and directed staff to initiate negotiations with GFI. Primary differences in the two proposals, which led to this determination, were as follows:

- GFI Genfare revenue transfer equipment is well proven and may be readily installed in place of existing equipment at VTA vault rooms. In contrast, Scheidt & Bachmann’s revenue transfer equipment appeared to be still in development, and Scheidt & Bachmann’s proposal did not present a clear indication of how such equipment would be installed at VTA.
- Over 20,000 GFI validating fareboxes are currently in service to transit agencies throughout North America. The large installed base of GFI fareboxes supports independent parts suppliers and repair providers, and lessens the risk of parts becoming unavailable to VTA.
• Over five years in the farebox market, Scheidt & Bachmann has completed only two significant farebox projects with a third project presently in a pilot phase.

• Both reference checks and product demonstrations at VTA indicated issues with the bill validator in the Scheidt & Bachmann farebox.

• Scheidt & Bachmann fareboxes include internal ticket cutters which require regular maintenance. GFI Genfare fareboxes do not require such cutters because they use pre-cut tickets.

• VTA anticipates additional operating expense of as much as $100,000 per year due to wastage of ticket stock with the Scheidt & Bachmann proposed design for issuing tickets using a roll stock mechanism, as compared to the GFI Genfare approach using pre-cut tickets.

• There appears to be relatively greater schedule risk for VTA with Scheidt & Bachmann than with GFI Genfare, as indicated in BAFO schedule submittals.

• VTA’s current farebox system was supplied by GFI Genfare in 1988. GFI has supported this system at VTA for over twenty years through sale and refurbishment of parts and provision of technical support. Although the fareboxes are obsolete and no longer meet VTA’s needs, the basic system has stood the test of time.

Negotiations with GFI Genfare were initiated by letter and continued with a meeting at VTA on April 20, 2010. Pursuant to these discussions, GFI Genfare agreed to several technical modifications (including providing wireless data transfer capability at no additional charge to VTA) and adjusted their pricing. Including optional fareboxes, the total cost on the revised proposal is $8,266,261, which is within the budget for the project. The final negotiated price for GFI Genfare is $29,881 higher than Scheidt & Bachmann’s BAFO proposal. The difference is less than one third of the estimated first year cost of wasted tickets with the Scheidt & Bachmann system. VTA has performed a price analysis and has found that the final negotiated price is fair and reasonable based upon comparable procurements in the marketplace.

The Selection Committee recommends selection of GFI Genfare as the most advantageous proposal and best overall value for VTA, consistent with the goals of the competitive negotiation process.

**ALTERNATIVES:**

The Board could reject the recommendation and direct staff to perform a competitive sealed-bid procurement process. However, this process does not allow VTA to take into consideration factors other than cost in the selection process.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

Chairperson Kniss questioned whether this is the right time to be buying fareboxes, and also, if the fareboxes would be integrated with Clipper (the regional electronic fare collection system.
formerly known as TransLink). General Manager Burns responded that the fareboxes are actually overdue for replacement and that the equipment proposed for acquisition is a proven product and is the same as the fareboxes being purchased by other bay area transit operators, including Golden Gate Transit, AC Transit, and SAMTRANS. Further, the GM indicated that 53% of VTA fare revenues are collected in the form of cash and that VTA needs to maintain a system to collect cash fares on the bus. Regarding Clipper, the General Manager indicated that the fareboxes could be integrated with this program sometime in the future but that this would have to be a regional decision. Such integration is expected to be complicated and expensive and has not been pursued by any transit operator to date.

Chairperson Kniss also sought clarification about the differences in fare collection on light rail compared to buses and why we don’t use ticket vending machines instead of fareboxes to collect cash fares on the bus system. The General Manager indicated that while it is practical to sell tickets from vending machines at the rail stations, it would not be practical or cost-effective to have ticket vending machines at all bus stops. VTA has 62 light rail stations and approximately 3,800 bus stops.

Member Woodward inquired about the useful life of the fareboxes. The projected useful life is 15 years.

The Administration & Finance Committee unanimously approved the recommendation on May 20, 2010 and moved it to the June 3, 2010 Board Meeting.

**FISCAL IMPACT:**

This action will authorize up to $8,266,261 for fareboxes and related equipment. Appropriation for these expenditures is included in the FY 2010 Adopted VTA Transit Enterprise Fund Capital Budget.

Reviewed and approved by:  Ali Hudda, Deputy Director of Accounting

Prepared by: David Sausjord, Revenue Services Manager
Memo No. 2112
## LISTING OF VENDORS

Advanced Farebox System Procurement

<table>
<thead>
<tr>
<th>FIRM</th>
<th>ADDRESS</th>
<th>CONTACT</th>
<th>TITLE</th>
<th>PHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFI Genfare, an SPX Division</td>
<td>751 Pratt Boulevard Elk Grove Village IL 60007</td>
<td>Mark A. Mahon</td>
<td>Director of Sales, Western Region</td>
<td>(847) 593-8855</td>
</tr>
<tr>
<td>Scheidt &amp; Bachmann USA, Inc.</td>
<td>31 North Avenue Burlington, MA 01803</td>
<td>Tomas Oliva</td>
<td>Key Account Manager</td>
<td>(781) 272-1664</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Financial Officer, Joseph T. Smith

SUBJECT: Substitution of Liquidity – 2008 Measure A Bonds

Policy-Related Action: No

Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Adopt a resolution authorizing the General Manager or Chief Financial Officer to execute and deliver any and all documents, including a Remarketing Memorandum in connection with the 2008 Measure A Sales Tax Revenue Refunding Bonds, that are required to implement the replacement of Banco Bilboa Vizcaya Argentaria S.A. with Sumitomo Mitsui Banking Corporation as liquidity provider for Series C and Series D.

BACKGROUND:

The 2000 Measure A Sales Tax Revenue Refunding Bonds, 2008 Series A-Series D (Measure A 2008 Bonds) were issued as uninsured variable rate demand bonds (VRDBs) in June 2008. VRDBs are long term bonds that pay interest at rates that are reset weekly by remarketing agents. VRDBs provide investors with the option to “put” the bonds back to the issuer (in effect sell them back) at each interest reset date. If this occurs, remarketing agents remarket the bonds to other investors. VRDBs are supported by liquidity agreements from banks with high short-term ratings in order to assure bondholders that there is a source of funding to buy their bonds back if they cannot be readily remarketed.

When the Measure A 2008 Bonds were initially issued, VTA engaged two banks to provide liquidity for the bonds: JPMorgan Chase Bank, N.A (JPMorgan Chase) and Banco Bilbao Vizcaya Argentaria S.A (BBVA). Both banks entered into standby bond purchase agreements with initial terms of 364 days (which was the longest duration available at the time). Each agreement was subsequently extended through June 24, 2010. Annual fees for the liquidity facilities are currently 1.175% and .90% for JPMorgan Chase and BBVA, respectively. These
fees are assessed on the outstanding principal amount of the bonds and equal $2.4 million per year.

Since its last extension, BBVA indicated that it could not commit to an additional extension that would take effect on June 24, 2010. Therefore, Staff needed to obtain a replacement provider for BBVA. JPMorgan Chase, however, remained fully committed to municipal finance and to VTA, and was willing to issue a further extension of its liquidity facility for the Measure A 2008 Bonds.

**DISCUSSION:**

With the assistance of VTA’s financial advisor, Peter Ross of Ross Financial, VTA canvassed the universe of highly rated liquidity banks to replace BBVA and, if better fees and terms were available, to replace JPMorgan Chase. The result was extremely positive, as seven banks responded with offers to provide liquidity for VTA. Of the seven banks that responded, Staff selected Sumitomo Mitsui Banking Corporation (Sumitomo) to replace BBVA and chose to renew the liquidity arrangement with JPMorgan Chase (with annual fees that will decline to 0.77%).

Sumitomo offered VTA a compelling combination of pricing, trading value and favorable document provisions. Sumitomo’s annual pricing was tied for the lowest among the banks at an annual fee of 0.75% of the outstanding principal amount on the Measure A 2008 Bonds (Series C and Series D) plus an upfront fee of $10,000. Because Sumitomo is a relatively new entrant in the liquidity market, remarketing agents generally believe that Sumitomo will have “scarcity value” to investors who must maintain a diversified portfolio and, thus, will lead to more favorable interest rates to VTA. Additionally, the document terms offered by Sumitomo are more favorable compared with other banks in the unlikely event a failed remarketing results in a draw on its liquidity facility. Finally, Sumitomo is represented by the same counsel that represents JPMorgan Chase - resulting in lower legal fees and easier implementation.

Both JPMorgan Chase and Sumitomo have agreed to provide liquidity for a three-year term. With the lower fees, annual liquidity costs will be $1.8 million, representing an annual savings of $0.65 million compared to current costs.

Because there is a change in one of the liquidity providers for the Measure A 2008 Bonds, the market requires VTA to provide an updated disclosure document to investors. Attachment A is a Remarketing Memorandum that meets the updated disclosure requirements and is in substantially complete form. The most significant updates from the original Official Statement that was approved by the Board in April 2008 include:

- Disclosure about the liquidity providers and agreements (pg 23);
- Disclosure about requirement to fund the Springing 2008 Series Bond Reserve Fund (pg 19);
• Information about VTA, including historical sales tax revenues and information related to the FY 2010 and FY 2011 Adopted Budget (Appendix A);

• Financial Statements updated to reflect fiscal year ended June 30, 2009 (Appendix B)

The Remarketing Memorandum is a disclosure document that is required by the Securities Exchange Commission (SEC) under Rule 10b-5. Pursuant to this rule, it is a violation to make any untrue statement of a material fact or omit to state a material fact. It is a fiduciary responsibility of the Board to insure that the disclosure document is accurate. The Board should bring to the attention of Staff any discrepancies noted in the attached Remarketing Memorandum.

ALTERNATIVES:

The Remarketing Memorandum is required in order to facilitate the change from BBVA to Sumitomo as liquidity provider to Series C and D of the 2008 Measure A Sales Tax Revenue Bonds. If approval and distribution of the document is not accomplished, or if it is delayed, VTA will not be able to implement the change in liquidity provider and upon expiration of the existing arrangement with BBVA, will be in default according to the terms of VTA's bond documents.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration & Finance Committee heard this item on May 20, 2010. The Committee discussed the type of information contained in the Remarketing Memorandum (such as VTA specific information in Appendix A and County Demographics in Appendix C). Additionally, Staff reemphasized to the Committee that the Remarketing Memorandum is a disclosure document and as such should accurately reflect any statements made about VTA. The Committee unanimously recommended this item to the full Board for approval.

FISCAL IMPACT:

The approval of the Remarketing Memorandum does not itself result in a fiscal impact to VTA. However, there are legal and financial advisory fees associated with the substitution of liquidity, which are estimated to be $71,500. Savings achieved as a result of the renewal with JPMorgan Chase and substitution of Sumitomo equal $0.65 million per year. Funds for the substitution of liquidity and the annual liquidity fees are included in the Adopted FY 2010 and FY 2011 Measure A Transit Improvement Program Fund Operating Budget.

Prepared by: Kimberly Koenig, Fiscal Resources Manager
Memo No. 2481
REMARKETING MEMORANDUM DATED JUNE ___, 2010

REMARKETED ISSUE – BOOK-ENTRY ONLY

$235,875,000
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 MEASURE A SALES TAX REVENUE REFUNDING BONDS

<table>
<thead>
<tr>
<th>Series</th>
<th>Amount</th>
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<tbody>
<tr>
<td>A</td>
<td>$58,950,000</td>
</tr>
<tr>
<td>B</td>
<td>$58,975,000</td>
</tr>
<tr>
<td>C</td>
<td>$58,975,000</td>
</tr>
<tr>
<td>D</td>
<td>$58,975,000</td>
</tr>
</tbody>
</table>

Dated: June 25, 2008
Price: 100%
Due: April 1, 2036

The 2000 Measure A 2008 Series Bonds are subject to optional and mandatory tender for purchase and optional and mandatory redemption prior to maturity, as more fully described herein.

The 2000 Measure A 2008 Series Bonds are secured on a parity with the 2000 Measure A Sales Tax. The Authority may also issue additional bonds and incur other obligations secured by the 2000 Measure A Sales Tax on a parity with the 2000 Measure A 2008 Series Bonds, subject to compliance with the provisions set forth in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.


This cover page contains certain information for general reference only. It is not a summary of the security or terms of this issue. Investors must read this entire Remarketing Memorandum to obtain information essential to making an informed investment decision with respect to the 2000 Measure A 2008 Series Bonds.
On the original issuance date of the 2000 Measure A 2008 Series Bonds, Orrick, Herrington & Sutcliffe LLP, rendered its opinion that based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the 2000 Measure A 2008 Series Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. The opinion of Orrick, Herrington & Sutcliffe LLP has not been updated as of the date of this Remarketing Memorandum. A copy of the approving opinion of Orrick, Herrington & Sutcliffe LLP delivered in connection with the original issuance of the 2000 Measure A 2008 Series Bonds is attached hereto as Appendix F. Fulbright & Jaworski L.L.P. is serving as Bond Counsel and Disclosure Counsel to the Authority. As Bond Counsel to the Authority, Fulbright & Jaworski L.L.P. is not providing any opinion to the Owners with respect to the validity and enforceability of the 2000 Measure A 2008 Series Bonds or with respect to any tax matters in connection with 2000 Measure A 2008 Series Bonds. Certain legal matters will be passed on for the Authority by its General Counsel and for the Liquidity Facility Providers by Nixon Peabody LLP.

<table>
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<tr>
<th>Goldman, Sachs &amp; Co.</th>
<th>Banc of America Merrill Lynch</th>
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<td>Remarketing Agent</td>
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Dated: ________, 2010
No dealer, salesman or any other person has been authorized by the Santa Clara Valley Transportation Authority (the “Authority”) to give any information or to make any statements or representations, other than those contained in this Remarketing Memorandum, and, if given or made, such other information, statements or representations must not be relied upon as having been authorized. The information set forth herein has been obtained from the Authority and other sources which are believed to be reliable. This Remarketing Memorandum does not constitute an offer to sell or solicitation of an offer to buy any of the 2000 Measure A 2008 Series Bonds in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Remarketing Memorandum is not to be construed as a contract with the purchasers of the 2000 Measure A 2008 Series Bonds. Statements contained in this Remarketing Memorandum which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Remarketing Memorandum constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of the Authority in any way. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when any of its expectations, or events, conditions or circumstances on which such statements are based occurs.
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

Board of Directors

Sam Liccardo, Chairperson
Donald F. Gage
Ash Kalra
Rich Larsen
Chuck Page
Chuck Reed

Margaret Abe-Koga, Vice-Chairperson
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Jamie Matthews
Pete McHugh
George Shirakawa
Marshall Anstanding

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Kevin Allmand, General Counsel
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Greta Helm, Chief External Affairs Officer
Carolyn Gonot, Chief Silicon Valley Rapid Transit Project Program Officer
Bill Lopez, Chief Administrative Officer
Gary Miskell, Chief Information Officer
John Ristow, Chief Congestion Management Agency Officer
Mark S. Robinson, Chief Engineering and Construction Officer
Joseph T. Smith, Chief Financial Officer
Donald Smith, Chief Operations Officer

SPECIAL SERVICES

Financial Advisor
Ross Financial
San Francisco, California

Bond Counsel & Disclosure Counsel
Fulbright & Jaworski L.L.P.
Los Angeles, California

Trustee
Deutsche Bank National Trust Company
San Francisco, California
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$235,875,000
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 MEASURE A SALES TAX REVENUE REFUNDING BONDS

INTRODUCTION

General

This Remarketing Memorandum, which includes the cover page and the appendices hereto, sets forth certain information in connection with the remarketing by the Santa Clara Valley Transportation Authority (the “Authority”) of $235,875,000 of Santa Clara Valley Transportation Authority 2000 Measure A Sales Tax Revenue Refunding Bonds, 2008 Series A, 2008 Series B, 2008 Series C and 2008 Series D (hereinafter collectively referred to as the “2000 Measure A 2008 Series Bonds”). The 2000 Measure A 2008 Series Bonds were issued pursuant to the Indenture, dated as of August 1, 2006, between the Authority and Deutsche Bank National Trust Company, as trustee (the “Trustee”), as supplemented and amended by a First Supplemental Indenture, dated as of August 1, 2006 (the “First Supplemental Indenture”), a Second Supplemental Indenture, dated as September 1, 2007 (the “Second Supplemental Indenture”), and a Third Supplemental Indenture, dated as of June 1, 2008 (the “Third Supplemental Indenture”), each between the Authority and the Trustee. The Indenture, as so supplemented and amended and as further supplemented and amended from time to time pursuant to its terms is hereinafter referred to as the “Indenture.” All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” or, if not defined therein, shall have the meanings assigned to such terms in the Indenture.

Authority for Issuance

The 2000 Measure A 2008 Series Bonds, were issued by the Authority under and pursuant to the Santa Clara Valley Transportation Authority Act, being Sections 100000 et seq. of the California Public Utilities Code and the provisions of the Revenue Bond Law of 1941, being Section 54300 et seq. of the California Government Code as referenced in the Santa Clara Valley Transportation Authority Act (collectively, the “Act”).

Purpose and Application of Proceeds

The 2000 Measure A 2008 Series Bonds were issued to refund on a current basis $58,950,000 aggregate principal amount of the Santa Clara Valley Transportation Authority 2000 Measure A Sales Tax Revenue Bonds, 2006 Series A (the “2006 Series A Bonds”), $58,975,000 aggregate principal amount of the Santa Clara Valley Transportation Authority 2000 Measure A Sales Tax Revenue Bonds, 2006 Series B (the “2006 Series B Bonds”), $58,975,000 aggregate principal amount of the Santa Clara Valley Transportation Authority 2000 Measure A Sales Tax Revenue Bonds, 2006 Series C (the “2006 Series C Bonds”), and $58,975,000 aggregate principal amount of the Santa Clara Valley Transportation Authority 2000 Measure A Sales Tax Revenue Bonds, 2006 Series D (the “2006 Series D Bonds” and, together with the 2006 Series A Bonds, the 2006 Series B Bonds and the 2006 Series C Bonds, hereinafter collectively referred to as the “Prior Bonds”). In addition, a portion of the proceeds of the 2000 Measure A 2008 Series Bonds were used to pay the costs of issuance of the 2000 Measure A 2008 Series Bonds.

90058075.1
Security

The 2000 Measure A 2008 Series Bonds are limited obligations of the Authority secured by a pledge of sales tax revenues (herein called the “2000 Measure A Sales Tax Revenues”) derived from a one-half of one percent (0.5%) retail transactions and use tax (the “2000 Measure A Sales Tax”), imposed in accordance with the Act and the California Transactions and Use Tax Law (Revenue and Taxation Code Section 7251 et seq.), net of an administrative fee paid to the California State Board of Equalization (the “Board of Equalization”) in connection with the collection and disbursement of the 2000 Measure A Sales Tax. The 2000 Measure A Sales Tax was approved by more than two-thirds of the electorate of the County of Santa Clara (the “County”) voting on the ballot measure in November 2000 and is scheduled to expire March 31, 2036. The 2000 Measure A 2008 Series Bonds are further secured by a pledge of certain amounts held by the Trustee under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Pledge of 2000 Measure A Sales Tax Revenues and Certain Amounts Held by Trustee” herein.

The 2000 Measure A 2008 Series Bonds are secured on a parity under the Indenture with the Santa Clara Valley Transportation Authority 2000 Measure A Sales Tax Revenue Bonds, 2007 Series A (the “2000 Measure A 2007 Series Bonds”), currently outstanding in the aggregate principal amount of $120,095,000.

Additional Bonds and other obligations secured by a pledge of the 2000 Measure A Sales Tax Revenues on a parity with the 2000 Measure A 2008 Series Bonds and the 2000 Measure A 2007 Series Bonds may hereafter be issued or incurred. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds and Parity Obligations” herein. The 2000 Measure A 2007 Series Bonds, the 2000 Measure A 2008 Series Bonds and any additional bonds hereafter authorized by, and at any time Outstanding under, the Indenture are referred to collectively herein as the “Bonds.”

Limited Obligations


Liquidity Facilities

Pursuant to a Amended and Restated Standby Bond Purchase Agreement, dated June 5, 2009, as amended by a First Amendment to Amended and Restated Standby Bond Purchase Agreement, dated ____ , 2010 (the “JPMorgan Chase Liquidity Facility”), each between the Authority and JPMorgan Chase Bank, National Association (“JPMorgan Chase”), JPMorgan Chase will provide funds for the purchase of the 2008 Series A Bonds and the 2008 Series B Bonds that are tendered for optional or mandatory purchase but are not remarkeated. Pursuant to a Standby Bond Purchase Agreement, dated June 1, 2010 (the “Sumitomo Liquidity Facility” and, together with the JPMorgan Chase Liquidity Facility, the “Liquidity Facilities”), between the Authority and Sumitomo Mitsui Banking Corporation (“Sumitomo” and, together with JPMorgan Chase, the “Liquidity Facility Providers”), Sumitomo will provide funds for the purchase of the 2008 Series C Bonds and the 2008 Series D Bonds that are tendered for optional or mandatory purchase but are not remarkeated. The JPMorgan Chase Liquidity Facility is not available to provide liquidity support for the 2008 Series C Bonds or the 2008 Series D Bonds and the Sumitomo Liquidity Facility is not available to provide liquidity support for the 2008 Series A
**Bonds or the 2008 Series B Bonds.** Each of the Liquidity Facilities will expire on June 23, 2013, unless extended or earlier terminated upon the occurrence of certain events, including termination at direction of the Authority. Under certain circumstances described herein, the obligation of the Liquidity Facility Providers to provide funds for the purchase of 2000 Measure A 2008 Series Bonds may be terminated immediately without notice to the Owners and without a mandatory tender of the 2000 Measure A 2008 Series Bonds. See “THE LIQUIDITY FACILITY PROVIDERS AND THE LIQUIDITY FACILITIES” herein.

**References**

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document, copies of which are available for inspection at the offices of the Authority.

**THE AUTHORITY**

The Authority is an independent public agency responsible for bus and light rail operations in the County, regional commuter and inter-city rail service, ADA paratransit service, congestion management, specific highway improvement and other transportation projects, and countywide transportation planning and funding. A map showing the Authority’s bus and rail transit service area is set forth on the page prior to the table of contents to this Remarketing Memorandum. The Authority was created in 1972 pursuant to the Santa Clara County Transit District Act. Prior to January 1, 1995, the County Board of Supervisors served as the Board of Directors of the Authority. Effective January 1, 1995, pursuant to State of California legislation, the Authority has operated under a separate Board of Directors composed of County and city representatives. On January 1, 2000, pursuant to State of California legislation, the Authority’s name was officially changed from the Santa Clara County Transit District.

For a more complete description of the Authority and its operations, see APPENDIX A – “SANTA CLARA VALLEY TRANSPORTATION AUTHORITY.”

**THE 2000 MEASURE A 2008 SERIES BONDS**

This Remarketing Memorandum provides information with respect to the 2000 Measure A 2008 Series Bonds while bearing interest at Weekly or Daily Rates only. Owners and prospective purchasers of the 2000 Measure A 2008 Series Bonds should not rely on this Remarketing Memorandum for information concerning 2000 Measure A 2008 Series Bonds bearing interest at a rate other than the Weekly or Daily Rates.

Each 2000 Measure A 2008 Series Bonds will be remarked independently of each other Series. The definitions and provisions described herein shall apply generally to each 2000 Measure A 2008 Series Bonds while bearing interest at Weekly or Daily Rates unless otherwise noted.

**General**

The 2000 Measure A 2008 Series Bonds are dated their date of delivery (June 25, 2008), and will mature on April 1, 2036, subject to prior redemption. The 2000 Measure A 2008 Series Bonds currently bear interest at Weekly Rates. During a Weekly Rate Period, interest on the 2000 Measure A 2008 Series Bonds shall be payable on first Business Day of each month and shall be computed on the basis of a 365/366-day year for the actual number of days elapsed. The 2000 Measure A 2008 Series Bonds were
issued in fully registered form without coupons and are registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”) New York, New York, the initial Securities Depository for the 2000 Measure A 2008 Series Bonds. Under the Indenture, the Authority may appoint a successor Securities Depository or may choose to discontinue the use of a book-entry only system.

The 2000 Measure A 2008 Series Bonds are in book-entry only form pursuant to a book-entry system (the “Book-Entry System”). While the 2000 Measure A 2008 Series Bonds are in the Book-Entry System, the provisions described in APPENDIX E – “BOOK-ENTRY ONLY SYSTEM” shall apply and the term “Owner” as used herein shall refer to DTC or its nominee as the registered owner of the 2000 Measure A 2008 Series Bonds. Payments to beneficial owners of the 2000 Measure A 2008 Series Bonds, including payment of Purchase Price to the beneficial owners of the 2000 Measure A 2008 Series Bonds, will be made in accordance with the provisions described in APPENDIX E – “BOOK-ENTRY ONLY SYSTEM.”

Unless otherwise specified herein, all references to a particular time are to New York City Time.

Certain Defined Terms

The following terms are defined in the Indenture.

Alternate Rate means, on any Rate Determination Date, for any 2000 Measure A 2008 Series Bond in a Daily Mode, a Weekly Mode, a Flexible Rate Mode or a Term Rate Mode, a rate per annum equal to (a) the SIFMA Swap Index (such rate being hereinafter referred to as the “SIFMA Rate”) most recently available as of the date of determination; (b) if such index is no longer available, or if the SIFMA Rate is no longer published, the Kenny Index (as such term is defined in the 1992 ISDA U.S. Municipal Counterparty Definitions) ; or (c) if neither the SIFMA Rate nor the Kenny Index is published, the index determined to equal the prevailing rate determined by the applicable Remarketing Agent for tax-exempt state and local government bonds meeting criteria determined in good faith by such Remarketing Agent to be comparable under the circumstances to the criteria used by Securities Industry & Financial Markets Association (“SIFMA”) to determine the SIFMA Rate just prior to when SIFMA stopped publishing the SIFMA Rate. If there is no Remarketing Agent for the affected Series of 2000 Measure A 2008 Series Bonds, if such Remarketing Agent fails to make any such determination or if such Remarketing Agent has suspended its remarketing efforts in accordance with the Remarketing Agreement entered into by such Remarketing Agent, then the Trustee shall make the determinations required by this definition, or if the Trustee shall decline to make such determination, a financial advisor, investment banker or other qualified party shall make such determination at the expense of the Authority.

Authorized Denominations means, with respect to 2000 Measure A 2008 Series Bonds in a Daily Mode or Weekly Mode, $100,000 and any integral multiple of $5,000 in excess thereof.

Beneficial Owner means, so long as the 2000 Measure A 2008 Series Bonds are held in the Book-Entry System, any Person who acquires a beneficial ownership interest in a 2000 Measure A 2008 Series Bond held by the Securities Depository. If at any time the 2000 Measure A 2008 Series Bonds are not held in the Book-Entry System, Beneficial Owner shall mean the registered owner.

Business Day means for any Series of 2000 Measure A 2008 Series Bonds any day other than (i) a Saturday or Sunday; (ii) a day on which the Trustee or applicable Remarketing Agent are required or authorized to be closed; or (iii) a day on which the office of the Insurer, if any, or applicable Liquidity Facility Provider at which draws or advances will be paid is required or authorized to be closed or (iv) a day on which The New York Stock Exchange is closed.
**Daily Rate** means the per annum interest rate on any 2000 Measure A 2008 Series Bond in the Daily Mode determined pursuant to the provisions of the Indenture described below.

**Daily Rate Period** means the period during which a 2000 Measure A 2008 Series Bond in the Daily Mode shall bear a Daily Rate, which shall be from the Business Day upon which a Daily Rate is set to but not including the next succeeding Business Day.

**Electronic** means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

**Expiration Date** means the stated expiration date of a Liquidity Facility, as it may be extended from time to time as provided in such Liquidity Facility, or any earlier date on which the Liquidity Facility shall terminate at the direction of the Authority, expire or be cancelled (other than the date on which a Liquidity Facility shall terminate as a result of an Automatic Termination Event or an event of default under the Reimbursement Agreement entered into in connection with such Liquidity Facility). See “THE LIQUIDITY FACILITY PROVIDERS AND THE LIQUIDITY FACILITIES” herein.

**Interest Accrual Period** means the period during which a 2000 Measure A 2008 Series Bond accrues interest payable on the next Interest Payment Date applicable thereto. Each Interest Accrual Period shall commence on (and include) the last Interest Payment Date to which interest has been paid (or, if no interest has been paid, from the date of original authentication and delivery of the 2000 Measure A 2008 Series Bonds) to, but not including, the Interest Payment Date on which interest is to be paid. If, at the time of authentication of any 2000 Measure A 2008 Series Bond, interest is in default or overdue on the 2000 Measure A 2008 Series Bonds, such 2000 Measure A 2008 Series Bond shall bear interest from the date to which interest has previously been paid in full or made available for payment in full on Outstanding 2000 Measure A 2008 Series Bonds.

**Mandatory Purchase Date** means (i) any Mode Change Date (except a change in Mode between the Daily Mode and the Weekly Mode if the then-existing Liquidity Facility provides for the payment of the purchase price of the affected Series of 2000 Measure A 2008 Series Bonds in both the Daily Mode and the Weekly Mode); (ii) any Substitution Date; (iii) the fifth Business Day prior to the Expiration Date; (iv) with respect to the affected Series of 2000 Measure A 2008 Series Bonds, the date specified by the Trustee following the occurrence of an event of default (other than an event of default which constitutes an Automatic Termination Event) under the applicable Reimbursement Agreement, which date shall be a Business Day not less than 20 days after the Trustee’s receipt of notice of such event of default from the applicable Liquidity Facility Provider and in no event later than the Business Day preceding the termination date specified in the notice of event of default delivered to the Trustee by such Liquidity Facility Provider; and (v) for 2000 Measure A 2008 Series Bonds in the Daily Mode or Weekly Mode, any Business Day specified by the Authority not less than 20 days after the Trustee’s receipt of such notice from the Authority.

**Maximum Rate** means, with respect to all 2000 Measure A 2008 Series Bonds, other than Liquidity Facility Bonds, a rate of interest of 12% per annum, and, with respect to Liquidity Facility Bonds, such rate as is specified in the applicable Liquidity Facility, which rate shall not exceed the highest rate then permitted by law.

**Mode Change Date** means, with respect to all of any Series of the 2000 Measure A 2008 Series Bonds in a particular Mode, the day on which another Mode for all of such Series of the 2000 Measure A 2008 Series Bonds begins.
**Notice Parties** means the Authority, the Trustee, the Liquidity Facility Provider, if any, the Remarketing Agent, if any, and the Credit Enhancement Provider, if any.

**Purchase Date** means (i) for a 2000 Measure A 2008 Series Bond in the Daily Mode or the Weekly Mode, any Business Day selected by the Beneficial Owner for which a Tender Notice is given prior to the Tender Notice Deadline in accordance with the provisions of the Indenture; and (ii) any Mandatory Purchase Date.

**Rate Determination Date** means any date on which the interest rate on 2000 Measure A 2008 Series Bonds shall be determined, which (i) in the case of the Daily Mode, shall be each Business Day commencing with the first day (which must be a Business Day) any of the 2000 Measure A 2008 Series Bonds become subject to the Daily Mode; and (ii) in the case of a Weekly Mode, shall be each Wednesday (or if Wednesday is not a Business Day, then the next succeeding Business Day), provided that upon the issuance of the 2000 Measure A 2008 Series Bonds, the Weekly Rate for the first Weekly Rate Period shall be determined no later than the Business Day prior to issuance of the 2000 Measure A 2008 Series Bonds and in the case of a subsequent conversion to the Weekly Mode, the Weekly Rate shall be determined no later than the Business Day prior to the Mode Change Date for the Series of 2000 Measure A 2008 Series Bonds being converted.

**SIFMA** means the Securities Industry & Financial Markets Association (formerly the Bond Market Association).

**SIFMA Swap Index** means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Trustee and effective from such date.

**Substitution Date** means, with respect to any Series of 2000 Measure A 2008 Series Bonds, the date upon which an Alternate Liquidity Facility is substituted for the Liquidity Facility then in effect.

**Tender Notice** means a notice delivered by Electronic Means or in writing that states (i) the principal amount of the 2000 Measure A 2008 Series Bond to be purchased pursuant to provisions of the Indenture relating to optional tender of 2000 Measure A 2008 Series Bonds; (ii) the Purchase Date on which such 2000 Measure A 2008 Series Bond is to be purchased; (iii) applicable payment instructions with respect to such 2000 Measure A 2008 Series Bonds being tendered for purchase; and (iv) an irrevocable demand for such purchase.

**Tender Notice Deadline** means (i) during the Daily Mode, 11:00 a.m. on any Business Day; and (ii) during the Weekly Mode, 5:00 p.m. on the Business Day seven days prior to the applicable Purchase Date.

**Weekly Rate** means the per annum interest rate on any 2000 Measure A 2008 Series Bonds in the Weekly Mode determined pursuant to the provisions of the Indenture described below.

**Weekly Rate Period** means the period during which a Series of 2000 Measure A 2008 Series Bonds bears interest at a Weekly Rate, which shall be the period commencing on Thursday of each week to and including Wednesday of the following week, except (i) the first Weekly Rate Period which shall be from the date of issuance of the 2000 Measure A 2008 Series Bonds to and including the Wednesday of the following week; (ii) the first Weekly Rate Period following a subsequent change in Mode for a Series of 2000 Measure A 2008 Series Bonds which shall be from the Mode Change Date for such Series of 2000 Measure A 2008 Series Bonds to and including the Wednesday of the following week; and (iii) the
last Weekly Rate Period which shall be from and including the Thursday of the week prior to the Mode Change Date to and including the day next preceding the Mode Change Date.

**Determination of Interest Rate on 2000 Measure A 2008 Series Bonds**

Interest on the 2000 Measure A 2008 Series Bonds is currently calculated based on a Weekly Rate. From time to time, the Authority may convert 2000 Measure A 2008 Series Bonds from one interest rate mode (each, a “Mode”) to a different Mode, which may be a Daily Mode, a Flexible Mode, a Term Rate Mode, a Fixed Rate Mode or an ARS Mode. As set forth below under “Conversion to Other Interest Rate Modes,” the Authority may effect a change in Mode with respect to all of any 2000 Measure A 2008 Series Bonds by following the procedures set forth in the Indenture and described under this caption. The interest rate during any particular period (an “Interest Period”) will be determined by the applicable Remarketing Agent as described below and will be in effect for, and adjust at the expiration of, the applicable Interest Period.

**Determination of Interest Rates During the Daily Mode and the Weekly Mode**

The interest rate for 2000 Measure A 2008 Series Bonds in the Daily Mode or Weekly Mode shall be the rate of interest per annum determined by the applicable Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest which, in the opinion of the applicable Remarketing Agent under then-existing market conditions, would result in the sale of such 2000 Measure A 2008 Series Bonds in the Daily Rate Period or Weekly Rate Period, as applicable, at a price equal to 100% of the principal amount thereof. The interest rate shall not exceed the Maximum Rate.

During the Daily Mode, the applicable Remarketing Agent shall establish the Daily Rate by 10:00 a.m. on each Rate Determination Date. The Daily Rate for any day during the Daily Mode which is not a Business Day shall be the Daily Rate established on the immediately preceding Rate Determination Date. The applicable Remarketing Agent shall make the Daily Rate available no less frequently than once each week by telephone or Electronic Means to the Authority, each other Notice Party and to any Beneficial Owner requesting such rate.

During the Weekly Mode, the applicable Remarketing Agent shall establish the Weekly Rate by 5:00 p.m. on each Rate Determination Date. The Weekly Rate shall be in effect during the applicable Weekly Rate Period. The Remarketing Agent shall make the Weekly Rate available no later than 5:00 p.m. on the Business Day following the Rate Determination Date by telephone or Electronic Means to the Authority, each other Notice Party and to any Beneficial Owner requesting such rate.

In the event (i) the applicable Remarketing Agent fails or is unable to determine the interest rate for any 2000 Measure A 2008 Series Bond; (ii) the method by which the applicable Remarketing Agent determines the interest rate with respect to any 2000 Measure A 2008 Series Bond shall be held to be unenforceable by a court of law of competent jurisdiction; or (iii) the applicable Remarketing Agent suspends its remarketing effort in accordance with the applicable Remarketing Agreement, then the affected 2000 Measure A 2008 Series Bonds shall bear interest during each subsequent Interest Period at the Alternate Rate in effect on the first day of such Interest Period. The provisions of the Indenture described in the immediately preceding sentence shall continue to apply to the affected 2000 Measure A 2008 Series Bonds until such time as the events described in clauses (i), (ii) or (iii) above are no longer applicable to such 2000 Measure A 2008 Series Bonds and the applicable Remarketing Agent again determines the interest rate. In the case of clause (ii) above, the applicable Remarketing Agent shall again make such determination at such time as there is delivered to the applicable Remarketing Agent and the
Authority an opinion of Bond Counsel to the effect that there are no longer any legal prohibitions against such determination.

Conversion to Other Interest Rate Modes

**General.** The 2000 Measure A 2008 Series Bonds were issued initially bearing interest at a Weekly Rate. The Indenture provides that the Authority may elect to adjust the interest rate on any 2000 Measure A 2008 Series Bonds to a Daily Rate, a Flexible Rate, a Term Rate, a Fixed Rate or an ARS Rate, in each case in accordance with the provisions set forth in the Indenture.

**Notice to Owners.** Notice of the proposed change in Mode, unless otherwise specified in the Indenture, shall be given by the Trustee to the Owners of the affected 2000 Measure A 2008 Series Bonds not less than the tenth day next preceding the applicable Mode Change Date; provided that no notice need be given for a Mode Change Date occurring on the first Business Day following the last day of a Flexible Rate Period or a Term Rate Mode or on a Substitution Date. Such notice shall state the Mode to which the conversion will be made (hereinafter referred to as the “New Mode”) and the proposed Mode Change Date and, if applicable, shall be combined with the notice of mandatory purchase required to be delivered by the Trustee pursuant to the provisions of the Indenture. If the Book-Entry System is no longer in effect, such notice shall also provide information with respect to required delivery of 2000 Measure A 2008 Series Bond certificates and procedures for payment of Purchase Price.

**Determination of Interest Rates.** The New Mode shall commence on the Mode Change Date and the interest rate(s) (together, in the case of a change to the Flexible Mode, with the Interest Period(s)) shall be determined by the applicable Remarketing Agent (or the Authority in the case of the Interest Period for 2000 Measure A 2008 Series Bonds being converted to the Term Rate Mode) in the manner provided in the Indenture.

**Conditions Precedent.** In the case of a change from the Daily or Weekly Mode, the Mode Change Date shall be any Business Day.

The following items shall have been delivered to the Authority, the Trustee and the applicable Remarketing Agent on or prior to the Mode Change Date:

1. in the case of a change from any Mode other than a change from a Daily Mode to a Weekly Mode or a change from a Weekly Mode to a Daily Mode, a Favorable Opinion of Bond Counsel, dated the Mode Change Date; and

2. if there is to be a Liquidity Facility delivered in connection with such change, evidence that such Alternate Liquidity Facility is in an amount equal to the Required Stated Amount and meets such other requirements as are specified in the Indenture.

The Sumitomo Liquidity Facility does not support the 2008 Series C Bonds or the 2008 Series D Bonds while they bear interest at Daily Rates without the consent of Sumitomo.

**Failure to Satisfy Conditions Precedent to a Mode Change.** In the event the conditions described above have not been satisfied by the applicable Mode Change Date, then the New Mode shall not take effect (although any mandatory purchase shall be made on such date if notice has been sent to the Owners stating that such 2000 Measure A 2008 Series Bonds would be subject to mandatory purchase on such date). If the failed change in Mode was from the Daily Mode, the affected 2000 Measure A 2008 Series Bonds shall remain in the Daily Mode, and if the failed change in Mode was from the Weekly Mode, the affected 2000 Measure A 2008 Series Bonds shall remain in the Weekly Mode, in each case
with interest rates established in accordance with the applicable provisions of the Indenture on and as of the failed Mode Change Date.

**Rescission of Election.** Notwithstanding anything in the Indenture to the contrary, the Authority may rescind any election made by the Authority to change a Mode as described above prior to the Mode Change Date by giving written notice thereof to the Notice Parties prior to such Mode Change Date. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the Converted Portion, then such notice of change in Mode shall be of no force and effect. If the Trustee receives notice from the Authority of rescission of a Mode change after the Trustee has given notice thereof to the Owners of the affected 2000 Measure A 2008 Series Bonds, then if the proposed Mode Change Date would have been a Mandatory Purchase Date, such date shall continue to be a Mandatory Purchase Date. If the proposed change in Mode was from the Daily Mode, the affected 2000 Measure A 2008 Series Bonds shall remain in the Daily Mode, and if the proposed change in Mode was from the Weekly Mode, the affected 2000 Measure A 2008 Series Bonds shall remain in the Weekly Mode, in each case with interest rates established in accordance with the applicable provisions of the Indenture on and as of the proposed Mode Change Date. If the applicable Remarketing Agent is unable to determine the interest rate on the proposed Mode Change Date, the provisions of the Indenture describing the determination of interest rates in the event of the failure of the applicable Remarketing Agent to set the interest rate shall apply. See “Determination of Interest Rate on 2000 Measure A 2008 Series Bonds” above.

**Optional Tender and Mandatory Purchase Provisions**

**Book-Entry Tenders.** All tenders for purchase during any period in which the 2000 Measure A 2008 Series Bonds are registered in the name of Cede & Co. (or the nominee of any successor Securities Depository) shall be subject to the terms and conditions set forth in the Representations Letter delivered by the Authority to DTC and to any regulations promulgated by DTC (or any successor Securities Depository). Beneficial Owners will not have any rights to tender 2000 Measure A 2008 Series Bonds directly to the Trustee.

**Optional Tender.** Subject to the provisions of the Indenture relating to Book-Entry Tenders described above, Beneficial Owners of 2000 Measure A 2008 Series Bonds in a Daily Mode or a Weekly Mode may elect to have their 2000 Measure A 2008 Series Bonds (or portions of those 2000 Measure A 2008 Series Bonds in amounts equal to Authorized Denominations) purchased on any Business Day at a price equal to the Purchase Price, upon delivery of a Tender Notice to the Trustee by the Tender Notice Deadline. Immediately upon receipt of a Tender Notice, the Trustee shall notify the applicable Remarketing Agent and provide the applicable Remarketing Agent with a copy of such Tender Notice.

Upon immediate termination without notice of a Liquidity Facility provided in connection with any 2000 Measure A 2008 Series Bonds due to the reduction in the long-term rating assigned to such 2000 Measure A 2008 Series Bonds below “Baa3” by Moody’s and “BBB-” by Standard & Poor’s or the withdrawal or suspension of such long-term ratings for credit-related reasons relating to the credit of the Authority, notwithstanding any other provision of the Indenture to the contrary, no 2000 Measure A 2008 Series Bond of the affected Series shall be purchased as described above until such time as a Liquidity Facility meeting the requirements of the Indenture is provided by the Authority with respect to such 2000 Measure A 2008 Series Bonds.

**Mandatory Purchase on Mandatory Purchase Date.** Subject to the provisions of the Indenture relating to Book-Entry Tenders described above, the 2000 Measure A 2008 Series Bonds shall be subject to mandatory purchase on each Mandatory Purchase Date. The Trustee shall give notice of such
mandatory purchase by mail to the Owners of the 2000 Measure A 2008 Series Bonds subject to mandatory purchase no less than 15 days prior to the applicable Mandatory Purchase Date.

Any notice shall state the Mandatory Purchase Date, the Purchase Price, and shall identity which Series of the 2000 Measure A 2008 Series Bonds are to be purchased. Such notice shall also state that interest on 2000 Measure A 2008 Series Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to mail such notice with respect to any 2000 Measure A 2008 Series Bond shall not affect the validity of the mandatory purchase of any other 2000 Measure A 2008 Series Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Owner.

Automatic Termination of Liquidity Facilities Prior to Expiration Date

The obligation of the Liquidity Facility Providers to provide funds for the purchase of tendered Bonds pursuant to the respective Liquidity Facilities will terminate or be suspended automatically and without prior notice upon the occurrence of certain defaults as is set forth in the respective Liquidity Facilities. See “THE LIQUIDITY FACILITY PROVIDERS AND THE LIQUIDITY FACILITIES” herein. The Trustee will provide notice to the Owners of the affected 2000 Measure A 2008 Series Bonds as soon as practicable after receipt of notice of such termination or suspension from the Liquidity Facility Providers.

Source of Funds for Purchase of 2000 Measure A 2008 Series Bonds

The Trustee shall purchase tendered 2000 Measure A 2008 Series Bonds from the tendering Owners at the applicable Purchase Price by wire transfer in immediately available funds. Funds for the payment of such Purchase Price shall be derived solely from the following sources in the order of priority indicated and neither the Trustee nor the applicable Remarketing Agent shall be obligated to provide funds from any other source:

(a) immediately available funds on deposit in the applicable Remarketing Proceeds Account;

(b) immediately available funds on deposit in the applicable Liquidity Facility Account; and

(c) in the Authority’s sole discretion, moneys of the Authority that may lawfully be used for such purpose.

Insufficient Funds for Tenders

If sufficient funds are not available to pay the Purchase Price of all tendered 2000 Measure A 2008 Series Bonds to be purchased on any Purchase Date (such 2000 Measure A 2008 Series Bonds being hereinafter referred to as the “Tendered Variable Rate Bonds”), then (i) no purchase shall be consummated on such Purchase Date; (ii) all such Tendered Variable Rate Bonds shall be returned to the Owners thereof; (iii) all remarketing proceeds shall be returned to the applicable Remarketing Agent for return to the Persons providing such moneys; and (iv) such insufficiency shall not constitute an Event of Default under the Indenture.

All such Tendered Variable Rate Bonds of the applicable Series shall bear interest at the Maximum Rate during the period of time (such period being hereinafter referred to as a “Delayed Remarketing Period”) from and including the applicable Purchase Date to (but not including) the date that all such Tendered Variable Rate Bonds are successfully remarshaled.
The Authority may direct the conversion of such Tendered Variable Rate Bonds to a different Mode during the Delayed Remarketing Period in accordance with the provisions of the Indenture described above under the caption “Conversion to Other Interest Rate Modes”; provided that the Authority shall not be required to comply with the notice requirements set forth in the Indenture and described herein under such caption.

During a Delayed Remarketing Period, the applicable Remarketing Agent shall continue to use its best efforts to remarket such Tendered Variable Rate Bonds. Once the applicable Remarketing Agent has advised the Trustee that the Remarketing Agent has a good faith belief that it is able to remarket all of the Tendered Variable Rate Bonds, the Trustee will give notice by mail to the Owners of such Tendered Variable Rate Bonds not later than 5 Business Days prior to the Purchase Date, which notice will state: (i) that such Tendered Variable Rate Bonds will be subject to mandatory tender for purchase on the proposed Purchase Date; (ii) the proposed Purchase Date; (iii) the Mode to be applicable to such Tendered Variable Rate Bonds from and after the proposed Purchase Date; (iv) the procedures for such mandatory tender for purchase; (v) the Purchase Price applicable to such Tendered Variable Rate Bonds; and (vi) the consequences of a failed remarketing.

During the Delayed Remarketing Period, the Trustee may, upon direction of the Authority, apply amounts on deposit in the Redemption Fund to the redemption of such Tendered Variable Rate Bonds, as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notwithstanding any provisions of the Indenture to the contrary, the Trustee shall give five Business Days’ notice of such redemption to the Owners of the 2000 Measure A 2008 Series Bonds to be redeemed.

During the Delayed Remarketing Period, interest on such Tendered Variable Rate Bonds shall be paid to the Owners thereof (i) on the first Business Day of each calendar month occurring during such Delayed Remarketing Period and (ii) on the day after the last day of such Delayed Remarketing Period.

Redemption

Optional Redemption of 2000 Measure A 2008 Series Bonds in the Daily Mode or the Weekly Mode. While in the Daily Mode or the Weekly Mode, 2000 Measure A 2008 Series Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the date fixed for redemption of such 2000 Measure A 2008 Series Bonds.

Mandatory Sinking Fund Redemption. The 2000 Measure A 2008 Series A Bonds shall be redeemed by mandatory sinking fund redemption, without premium, on April 1 in each of the years and in the principal amounts set forth below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2033</td>
<td>$13,925,000</td>
</tr>
<tr>
<td>2034</td>
<td>14,450,000</td>
</tr>
<tr>
<td>2035</td>
<td>15,025,000</td>
</tr>
<tr>
<td>2036*</td>
<td>15,550,000</td>
</tr>
</tbody>
</table>

*Maturity.
The 2000 Measure A 2008 Series B Bonds shall be redeemed by mandatory sinking fund redemption, without premium, on April 1 in each of the years and in the principal amounts set forth below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2033</td>
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</tr>
<tr>
<td>2034</td>
<td>14,475,000</td>
</tr>
<tr>
<td>2035</td>
<td>15,000,000</td>
</tr>
<tr>
<td>2036*</td>
<td>15,575,000</td>
</tr>
</tbody>
</table>

*Maturity.

The 2000 Measure A 2008 Series C Bonds shall be redeemed by mandatory sinking fund redemption, without premium, on April 1 in each of the years and in the principal amounts set forth below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2033</td>
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<tr>
<td>2034</td>
<td>14,450,000</td>
</tr>
<tr>
<td>2035</td>
<td>15,000,000</td>
</tr>
<tr>
<td>2036*</td>
<td>15,575,000</td>
</tr>
</tbody>
</table>

*Maturity.

The 2000 Measure A 2008 Series D Bonds shall be redeemed by mandatory sinking fund redemption, without premium, on April 1 in each of the years and in the principal amounts set forth below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2033</td>
<td>$13,950,000</td>
</tr>
<tr>
<td>2034</td>
<td>14,450,000</td>
</tr>
<tr>
<td>2035</td>
<td>15,000,000</td>
</tr>
<tr>
<td>2036*</td>
<td>15,575,000</td>
</tr>
</tbody>
</table>

*Maturity.

No notice of redemption is required to be given with respect to any redemption occurring on a Mandatory Purchase Date.

**Notice of Redemption; Conditional Notice.** Notice of redemption shall be mailed by the Trustee, not less than 15 nor more than 30 days prior to the redemption date, to each Owner and each of the Repositories. A copy of such notice shall also be provided to each of the Notice Parties. Notice of redemption to the Owners, the Repositories and the applicable Notice Parties shall be given by first class mail. Failure by the Trustee to give notice to any Notice Party or anyone or more of the Repositories or failure of any Owner, any Notice Party or any Repository to receive notice or any defect in any such notice shall not affect the sufficiency or validity of the proceedings for redemption.

With respect to any notice of optional redemption of 2000 Measure A 2008 Series Bonds, unless, upon the giving of such notice, such 2000 Measure A 2008 Series Bonds shall be deemed to have been
paid in accordance with the provisions of the Indenture, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such 2000 Measure A 2008 Series Bonds to be redeemed, and that if such amounts shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such 2000 Measure A 2008 Series Bonds. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice to the Owners to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

Any notice of redemption may be rescinded by written notice given to the Trustee by the Authority and the Trustee shall give notice of such rescission as soon thereafter as practicable in the same manner, and to the same parties, as notice of such redemption was given.

**Effect of Redemption.** Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the 2000 Measure A 2008 Series Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the 2000 Measure A 2008 Series Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the date fixed for redemption, interest on the 2000 Measure A 2008 Series Bonds so called for redemption shall cease to accrue, said 2000 Measure A 2008 Series Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said 2000 Measure A 2008 Series Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the redemption date.

All 2000 Measure A 2008 Series Bonds redeemed pursuant to the provisions of the Indenture shall be cancelled upon surrender thereof.

**Mandatory Purchase in Lieu of Redemption.** Each Owner, by purchase and acceptance of any 2000 Measure A 2008 Series Bond irrevocably grants to the Authority the option to purchase such 2000 Measure A 2008 Series Bond, on any date such 2000 Measure A 2008 Series Bond is subject to optional redemption provided in the Indenture at a purchase price equal to the Redemption Price then applicable to such 2000 Measure A 2008 Series Bond plus accrued interest thereon to the date of purchase. In order to exercise such option, the Authority shall deliver to the Trustee a Favorable Opinion of Bond Counsel and shall direct the Trustee to provide notice of mandatory purchase in lieu of redemption, such notice to be provided, as and to the extent applicable, in accordance with the provisions of the Indenture relating to the mandatory purchase of 2000 Measure A 2008 Series Bonds on Mandatory Purchase Dates. On the date fixed for purchase of any 2000 Measure A 2008 Series Bond pursuant to the provisions of the Indenture described herein, the Authority shall pay the purchase price of such 2000 Measure A 2008 Series Bond to the Trustee in immediately available funds and the Trustee shall pay the same to the Owners of 2000 Measure A 2008 Series Bonds being purchased against delivery thereof. Following such purchase, the Trustee shall register such 2000 Measure A 2008 Series Bonds in accordance with the written instructions of the Authority. No Owner may elect to retain a 2000 Measure A 2008 Series Bond subject to mandatory purchase pursuant to the provisions of the Indenture described herein.

In the event that the Authority lacks sufficient funds to pay the purchase price of any 2000 Measure A 2008 Series Bond subject to mandatory purchase in lieu of redemption on the date fixed for such purchase, the Authority shall cancel such mandatory purchase in lieu of redemption and shall return each such 2000 Measure A 2008 Series Bond to the Owner who shall have tendered such 2000
Measure A 2008 Series Bond for mandatory purchase in lieu of redemption. The Trustee shall give notice that such mandatory purchase was not effected promptly following the date fixed for such purchase. Any failure to pay the purchase price of any 2000 Measure A 2008 Series Bond subject to mandatory purchase in lieu of redemption shall not constitute an Event of Default under the Indenture.

Special Considerations Relating to the 2000 Measure A 2008 Series Bonds

The Remarketing Agents Are Paid by the Authority. The responsibilities of each Remarketing Agent include determining the interest rate from time to time and remarketing 2000 Measure A 2008 Series Bonds of the applicable Series that are tendered by the owners thereof for optional or mandatory purchase (subject, in each case, to the terms of the Remarketing Agreement entered into by such Remarketing Agent), all as further described in this Remarketing Memorandum. Each Remarketing Agent is appointed by the Authority and is paid by the Authority for its services. As a result, the interests of the Remarketing Agents may differ from those of existing Owners and potential purchasers of 2000 Measure A 2008 Series Bonds.

The Remarketing Agents Routinely Purchase 2000 Measure A 2008 Series Bonds for their Own Accounts. Each Remarketing Agent acts as a remarketing agent for a variety of variable rate demand obligations in addition to the 2000 Measure A 2008 Series Bonds it serves as Remarketing Agent for and, in its sole discretion, routinely purchases such obligations for its own account. Each Remarketing Agents is permitted, but not obligated, to purchase tendered 2000 Measure A 2008 Series Bonds for its own account and, in its sole discretion, routinely acquires such tendered 2000 Measure A 2008 Series Bonds in order to achieve a successful remarketing of the 2000 Measure A 2008 Series Bonds (i.e., because there otherwise are not enough buyers to purchase the 2000 Measure A 2008 Series Bonds) or for other reasons. However, no Remarketing Agent is obligated to purchase 2000 Measure A 2008 Series Bonds, and may cease doing so at any time without notice. If a Remarketing Agent ceases to purchase 2000 Measure A 2008 Series Bonds, it may be necessary for the Trustee to draw on the applicable Liquidity Facility. Each Remarketing Agent may also make a market in the 2000 Measure A 2008 Series Bonds by routinely purchasing and selling 2000 Measure A 2008 Series Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales must be at fair market value, which may be at or below par. However, no Remarketing Agent is required to make a market in any 2000 Measure A 2008 Series Bonds. Each Remarketing Agent may also sell any 2000 Measure A 2008 Series Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the 2000 Measure A 2008 Series Bonds. The purchase of 2000 Measure A 2008 Series Bonds by the Remarketing Agents may create the appearance that there is greater third party demand for the 2000 Measure A 2008 Series Bonds in the market than is actually the case. The practices described above also may result in fewer 2000 Measure A 2008 Series Bonds being tendered in a remarketing.

2000 Measure A 2008 Series Bonds May Be Offered at Different Prices on Any Date Including a Rate Determination Date. Pursuant to each Remarketing Agreement, each Remarketing Agent is required to determine the minimum rate of interest which, in its opinion, under then-existing market conditions, would result in the sale of the applicable 2000 Measure A 2008 Series Bonds at a price equal to 100% of the principal amount thereof on the applicable Rate Determination Date. At the time a new interest rate becomes effective, the applicable Remarketing Agent is required to use its best efforts to remarket the applicable 2000 Measure A 2008 Series Bonds at par. Each interest rate will reflect, among other factors, the level of market demand for the applicable 2000 Measure A 2008 Series Bonds (including whether the applicable Remarketing Agent is willing to purchase 2000 Measure A 2008 Series Bonds for its own account). There may or may not be 2000 Measure A 2008 Series Bonds tendered and remarkeeted on a Rate Determination Date, the applicable Remarketing Agent mayor may not be able to remarket any 2000 Measure A 2008 Series Bonds tendered for purchase on such date at par and each
Remarketing Agent may sell 2000 Measure A 2008 Series Bonds at varying prices to different investors on such date or any other date. No Remarketing Agent is obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the 2000 Measure A 2008 Series Bonds at the remarketing price. In the event a Remarketing Agent owns any 2000 Measure A 2008 Series Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such 2000 Measure A 2008 Series Bonds on any date, including the Rate Determination Date, at a discount to par to some investors.

**The Ability to Sell 2000 Measure A 2008 Series Bonds other than through Tender Process May Be Limited.** Each Remarketing Agent may buy and sell 2000 Measure A 2008 Series Bonds other than through the tender process. However, no Remarketing Agent is obligated to do so and may cease doing so at any time without notice and may require Owners that wish to tender their 2000 Measure A 2008 Series Bonds to do so through the Trustee with appropriate notice. Thus, investors who purchase the 2000 Measure A 2008 Series Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their 2000 Measure A 2008 Series Bonds other than by tendering the 2000 Measure A 2008 Series Bonds in accordance with the tender process.

**Under Certain Circumstances, a Remarketing Agent May Be Removed, Resign or Cease Remarketing the 2000 Measure A 2008 Series Bonds, without a Successor Being Named.** Under certain circumstances, a Remarketing Agent may be removed, may resign or may cease its remarketing efforts, without a successor having been named, subject to the terms of the applicable Remarketing Agreement. In the event there is no Remarketing Agent for a 2000 Measure A 2008 Series Bonds, the Trustee may assume certain duties as described in the Indenture.

**Dealing in 2000 Measure A 2008 Series Bonds by the Authority.** To the extent permitted by law, the Authority may in good faith buy, sell, own, hold and deal in any Bonds offered and sold by a Remarketing Agent pursuant to a Remarketing Agreement, and such Remarketing Agent may in good faith remarket and sell to the Authority any 2000 Measure A 2008 Series Bonds offered and sold by a Remarketing Agent pursuant to a Remarketing Agreement on the same basis as and without preference or priority over any other purchaser or prospective purchaser of 2000 Measure A 2008 Series Bonds.
DEBT SERVICE SCHEDULE

The following table shows the annual debt service requirements on the 2000 Measure A 2007 Series Bonds and the 2000 Measure A 2008 Series Bonds.

<table>
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<td><strong>Total</strong></td>
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<td><strong>$102,347,200.00</strong></td>
<td><strong>$685,184,805.82</strong></td>
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</table>

(1) Includes mandatory sinking fund payments.
(2) Totals may not add due to rounding.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are limited obligations of the Authority secured by a pledge of 2000 Measure A Sales Tax Revenues and certain amounts held by the Trustee in the funds and accounts established under the Indenture. The Authority shall not be required to advance any moneys derived from any source other
than Revenues, which include all 2000 Measure A Sales Tax Revenues, and amounts held by the Trustee in the funds and accounts established under the Indenture, excluding amounts in the Rebate Fund and any Purchase Fund for Bonds subject to purchase, and pledged under the Indenture, including interest earnings on such amounts, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of the Indenture.


**Pledge of 2000 Measure A Sales Tax Revenues and Certain Amounts Held by Trustee**

All 2000 Measure A Sales Tax Revenues are irrevocably pledged by the Authority to secure the punctual payment of the principal of, premium, if any, and interest on the Bonds and Parity Obligations, each in accordance with their terms, and the 2000 Measure A Sales Tax Revenues shall not be used for any other purpose while any of the Bonds or Parity Obligations remain Outstanding, except as permitted by the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, as described below. Pursuant to the Indenture, the pledge of 2000 Measure A Sales Tax Revenues constitutes a first lien to secure the Bonds and Parity Obligations. The pledge of 2000 Measure A Sales Tax Revenues is irrevocable until all Bonds issued under the Indenture, including the 2000 Measure A 2008 Series Bonds, and all Parity Obligations are no longer Outstanding.

The 2000 Measure A Sales Tax Revenues pledged to the payment of the Bonds and Parity Obligations shall be applied without priority or distinction of one over the other and the 2000 Measure A Sales Tax Revenues shall constitute a trust fund for the security and payment of the Bonds and Parity Obligations; but nevertheless, out of 2000 Measure A Sales Tax Revenues certain amounts may be applied for other purposes as provided in the Indenture.

For a more detailed description of the 2000 Measure A Sales Tax and projected receipts of 2000 Measure A Sales Tax Revenues, see “THE 2000 MEASURE A SALES TAX” herein.

Additionally, there are pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds in accordance with their terms all amounts held by the Trustee under the Indenture (except for amounts held in the Rebate Fund and any Purchase Fund), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

**Revenue Fund; Allocation of 2000 Measure A Sales Tax Revenues**

As long as any Bonds are Outstanding or any Parity Obligations remain unpaid, the Authority has assigned the 2000 Measure A Sales Tax Revenues to the Trustee and shall cause the Board of Equalization to transmit the same directly to the Trustee each month, less the Board of Equalization administrative fee which is deducted quarterly. The 2000 Measure A Sales Tax Revenues shall be received and held in trust by the Trustee for the benefit of the Owners of the Bonds and Parity Obligations. The Trustee shall forthwith deposit all 2000 Measure A Sales Tax Revenues in the Revenue Fund, maintained and held in trust by the Trustee, when and as such 2000 Measure A Sales Tax Revenues
are received by the Trustee. See APPENDIX D — “SUMMARY OF CERTAIN PROVISIONS OF THE
INDENTURE – Allocation of 2000 Measure A Sales Tax Revenues.” Investment income on amounts
held by the Trustee (other than amounts held in the Rebate Fund or any Purchase Fund or for which
particular instructions are provided) shall also be deposited in the Revenue Fund.

So long as any Bonds remain Outstanding, following receipt and deposit of the 2000 Measure A
Sales Tax Revenues in the Revenue Fund in each month, the Trustee is required to set aside such
Measure A Sales Tax Revenues in the following respective funds, amounts and order of priority (provided
that deficiencies in any previously required deposit may be made up prior to the deposit to a fund
subsequent in priority and further provided that set asides or transfers required with respect to outstanding
Parity Obligations shall be made on a parity basis each month, as provided in the Indenture):

1. **Interest Fund.** The Indenture requires the Trustee to make monthly deposits in
the Interest Fund in an amount equal to (a) one-sixth of the aggregate half-yearly amount of
interest becoming due and payable on Outstanding fixed interest rate bonds during the ensuing
six-month period, plus (b) the aggregate amount of interest to accrue during that month on
Outstanding variable rate bonds calculated, if the actual rate of interest is not known, at the
interest rate specified by the Authority, or if the Authority has not specified an interest rate, at the
maximum interest rate borne by such variable rate bonds during the month prior to the date of
deposit plus one hundred (100) basis points; subject to such adjustments as are provided pursuant
to the provisions of the Indenture. See APPENDIX D — “SUMMARY OF CERTAIN
PROVISIONS OF THE INDENTURE – Allocation of 2000 Measure A Sales Tax Revenues.”

2. **Principal Fund; Sinking Accounts.** The Indenture also requires the Trustee to
make monthly deposits in the Principal Fund in an amount equal to at least (a) one-sixth of the
aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding
Serial Bonds of all Series having semiannual maturity dates within the next six (6) months, plus
(b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on
the Outstanding Serial Bonds of all Series having annual maturity dates within the next twelve
(12) months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to
be paid during the next six-month period into the respective Sinking Accounts for the Term
Bonds of all Series for which Sinking Accounts have been created and for which semiannual
mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the
aggregate of the Mandatory Sinking Account Payments to be paid during the next 12-month
period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking
Accounts shall have been created and for which annual mandatory redemption is required from
such Sinking Accounts; provided that if the Authority certifies to the Trustee that any principal
payments are expected to be refunded on or prior to their respective due dates or paid from
amounts on deposit in a Bond Reserve Fund that would be in excess of the Bond Reserve
Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be set
aside towards such principal to be so refunded or paid.

No deposit need be made into the Principal Fund so long as there shall be in such fund
(i) moneys sufficient to pay the Bond Obligations of all Serial Bonds then Outstanding and
maturing by their terms within the next twelve (12) months, plus (ii) the aggregate of all
Mandatory Sinking Account Payments required to be made in such 12-month period, but less any
amounts deposited into the Principal Fund during such 12-month period and theretofore paid
from the Principal Fund to redeem or purchase Term Bonds during such 12-month period;
provided that if the Authority certifies to the Trustee that any principal payments are expected to
be refunded on or prior to their respective due dates or paid from amounts on deposit in a Bond
Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond
Reserve Fund upon such payment, no amounts need be on deposit with respect to such principal payments. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of 2000 Measure A Sales Tax Revenues.”

3. **Bond Reserve Funds.** The Indenture also requires the Trustee to make deposits to any of the Bond Reserve Funds established pursuant to the provisions of the Indenture. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of 2000 Measure A Sales Tax Revenues.”

4. **Subordinate Obligations Fund.** In the event the Authority issues subordinate obligations, the Authority may direct the Trustee to establish a Subordinate Obligations Fund. The Trustee shall deposit in the Subordinate Obligations Fund in each month such amount as the Authority shall specify in writing is necessary to pay principal of and interest due and payable during the following month with respect to Subordinate Obligations then outstanding.

5. **Fees and Expenses Fund.** After the transfers described above have been made, the Trustee shall deposit as soon as practicable in each month in the Fees and Expenses Fund amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by the Authority in connection with the Bonds or any Parity Obligation (excluding termination payments on Interest Rate Swap Agreements).


After making the foregoing allocations, all remaining 2000 Measure A Sales Tax Revenues shall be transferred to the Authority and may be applied by the Authority for all lawful Authority purposes.

**Establishment and Application of 2008 Series Bond Reserve Fund**

Under the Indenture, the Authority initially was not required to fund a reserve for the 2000 Measure A 2008 Series Bonds. On October 15, 2009, the Authority notified the Trustee that a Bond Reserve Funding Event had occurred with respect to the 2000 Measure A 2008 Series Bonds and the Trustee established the 2008 Series Bond Reserve Fund pursuant to the Indenture to secure the payment of principal and interest with respect to the 2000 Measure A 2008 Series Bonds. “Bond Reserve Funding Event,” as defined under the Indenture, occurs when the amount of 2000 Measure A Sales Tax Revenues received during the Fiscal Year immediately preceding a Bond Reserve Fund Calculation Date does not at least equal two (2) times Maximum Annual Debt Service. On October 7, 2010, the 2008 Series Bond Reserve Fund is required to be funded in the amount of $32,315,346.88 (including the face amount of any Reserve Facility deposited therein), representing the Bond Reserve Requirement. “Bond Reserve Requirement” means, with respect to the 2000 Measure A 2008 Series Bonds, as of any Bond Reserve Fund Calculation Date, an amount equal to fifty percent (50%) of Maximum Annual Debt Service on the 2000 Measure A 2008 Series Bonds. “Bond Reserve Fund Calculation Date” means October 15 of each year, or if October 15 is not a Business Day, the first Business Day following October 15.

If for a period of two consecutive fiscal years subsequent to funding the 2008 Series Bond Reserve Fund, the amount of 2000 Measure A Sales Tax Revenues during the Fiscal Year immediately preceding a Bond Reserve Fund Calculation Date equals at least two (2) times Maximum Annual Debt Service, then the Trustee shall transfer the amount then on deposit to the Authority upon receipt of a Request of the Authority (the “Bond Reserve Fund Release Request”), a copy of which Bond Reserve Fund Release Request shall be accompanied by the calculations of the Authority demonstrating
compliance with the requirements for release of the 2008 Series Bond Reserve Fund established in the Indenture.

All amounts in the 2008 Series Bond Reserve Fund (including all amounts which may be obtained from any Reserve Facility deposited therein, see APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE”) shall be used and withdrawn by the Trustee solely for the purpose of making up any deficiency in the Interest Fund or the Principal Fund related to the 2000 Measure A 2008 Series Bonds or (together with any other moneys available therefor) for the payment or redemption of all 2000 Measure A 2008 Series Bonds then Outstanding or, for the payment of the final principal and interest payment of the 2000 Measure A 2008 Series Bonds. No amounts on deposit in the 2008 Series Bond Reserve Fund (including any amounts which may be obtained from any Reserve Facility deposited therein) may be applied for any other purpose nor shall any such amounts secure any other Bonds.

Additional Bonds and Parity Obligations

The Authority may issue additional Bonds and may issue or incur other obligations secured in whole or in part by a pledge of 2000 Measure A Sales Tax Revenues on a parity with the 2000 Measure A 2008 Series Bonds and the regularly scheduled payments on the Swap Agreements, subject to compliance with the terms and provisions set forth in the Indenture. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Issuance of Additional Bonds and Other Obligations.”

Issuance of Additional Series of Bonds. Subsequent to the issuance of the 2000 Measure A 2008 Series Bonds, the Authority may by Supplemental Indenture establish one or more Series of Bonds payable from 2000 Measure A Sales Tax Revenues and secured by the pledge made under the Indenture equally and ratably with Bonds previously issued, but only upon compliance by the Authority with the provisions of the Indenture. Certain of the applicable provisions of the Indenture are described below:

(a) No Event of Default shall have occurred and then be continuing.

(b) If a Bond Reserve Fund is required in connection with the issuance of an additional Series of Bonds, the Supplemental Indenture providing for the issuance of such Series of additional Bonds may require either (i) the establishment of a Bond Reserve Fund for such Series of Bonds or (ii) that the balance in an existing Bond Reserve Fund, forthwith upon the receipt of the proceeds of the sale of Bonds of such Series, be increased to an amount at least equal to the Bond Reserve Requirement with respect to such Series of Bonds and all other Bonds secured by such Bond Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Bonds. Said deposit may be made from the proceeds of the sale of Bonds of such Series or from other funds of the Authority or from both such sources or in the form of a letter of credit or surety bond or insurance policy as described under APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Establishment and Application of Funds and Accounts – Funding and Application of Bond Reserve Funds.”

(c) The Authority shall have placed on file with the Trustee a certificate of the Authority, certifying that the lesser of (i) the amounts of 2000 Measure A Sales Tax Revenues for a period of twelve (12) consecutive months (selected by the Authority) during the eighteen (18) months immediately preceding the date on which such Bonds will become Outstanding; or (ii) the estimated 2000 Measure A Sales Tax Revenues for the Fiscal Year in which the Bonds are to be issued, shall have, or will, as applicable, equal at least one and three-tenths (1.3) times Maximum
Annual Debt Service on all Series of Bonds and Parity Obligations then Outstanding and the additional Series of Bonds then proposed to be issued.

Nothing in the Indenture shall prevent or be construed to prevent the Supplemental Indenture providing for the issuance of an additional Series of Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by the Indenture, additional security for the benefit of such additional Series of Bonds or any portion thereof.

**Issuance of Refunding Bonds.** Refunding Bonds may be authorized and issued by the Authority without compliance with the provisions of the Indenture summarized above under the caption “Issuance of Additional Series of Bonds”; provided that Maximum Annual Debt Service on all Bonds and Parity Obligations Outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds and Parity Obligations Outstanding prior to the issuance of such Refunding Bonds. The 2000 Measure A 2008 Series Bonds are Refunding Bonds.

**Parity Obligations.** As defined in the Indenture, “Parity Obligations” means any indebtedness, installment sale obligation, lease obligation or other obligation of the Authority for borrowed money or any Interest Rate Swap Agreement (excluding fees and expenses and termination payments on Interest Rate Swap Agreements which fees and expenses and termination payments shall be secured by a lien and charge on the 2000 Measure A Sales Tax Revenues subordinate to the lien and charge upon the 2000 Measure A Sales Tax Revenues which secures the Bonds, Parity Obligations and payment of principal and interest on Subordinate Obligations) entered into in connection with a Series of Bonds, in each case incurred in accordance with the provisions of the Indenture described herein and having an equal lien and charge upon the 2000 Measure A Sales Tax Revenues and therefore payable on a parity with the Bonds (whether or not any Bonds are Outstanding). See “OUTSTANDING 2000 MEASURE A SALES TAX OBLIGATIONS” herein. The Authority may issue or incur additional Parity Obligations which will have, when issued, an equal lien and charge upon the 2000 Measure A Sales Tax Revenues, provided that the conditions to the issuance of such Parity Obligations set forth in the Indenture are satisfied, including satisfaction of the coverage test described in subsection (c) above under the caption “Issuance of Additional Series of Bonds,” unless such Parity Obligations are being issued for refunding purposes, in which case the coverage test shall not apply.

**Subordinate Obligations**

The Authority may also issue obligations which are payable as to principal, premium, interest and reserve fund requirements, if any, only out of 2000 Measure A Sales Tax Revenues after the prior payment of all amounts then required to be paid from 2000 Measure A Sales Tax Revenues for principal, premium, interest and reserve fund requirements for the Bonds and all Parity Obligations, as the same become due and payable. Currently, there are no Subordinate Obligations outstanding.

**OUTSTANDING 2000 MEASURE A SALES TAX OBLIGATIONS**

**Bonds**

As of June 1, 2010, the aggregate principal amount of 2000 Measure A Bonds Outstanding was $355,970,000, consisting of $120,095,000 aggregate principal amount of 2000 Measure A 2007 Series A Bonds and $235,875,000 aggregate principal amount of 2000 Measure A 2008 Series Bonds.
Swap Agreements

There are currently four separate interest rate swap agreements outstanding in connection with the 2000 Measure A 2008 Bonds (each, a “Swap Agreement” and, collectively referred to herein as the “Swap Agreements”) with Bank of America, N.A., Citibank, N.A., Goldman Sachs Mitsui Marine Derivative Products, L.P. and Morgan Stanley Capital Services, Inc. (each, a “Counterparty” and, collectively referred to herein as the “Counterparties”). Each Swap Agreement is scheduled to terminate on April 1, 2036.

The Authority has agreed to pay to the Counterparties under the Swap Agreements a fixed rate of interest and the Counterparties have agreed to pay the Authority a floating rate of interest. The Authority’s obligation to make regularly scheduled payments of interest to the counterparties under the Swap Agreements is payable from and secured by 2000 Measure A 2008 Series Bonds issued under the Indenture. The fixed interest rate paid by the Authority pursuant to each of the Swap Agreements has been used in computing debt service on the 2008 Measure A 2008 Series Bonds.

The terms of the Swap Agreements do not alter or affect any of the obligations of the Authority with respect to the payment of principal of or interest on the 2000 Measure A 2008 Series Bonds. Neither the Owners nor the Beneficial Owners of the 2000 Measure A 2008 Series Bonds have any rights under the Swap Agreements or against the Counterparties. Payments due to the Authority from the Counterparties are not pledged to the payment of principal of or interest on the 2000 Measure A 2008 Series Bonds.

Under certain circumstances, one or more of the Swap Agreements may be terminated, at which time the Authority may be required to make a termination payment to the applicable Counterparty. If the Swap Agreements were terminated as of June 1, [the Authority would owe the respective Counterparties an aggregate amount of $__________]. Any termination payments made pursuant to the Swap Agreements are secured by a lien on 2000 Measure A Sales Tax Revenues subordinate to the lien which secures the Bonds, Parity Obligations and Subordinate Obligations. It cannot be predicted at this time what the value of termination payments owed by the Authority in the future would be if any of the Swap Agreements actually were terminated; however, such termination payments could be substantial. To the extent that the Authority has insufficient funds on hand to make any such payment, the Authority may borrow such amounts through the issuance of additional Bonds or otherwise.

Each of the Swap Agreements includes an additional potential termination event for an “Adverse Surety Event.” An “Adverse Surety Event” occurs if the Insurer (Ambac Assurance Corporation, a Wisconsin domiciled stock insurance corporation, or any successor thereto) fails to maintain either a financial strength rating of at least A3 from Moody’s; a claims paying ability rating of at least A- from S&P; or an equivalent rating determined by a nationally-recognized ratings service acceptable to both parties to the respective Swap Agreement; provided, however, that in any such case, either an event of default has occurred and is continuing with respect to the Authority as the defaulting party or a termination event has occurred and is continuing with respect to the Authority as the affected party (in each case, other than if such event occurred solely with respect to the Insurer). Ambac Assurance Corporation’s (“Ambac”) ratings are below the foregoing threshold requirements. Because of the Adverse Surety Event caused by the downgrades of Ambac’s ratings, the Authority provides the Counterparties at least annually written evidence of the unenhanced ratings on the 2000 Measure A 2008 Series Bonds. Under the Swap Agreements, it is an additional termination event following an Adverse Surety Event if the Authority does not post collateral to the Counterparties if the Authority’s ratings are Baa3 or higher from Moody’s and BBB- or higher from S&P. Based on the current market value of the swaps, the Authority does not have any collateral posted. Further, following an Adverse Surety Event,
notwithstanding any collateral posted by the Authority under the Swap Agreements, there is a termination event if the Authority’s ratings are below Baa3 from Moody’s or BBB- from S&P.

For a further discussion regarding the Authority’s existing swaps (including swaps that have liens on the Authority’s 1976 Sales Tax) and potential risks in connection therewith, see APPENDIX B – “AUTHORITY AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2009, Note 7(d), 7(e) and 7(f).”

THE LIQUIDITY FACILITY PROVIDERS AND THE LIQUIDITY FACILITIES

The Liquidity Facility Providers

The following information has been provided by the respective Liquidity Facility Providers for use in this Remarketing Memorandum. This information has not been independently verified by the Authority. No representation is made by the Authority as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

JPMorgan Chase Bank, National Association. JPMorgan Chase Bank, National Association (under this subcaption, “JPMC”) is a wholly owned bank subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. JPMC offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of December 31, 2009, JPMorgan Chase Bank, National Association, had total assets of $1,628 billion, total net loans of $531.2 billion, total deposits of $1,024 billion, and total stockholder’s equity of $128.3 billion. These figures are extracted from the Bank’s unaudited Consolidated Reports of Condition and Income (the “Call Report”) as at December 31, 2009, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles, which are filed with the Federal Deposit Insurance Corporation. The Call Report, including any update to the above quarterly figures, can be found at www.fdic.gov.

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2009, of JPMorgan Chase & Co., the 2008 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the “SEC”) by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Offering Memorandum is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC’s website at www.sec.gov.

The information contained above relates to and has been obtained from JPMC. The delivery of this Remarketing Memorandum shall not create any implication that there has been no change in the affairs of JPMC since the date hereof, or that the information contained or referred to in this Remarketing Memorandum is correct as of any time subsequent to its date.

Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Banking Corporation (Kabushiki Kaisha Mitsui Sumitomo Ginko) (under this subcaption, “SMBC”) is a joint stock corporation with limited liability (Kabushiki Kaisha) under the laws of Japan. The registered head office of SMBC is located at 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan.

SMBC was established in April 2001 through the merger of two leading banks, The Sakura Bank, Limited and The Sumitomo Bank, Limited. In December 2002, Sumitomo Mitsui Financial Group, Inc.
SMFG was established through a stock transfer as a holding company under which SMBC became a wholly owned subsidiary. SMFG reported ¥119,637,224 million in consolidated total assets as of March 31, 2009.

SMBC is one of the world’s leading commercial banks and provides an extensive range of banking services to its customers in Japan and overseas. In Japan, SMBC accepts deposits, makes loans and extends guarantees to corporations, individuals, governments and governmental entities. It also offers financing solutions such as syndicated lending, structured finance and project finance. SMBC also underwrites and deals in bonds issued by or under the guarantee of the Japanese government and local government authorities, and acts in various administrative and advisory capacities for certain types of corporate and government bonds. Internationally, SMBC operates through a network of branches, representative offices, subsidiaries and affiliates to provide many financing products including syndicated lending and project finance.

The New York Branch of SMBC is licensed by the State of New York Banking Department to conduct branch banking business at 277 Park Avenue, New York, New York, and is subject to examination by the State of New York Banking Department and the Federal Reserve Bank of New York.

Financial and Other Information

Audited consolidated financial statements for SMFG and its consolidated subsidiaries for the fiscal years ended March 31, 2009, as well as certain unaudited financial information for SMFG and SMBC for the fiscal period ended through December 31, 2009, as well as other corporate data, financial information and analyses are available in English on the website of the Parent at www.smfg.co.jp/english.

The information under this subcaption has been obtained from SMBC, which is solely responsible for its content. The delivery of the Remarketing Memorandum shall not create any implication that there has been no change in the affairs of SMBC since the date hereof, or that the information contained or referred herein is correct as of any time subsequent to its date.

The Liquidity Facilities

[To be updated by Bank Counsel and revised to include term out provision]

General. JPMorgan Chase and the Authority entered into the JPMorgan Chase Liquidity Facility in connection with the 2008 Series A Bonds and the 2008 Series B Bonds. Sumitomo Mitsui Banking Corporation ("Sumitomo") will provide a standby bond purchase agreement (the "Sumitomo Liquidity Facility") for the 2008 Series C Bonds and the 2008 Series D Bonds. JPMorgan Chase and Sumitomo are sometimes referred to herein as the applicable Bank with respect to the related 2000 Measure A 2008 Series Bonds to which each is providing a Liquidity Facility. The JPMorgan Chase Liquidity Facility and the Sumitomo Liquidity Facility are sometimes referred to herein as the applicable Liquidity Facility. Each Liquidity Facility contains various provisions, covenants and conditions, certain of which are summarized below. Certain words or terms used in the following summary are defined herein below and other words or terms not defined herein below are defined elsewhere in this Remarketing Memorandum, in the applicable Liquidity Facility or the Indenture and reference thereto is made for such definitions. Each Liquidity Facility contains substantially identical terms. The following summary of the Liquidity Facilities does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of each Liquidity Facility to which reference is made hereby. Investors are urged to obtain and review a copy of each Liquidity Facility in order to understand all of the terms of those documents.
The JPMorgan Chase Liquidity Facility secures only payment of the purchase price of the 2008 Series A Bonds and the 2008 Series B Bonds tendered for purchase as described herein, and does not otherwise secure payment of the principal of or interest on the 2008 Series Bonds. The Sumitomo Liquidity Facility secures only payment of the purchase price of the 2008 Series C Bonds and the 2008 Series D Bonds tendered for purchase as described herein, and does not otherwise secure payment of the principal of or interest on the 2000 Measure A 2008 Series Bonds.

Each Liquidity Facility requires the applicable Bank to provide funds for the purchase of the related 2000 Measure A 2008 Series Bonds that have been tendered and not remarketed subject to certain conditions described below. Neither Liquidity Facility guarantees the payment of principal of or interest nor redemption premium, if any, on the related 2000 Measure A 2008 Series Bonds in the event of non-payment of such interest, principal or redemption premium, if any, by the Authority.

The obligation of the applicable Bank pursuant to the applicable Liquidity Facility to provide funds for the purchase of the related 2000 Measure A 2008 Series Bonds that have been tendered and not remarketed shall end on the earliest of (i) June 23, 2013, as such date may be extended from time to time in accordance with the applicable Liquidity Facility; (ii) the date on which no related 2000 Measure A 2008 Series Bonds are Outstanding; (iii) the close of business on the Business Day immediately following the Conversion Date; (iv) the close of business on the thirtieth (30th) day following the date on which the Authority and the Trustee receive a notice from the applicable Bank that the applicable Liquidity Facility is being terminated following certain events of default under such Liquidity Facility, or if such thirtieth (30th) day is not a Business Day, the next succeeding Business Day; (v) the date on which Available Commitment has been reduced to zero or terminated in its entirety at the option of the Authority and (vi) immediately and without notice following certain events of default under each Liquidity Facility under the circumstances described below under “Events of Default and Remedies.” The period referred to in the preceding sentence is hereinafter referred to as the “Commitment Period.”

Subject to the terms and conditions of the applicable Liquidity Facility, the applicable Bank agrees from time to time during the Commitment Period to purchase, with its own funds, related 2000 Measure A 2008 Series Bonds that have been tendered for purchase and not remarketed, at the Purchase Price on a Purchase Date. Each Bank’s obligation is limited to an amount equal to the aggregate principal amount of the related 2000 Measure A 2008 Series Bonds then Outstanding plus an amount equal to at least 34 days of interest at the per annum rate of twelve percent (12%) on such Outstanding 2000 Measure A 2008 Series Bonds.

The obligation of each Bank to purchase the related 2000 Measure A 2008 Series Bonds on any date is subject to the satisfaction of the following conditions, unless waived in writing by the applicable Bank: (i) no Event of Default or Default described in paragraph (a) or (b) below shall have occurred and be continuing; and (ii) the applicable Bank shall have timely received a notice of purchase.

**Events of Default and Remedies.** The following events constitute Events of Default under the Liquidity Facility:

The Authority shall fail to pay when due (a)(i) any principal of or sinking fund requirement due on any related 2000 Measure A 2008 Series Bonds (including any Bank Bond prior to the commencement of the applicable Bank Bond Amortization Period (as defined in the applicable Liquidity Facility)) and (ii) any interest on any related 2000 Measure A 2008 Series Bonds (including any Bank Bond), or (b) any principal payment due on any Bank Bond during the applicable Bank Bond Amortization Period or (c) any other amount owed to the applicable Bank pursuant to specified sections of such applicable Liquidity Facility; or
The Authority shall fail to pay when due any amount owing under specified sections of such applicable Liquidity Facility (other than those referred to in paragraph (1) above); or

Any material representation or warranty made by or on behalf of the Authority in such applicable Liquidity Facility, the Indenture or in any other Related Document (as defined in the applicable Liquidity Facility) or in any certificate or statement delivered under said documents shall be incorrect or untrue in any material respect when made or deemed to have been made; or

The Authority shall default in the due performance or observance of any of the covenants set forth in specified sections of such applicable Liquidity Facility; or

The Authority shall materially default in the due performance or observance of any other term, covenant or agreement contained in such applicable Liquidity Facility (other than those referred to in paragraphs (1), (2), (3) and (4) above), the Indenture or the other Related Documents and such default shall remain unremedied for a period of thirty (30) days after the Authority shall have received notice thereof; or

One or more final, unappealable judgments against the Authority for the payment of money, which judgments are not covered by insurance, or which judgments are to be enforced pursuant to liens upon, or attachments against, any or all of the Sales Tax Revenues, the operation or result of which judgments, individually or in the aggregate, equal or exceed $10,000,000 and which judgments shall remain unpaid, undischarged, unbonded or undischarged for a period of sixty (60) days; or

(a) The Authority shall commence any case, proceeding or other action (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it, or seeking to declare a moratorium with respect to the related 2000 Measure A 2008 Series Bonds or the Parity Obligations, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets or for all or any portion of the Sales Tax Revenues; or the Authority shall make a general assignment for the benefit of its creditors; or (b) there shall be commenced against the Authority any case, proceeding or other action of a nature referred to in clause (a) above which (i) results in an order for such relief or in the appointment of a receiver or similar official or (ii) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (c) there shall be commenced against the Authority, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets or for all or any portion of the Sales Tax Revenues, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (d) the Authority shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (a), (b) or (c) above; or (e) the Authority shall generally not, or shall be unable to, or shall admit in writing, its inability to, pay its debts; or

(a) Any provision of the Act, the applicable Liquidity Facility, the Indenture, or the related 2000 Measure A 2008 Series Bonds relating to (i) the ability or the obligation of the Authority to pay, when due, the principal of or interest on the related 2000 Measure A 2008 Series Bonds (including any Bank Bonds) or on any Parity Obligation or (ii) the Sales Tax Revenues securing said Bonds and Parity Obligation, shall at any time, and for any reason, cease
to be valid and binding on the Authority, or shall be declared to be null and void, invalid or unenforceable as the result of a final nonappealable judgment by any federal or state court or as a result of any legislative or administrative action by any Governmental Authority (as defined in the applicable Liquidity Facility) having jurisdiction over the Authority; or (b) the Authority repudiates or otherwise denies that it has any further liability or obligation under or with respect to any provision of the Act, such applicable Liquidity Facility, the Indenture, the related 2000 Measure A 2008 Series Bonds or the Parity Obligations relating to (i) the ability or the obligation of the Authority to pay, when due, the principal of or interest on the related 2000 Measure A 2008 Series Bonds (including any Bank Bonds) or on any Parity Obligation or (ii) the Sales Tax Revenues securing said Bonds and Parity Obligation; or (c) the State or the Authority shall have taken or permitted to be taken any official action, or has duly enacted any statute, which would materially adversely affect the enforceability of any provision of such applicable Liquidity Facility, the related 2000 Measure A 2008 Series Bonds, the Act, the Indenture, or any Parity Obligation relating to (i) the ability or the obligation of the Authority to pay, when due, the principal of or interest on the related 2000 Measure A 2008 Series Bonds (including any Bank Bonds) or on any Parity Obligation or (ii) the Sales Tax Revenues securing said Bonds and Parity Obligation; or (d) any Governmental Authority with jurisdiction to rule on the validity or enforceability of such applicable Liquidity Facility, the related 2000 Measure A 2008 Series Bonds, the Act, the Indenture, or any Parity Obligation shall find or rule, in a judicial or administrative proceeding, that any provision of such applicable Liquidity Facility, the related 2000 Measure A 2008 Series Bonds, the Act, the Indenture, or any Parity Obligation, as the case may be, relating to (i) the ability or the obligation of the Authority to pay, when due, the principal of or interest on the related 2000 Measure A 2008 Series Bonds (including any Bank Bonds) or on any Parity Obligation or (ii) the Sales Tax Revenues securing said Bonds and Parity Obligation, is not valid or not binding on, or enforceable against, the Authority; or (e) the State or the Authority (i) makes a claim in a judicial or administrative proceeding that the Authority has no further liability or obligation under such applicable Liquidity Facility, the related 2000 Measure A 2008 Series Bonds, the Act, the Indenture, or any Parity Obligation to pay, when due, the principal of or interest on the related 2000 Measure A 2008 Series Bonds (including any Bank Bonds) or on any Parity Obligation or (ii) contests in a judicial or administrative proceeding the validity or enforceability of any provision of the applicable Liquidity Facility, the related 2000 Measure A 2008 Series Bonds, the Act, the Indenture, or any Parity Obligation relating to or otherwise affecting (A) the Authority's ability or obligation to pay, when due, the principal of or interest on the related 2000 Measure A 2008 Series Bonds (including any Bank Bonds) or on any Parity Obligation or (B) the Sales Tax Revenues securing said Bonds and Parity Obligation; or (f) a debt moratorium or comparable extraordinary restriction on repayment of principal or interest on any debt shall have been declared or imposed (whether or not in writing) with respect to the related 2000 Measure A 2008 Series Bonds (including any Bank Bond) or on any Parity Obligation; or

Moody’s, Standard & Poor’s, and any other Rating Agency then rating the related 2000 Measure A 2008 Series Bonds and any Parity Obligation shall have (a) assigned the related 2000 Measure A 2008 Series Bonds or any Parity Obligation, a long-term rating below “Baa3,” by Moody’s and “BBB-” by Standard & Poor’s (or comparable rating, in the case of another Rating Agency); (b) withdrawn their long-term ratings of the related 2000 Measure A 2008 Series Bonds or any Parity Obligation for any credit-related reasons; or (c) suspended their long-term ratings of the related 2000 Measure A 2008 Series Bonds or any Parity Obligation for any credit-related reasons; provided, however, that any downgrade, withdrawal or suspension described in any of the foregoing provisions shall not be deemed an Event of Default under such applicable Liquidity Facility if said downgrade, withdrawal or suspension, as the case may be, shall be attributable to
the downgrade, withdrawal or suspension of the long-term ratings assigned to any bond insurance or other credit enhancement provided by a Person other than the Authority; or

(a) Except as otherwise provided in clause (b) below, any “Event of Default” as defined in the Indenture shall occur and be continuing or any “Event of Default” shall occur and be continuing under any other agreement between the Authority and the applicable Bank regarding Parity Obligations, if any; or (b) the Authority shall fail to make any payment in respect of principal or interest on any Parity Obligation issued and outstanding or to be issued, when due (i.e., whether upon said Parity Obligation’s scheduled maturity, required prepayment, acceleration, upon demand or otherwise, except as such payments may be accelerated, demanded or required to be prepaid under such applicable Liquidity Facility), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Parity Obligation.

Following the occurrence of certain of the above-referenced Events of Default, the applicable Bank may take anyone or more of the following actions. Reference is made to the applicable Liquidity Facility for a complete listing of all consequences of Events of Default.

(a) In the case of any Event of Default or Default specified in paragraph l(a), 6, 7(a), 7(d), 7(e), 8(a), 8(b), 8(c), 8(t), 9 or 10(b) above (each, a “Special Event of Default”), the Available Commitment (as defined in the applicable Liquidity Facility) shall immediately be reduced to zero, in which case the obligations of each applicable Bank under such applicable Liquidity Facility shall immediately terminate and expire without requirement of notice by the applicable Bank; provided, that (i) the Event of Default described in paragraph 1(a) above will not qualify as a Special Event of Default if the failure to pay principal of, or interest on, a Bank Bond is due solely to an acceleration of all of the Bank Bonds by the applicable Bank for any reason other than nonpayment as described in the applicable Liquidity Facility; and (ii) the Suspension Events described in paragraph (b) below will not qualify as Special Events of Default unless and until the conditions described in said paragraph (b) below for such qualification have been satisfied. After such termination or expiration, the applicable Bank shall deliver promptly to the Authority, the Trustee and the applicable Remarketing Agent written notice of such termination or expiration; provided, however, that failure to provide such written notice shall have no effect on the validity or enforceability of such termination or expiration.

(b) In the case of any Event of Default or Default specified in paragraph 1(b), 7(b), 7(c), 8(d) or 8(e) above (each, a “Suspension Event”), the obligation of each applicable Bank to purchase related 2000 Measure A 2008 Series Bonds under the applicable Liquidity Facility shall be immediately suspended without notice or demand and, thereafter, the applicable Bank shall be under no obligation to purchase related 2000 Measure A 2008 Series Bonds until the Available Commitment is reinstated as described below. Promptly upon the occurrence of any such Suspension Event, the applicable Bank shall notify the Authority, the Trustee and the applicable Remarketing Agent of such suspension and the effective date of such suspension in writing by facsimile, promptly confirmed by regular mail; provided, that the applicable Bank shall incur no liability of any kind by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Available Commitment or its obligation to purchase related 2000 Measure A 2008 Series Bonds pursuant to such applicable Liquidity Facility.

Upon the occurrence of an Event of Default described in paragraph 1(b) above, each applicable Bank’s obligations to purchase related 2000 Measure A 2008 Series Bonds shall be suspended immediately and automatically and remain suspended until the Authority cures the Event of Default resulting in said suspension or the date on which the applicable Bank’s obligations under the applicable
Liquidity Facility have terminated or expired in accordance with the terms thereof (the “Termination Date”), whichever is first to occur. If the Authority shall cure the Event of Default described in paragraph 1(b) above prior to the Termination Date, then the Available Commitment and the obligations of the applicable Bank under such applicable Liquidity Facility shall thereupon be reinstated (unless the Commitment Period shall otherwise have been terminated, suspended or expired as provided in such applicable Liquidity Facility). Notwithstanding the foregoing, if the Authority shall not have cured the Event of Default resulting in said suspension prior to the Termination Date, then the Available Commitment and the obligations of the applicable Bank to purchase related 2000 Measure A 2008 Series Bonds shall terminate on the Termination Date without notice or demand and, thereafter, the applicable Bank shall be under no obligation to purchase such related 2000 Measure A 2008 Series Bonds.

Upon the occurrence of an Event of Default described in paragraph 7(b)(i) above, each applicable Bank’s obligations to purchase related 2000 Measure A 2008 Series Bonds shall be suspended immediately and automatically and remain suspended until said case, proceeding or other action referred to therein is either dismissed, discharged or bonded or the Termination Date occurs, whichever is first. In the event that said Event of Default shall have been dismissed, discharged or bonded prior to the Termination Date, then the Available Commitment and the obligation of the applicable Bank to purchase related 2000 Measure A 2008 Series Bonds shall be reinstated and the terms of the applicable Liquidity Facility shall continue in full force and effect as if there had been no such suspension (unless the Commitment Period shall otherwise have been terminated, suspended or expired as provided in said applicable Liquidity Facility). In the event that said Suspension Event shall have been dismissed, discharged or bonded prior to the Termination Date, then the Available Commitment and the obligation of the applicable Bank to purchase related 2000 Measure A 2008 Series Bonds shall terminate on such Termination Date without notice or demand and, thereafter, the applicable Bank shall be under no obligation to purchase such related 2000 Measure A 2008 Series Bonds.

Upon the occurrence of a Default described in paragraph 7(b)(ii) above, each applicable Bank’s obligations to purchase related 2000 Measure A 2008 Series Bonds shall be immediately and automatically suspended and remain suspended until the case, proceeding or other action referred to therein is either dismissed, discharged or bonded within sixty (60) days from the commencement of such case, proceeding or action, or the Termination Date occurs, whichever is first. In the event that said Suspension Event shall have been dismissed, discharged or bonded within the sixty (60) -day period described therein and prior to the Termination Date, then the Available Commitment and the obligation of the applicable Bank to purchase such related 2000 Measure A 2008 Series Bonds shall be reinstated and the terms of such applicable Liquidity Facility shall continue in full force and effect as if there had been no suspension (unless the Commitment Period shall otherwise have been terminated, suspended or expired as provided in the applicable Liquidity Facility). In the event that said Suspension Event shall not have been dismissed, discharged or bonded within such sixty (60) -day period when the Termination Date occurs, then the Available Commitment and the obligation of the applicable Bank to purchase such related 2000 Measure A 2008 Series Bonds shall terminate on the Termination Date without notice or demand and, thereafter, the applicable Bank shall be under no obligation to purchase such related 2000 Measure A 2008 Series Bonds.

Upon the occurrence of a Default described in paragraph 7(c), the applicable Bank’s obligations to purchase related 2000 Measure A 2008 Series Bonds shall be immediately and automatically suspended and remain suspended until the case, proceeding or other action referred to therein is either vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the commencement of such case, proceeding or action, or the Termination Date occurs, whichever is first. In the event that said Suspension Event shall have been vacated, discharged, or stayed or bonded pending appeal within the sixty (60) -day period described therein and prior to the Termination Date, then the Available Commitment and the obligation of the applicable Bank to purchase the related 2000 Measure A 2008
Series Bonds shall be reinstated and the terms of the applicable Liquidity Facility shall continue in full force and effect as if there had been no such suspension (unless the Commitment Period shall otherwise have been terminated, suspended or expired as provided in the applicable Liquidity Facility). In the event that said Suspension Event shall not have been vacated, discharged, or stayed or bonded pending appeal within such sixty (60)-day period when the Termination Date occurs, then the Available Commitment and the obligation of each applicable Bank to purchase the related 2000 Measure A 2008 Series Bonds shall terminate on such Termination Date without notice or demand and, thereafter, the applicable Bank shall be under no obligation to purchase the related 2000 Measure A 2008 Series Bonds.

Upon the occurrence of an Event of Default described in paragraph 8(d) or 8(e), each applicable Bank’s obligations to purchase the related 2000 Measure A 2008 Series Bonds shall be immediately and automatically suspended and remain suspended unless and until a court with jurisdiction to rule on such an Event of Default shall enter a final and nonappealable judgment that any of the material provisions of the Act or any other document described in paragraph 8(d) are not valid or not binding on, or enforceable against, the Authority or that a claim or contest described in paragraph 8(e) shall have been upheld in favor of the State or the Authority in accordance with a final and nonappealable judgment, then, in each such case, the Available Commitment and the obligation of the applicable Bank to purchase related 2000 Measure A 2008 Series Bonds shall immediately terminate without notice or demand and, thereafter, the applicable Bank shall be under no obligation to purchase such related 2000 Measure A 2008 Series Bonds. If a court with jurisdiction to rule on such an Event of Default shall find or rule by entry of a final and nonappealable judgment that the material provision of the Act or any other document described in paragraph 8(d) is valid and binding on, or enforceable against, the Authority or that the claim or contest described in paragraph 8(e) shall have been dismissed pursuant to a final and nonappealable judgment, then the Available Commitment and the obligations of the applicable Bank under the applicable Liquidity Facility shall, in each such case, thereupon be reinstated (unless the Commitment Period shall otherwise have been terminated, suspended or expired as provided in the applicable Liquidity Facility). Notwithstanding the foregoing, if the suspension of the obligations of the applicable Bank pursuant to any Event of Default described in paragraph 8(d) or 8(e) remains in effect and litigation is still pending and a determination regarding same shall not have been dismissed or otherwise made pursuant to a final and non-appealable judgment, as the case may be, when the Termination Date occurs, then the Available Commitment and the obligation of the applicable Bank to purchase such related 2000 Measure A 2008 Series Bonds shall terminate on the Termination Date without notice or demand and, thereafter, the applicable Bank shall be under no obligation to purchase such related 2000 Measure A 2008 Series Bonds.

In the case of each Suspension Event, the Trustee shall subsequently notify all Owners of the suspension and/or termination of both the Available Commitment and the obligation of the applicable Bank to purchase the related 2000 Measure A 2008 Series Bonds.

(c) Upon the occurrence of any Event of Default, the applicable Bank shall have all remedies provided at law or equity, including, without limitation, specific performance; and in addition, the applicable Bank, in its sole discretion, may do one or more of the following: (i) declare all obligations of the Authority to the applicable Bank under the applicable Liquidity Facility (other than payments of principal and redemption price of and interest on the Bank Bonds, unless said Bank Bonds have otherwise become subject to acceleration pursuant to the Indenture) to be immediately due and payable, and the same shall thereupon become due and payable without demand, presentment, protest, notice of intent to accelerate, notice of acceleration or further notice of any kind, all of which are expressly waived; (ii) the applicable Bank may give written notice of such Event of Default and termination of the applicable Liquidity Facility (“Notice of Termination Date”) to the Trustee, the Authority and the Remarketing Agents requesting a Default Tender; provided that the obligation of the applicable Bank to purchase related 2000 Measure A 2008 Series Bonds shall terminate on the thirtieth (30th) day (or if such day is
not a Business Day, the next following Business Day) after such Notice of Termination Date is received by the Trustee and, on such date, the Available Commitment shall terminate and the applicable Bank shall be under no obligation to purchase such related 2000 Measure A 2008 Series Bonds; (iii) exercise any right or remedy available to it under any other provision of such applicable Liquidity Facility; or (iv) exercise any other rights or remedies available under the Indenture or any other Related Document, any other agreement or at law or in equity; provided, further; however, the applicable Bank shall not have the right to terminate its obligation to purchase the related 2000 Measure A 2008 Series Bonds except as described above.

Substitution of Alternate Liquidity Facility

Pursuant to the provisions of the Indenture, the Authority may provide an Alternate Liquidity Facility with respect to any 2000 Measure A 2008 Series Bonds. The Authority shall give at least 30 days’ written notice to the Trustee and each of the Notice Parties of its intent to furnish an Alternate Liquidity Facility to the Trustee. The applicable 2000 Measure A 2008 Series Bonds shall be subject to mandatory purchase on the Substitution Date.

THE 2000 MEASURE A SALES TAX

2000 Measure A Sales Tax

In November of 2000, more than 70% of the voters in the County voting on such ballot measure approved Measure A ("2000 Measure A") implementing a 30-year half-cent sales tax that became effective on April 1, 2006 and is scheduled to expire on March 31, 2036. The 2000 Measure A Sales Tax is a special retail transactions and use tax of one-half of one percent (0.5%) of the gross receipts of retailers from the sale of all tangible personal property sold at retail in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain exceptions. Revenues from the 2000 Measure A Sales Tax may be used to finance the transit projects and operations listed in 2000 Measure A, the ordinance which imposed the 2000 Measure A Sales Tax (the “2000 Measure A Ordinance”) and in the Authority’s Valley Transportation Plan, which was formulated to provide a balanced transportation system consisting of transit, roadway, bicycle and pedestrian improvements. See “THE 2000 MEASURE A PROGRAMS” herein.

Collection of the 2000 Measure A Sales Tax is administered by the Board of Equalization. The Authority has authorized the Board of Equalization to make payment of 2000 Measure A Sales Tax Revenues directly to the Trustee. Pursuant to its procedures, the Board of Equalization projects receipts of the 2000 Measure A Sales Tax on a quarterly basis and remits an advance of such receipts to the Trustee on a monthly basis based on such projection. During the last month of each quarter, the Board of Equalization adjusts the amount remitted to reflect the actual receipts of the 2000 Measure A Sales Tax for the prior quarter and to deduct the full amount of the administrative fee for the prior quarter. Upon receipt of the 2000 Measure A Sales Tax Revenues, the Trustee retains an amount necessary to meet debt service requirements and make the other deposits required by the Indenture and the balance is then forwarded to the Authority.

1976 Sales Tax

In addition to the 2000 Measure A Sales Tax, the Authority levies another retail transactions and use tax of one-half of one percent (0.5%) for transportation purposes (the “1976 Sales Tax”). The 1976 Sales Tax, also approved by the voters, is levied against the same sales tax base as the 2000 Measure A Sales Tax. Collection of the 1976 Sales Tax is also administered by the Board of Equalization and is
remitted to the trustee for the senior lien obligations secured by the 1976 Sales Tax pursuant to a separate agreement between the Authority and the Board of Equalization in the same manner and subject to payment of a separate administrative charge in the same manner as the 2000 Measure A Sales Tax.

Historical Sales Tax Revenues

The following table shows sales tax revenues reported by the Authority during the ten Fiscal Years ended June 30, 2009.

Santa Clara Valley Transportation Authority
Historical Sales Tax Revenues
Fiscal Years Ended June 30, 1999 – 2009

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>1976 Sales Tax Revenues(2)</th>
<th>Rate of Change</th>
<th>2000 Measure A Sales Tax(2)</th>
<th>Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$143,711,721</td>
<td>3.8%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2000</td>
<td>166,764,390</td>
<td>16.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2001</td>
<td>183,540,308</td>
<td>10.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2002</td>
<td>144,217,679</td>
<td>-21.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2003</td>
<td>132,632,377</td>
<td>-8.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2004</td>
<td>138,917,173</td>
<td>4.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2005</td>
<td>145,008,106</td>
<td>4.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2006</td>
<td>157,283,101</td>
<td>8.5</td>
<td>$38,169,934(1)</td>
<td>-</td>
</tr>
<tr>
<td>2007</td>
<td>163,675,750</td>
<td>4.1</td>
<td>161,360,552</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>163,037,594</td>
<td>-0.4</td>
<td>160,536,904</td>
<td>-0.5%</td>
</tr>
<tr>
<td>2009</td>
<td>137,641,199</td>
<td>-15.6</td>
<td>137,260,570</td>
<td>-14.5</td>
</tr>
</tbody>
</table>

Source: The Authority.

(1) 2000 Measure A Sales Tax began April 1, 2006.
(2) Differences in amount the 1976 Sales Tax and 2000 Measure A Sales Tax are due to adjustments from prior periods resulting from either Authority or SBOE audits of taxpayer records.

The 2000 Measure A 2008 Series Bonds are not secured by 1976 Sales Tax Revenues. For a summary of historical taxable retail sales within the County see the table entitled “County of Santa Clara, Taxable Transactions by Sector” in APPENDIX C – “COUNTY OF SANTA CLARA DEMOGRAPHIC AND ECONOMIC INFORMATION.”

2000 Measure A Sales Tax Revenues

For the Fiscal Year ended June 30, 2009, the Authority received $137.26 million in 2000 Measure A Sales Tax Revenues. For the first two quarters of the Fiscal Year ending June 30, 2010, the Authority has received $71,577,936 of 2000 Measure A Sales Tax Revenues. This compares to $77,483,579 of 2000 Measure A Sales Tax Revenues received by the Authority during the first two quarters of the Fiscal Year ended June 30, 2009. The amount of 2000 Measure A Sales Tax received in the first two quarters of Fiscal Year 2010 represent a 7.1% decline from the same period of Fiscal Year 2009. For a discussion regarding the procedures related to the collection of the 2000 Measure A Sales Tax, see APPENDIX A – “THE AUTHORITY – Authority Revenues – 2000 Measure A Sales Tax Revenues” and APPENDIX A – “THE AUTHORITY – Management’s Discussion of Financial Results.”
Based on projected 2000 Measure A Revenues for Fiscal Year ended June 30, 2010 in the amount of $127,574,031, 2000 Measure A Revenues are anticipated to equal at least 1.75 times Maximum Annual Debt Service on the Bonds through April 1, 2036, the final maturity of the 2000 Measure A 2008 Series Bonds assuming such Maximum Annual Debt Service amounts as are shown in the table “DEBT SERVICE SCHEDULE” herein.

THE 2000 MEASURE A PROGRAMS

General

Revenues from the 2000 Measure A Sales Tax may be used to finance the transit projects and the increased cost of operations as described in the 2000 Measure A Ordinance and the Authority’s Valley Transportation Plan (see APPENDIX A – “SANTA CLARA VALLEY TRANSPORTATION AUTHORITY – Authority Capital Improvement Programs” and “– Valley Transportation Plan”), which was formulated to provide a balanced transportation system consisting of transit, roadway, bicycle and pedestrian improvements.

The 2000 Measure A Transit Improvement Program

The 2000 Measure A Transit Improvement Program, which represents the transit portion of the Authority’s Valley Transportation Plan and is funded primarily by 2000 Measure A Sales Tax Revenues, consists of those projects and increased operations included in the 2000 Measure A Ordinance, as noted below.

- Extend San Francisco Bay Area Rapid Transit District service (“BART”) from Fremont through Milpitas to Downtown San Jose and the Santa Clara Caltrain Station (the “Silicon Valley Rapid Transit Project” or “SVRT”);
- Provide connections from the San Jose International Airport to BART, Caltrain commuter rail service (“Caltrain”) and the Authority’s light rail system;
- Extend the Authority’s light rail system from Downtown San Jose to the East Valley portion of the County (“DTEV Extension”);
- Purchase low floor light rail vehicles to better serve the disabled, senior and other segments of the ridership;
- Improve Caltrain by extending the system’s double track to Gilroy and providing funds to electrify the system;
- Increase Caltrain service;
- Construct a new Palo Alto Intermodal Transit Center;
- Improve bus service in major bus corridors;
- Upgrade the Altamont Commuter Express (“ACE”) service;
- Improve the Highway 17 express bus service;
- Connect Caltrain with the Dumbarton Rail Corridor (serving Alameda and San Mateo County);
• Purchase zero emission buses and construct service facilities;
• Provide funds to develop new light rail corridors;
• Fund operating and maintenance costs associated with increased bus, rail and paratransit service.

The Authority intends to implement as many of the projects included in the 2000 Measure A Ordinance as feasible within a framework of projected revenues, including 2000 Measure A Sales Tax Revenues. Projects that have been identified for advancement during the next ten years are included in the Authority’s Measure A Capital Improvement Programs (see APPENDIX A – “Authority Capital Improvement Programs – Short Range Transportation Plan”). The Authority publishes a semi-annual status report as a periodic update regarding the implementation of the 2000 Measure A Transit Improvement Program (the most current copy of which may be requested through the Authority).

Future Financing Plans

The Authority anticipates that the Measure A Capital Improvement Program will be funded through a combination of pay as you go and bond financing. Funding for the Measure A Capital Improvement Program identified in the Authority’s Short Range Transportation Plan includes grant anticipation and sales tax revenue bonds of $1.5 billion, grant (federal, state, regional and local) funding of $1.5 billion, and $1.4 billion of Measure A Sales Tax. Grant funding includes an assumption that the Authority is successful in obtaining a Full Funding Grant Agreement (“FFGA”) through the Federal 5309 (New Starts) Program in an amount of $900 million for the first phase of the SVRT extension. If the Authority is not successful in securing the FFGA, the planned extension may be delayed and projected bond financing will not occur as currently planned.

INVESTMENT CONSIDERATIONS

Economy of the County and the State

The 2000 Measure A 2008 Series Bonds are secured by a pledge of 2000 Measure A Sales Tax Revenues, which consist of the 2000 Measure A Sales Tax less an administrative fee paid to the Board of Equalization. The level of 2000 Measure A Sales Tax Revenues collected at any time is dependent upon the level of retail sales within the County, which is, in turn, dependent upon the level of economic activity in the County and in the State generally. As a result, any substantial deterioration in the level of economic activity within the County or in the State could have a material adverse impact upon the level of 2000 Measure A Sales Tax Revenues and therefore upon the ability of the Authority to pay principal of and interest on the 2000 Measure A 2008 Series Bonds. For example, during the economic downturn between 2001 and 2003, 1976 Sales Tax Revenues decreased 21.8% between the Fiscal Year ended June 30, 2001 and the Fiscal Year ended June 30, 2002 and decreased 8.0% between the Fiscal Year ended June 30, 2002 and the Fiscal Year ended June 30, 2003. With the most recent recession, which has impacted the United States and California economies, 1976 Sales Tax Revenues and 2000 Measure A Sales Tax Revenues decreased 15.6% and 14.5%, respectively, between Fiscal Year ended June 30, 2008 and the Fiscal Year ended June 30, 2009. See “THE 2000 MEASURE A SALES TAX – Historical Sales Tax Revenues” above.

For information relating to economic conditions within the County and the State, see APPENDIX C – “COUNTY OF SANTA CLARA DEMOGRAPHIC AND ECONOMIC INFORMATION.”
The 2000 Measure A Sales Tax

With limited exceptions, the 2000 Measure A Sales Tax is imposed upon the same transactions and items subject to the sales tax levied statewide by the State. The State Legislature or the voters within the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the 2000 Measure A Sales Tax are imposed. Any such change or limitation could have an adverse impact on the 2000 Measure A Sales Tax Revenues collected. For a further description of the 2000 Measure A Sales Tax. See “THE 2000 MEASURE A SALES TAX” herein.

Proposition 218

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act (“Proposition 218”). Proposition 218 added Articles XIII C and XIID to the California Constitution. Article XIII C requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the Authority. The 2000 Measure A Sales Tax received the approval of more than two-thirds of the voters as required by Article XIII C. However, Article XIII C also removes limitations that may have applied to the voter initiative power with regard to reducing or repealing previously authorized taxes. In the opinion of the Authority, however, any attempt by the voters to use the initiative provisions under Proposition 218 to rescind or reduce the levy and collection of the 2000 Measure A Sales Tax in a manner which would prevent the payment of debt service on the 2000 Measure A 2008 Series Bonds would violate the Impairment Clause of the United States Constitution and, accordingly, would be precluded. However, it is likely that the interpretation and application of Proposition 218 will ultimately be determined by the courts.

Further Initiatives

Proposition 218 was adopted as measures that qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, which may affect the Authority’s ability to levy and collect the 2000 Measure A Sales Tax.

Limitations of Liquidity Facilities and Related Risks

The ability to obtain funds under any Liquidity Facility, including each of the Liquidity Facilities, in accordance with its respective terms may be limited by federal or state law. Bankruptcy, conservatorship, receivership and similar laws governing financial institutions may prevent or restrict payment under a Liquidity Facility, including each of the Liquidity Facilities. In the event funds are not provided to pay Purchase Price of any tendered 2000 Measure A 2008 Series Bond pursuant to a draw on a Liquidity Facility, the Authority may, but is not obligated to, provide funds to pay such Purchase Price. To the extent the short-term rating on the principal of and interest on any 2000 Measure A 2008 Series Bonds depends in any manner on the rating of the Liquidity Facility Provider then providing the Liquidity Facility for such 2000 Measure A 2008 Series Bonds, the short-term ratings on such 2000 Measure A 2008 Series Bonds could be downgraded or withdrawn if such Liquidity Facility Provider was downgraded, placed on credit watch or had its credit suspended or withdrawn or refused to perform under its Liquidity Facility.

Investment Considerations Related to Variable Rate Bonds and Interest Rate Swaps

The 2000 Measure A 2008 Series Bonds are variable rate bonds. Each 2000 Measure A 2008 Series Bonds may be converted to fixed rate bonds. However, the Authority’s protection against rising
interest rates is limited because the Authority would be required to continue to pay interest at variable rates until such time as the Authority is permitted to convert 2000 Measure A 2008 Series Bonds to fixed rate bonds pursuant to the provisions of the Indenture.

As described above under the caption “OUTSTANDING 2000 MEASURE A SALES TAX OBLIGATIONS – Swap Agreements,” the Authority has entered into the Swap Agreements to manage its interest rate exposure with respect to the 2000 Measure A 2008 Series Bonds. The total notional amount of the Swap Agreements is equal to the aggregate principal amount of the 2000 Measure A 2008 Series Bonds, excluding the amount of 2000 Measure A 2008 Series A Bonds that were subject to mandatory sinking fund redemption on April 1, 2009. In accordance with the provisions of the Swap Agreements, the Authority will pay a fixed rate of interest to the Counterparties and will receive a variable rate of interest from the Counterparties, the effect of which is intended to achieve a synthetic fixed interest rate.

The variable rate of interest received by the Authority on the Swap Agreements may be less than the variable rate of interest on the 2000 Measure A 2008 Series Bonds, which would effectively increase the borrowing costs of the Authority. Debt service on the 2000 Measure A 2008 Series Bonds shown in the debt service schedule set forth above under the caption, “DEBT SERVICE SCHEDULE” has been calculated based on the fixed rate of interest payable by the Authority to the Counterparties established pursuant to the Swap Agreements. Actual debt service on the 2000 Measure A 2008 Series Bonds may be higher or lower than the debt service shown in the Debt Service Schedule. In addition, if one or more of the Swap Agreements were to be terminated for any reason, the Authority would have variable interest rate exposure. For a discussion of additional investment considerations relating to the Swap Agreements, see also “OUTSTANDING 2000 MEASURE A SALES TAX OBLIGATIONS - Swap Agreements.”

**No Acceleration Provision**

The Indenture does not contain a provision allowing for the acceleration of the 2000 Measure A 2008 Series Bonds in the event of a default in the payment of principal and interest on the 2000 Measure A 2008 Series Bonds when due. In the event of a default by the Authority, each Owner of a 2008 Series Bond will have the rights to exercise the remedies, subject to the limitations thereon, set forth in the Indenture. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

**FINANCIAL STATEMENTS**

The financial statements of the Authority for the Fiscal Year ended June 30, 2009, included in APPENDIX B of this Remarketing Memorandum have been audited by Vavrinek, Trine, Day & Co., LLP, independent auditors, as stated in their report therein. Vavrinek, Trine, Day & Co., LLP was not requested to consent to the inclusion of its report in APPENDIX B, nor has it undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Remarketing Memorandum, and no opinion is expressed by Vavrinek, Trine, Day & Co., LLP with respect to any event subsequent to the date of its report. The Authority represents that there has been no material adverse change in its financial position since June 30, 2009.

**LITIGATION**

There is not now pending or, to the knowledge of the Authority, threatened, any litigation concerning or affecting the validity or the original issuance of the 2000 Measure A 2008 Series Bonds. Neither the creation, organization or existence of the Authority, nor the title of the present members of the
Authority to their respective offices is being contested. See APPENDIX A – “SANTA CLARA VALLEY TRANSPORTATION AUTHORITY – Litigation.”

TAX MATTERS

On the original issuance date of the 2000 Measure A 2008 Series Bonds, Orrick, Herrington & Sutcliffe LLP, bond counsel, rendered its opinion that based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the 2000 Measure A 2008 Series Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. A complete copy of such opinion is attached as APPENDIX F hereto. Such opinion will not be updated in connection with the remarketing of the 2000 Measure A 2008 Series Bonds hereunder.

LEGAL MATTERS

On the original issuance date of the 2000 Measure A 2008 Series Bonds, Orrick, Herrington & Sutcliffe LLP, rendered its opinion as to the validity and enforceability of the 2000 Measure A 2008 Series Bonds. The opinion of Orrick, Herrington & Sutcliffe LLP has not been updated as of the date of this Remarketing Memorandum. A copy of the approving opinion of Orrick, Herrington & Sutcliffe LLP delivered in connection with the original issuance of the 2000 Measure A 2008 Series Bonds is attached as APPENDIX F hereto. Fulbright & Jaworski L.L.P. is serving as Bond Counsel and Disclosure Counsel to the Authority. As Bond Counsel to the Authority, Fulbright & Jaworski L.L.P. is not providing any opinion to the Owners with respect to the validity and enforceability of the 2000 Measure A 2008 Series Bonds or with respect to any tax matters in connection with 2000 Measure A 2008 Series Bonds. Certain legal matters will be passed on for the Authority by its General Counsel and for the Liquidity Facility Providers by Nixon Peabody LLP.

RATINGS

Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies (“S&P”), and Moody’s Investors Service, Inc. (“Moody’s”) have assigned long-term ratings of “AA+” and “Aa2,” respectively, to the 2000 Measure A 2008 Series Bonds. S&P and Moody’s have assigned short-term ratings of “A-+” and “VMIG-1,” respectively, to the 2000 Measure A 2008 Series Bonds, based on the delivery of the Liquidity Facilities by the Liquidity Facility Providers. These ratings reflect only the views of the rating agencies, and do not constitute a recommendation to buy, sell or hold securities. The Authority has furnished to the rating agencies certain information respecting the 2000 Measure A 2008 Series Bonds and the Authority. Generally, rating agencies base their ratings on such information and materials and their own investigations, studies and assumptions. The ratings are subject to revision or withdrawal at any time by the rating agencies, and there is no assurance that the ratings will continue for any period of time or that they will not be lowered or withdrawn. Any reduction or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

The Authority has retained Ross Financial, San Francisco, California, as financial advisor (the “Financial Advisor”) in connection with the remarketing of the 2000 Measure A 2008 Series Bonds.

RELATIONSHIPS AMONG THE PARTIES

The Authority has entered into a Swap Agreement with Goldman Sachs Mitsui Marine Derivative Products, L.P., with Bank of America, N.A., and with Morgan Stanley Capital Services, Inc. Goldman
Sachs Mitsui Marine Derivative Products, L.P. is an affiliate of Goldman, Sachs & Co., which is a remarketing agent for the 2008 A Bonds. Bank of America, N.A. is an affiliate of Banc of America Merrill Lynch, which is a remarketing agent for the 2008 B Bonds, and both are subsidiaries of the Bank of America Corporation. Morgan Stanley Capital Services Inc. is an affiliate of Morgan Stanley & Co. Incorporated, which is a remarketing agent for the 2008 D Bonds.

JPMorgan Chase Bank, National Association, provides the JPMorgan Chase Initial Liquidity Facility. As indicated above, J.P. Morgan Securities Inc. serves as remarketing agent of the 2008 C Bonds, which will not be supported by the JPMorgan Chase Initial Liquidity Facility. JPMorgan Chase, National Association and J.P. Morgan Securities Inc. are subsidiaries of JPMorgan Chase & Co.

CONTINUING DISCLOSURE

The remarketing of the 2000 Measure A 2008 Series Bonds is exempt from the continuing disclosure requirements set forth in Securities and Exchange Commission Rule 15c2-12 (the “Rule”) issued under the Securities Exchange Act of 1934, as amended. However, if the Authority has no fixed rate obligations outstanding that is subject to the Rule, the Authority has covenanted to continue to provide continuing disclosure information of the type provided in connection with its fixed rate obligations. Additionally, in accordance with the provisions of the Indenture, upon the conversion of a 2000 Measure A 2008 Series Bonds to an interest rate mode requiring a continuing disclosure undertaking under the Rule, the Authority has covenanted to comply with the applicable requirements promulgated under the Rule, as it may from time to time hereafter be amended or supplemented, and to incur all costs associated with such continuing disclosure undertaking. The Authority has never failed to file any annual report or notice of material event under its continuing disclosure undertakings. The Authority uses Digital Assurance Certification, L.L.C. to assist the Authority with its disclosure filings.

MISCELLANEOUS

The references herein to the Act and the Indenture are brief summaries of certain provisions thereof. Such summaries do not purport to be complete or definitive. For full and complete statements of such provisions reference is made to the Act or said documents, as the case may be. Copies of the Indenture are available for inspection at the Authority and following delivery of the 2000 Measure A 2008 Series Bonds will be on file at the offices of the Trustee in San Francisco, California.

Any statements in this Remarketing Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Remarketing Memorandum is not to be construed as a contract or agreement between the Authority and the purchasers or Owners of any of the 2000 Measure A 2008 Series Bonds.

The execution and delivery of this Remarketing Memorandum has been duly authorized by the Authority.

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

By: /s/ Joseph T. Smith
Chief Financial Officer
APPENDIX A

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

All capitalized terms used and not defined in this Appendix A shall have the meanings assigned to such terms in the forepart of the Remarketing Memorandum to which this Appendix A is attached. Unless otherwise specifically noted herein, source data for tables is provided by Santa Clara Valley Transportation Authority (the “Authority”).

Administration

The Authority is governed by a Board of Directors (the “Board” or the “Board of Directors”) comprised of 12 elected officials appointed by the jurisdictions they represent. Five members of the Board and one alternate are recommended by the Mayor of the City of San Jose and approved by the City of San Jose City Council. Three members of the Board and one alternate are appointed from among the city councils of the Cities of Los Altos, Mountain View, Palo Alto, Sunnyvale and Santa Clara, and the Town of Los Altos Hills. One Board member and one alternate are appointed from among the city councils of the Cities of Campbell, Cupertino, Monte Sereno and Saratoga, and the Town of Los Gatos. One Board member and one alternate are appointed from among the city councils of the Cities of Gilroy, Milpitas and Morgan Hill. The final two seats on the Board and one alternate are appointed by the Board of Supervisors of the County of Santa Clara (the “County”). The allocation of Board representation is generally based on population.

Current members of the Board and the local agency each Board member represents are set forth below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Local Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sam Liccardo, Chairperson</td>
<td>City of San Jose</td>
</tr>
<tr>
<td>Margaret Abe-Koga, Vice Chairperson</td>
<td>City of Mountain View</td>
</tr>
<tr>
<td>Don Gage</td>
<td>County of Santa Clara</td>
</tr>
<tr>
<td>Rose Herrera</td>
<td>City of San Jose</td>
</tr>
<tr>
<td>Ash Kalra</td>
<td>City of San Jose</td>
</tr>
<tr>
<td>Liz Kniss</td>
<td>County of Santa Clara</td>
</tr>
<tr>
<td>Rich Larsen</td>
<td>Town of Los Altos Hills</td>
</tr>
<tr>
<td>Chris Moylan</td>
<td>City of Sunnyvale</td>
</tr>
<tr>
<td>Chuck Page</td>
<td>City of Saratoga</td>
</tr>
<tr>
<td>Nancy Pyle</td>
<td>City of San Jose</td>
</tr>
<tr>
<td>Chuck Reed</td>
<td>City of San Jose</td>
</tr>
<tr>
<td>Perry Woodward</td>
<td>City of Gilroy</td>
</tr>
</tbody>
</table>

Current alternate members of the Board are Nora Campos (City of San Jose), Jamie Matthews (City of Santa Clara), Pete McHugh (City of Milpitas), George Shirakawa (the County) and Marshall Anstandig (City of Monte Sereno). Current ex-officio members of the Board are Dean J. Chu and Ken Yeager.

The Board has established four standing committees, each consisting of four Board members: Administration and Finance, Congestion Management Program and Planning, Transit Planning and Operations and Audit. Several advisory committees have also been formed to make recommendations to the Board on technical and policy issues.
Certain key members of the Authority’s administrative staff include the following:

MICHAEL BURNS - General Manager since August 2005. Mr. Burns has been in the transportation industry for more than 30 years and formerly served as Executive Director of the San Francisco Municipal Transportation Agency. Mr. Burns has also served as Executive Director of the San Francisco Department of Parking and Traffic. Prior to that, Mr. Burns served as Chief Operations Officer of the Southeastern Pennsylvania Transportation Authority (“SEPTA”). Prior to serving as Chief Operations Officer at SEPTA, Mr. Burns served as Assistant General Manager in charge of the Railroad Division and as Chief Mechanical Officer. He has also served as Assistant General Manager for Railroad Operations for the Massachusetts Bay Transportation Authority (“MBTA”).

KEVIN ALLMAND - General Counsel since December 2008. Prior to his appointment as General Counsel, Mr. Allmand served the Authority as Acting General Counsel from April 2008 until December 2008, as Assistant General Counsel from 2002 until April 2008 and as Senior Assistant Counsel from 1993 until 2002. Prior to joining the Authority, Mr. Allmand served as a Deputy County Counsel in the Santa Clara County Counsel’s Office from 1990 to 1993.

SANDRA WEYMOUTH – Board Secretary since 2009. Prior to her appointment Ms. Weymouth was the Authority’s Board Secretary from 1994-2006. Ms. Weymouth has also worked for the Authority as Executive Assistant to the General Manager, and Policy and Administration Manager of Operations.

CAROLYN GONOT - Chief SVRT Program Officer since June, 2007. Prior to her appointment as Chief SVRT Program Officer, Ms. Gonot served as Chief Development Officer since January 2004 and as the Deputy Director of the Congestion Management Program prior to that. Ms. Gonot has been employed by the Authority since July 1996. Ms. Gonot worked for transportation consulting firms before joining the Authority.

GRETA HELM - Chief External Affairs Officer since November 2007. Ms. Helm was admitted to the California State Bar in 1990, and practiced real property and business litigation. After obtaining her Master’s in Public Administration, Ms. Helm was employed as Senior Policy Counsel in San Mateo County. Immediately prior to joining the Authority, Ms. Helm was Director of Government Relations and Planning for Santa Clara County Social Services Agency, where she was responsible for managing the coordination of media relations, community outreach, legislative/policy development, and management reporting.

BILL LOPEZ - Chief Administrative Officer since April 2006. Prior to joining the Authority, Mr. Lopez spent 22 years with the City of San Diego, most recently as Director of Risk Management. Prior to that, Mr. Lopez served as the Deputy Director for the Operations and Maintenance Division, Metropolitan Wastewater Department, and the Labor Relations Officer for the City of San Diego City Manager’s Office.

GARY MISKELL - Chief Information Officer since December 2007. Prior to joining the Authority, Mr. Miskell was a Senior Director at Solectron Technology, managing the Global Information Technology Application organization. Prior to that Mr. Miskell directed the System Integration & Test Business Unit at Solectron Technology, which included the following functions: Materials Management, Engineering, Quality, Program Management/Sales, Marketing, Quotation and Manufacturing. Mr. Miskell graduated in 1979 from Texas Tech University with a Bachelor of Science degree in Electrical Engineering.
JOHN RISTOW - Chief Congestion Management Agency (“CMA”) Officer since October, 2007. Prior to his appointment as Chief CMA Officer, Mr. Ristow served as Deputy Director, Programming and Project Development for the Authority, where he was responsible for highway planning, environmental clearance, right of way and preliminary engineering phases for all Authority projects. Prior to joining the Authority, Mr. Ristow worked at the Riverside County Transportation and Land Management Agency where he managed the County’s Road and Bridge Benefit Districts and the countywide National Pollutant Discharge Elimination System (“NPDES”) program. Since joining the Authority in 1998, Mr. Ristow has managed the completion of the Measure B Highway Program as well as highway projects funded through federal, State and local sources.

MARK S. ROBINSON - Chief Engineering and Construction Officer since November 2007. Mr. Robinson has been with the Authority for more than 26 years. Prior to his appointment as Chief Engineering and Construction Officer, Mr. Robinson served the Authority in many capacities, including light rail project manager and rail and facilities program manager, and has been involved in the implementation of large transit projects for the Authority.

DONALD SMITH - Chief Operating Officer since May 2006. Mr. Smith joined the Authority in April 2006 as Deputy Director, Operations. Mr. Smith has extensive experience in operations, management, and paratransit including 25 years at MBTA in Boston. Mr. Smith has also worked at SEPTA in Philadelphia and as a consultant in the private sector.

JOSEPH T. SMITH - Chief Financial Officer since January 2008. Mr. Smith has more than 28 years of transit finance experience. Prior to joining the Authority, Mr. Smith held a number of positions with the Regional Transportation District in Denver, Colorado, most recently as Senior Manager of Finance.

Employees

The Authority presently has 2,005 employees. The Amalgamated Transit Union, Division 265 (the “ATU”), represents 1,373 employees (68.5% of total Authority employees), including mechanics and maintenance personnel, bus and light rail operators, dispatchers, and customer service representatives. The ATU and the Authority reached agreement on a successor agreement in June 2009. The contract expires on February 10, 2013.

The remaining represented employees consist of members of Service Employees International Union, Local 521 (“SEIU Local 521”), representing 263 employees in technical, paraprofessional and administrative positions; American Federation of State, County and Municipal Employees, Local 101 (“AFSCME”), representing 213 employees in managerial, supervisory and other professional level positions; and Transit Authority Engineers and Architects (“TAEA”) is comprised of 37 employees in engineering and architect positions. All of these contracts expire on June 30, 2011.

The Authority also has 119 non-represented employees in managerial, supervisory and other professional level positions.

The Authority Transit System

The Authority Transit System consists of bus, light rail and other services that are funded from a variety of revenues including sales tax (see “Authority Revenues” herein).
Bus Transit Service. The Authority presently operates a bus system providing service to the approximately 326-square-mile urbanized portion of the County, a county of 1,300 square miles with a population of approximately 1.8 million. The Authority currently maintains an active fleet of 375 diesel-powered and 45 unleaded gasoline-powered buses. The average age of these buses is eight years and the buses range from one to 12 years old. Buses are operated and maintained from three operating divisions and an Overhaul and Repair (“O&R”) facility: Cerone Operating Division, Don Pedro Chaboya Operating Division, North Operating Division and Cerone O&R Division. Along the bus routes, there are approximately 3,800 bus stops, 798 of which have bus shelters. The Authority also maintains 12 park and ride lots – five owned by the Authority and the rest provided under a lease, permit or joint use agreement with other agencies.

Light Rail Transit Service. The Authority currently operates and maintains a 42-mile light rail system (the “LRT System”) connecting areas of Mountain View, Sunnyvale, Santa Clara, North San Jose and Milpitas to areas in South San Jose and Campbell. The Authority’s fleet consists of 99 low floor light rail vehicles and four historic trolleys. Currently, the LRT System has 62 stations and 21 park and ride lots, which are fully integrated with the bus system.

Other Services. The Authority provides funding for a portion of the operating and capital costs of the Caltrain commuter rail service. This commuter rail service is provided by the Peninsula Corridor Joint Powers Board (the “PCJPB”), which is composed of three member agencies: the Authority, the San Mateo County Transit District (“SamTrans”) and the City and County of San Francisco. 90 trains (including 22 Baby Bullet Express trains) operate between San Jose Diridon Station and San Francisco each weekday, with 40 of these trains extended to the Tamien Station in San Jose. Connection to the Authority’s light rail system can be made at the Mountain View, San Jose Diridon, and Tamien Stations. Six peak-hour weekday trains extend south of Tamien station to Gilroy, three in the a.m. and three in the p.m. Hourly weekend service (32 Saturday trains and 28 Sunday trains) is operated between San Jose Diridon Station and San Francisco. Funding of operating costs is apportioned to each member agency of the PCJPB and is based upon morning peak period boardings in each county, currently approximately 41% for the Authority.

The Authority is also a member of the Capitol Corridor Joint Powers Authority (the “Capitol Corridor JPA”), which is comprised of the Authority, the Sacramento Regional Transit District, the Placer County Transportation Planning Agency, the congestion management agencies of Solano and Yolo Counties and the San Francisco Bay Area Rapid Transit District (“BART”). The Capitol Corridor JPA provides intercity rail service between Sacramento and San Jose. 32 weekday trains run between Oakland and Sacramento, with 14 continuing to San Jose. Stops are located at stations in Auburn, Rocklin, Roseville, Sacramento, Davis, Suisun/Fairfield, Martinez, Richmond, Berkeley, Emeryville, Oakland (2), Hayward, Fremont, Santa Clara and San Jose. The Authority currently does not provide any funding for this service. Funding for the operating and capital costs of this service is provided by the State of California (the “State of California” or the “State”), federal grants and passenger fares. Pursuant to a contract with the Capitol Corridor JPA, BART manages the service and Amtrak operates the service on tracks owned by Union Pacific Railroad.

The Authority provides funding for a portion of the operating costs of the Altamont Commuter Express (“ACE”) pursuant to a cooperative agreement (the “ACE Agreement”) among the Authority, Alameda County Congestion Management Agency and the San Joaquin Regional Rail Commission (“SJRRC”). ACE rail service provides peak hour weekday commuter rail service from the Central Valley to the County. The rail line includes stops located in Stockton, Lathrop, Tracy, Livermore (2), Pleasanton, Fremont, Santa Clara and San Jose. Pursuant to the ACE agreement, funding of operating costs is based on Fiscal Year 2003 contributions, escalated annually by the consumer price index.
increases. The Authority’s share is approximately 42% of the cost of the service. The Authority also provides eight free shuttles to transport ACE riders from the Great America Station (Santa Clara) to major employment sites. These shuttles are funded by a grant from the Transportation Fund for Clean Air through the Bay Area Air Quality Management District and SJRRC.

The Authority provides funding for a portion of the operating costs of the Dumbarton Express, a transbay express bus route operating between the Union City BART station and Stanford Research Park in Palo Alto. A consortium comprised of representatives from the Alameda-Contra Costa Transit District (“AC Transit”), BART, the City of Union City, SamTrans, and the Authority fund the net operating costs of the service. Each member of the consortium pays a share of the operating expenses based on the origin and destination of the passengers as determined by an annual ridership survey (currently approximately 41% for the Authority). AC Transit manages and operates the service.

The Authority provides funding for a portion of the operating costs of the Highway 17 Express, an inter-county bus service, operating between Santa Cruz, Scotts Valley and downtown San Jose, through a cooperative arrangement between the Authority, the Santa Cruz Metropolitan Transit District (“Santa Cruz Metro”), the Capitol Corridor JPA and the California Department of Transportation (“CalTrans”). The Authority and Santa Cruz Metro share the majority of weekday net operating costs equally. The Capitol Corridor JPA and CalTrans provide funding for weekend and holiday service and costs associated with weekday trips not paid by the Authority and Santa Cruz Metro. Santa Cruz Metro manages and operates the service.

The Authority implemented a paratransit brokerage system in 1993, which operates throughout the Authority’s service area. Paratransit service is a specialized form of transportation operated for persons with disabilities who cannot use conventional public transit service. As an operator of bus and light rail service, the Authority is required under the Americans with Disabilities Act (the “ADA”) to ensure that paratransit service is provided to eligible individuals with disabilities. The level of service provided must be comparable, in terms of hours of service and area served, to the service provided by the bus and light rail system. The Authority does not directly provide paratransit service but contracts with Outreach and Escort, Inc. (“Outreach”), a paratransit broker service. Outreach determines and certifies qualified individuals for paratransit eligibility, receives and schedules trip requests, builds vehicle manifests, and contracts for services with taxi, sedan and accessible van service providers.

Under the Authority’s Rail Shuttle Program, the Authority offers financial support to shuttle bus services that operate between rail stations and nearby employment/activity centers. This service is operated by the Authority or through the employer using private contractor. Currently the DASH, River Oaks and IBM/Hitachi shuttles are included in the program. Funding to operate this program is provided by the employers, the Authority and grants from the Transportation Fund for Clean Air Act through the Bay Area Air Quality Management District.

The Authority, in partnership with the City of San Jose, provides free Airport Flyer bus service connecting the Norman Y. Mineta San Jose International Airport terminals with the Authority’s Metro/Airport Light Rail Station and the Santa Clara Caltrain Station. The City of San Jose contributes approximately 30% to the net operating costs for this service with the Authority funding the remainder.

The Authority, Monterey-Salinas Transit (“MST”) and the Capitol Corridor JPA have entered into a Memorandum of Understanding to provide express bus service operating from Monterey to San Jose, funded by a federal Jobs Access Reverse Commute grant, the Capitol Corridor JPA and the Authority. The Authority portion of the annual cost is $35,000. The Line 55 Monterey-San Jose Express is managed and operated by MST and provides daily service with three round trips, covering commute
times in the morning, mid-day and evening. The service provides passengers with transfers to and from Capitol Corridor trains that operate between San Jose-Oakland-Sacramento, Caltrain (including “Baby Bullet” express trips), and the Authority’s bus and light rail services. The service originates in downtown Monterey with other stops in Monterey County before stopping at the Gilroy Caltrain Station, Morgan Hill Caltrain Station, San Jose State University, downtown San Jose and the San Jose Diridon Station.

Authority Revenues

The Authority’s primary revenue sources include the 1976 Sales Tax as defined in the forepart of Remarketing Memorandum, the 2000 Measure A Sales Tax as defined in the forepart of Remarketing Memorandum, the one-quarter of one percent (0.25%) sales tax imposed pursuant to the California Transportation Development Act of 1971, as amended, described herein under the caption “Transportation Development Act Revenues,” a portion of gasoline sales tax revenues apportioned to the State Public Transportation Account, described herein under the caption “State Transit Assistance Program,” and passenger fares charged by the Authority.

1976 Sales Tax Revenues. The 1976 Sales Tax is the Authority’s single largest source of revenue for operations. The 1976 Sales Tax is collected by the State Board of Equalization (the “SBOE”). Pursuant to an agreement between the Authority and the SBOE, the SBOE remits revenues from the Sales Tax to the trustee for senior lien obligations secured by the Sales Tax (herein referred to as the “Sales Tax Bond Trustee”) on a monthly basis. Pursuant to its procedures, the SBOE projects receipts of the Sales Tax on a quarterly basis and remits an advance of such receipts to the trustee each month based on such projection. During the last month of each quarter, the SBOE adjusts the amount remitted to reflect the actual receipts of the Sales Tax for the previous quarter less administration costs. After application for payment of the senior lien obligations and the junior lien obligations secured by the Sales Tax (herein referred to as the “Sales Tax Obligations”), Sales Tax Revenues are budgeted to pay operating expenses and to pay capital expenditures where state or federal capital assistance programs require that the recipient of assistance contribute locally derived revenue.

The 1976 Sales Tax secures the 1976 Sales Tax obligations and are not pledged as a source of repayment for the 2008 Series Bonds or any other Measure A Sales Tax Obligations.

2000 Measure A Sales Tax Revenues. The 2000 Measure A Sales Tax is also collected by the SBOE. Pursuant to an agreement between the Authority and the SBOE, the SBOE remits revenues from the 2000 Measure A Sales Tax to the trustee for obligations secured by the 2000 Measure A Sales Tax (herein referred to as the “2000 Measure A Sales Tax Bond Trustee”) on a monthly basis. Pursuant to its procedures, the SBOE projects receipts of the 2000 Measure A Sales Tax on a quarterly basis and remits an advance of such receipts to the 2000 Measure A Sales Tax Bond Trustee each month based on such projection. During the last month of each quarter, the SBOE adjusts the amount remitted to reflect the actual receipts of the 2000 Measure A Sales Tax for the previous quarter less administration costs. After application for payment of the senior lien obligations and the junior lien obligations, if any, secured by the 2000 Measure A Sales Tax herein referred to as the “2000 Measure A Sales Tax Obligations”, 2000 Measure A Sales Tax Revenues provide funding for operations and transit projects listed in the Authority’s Valley Transportation Plan (see “Authority Budgeted Revenues and Expenditures - Valley Transportation Plan.”)

The 2000 Measure A Sales Tax secures the 2000 Measure A Sales Tax Obligations. The 2000 Measure A Sales Tax is not pledged as a source of repayment for the 1976 Sales Tax Obligations and does not secure the 1976 Sales Tax Obligations.
2008 Measure B Sales Tax Revenues. In November 2008, 67% of the voters in the County approved a measure (2008 Measure B) implementing a 30-year one-eighth cent sales tax. The sales tax is contingent on the Authority’s ability to secure a Full Funding Grant Agreement to support the SVRT extensions to San Jose/Santa Clara. Revenues for the 2008 Measure B Sales Tax will be dedicated to fund the operations and maintenance of the SVRT extension.
The table set forth below shows the total amount of 1976 Sales Tax and 2000 Measure A Sales Tax received during the ten fiscal years ended June 30, 2009.

Santa Clara Valley Transportation Authority
Historical Sales Tax Revenues
Fiscal Years Ended June 30, 1999 – 2009

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>1976 Sales Tax Revenues</th>
<th>Rate of Change</th>
<th>2000 Measure A Sales Tax</th>
<th>Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$143,711,721</td>
<td>3.8%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2000</td>
<td>166,764,390</td>
<td>16.0%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2001</td>
<td>183,540,308</td>
<td>10.1%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2002</td>
<td>144,217,679</td>
<td>(21.4)%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2003</td>
<td>132,632,377</td>
<td>(8.0)%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2004</td>
<td>138,917,173</td>
<td>4.7%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2005</td>
<td>145,008,106</td>
<td>4.4%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2006</td>
<td>157,283,101</td>
<td>8.5%</td>
<td>$38,169,934(^{(1)})</td>
<td>-</td>
</tr>
<tr>
<td>2007</td>
<td>163,675,750</td>
<td>4.1%</td>
<td>161,360,552</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>163,037,594</td>
<td>(0.4)%</td>
<td>160,536,904</td>
<td>(0.5%)</td>
</tr>
<tr>
<td>2009</td>
<td>137,641,999</td>
<td>(15.6)%</td>
<td>137,260,570</td>
<td>(14.5)%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 2000 Measure A Sales Tax began April 1, 2006.

**Transportation Development Act Revenues.** Transportation Development Act Revenues (the “TDA Revenues”) are a State subsidy consisting of an allocation of State sales tax revenue under the California Transportation Development Act of 1971, as amended (the “TDA”), whereby a 0.25% levy of the State’s sales tax (net of collection costs) is made available for public transportation operating and capital expenses in the county in which the sales tax is collected. TDA Revenues are the Authority’s second largest source of revenue for operations and are separate and distinct from revenues derived from the Sales Tax and the 2000 Measure A Sales Tax.

TDA Revenues are apportioned, allocated and paid by the Metropolitan Transportation Commission (“MTC”), the regional planning organization for the nine-county San Francisco Bay Area. Under TDA regulations, MTC allocates approximately 11% of the TDA Revenues to fund community and paratransit service programs, facilities for the use of pedestrians and bicycles and the transportation planning and programming process. The remaining 89% of the TDA Revenues are allocated to operators who provide public transportation services in the County. As the only public transit service provider in the County, the Authority is eligible to receive the entire amount of the 89% allocation of TDA Revenues. TDA Revenues are available to the Authority in an amount up to 50% of the Authority’s operating budget, after deduction of the amount received from federal grants, provided that certain TDA eligibility requirements are met. The Authority, formerly known as the Santa Clara County Transit District, began operations in 1972 and has complied with TDA eligibility requirements since it began receiving TDA funds in 1973. In accordance with procedures and eligibility requirements set forth in the TDA, the Authority submits a request for TDA Revenues to MTC on each April 1 for the next Fiscal Year. If MTC approves the request, MTC then directs the Controller of the County (in the case of the County, the County Treasurer) to release the TDA Revenues to the Authority. TDA Revenues are received by the County Treasurer and distributed to the Authority based on direction from MTC in substantially equal monthly installments.
The table set forth below shows the total amount of TDA Revenues for operations available from annual State sales tax collections in the County during the five Fiscal Years ended June 30, 2009.

Santa Clara Valley Transportation Authority
Historical Transportation Development Act Revenues

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>TDA Revenues for Operations Distributed to the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$67,098,151</td>
</tr>
<tr>
<td>2006</td>
<td>71,044,484</td>
</tr>
<tr>
<td>2007</td>
<td>81,061,374</td>
</tr>
<tr>
<td>2008</td>
<td>83,546,655</td>
</tr>
<tr>
<td>2009</td>
<td>73,356,590</td>
</tr>
</tbody>
</table>

(1) Allocations by MTC were based on projections with adjustments made in following fiscal years based on actual receipts.

State Transit Assistance Program. Pursuant to the State Transit Assistance Program (the “STA”), a portion of gasoline sales tax revenues is appropriated by the State Legislature to the State Public Transportation Account (the “STA Revenues”) for certain transit and energy-related purposes. These STA Revenues are allocated throughout the State based on population and operating revenues.

The Authority has been receiving STA Revenues since Fiscal Year 1980. STA Revenues have to be claimed by the Authority based on actual cash expenditures, normally on a quarterly basis. The table below shows STA Revenues received by the Authority for the five Fiscal Years ended June 30, 2009.

Santa Clara Valley Transportation Authority
Historical State Transit Assistance Program Revenues

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>STA Funds Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$7,285,035</td>
</tr>
<tr>
<td>2006</td>
<td>7,736,714</td>
</tr>
<tr>
<td>2007</td>
<td>22,320,559(1)</td>
</tr>
<tr>
<td>2008</td>
<td>19,021,666(1)</td>
</tr>
<tr>
<td>2009</td>
<td>6,482,858</td>
</tr>
</tbody>
</table>

(1) Includes one-time revenues representing a repayment of Prop 42 prior loans which had been diverted by the State in Fiscal Year 2004 and Fiscal Year 2005 and excess funds that are generated when gasoline prices increase at a faster rate than all other taxable items.

In February 2009, the Governor and the Legislature approved a package of bills that made a series of mid-year revisions to the State budget for Fiscal Year 2009 and enacted the state budget for Fiscal Year 2010. As part of this package, funding for STA was eliminated for the third and fourth quarters of Fiscal Year 2009, and entirely for Fiscal Year 2010 through Fiscal Year 2013.

Restructuring of State Transportation Funding. In March 2010, the Governor signed into law a three-bill package that implements a complex swapping of state transportation funding sources that is intended to achieve roughly $1 billion in annual budget savings by relieving the General Fund of the obligation of having to pay for transportation bond debt service. This complicated restructuring of state
transportation funding, which is embodied in ABX8 6, ABX8 9 and SB 70, calls for eliminating the state sales tax on gasoline, the lone revenue source for Proposition 42 and one of the revenue sources for the Public Transportation Account, and replacing it with a 17.3-cent increase in the per-gallon gasoline excise tax. This swap takes effect on July 1, 2010. The revenues from the gasoline excise tax increase will be used to cover highway bond debt service, as well as provide money for the State Transportation Improvement Program (“STIP”), local streets and roads, and the State Highway Operation and Protection Program (“SHOPP”). The distribution of these revenues is structured to ensure that the STIP and local streets/roads would be allocated at least the same amount of money that they would have received under Proposition 42. Furthermore, the Board of Equalization is required to adjust the gasoline excise tax rate on an annual basis, if necessary, in order to ensure that the swap does not result in a tax increase for consumers at the pump.

In the case of public transit, the package calls for retaining the state sales tax on diesel fuel for the Public Transportation Account. A one-time appropriation of $400 million will be made for STA to cover Fiscal Years ending June 30, 2010/11. According to estimates prepared by the Metropolitan Transportation Commission (“MTC”), the Authority’s share is about $15.5 million. It is expected that the State Controller’s Office will allocate these funds to public transit agencies in late June/early July of 2010.

Beginning in Fiscal Year ending June 30, 2012, the state diesel sales tax rate will be increased to 6.75 percent, in conjunction with a corresponding drop in the per-gallon diesel fuel excise tax to ensure that consumers feel no impact at the pump. High-speed rail/transit bond debt service will have first call on the revenues generated by the diesel sales tax. Any remaining revenues will be split 75 percent to STA, and 25 percent to intercity rail and other miscellaneous state transit programs. The intent is to ensure, at a minimum, an annual STA Program of $350 million. According to MTC’s figures, the Authority’s share of a $350 million STA Program is approximately $13.6 million. This share will increase as diesel sales tax revenues grow over time.

The elimination of state sales tax on gasoline does not affect the Authority’s local sales tax collections on gasoline.

Ridership and Farebox, Advertising and Other Revenues. The table set forth below shows the Authority’s ridership, farebox revenues, revenues from advertisements placed on the Authority’s vehicles and bus shelters and other revenues received by the Authority for the five Fiscal Years ended June 30, 2009.

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1 Proposition 42 was an initiative approved by the voters of the State of California in 2002 that required all sales and use tax revenues received by the State of California and derived for the sale, storage, use or other consumption of motor vehicle fuel be allocated to local transportation and put restrictions on when and how often these revenues could be diverted to the State’s General Fund.
### Santa Clara Valley Transportation Authority
Ridership and Farebox, Advertising and Other Revenues

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Number of Passengers (1)</th>
<th>Farebox, Advertising and Other Revenues Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>37,077,149</td>
<td>$34,691,901</td>
</tr>
<tr>
<td>2006</td>
<td>39,217,851</td>
<td>36,925,269</td>
</tr>
<tr>
<td>2007</td>
<td>41,925,015</td>
<td>37,876,676</td>
</tr>
<tr>
<td>2008</td>
<td>43,555,049</td>
<td>38,052,724</td>
</tr>
<tr>
<td>2009</td>
<td>45,264,434</td>
<td>38,439,004</td>
</tr>
</tbody>
</table>

(1) Directly operated services.

As of the third quarter of Fiscal Year 2009, system ridership had risen 6.7% from the prior year. The Authority attributes the significant increase in ridership during the first part of Fiscal Year 2009 to a restructuring of its bus service that had been implemented in Fiscal Year 2008. The Authority’s revised service plan placed more emphasis on providing service to routes that were more productive and eliminating routes that did not meet performance standards. However, by the end of Fiscal Year 2009, unemployment in Santa Clara County had increased to 11.8% and ridership had begun to decline.

For the first two quarters of Fiscal Year 2010, system ridership decreased by 9.2% from the same period of the prior year. The Authority attributes the decrease in ridership for this period to reduced employment opportunities within the County and the increase in fares, which was implemented in October 2009. The Authority anticipates the decline in ridership to continue at least through the third quarter due to a reduction in service implemented in January 2010 to reduce costs.

**Other Revenues.** Federal guidelines established pursuant to the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (“SAFETEA-LU”), the successor to the Transportation Equity Act for the 21st Century, allow the Authority to claim grants under the Section 5307 Urbanized Area Formula Program (which are normally restricted to capital projects) for preventive maintenance costs. The Authority’s principal motivation in programming this source of capital grants for preventive maintenance is to accelerate cash flow, and hence improve its financial position. In addition to the above-described revenues, the Authority, from time to time, receives other state assistance that may be used to pay operating expenses; and receives interest on its operating funds.

**Authority Budgeted Revenues and Expenditures**

The Authority’s budget is prepared biennially. The Adopted Budget for Fiscal Year ending June 30, 2010 and Fiscal Year ending June 30, 2011 (Budget) was approved by the Board of Directors on June 4, 2009 and includes appropriations for operating expenditures in support of all activities under the jurisdiction of the Authority’s Board, including bus and rail operations in the county, regional commuter and inter-city rail service, ADA Paratransit service, congestion management, specific highway improvement and other transportation projects, and county wide transportation planning and funding. If additional appropriations are necessary, budget figures are generally revised in January of each year.

A detailed discussion of the Budget related to congestion management, highway improvements and countywide transportation planning (all of which are funded from other sources of revenue than those discussed herein) is included in the budget document, which may be obtained directly from the Authority. The Budget may also be obtained at [http://www.vta.org/inside/investor](http://www.vta.org/inside/investor). The information on such website...
is not incorporated by reference herein. The remaining approved Budget amounts are in support of transit-related transportation projects, bus and rail operations in the County, and regional commuter and inter-city rail service.

The Budget was developed amid a backdrop of economic distress, declining sales tax revenues and evaporating state funding for transit operations. At the outset, the Authority established five objectives to guide the development of the Budget: maintain core service, preserve jobs, continue infrastructure investments, advance capital programs, and take an even approach to balancing the Budget with new revenues, the use of reserves, and reduced expenditures. The Budget reflected substantial achievement of those objectives and included:

- No service reductions;
- Wage freezes and un-paid furloughs;
- Increased single ride fares by $0.25, representing an increase of 14% to 33% for most fare categories, effective January 2010;
- Infrastructure improvements through the use of federal stimulus and state grants;
- No increases to inter-city commuter rail partners (Caltrain and ACE);
- 4.9% reduction in operating expenditures compared to the Adopted Fiscal Year 2009 Transit Operating Budget;
- Use of reserves, which had been accumulated prior to the downturn in the economy, to fund a two-year Budget deficit of $27 million.

Overall, the Budget represented a balanced approach by asking both riders and employees to share the burden of bridging the funding gap in these difficult economic times, while attempting to avoid more drastic solutions like widespread service cuts or layoffs. However, several events took place that resulted in further action taken by the Board.

- 1976 Sales Tax revenues for third quarter of Fiscal Year 2009 declined by 21% from the same period for Fiscal Year 2008. The Board responded by accelerating a previously approved fare increase which was to be implemented in January 2010 to October 2009.

- Not all of the wage freezes assumed in the Budget were successfully negotiated with the Authority’s largest union, ATU. The Board responded by approving and implementing an 8% reduction in bus and light rail service hours, effective January 2010.

- 1976 Sales Tax revenues for fourth quarter of Fiscal Year 2009 declined by 27% from the same period for Fiscal Year 2008 and updated projections indicated that in Fiscal Year 2010, 1976 Sales Tax revenues would decline 13% (versus a budgeted decline of 5%).

The combination of severe sales tax decline in the third and fourth quarters of Fiscal Year 2009 and forecasted additional declines for Fiscal Year 2010, resulted in a projected Budget deficit of $98 million for the two Fiscal Years ending June 30, 2011 – an increase in the Budget deficit by an additional $70 million over what had been assumed in the Budget. Furthermore, such projections indicated that an on-going structural deficit of approximately $40 million would exist for transit operations beyond the current budget cycle, indicating a need for either permanent cost reductions or identification of a new on-going revenue source. In response, the Board implemented the following strategies:

- Reduced the transit operating appropriation included in the Budget by $7.5 million in each of Fiscal Year ending June 30, 2010 and Fiscal Year ending June 30, 2011;
• Increased 2000 Measure A operating assistance by $25 million;
• Formed an Ad-Hoc Committee of the Board to focus on long-term solutions to solve the projected $40 million structural deficit.

The first two actions above reduced the additional projected Budget deficit to $30 million. A March 2010 decision point was established, at which time, if the projected additional deficit for the budget period remained at $30 million or, if the operating reserve balance was projected to be less than $20 million at the end of Fiscal Year ending June 30, 2011 (which was the original projection in the Budget), then further actions would be taken including: additional service reductions, a reduction in the workforce, and a transfer of funds from the Authority’s capital reserve.

During the first two quarters of Fiscal Year 2010, 1976 Sales Tax revenues declined 9.7% and 4.0%, respectively. Although this resulted in $5.3 million less 1976 Sales Tax than was received in Fiscal Year ending June 30, 2009 during the same periods, it was significantly better than September 2009 forecasts. Additionally, the Governor of the State of California signed legislation which resulted in the return of STA funding (including $15.5 million for Fiscal Year ending June 30, 2010) (see “Fiscal Year 2010 State Budget” herein). The Authority also received an unanticipated $12.5 million of American Recovery and Reinvestment Act (“ARRA”) funding beyond what had been included in the Budget, which the Authority allocated to preventive maintenance activities in support of its operating Budget. With these additional revenues, the revised forecasted Budget deficit for the two Fiscal Years ending June 30, 2011 is $20.8 million, which is less than what had been originally anticipated in the Budget. Additionally, projected operating reserves for the Fiscal Year ending June 30, 2011 is $25 million, above the trigger set by the Board, which if it had occurred would have resulted in further reductions of service and a reduction in force. At this time the Authority is not planning on implementing the authorized increase in 2000 Measure A operating assistance to support the operating Budget.

The Ad-Hoc Committee of the Board will continue to focus on developing strategies to address the structural deficit and is scheduled to meet through June 2010, after which time they will provide recommendations to the Board of Directors for action. Recommendations being considered by the Ad-Hoc Committee include a change in the Authority’s service delivery model, staffing reductions, changes in health and pension benefits, and potential new revenue sources. Final recommendations are anticipated to be approved in the summer of 2010. Some recommendations may require negotiations with the Authority’s represented employees.

2000 Measure A Program Budget. The 2000 Measure A Programs Budget (“Measure A Budget”) reflects the planned capital spending that will be incurred over the budget period. The Measure A Budget utilizes cash on hand and projected revenues and does not rely on incurring additional debt. The Measure A Budget augmented previously approved budget authorization by $410.6 million. 64% of the additional appropriation is provided by federal, state and other local grant funding. The remaining portion of the Measure A Budget is funded from 2000 Measure A Sales Tax.

The following table summarizes the Authority’s planned expenditures during Fiscal Year ending June 30, 2010 and Fiscal Year ending June 30, 2011 for the 2000 Measure A Programs, including prior year appropriations which remained unspent as of June 30, 2009 and have been carried forward to future years.
<table>
<thead>
<tr>
<th>Measure A Programs Fund Balance(^{(1)}), July 1</th>
<th>Adopted Budget 2010 and 2011</th>
<th>Current Projections 2010 and 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000 Measure A Sales Tax</td>
<td>$281,564</td>
<td>$257,925</td>
</tr>
<tr>
<td>Federal, State &amp; Local Grants</td>
<td>$300,952</td>
<td>$300,952</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>$11,923</td>
<td>$11,923</td>
</tr>
<tr>
<td>Other Income</td>
<td>$787</td>
<td>$787</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$595,226</strong></td>
<td><strong>$571,587</strong></td>
</tr>
</tbody>
</table>

**Total Available for Measure A Programs**

$854,904 $828,036

**2000 Measure A Expenditures:**

- Authority Operating Assistance $51,968 $47,954
- Professional and Special Services $978 $978
- Debt Service\(^{(2)}\) $39,649 $38,000
- Contributions to Other Agencies $300 $300
- Repayment Obligation $24,100 $24,100

**Total Operating Expenses**

$116,995 $111,332

**2000 Measure A Capital Expenses**

- Revenue Vehicles and Equipment $43,497 $43,650
- Operations Facilities and Equipment $89,092 $88,175
- Rail Facility Expansion $482,256 $477,149
- Passenger Facilities $147 $147
- Miscellaneous $47,112 $52,983

**Total Capital Expenses**

$662,104 $662,104

**Total 2000 Measure A Operating & Capital Expenses**

$779,099 $773,436

**Ending Balance – 2000 Measure A Programs Funds**

$ 75,805 $ 54,600

\(^{(1)}\) The fund balance as of July 1 included in the adopted budget was a forecasted balance at the time the budget was developed. The fund balance as of July 1 included in the projected numbers for Fiscal Year ending June 30, 2010 and Fiscal Year ending June 30, 2011 represents the actual balance included in the audited financials of the Authority. Fund balances do not include funds held by Trustee or $70.3 million which has been set aside as a designated reserve to provide $32 million to fund the debt service reserve fund for the 2008 Measure A Bonds, which is payable to the Trustee no later than October 15, 2010; and to provide a contingency fund for collateral postings or terminations, if required, for various interest rate swaps related to the 2008 Measure A Bonds.

\(^{(2)}\) Debt service includes principal, interest expense, and other bond charges (fees such as remarketing fees, liquidity fees, rating agency fees, trustee fees, etc).
Transit System—Operating and Capital Budget. The following table summarizes the Authority’s Adopted Operating and Capital Budget with current projections, which supports activities related to the Authority’s Transit System - see “The Authority Transit System” herein. Additional information related to capital expenses is included in the Authority’s Short Range Transportation Plan (see “Authority Capital Improvement Programs – Short Range Transportation Plan,” herein).

Santa Clara Valley Transportation Authority
Fiscal Years 2010 and 2011 – Summary of Transit System Revenues and Expenses
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Adopted Budget</th>
<th>Current Projections(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Operating Reserve Balance, July 1</td>
<td>$ 49,250</td>
<td>$ 45,456</td>
</tr>
<tr>
<td>1976 Sales Tax Revenues</td>
<td>$144,420</td>
<td>$140,088</td>
</tr>
<tr>
<td>Other Operating and Non-Operating Revenues(^{(2)})</td>
<td>205,180</td>
<td>196,167</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>52,756</td>
<td>6,286</td>
</tr>
<tr>
<td>Transit Security Grant Program (TSGP)(^{(3)})</td>
<td>9,346</td>
<td>3,000</td>
</tr>
<tr>
<td>State Grants – Prop 1B</td>
<td>21,643</td>
<td>3,428</td>
</tr>
<tr>
<td>Regional Measure 2 (RM2)(^{(4)})</td>
<td>2,530</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>16,207</td>
<td>4,515</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$452,082</td>
<td>$353,484</td>
</tr>
<tr>
<td>Total Available for Transit System Expenses</td>
<td>$501,332</td>
<td>$398,940</td>
</tr>
<tr>
<td>Directly Operated Transit Service</td>
<td>275,563</td>
<td>279,035</td>
</tr>
<tr>
<td>Other Expense</td>
<td>77,832</td>
<td>80,494</td>
</tr>
<tr>
<td>Total Transit System Operating Expense(^{(5)})</td>
<td>$353,395</td>
<td>$359,529</td>
</tr>
<tr>
<td>Revenue Vehicles and Equipment</td>
<td>62,141</td>
<td>973</td>
</tr>
<tr>
<td>Non-Revenue Vehicles</td>
<td>2,608</td>
<td>-</td>
</tr>
<tr>
<td>Operations Facilities and Equipment</td>
<td>21,366</td>
<td>11,319</td>
</tr>
<tr>
<td>Passenger Facilities</td>
<td>803</td>
<td>602</td>
</tr>
<tr>
<td>Information Systems and Technology</td>
<td>2,830</td>
<td>690</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>12,733</td>
<td>3,644</td>
</tr>
<tr>
<td>Total Transit Capital Expense(^{(6)})</td>
<td>$102,481</td>
<td>$17,228</td>
</tr>
<tr>
<td>Total Transit System Operating &amp; Capital Expenses</td>
<td>$455,876</td>
<td>$376,757</td>
</tr>
<tr>
<td>Ending Balance – Transit Operating Reserve</td>
<td>$ 45,456</td>
<td>$ 22,183</td>
</tr>
</tbody>
</table>

\(^{(1)}\) As of 4/9/2010.

\(^{(2)}\) For a general line item detail of operating and non-operating revenues, see the Adopted Fiscal Year ending June 30, 2010 and Fiscal Year ending June 30, 2011 Budget which may be obtained directly from the Authority.

\(^{(3)}\) TSGP provides grant funding to the nation’s key high-threat urban areas to enhance security measures for their critical transit infrastructure including bus, rail and ferry systems.

(Footnotes continued on next page)
In March 2004, voters passed RM2, raising the toll on the seven State-owned toll bridges in the San Francisco Bay Area by $1.00. This extra dollar is to fund various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004). Specifically, RM2 establishes the Regional Traffic Relief Plan and identifies specific transit operating assistance and capital projects and programs eligible to receive RM2 funding.

For general line item detail of Transit System Operating Expense, see the Adopted Fiscal Year ending June 30, 2010 and Fiscal Year ending June 30, 2011 Budget which may be obtained directly from the Authority.

Transit projects included in the two year budget cycle are part of an overall 10 year capital improvement plan (see “Authority Capital Improvement Plan – Short Range Transportation Plan,” herein) that supports the Authority’s Transit System (see “The Authority Transit System” herein). The capital portion of the Transit Budget funds and augments 24 transit projects in an amount of $119.7 million over the two year budget period.

Authority Capital Improvement Programs. The Authority is committed to facilitating and providing enhanced customer focus, improved mobility and access for the community and integrated transportation and land use planning, while maintaining financial stability. Based on these commitments, the Authority has embarked on the extensive capital programs described below under “Valley Transportation Plan” and “Short Range Transportation Plan.”

Valley Transportation Plan. As the designated Congestion Management Agency for the County, the Authority is responsible for preparing the County’s long-range countywide transportation plan. In August 2000, the Authority’s Board of Directors adopted the Valley Transportation Plan 2020 (as revised, from time to time, the “Valley Transportation Plan”) to satisfy this requirement. The Board of Directors adopted the current revision of the Valley Transportation Plan, Valley Transportation Plan 2035 in January 2009. The Valley Transportation Plan is a long-range transportation planning document which does not set priorities or schedules for project completion. The Valley Transportation Plan encompasses a set of investments through 2035 that offers improvements and manages the existing roadway network with an expanded high-occupancy vehicle (“HOV”) system, improved interchanges and freeway-to-freeway connector ramps, and freeway upgrades.

The Valley Transportation Plan also includes investments in transit improvements, including the Silicon Valley Rapid Transit Project (“SVRT”), consisting of the extension of the BART system to Milpitas, San Jose, and Santa Clara, a new light rail line that will serve Capitol Expressway, and a transit improvement (Bus Rapid Transit or Light Rail) on the Santa Clara/Alum Rock Corridor where the Authority’s highest concentration of transit riders live. The primary source of funding for transit improvements included in the Valley Transportation Plan is the 2000 Measure A Sales Tax.

Short Range Transportation Plan. As a transit operator, the Authority prepares a complete Short Range Transit Plan (“SRTP”) every four years and a “mini-SRTP” every year as required by the MTC and the Federal Transit Administration (“FTA”). The SRTP is used as documentation to support projects included in the Regional Transportation Plan (“RTP”) prepared by MTC. Both the FTA and MTC use the SRTP as the detailed planning justification required for awarding operating and capital grants to the Authority. The Authority’s most recent SRTP for the Fiscal Years 2010-2019 was adopted by the Authority’s Board of Directors in February 2010.

There are two Capital Improvement Programs included in the SRTP: the Authority’s Core System Capital Improvement Program (“Core CIP”) and the 2000 Measure A Programs (“Measure A CIP”). The CIPs are funded by a combination of federal, state and local regional funding as well as bonds secured by the Authority’s sales tax revenues.
The Core CIP includes routine bus replacement needs, facility rehabilitation, bus facilities, technology upgrades, security, rehabilitation needs of the light rail system and system enhancements. The Core CIP includes two tiers of projects. Tier 1 projects are those projects essential to the maintenance of the system, funded by a combination of federal, state, and local funding, including bonds secured by the Authority’s 1976 Sales Tax. Tier 2 projects are enhancements to the Authority’s existing system for which no additional funding has yet been identified. The following table represents a summary of the Tier 1 Projects included in the Core CIP.

### Core Capital Improvement Program Summary
**(In Thousands)**

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Fiscal Years 2010-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Vehicles and Equipment</td>
<td>$289,743</td>
</tr>
<tr>
<td>Operations Facilities and Equipment</td>
<td>32,969</td>
</tr>
<tr>
<td>Light Rail System Maintenance &amp; Enhancement</td>
<td>142,720</td>
</tr>
<tr>
<td>Passenger Facilities</td>
<td>11,581</td>
</tr>
<tr>
<td>Information Systems and Technology</td>
<td>21,163</td>
</tr>
<tr>
<td>Security</td>
<td>32,672</td>
</tr>
<tr>
<td>Miscellaneous Projects</td>
<td>46,513</td>
</tr>
<tr>
<td><strong>Total Program Project Costs</strong></td>
<td><strong>$577,361</strong></td>
</tr>
</tbody>
</table>

Funding for the Core CIP includes grant (federal, state, and regional) funding of $392 million and financing of $198 million. The remaining portion is funded from Authority local funds. The 2000 Measure A Sales Tax does not provide funding for the Core CIP.

The Measure A CIP includes projects that are authorized pursuant to the 2000 Measure A ballot measure, approved by the voters in November 2000. As with the Core CIP, the Measure A CIP includes two tiers of projects. Tier 1 projects are those projects for which sufficient funding have been identified including 2000 Measure A Sales Tax revenues and federal, state and other regional funding, and short and long term bond financing. Tier 2 projects include planned projects that may proceed if federal, state or other funding becomes available during the Measure A CIP period. The following table represents a summary of the Tier 1 projects included in the Measure A CIP.

### Measure A Capital Improvement Program Summary
**(In Thousands)**

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Fiscal Years 2010-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Vehicles and Equipment</td>
<td>$43,650</td>
</tr>
<tr>
<td>Operations Facilities and Equipment</td>
<td>163,725</td>
</tr>
<tr>
<td>Rail Facility Expansion</td>
<td>2,921,917(1)</td>
</tr>
<tr>
<td>Passenger Facilities</td>
<td>147</td>
</tr>
<tr>
<td>Miscellaneous Projects</td>
<td>58,020</td>
</tr>
<tr>
<td><strong>Total Program Project Costs</strong></td>
<td><strong>$3,187,459</strong></td>
</tr>
</tbody>
</table>

(1) Includes $2.7 billion for Phase 1 of the planned BART extension to San Jose/Santa Clara, California

Funding for the Measure A CIP includes financing of $1.5 billion, grant (federal, state, regional and local) funding of $1.5 billion, and $1.4 billion of Measure A Sales Tax. Grant funding includes an assumption that the Authority is successful in obtaining a Full Funding Grant Agreement (“FFGA”) through the Federal 5309 (New Starts) Program in an amount of $900 million for the first phase of the SVRT project. If the Authority is not successful in securing the FFGA, the planned SVRT project, the project may be delayed and projected bond financing will not occur as currently planned.
Significant Accounting Policies

The Authority follows the accrual basis of accounting and the economic resources exchange measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. See Appendix B – “Audited Financial Statements of the Santa Clara Valley Transportation Authority for Fiscal Year Ended June 30, 2009 – Note 2 – Summary of Significant Accounting Policies,” which includes a more detailed explanation regarding the Authority’s significant accounting policies.

Financial Results

The table on the following page summarizes the Statement of Revenues, Expenses and Changes in Fund Net Assets for the Enterprise Fund of the Authority for the five Fiscal Years ended June 30, 2009. The summary statements are presented in accordance with generally accepted accounting principles (“GAAP”). Data for the Fiscal Years ended June 30, 2005 through June 30, 2009 is excerpted from the audited financial statements of the Authority and is qualified in its entirety by reference to such statements, including the notes thereto. For the audited financial statements of the Authority for the fiscal year ended June 30, 2009, see Appendix B – “Audited Financial Statements of the Santa Clara Valley Transportation Authority for Fiscal Year Ended June 30, 2009.” Totals may not add due to independent rounding.
### Santa Clara Valley Transportation Authority
### Statements of Revenues and Expenses
### Fiscal Years Ending June 30
### (In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger fares</td>
<td>$32,061</td>
<td>$34,335</td>
<td>$35,242</td>
<td>$35,830</td>
<td>$36,184</td>
</tr>
<tr>
<td>Advertising and other</td>
<td>2,631</td>
<td>2,591</td>
<td>2,634</td>
<td>2,223</td>
<td>2,255</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>34,692</strong></td>
<td><strong>36,926</strong></td>
<td><strong>37,876</strong></td>
<td><strong>38,053</strong></td>
<td><strong>38,439</strong></td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>120,402</td>
<td>123,941</td>
<td>126,387</td>
<td>131,732</td>
<td>134,181</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>108,921</td>
<td>114,056</td>
<td>116,723</td>
<td>108,422</td>
<td>111,969</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>19,996</td>
<td>27,777</td>
<td>28,398</td>
<td>31,513</td>
<td>27,097</td>
</tr>
<tr>
<td>Services</td>
<td>18,226</td>
<td>20,141</td>
<td>27,943</td>
<td>27,098</td>
<td>22,777</td>
</tr>
<tr>
<td>Utilities</td>
<td>5,795</td>
<td>6,186</td>
<td>6,638</td>
<td>6,867</td>
<td>6,869</td>
</tr>
<tr>
<td>Casualty and liability</td>
<td>3,763</td>
<td>6,114</td>
<td>3,856</td>
<td>5,278</td>
<td>5,818</td>
</tr>
<tr>
<td>Purchased transportation</td>
<td>25,538</td>
<td>27,395</td>
<td>28,132</td>
<td>28,392</td>
<td>27,974</td>
</tr>
<tr>
<td>Leases and rentals</td>
<td>580</td>
<td>205</td>
<td>112</td>
<td>420</td>
<td>3,499</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,773</td>
<td>2,000</td>
<td>1,821</td>
<td>1,856</td>
<td>1,966</td>
</tr>
<tr>
<td>Costs allocated to capital and other programs&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>(29,346)</td>
<td>(26,239)</td>
<td>(35,159)</td>
<td>(39,691)</td>
<td>(39,628)</td>
</tr>
<tr>
<td><strong>Total operating expenses, excluding depreciation</strong></td>
<td><strong>275,648</strong></td>
<td><strong>301,576</strong></td>
<td><strong>304,851</strong></td>
<td><strong>301,887</strong></td>
<td><strong>302,522</strong></td>
</tr>
<tr>
<td>Operating loss before depreciation</td>
<td>(240,956)</td>
<td>(264,650)</td>
<td>(266,975)</td>
<td>(263,834)</td>
<td>(264,083)</td>
</tr>
<tr>
<td><strong>Depreciation Expense:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total depreciation expense</td>
<td>56,557</td>
<td>63,766</td>
<td>51,022</td>
<td>53,292</td>
<td>51,762</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td><strong>297,513</strong></td>
<td><strong>328,416</strong></td>
<td><strong>317,997</strong></td>
<td><strong>317,126</strong></td>
<td><strong>315,845</strong></td>
</tr>
</tbody>
</table>

#### 1. Non-operating revenues (expenses):

<table>
<thead>
<tr>
<th>Non-operating revenues (expenses):</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976 Sales Tax Revenue</td>
<td>145,008</td>
<td>157,283</td>
<td>163,676</td>
<td>163,038</td>
<td>137,642</td>
</tr>
<tr>
<td>Measure A Sales Tax Revenues</td>
<td>-</td>
<td>38,173&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>161,361</td>
<td>160,537</td>
<td>137,261</td>
</tr>
<tr>
<td>Federal operating grants and reimbursements</td>
<td>34,416</td>
<td>33,565</td>
<td>35,514</td>
<td>22,425</td>
<td>33,449</td>
</tr>
<tr>
<td>State and local operating grants and reimbursements</td>
<td>79,509</td>
<td>81,199</td>
<td>104,917</td>
<td>104,080</td>
<td>81,488</td>
</tr>
<tr>
<td>Caltrain contributions&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>(14,112)</td>
<td>(42,200)&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>(22,509)</td>
<td>(34,747)</td>
<td>(58,504)</td>
</tr>
<tr>
<td>Altamont Commuter Express Subsidy</td>
<td>(2,470)</td>
<td>(2,470)</td>
<td>(2,542)</td>
<td>(2,621)</td>
<td>(2,707)</td>
</tr>
<tr>
<td>Interest income</td>
<td>5,666</td>
<td>6,457</td>
<td>11,304</td>
<td>20,370</td>
<td>15,341</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(13,761)</td>
<td>(11,562)</td>
<td>(13,672)</td>
<td>(12,214)</td>
<td>(11,651)</td>
</tr>
<tr>
<td>Other (expense)/Income, net&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>(688)</td>
<td>2,186</td>
<td>(2,234)</td>
<td>243</td>
<td>(2,061)</td>
</tr>
<tr>
<td><strong>Total non-operating revenues, net</strong></td>
<td><strong>233,568</strong></td>
<td><strong>262,628</strong></td>
<td><strong>435,815</strong></td>
<td><strong>421,111</strong></td>
<td><strong>330,258</strong></td>
</tr>
<tr>
<td><strong>Net income (loss)&lt;sup&gt;(6)&lt;/sup&gt;</strong></td>
<td><strong>($63,945)</strong></td>
<td><strong>($65,788)</strong></td>
<td><strong>$117,818</strong></td>
<td><strong>$103,985</strong></td>
<td><strong>$14,413</strong></td>
</tr>
</tbody>
</table>

---

<sup>(1)</sup> Represents a credit for direct and indirect labor and associated fringe benefits, reproduction and mileage costs and other costs that were capitalized as construction in progress. See Note 2(k) to the audited financial statements of the Authority attached hereto as Appendix B.

<sup>(2)</sup> Collection of 2000 Measure A Sales Tax started in April 2006.

(Footnotes continued on next page)
Management’s Discussion of Financial Results

The financial results of Fiscal Year ended June 30, 2009 were negatively impacted by local economic conditions. The unemployment rate in the County was 11.8% in June 2009, up from 6% in the prior year. During the same period, the State’s unemployment rate was 11.6%, higher than the national average of 9.5%. Contributing to high unemployment was the global recession and financial meltdown which resulted in a sharp downturn in the housing industry and the loss of manufacturing and other jobs. The loss of jobs, reduced home building, reductions in home values, as well as auto sales and other consumer spending resulted in a decline of taxable sales. The Authority’s 1976 Sales Tax Revenues declined $25.4 million or 15.6% from Fiscal Year ending June 30, 2008 levels.

The State’s financial challenges have also negatively impacted the Authority. In February 2009, the California Legislature approved and the Governor signed a series of bills in an attempt to balance the State’s budget gap of more than $20 billion. One of the measures was to reduce the STA program, which provides funding for California transportation agencies to operate their bus and rail systems (see “Fiscal Year 2010 State Budget”). For Fiscal Year ended June 30, 2009, the Authority’s STA revenues decreased $12.5 million or 66% compared to Fiscal Year ended June 30, 2008.

In response to declining sales tax revenues and STA funding the Authority reduced its Budget appropriation for operations, reduced service and accelerated an authorized increase in fares. The Authority also identified additional actions to be implemented if, in March 2010, the June 30, 2011 operating reserves were projected to be less than $20 million. The additional actions were to include: 1) implementation of additional service reductions, 2) reduction in workforce, and 3) transfer of funds from the Enterprise Debt Reduction Fund. As of April 2010, operating reserves at June 30, 2011 are projected to be $25.2 million. See “Transit System-Operating and Capital Budget.”

While there are signs that the economic decline within the County may have ended, the recovery is anticipated to be slow. Some of the recent dislocations may have lasting effects and greater austerity among consumers may reflect a fundamental shift in behavior. The precipitous drop in sales tax revenues is a reminder that the Authority’s financial health is fundamentally tied to the overall economy. See “Authority Budgeted Revenues and Expenditures.”
Authority Obligations

Obligations Secured by the 2000 Measure A Sales Tax. The following table sets forth the outstanding obligations secured by the Authority’s 2000 Measure A Sales Tax Revenues.

<table>
<thead>
<tr>
<th>Original Principal Amount</th>
<th>Principal Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Revenue Refunding Bonds, 2008 Series A, Series B, Series C and Series D(1)</td>
<td>$236,730,000</td>
</tr>
<tr>
<td>Sales Tax Revenue Refunding Bonds, 2007 Series A</td>
<td>120,095,000</td>
</tr>
</tbody>
</table>

(1) The Authority has entered into interest rate swap agreements in connection with these bonds. A description of the swaps is included in Note 7(d) of the Authority’s audited financial statements attached hereto as Appendix B.

Obligations Secured by the Sales Tax. The following table sets forth the senior lien obligations secured by the Authority’s 1976 Sales Tax Revenues.

<table>
<thead>
<tr>
<th>Original Principal Amount</th>
<th>Principal Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Revenue Refunding Bonds, 2008 Series A, Series B and Series C(1)</td>
<td>$168,585,000</td>
</tr>
<tr>
<td>Sales Tax Revenue Refunding Bonds, 2007 Series A</td>
<td>26,275,000</td>
</tr>
<tr>
<td>Sales Tax Revenue Bonds, 2001 Series A(2)</td>
<td>200,000,000</td>
</tr>
</tbody>
</table>

(1) The Authority has entered into interest rate swap agreements in connection with these bonds. A description of the swaps is included in Note 7(d) of the Authority’s audited financial statements attached hereto as Appendix B.

(2) A portion of these bonds was previously refunded and defeased.

Leveraged Lease Transactions

The Authority has outstanding five tax-advantaged leveraged lease transactions over certain light rail vehicles. These transactions involve a lease of the Authority’s interest in these vehicles to special purpose trusts formed by equity investors and a leaseback to the Authority. Two of these transactions involving rail vehicles with an aggregate value of $92.3 million were entered into in 1998 and have lease expiration dates of 2015 and 2017 (the “1998 Leases”). Three of these transactions involving rail vehicles with an aggregate value of $181.2 million were entered into in 2003 and lease expiration dates of 2027 and 2034 (the “2003 Leases” and, collectively with the 1998 Leases, the “Leases”).

Under the Leases, the Authority is required to make annual rental payments to the special purpose trusts. The Authority also has a purchase option at the end of each Lease term. The funding for those rental payments and the purchase options, if exercised, derives from various deposits, payment agreements with certain financial institutions (“payment undertakers”) and U.S. Government and Agency securities entered into or purchased at the outset of each Lease, as the case may be. In addition, early termination payments, if any, under the Leases are guaranteed by surety providers.

The Authority is required to replace the payment undertakers and surety providers if their credit ratings fall below certain thresholds. Failure to replace such undertakers and surety providers within specified time frames could trigger a technical default which, if uncured, could cause an early termination at a substantial penalty to the Authority.
The Authority is in full compliance with the 1998 Leases. The 2003 Leases involve American International Group and Ambac Assurance Corp. as surety providers, whose ratings have fallen below the required minimum ratings. The equity investors for the 2003 Leases have provided forbearance letters to the Authority and have not threatened termination. All payments with respect to the Leases have been made in full and on a timely basis. Neither 2000 Measure A Sales Tax Revenues nor 1976 Sales Tax Revenues are pledged to or secure the Leases.


Litigation

The Authority has accrued amounts that its management believes are adequate to provide for claims and litigation which have arisen during the normal course of business. Other claims and litigation are outstanding for which the Authority cannot determine the ultimate outcome and resulting liability, if any. However, the Authority’s management believes the ultimate outcome of these claims and lawsuits will not significantly impact the Authority’s financial position.

Investments and Investment Policy

The information presented in this section is a general description only and is not intended to be and does not purport to be a complete description of the Authority’s Investment Policy. Reference is made to the full text of the Authority’s Investment Policy for a complete description of the terms thereof, which is available from the Authority upon request.

Amounts held in funds and accounts established pursuant to the Indenture will be invested as provided in the Indenture, and as may be further restricted by the Authority’s Investment Policy (the “Investment Policy”), adopted by the Board of Directors on April 4, 1996, as amended by the Board of Directors on December 14, 2000 and February 6, 2003, and most recently reaffirmed February 5, 2009. The Investment Policy covers all funds (other than any Amalgamated Transit Union Pension Funds) and investment activities under the direction of the Authority.

The Investment Policy has three primary objectives, listed below in descending order of priority:

1. Safety. Safety of principal is the foremost objective of the Investment Policy. The Authority’s investments shall be undertaken in a manner that seeks to ensure the preservation of capital.

2. Liquidity. The Authority’s investment portfolio shall remain sufficiently liquid to enable the Authority to meet its cash flow requirements.

3. Return on Investment. The Authority’s investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

Listed below are the investments specifically permitted in the Investment Policy, together with the maximum share of the total Authority portfolio that each type of investment may comprise:


<table>
<thead>
<tr>
<th>Investment</th>
<th>Maximum % of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Obligations</td>
<td>100%</td>
</tr>
<tr>
<td>Obligations of Federal Agencies and U.S. Government-Sponsored Enterprises</td>
<td>100%</td>
</tr>
<tr>
<td>State of California Obligations</td>
<td>30%</td>
</tr>
<tr>
<td>Bankers’ Acceptances</td>
<td>40%</td>
</tr>
<tr>
<td>Commercial Paper not to exceed 180 days rated “A-1/P-1”</td>
<td></td>
</tr>
<tr>
<td>if weighted average maturity of all paper is 31 days or more</td>
<td>25%</td>
</tr>
<tr>
<td>if weighted average maturity of all paper is less than 31 days</td>
<td>15%</td>
</tr>
<tr>
<td>Negotiable Certificates of Deposit</td>
<td>30%</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>100%</td>
</tr>
<tr>
<td>Reverse Repurchase Agreements</td>
<td>20%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>30%</td>
</tr>
<tr>
<td>Savings and Money Market Accounts</td>
<td>15%</td>
</tr>
<tr>
<td>Mortgage and Asset-Backed Obligations</td>
<td>20%</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>15%</td>
</tr>
<tr>
<td>State of California Local Agency Investment Fund (LAIF)</td>
<td>Maximum limit by law ($50 million)</td>
</tr>
<tr>
<td>Santa Clara County Investment Pool</td>
<td>100%</td>
</tr>
</tbody>
</table>

Prohibited investments include inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, any security that could result in zero interest accrual if held to maturity and any security with an unusually high degree of interest rate sensitivity or credit risk.

**Issuer/Credit Diversification:**

- Any one federal agency or government sponsored enterprise: 25%
- Any one repurchase agreement or other collateralized counterparty name: 10%
- Any one corporation, bank, local agency, or other name: 5%

**Risk Management**

**General.** The Authority is self-insured for general liability claims (up to $3 million) and workers’ compensation claims. Estimated losses on claims other than workers’ compensation claims are charged to expense in the period the loss is determinable. Estimated losses for workers’ compensation claims are charged to expense as a percentage of labor in each accounting period. The costs incurred for workers’ compensation and general liability (including estimates for claims incurred but not yet reported) are reported on the Authority’s Internal Service Fund (the “Internal Service Fund”), an Authority fund used to account for activities that provide goods or services to other Authority funds, departments, or other governments, on a cost reimbursement basis, based on an actuarial determination of the present value of estimated future cash payments. See Note 2(a) to the audited financial statements of the Authority attached as Appendix B to the Remarketing Memorandum.

**Workers’ Compensation and General Liability.** The claim processing function is performed by third-party administrators. The Authority’s annual contribution to General Liability is based on a budgeted self-insured expense amount. Contributions to Workers’ Compensation fund occur every pay period. Actuarial studies for both activities are obtained on an annual basis.

An actuarial analysis as of June 30, 2009, dated August 18, 2009, disclosed that the present values of estimated outstanding losses, at 4% average discount rate using a 90% confidence level, are $20.8 million and $5.2 million for Workers’ Compensation and General Liability, respectively. The Authority has funded reserves in amounts sufficient to cover these liabilities. This actuarial analysis reflects the enactment of State Assembly Bill 749 (“AB 749”), State Senate Bill 228 (“SB 228”) and State
Senate Bill 899 (“SB 899”). AB 749 increased the cost of indemnity benefits, whereas SB 228 and SB 899 have reduced the cost of medical and indemnity benefits. The accrued liabilities for Workers’ Compensation and General Liability claims were based on the actuarial estimates. It is Authority’s practice to obtain full actuarial studies annually.

Changes in the balance of Workers’ Compensation and General Claims Liabilities for the two Fiscal Years ended June 30, 2009, are as follows:

<table>
<thead>
<tr>
<th>Workers’ Compensation</th>
<th>General Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpaid Claims as of June 30, 2007</td>
<td>26,442</td>
</tr>
<tr>
<td>Provisions for claims and claim adjustment expenses</td>
<td>8,390</td>
</tr>
<tr>
<td>Payment for claims and other adjustments</td>
<td>(5,715)</td>
</tr>
<tr>
<td>Change in estimates for provision for future claims</td>
<td>(7,001)</td>
</tr>
<tr>
<td>Unpaid claims as June 30, 2008</td>
<td>22,116</td>
</tr>
<tr>
<td>Provision for claims and claim adjustment expense</td>
<td>5,904</td>
</tr>
<tr>
<td>Payment for claims and other adjustments</td>
<td>(5,695)</td>
</tr>
<tr>
<td>Unpaid claims as June 30, 2009</td>
<td>22,325</td>
</tr>
</tbody>
</table>

Insurance. The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors, and omissions; injuries to employees; injuries to the public; and natural disasters. For additional information on worker’s compensation and general liability, see “Risk Management - Worker’s Compensation and General Liability” above.

Coverage provided by self-insurance, insurance and excess insurance as of July 1, 2009, is shown below:

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>Self-Insurance/ Deductible</th>
<th>Excess Coverage (in aggregate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers’ compensation</td>
<td>Self-Insured</td>
<td>None</td>
</tr>
<tr>
<td>Employer’s Liability</td>
<td>$3,000,000</td>
<td>$22,000,000 per occurrence</td>
</tr>
<tr>
<td>Public Officials liability</td>
<td>Self-Insured</td>
<td>$22,000,000</td>
</tr>
<tr>
<td>Excess public entity liability</td>
<td>$3,000,000</td>
<td>$22,000,000</td>
</tr>
<tr>
<td>Property, boiler, and machinery</td>
<td>$100,000</td>
<td>$70,000,000 limit</td>
</tr>
<tr>
<td>National Flood Insurance (eligible locations)</td>
<td>$5,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Light rail vehicles, includes spare parts coverage, no earthquake coverage</td>
<td>$250,000</td>
<td>$50,000,000/maximum loss limit per year</td>
</tr>
<tr>
<td>Buses</td>
<td>$100,000</td>
<td>$50,000,000/maximum loss limit per year</td>
</tr>
<tr>
<td>Community Buses</td>
<td>$75,000</td>
<td>Included in the $50,000,000 with buses</td>
</tr>
<tr>
<td>Mobile Equipment</td>
<td>$25,000</td>
<td>Included in the $50,000,000 with buses</td>
</tr>
</tbody>
</table>

Pension and Retirement Plans

Santa Clara Valley Transportation Authority Amalgamated Transit Union, Local 265 Pension Plan. All Amalgamated Transit Union, Local 265 (“ATU”) employees are covered by the Santa Clara Valley Transportation Authority Amalgamated Transit Union, Local 265 Pension Plan (“ATU
Plan”). The ATU Plan is a noncontributory single-employer defined benefit pension plan. The ATU Plan provides retirement, disability, and death benefits based on the employees’ years of service, age, and final compensation. As of June 30, 2009, there were 2,590 members of the ATU Plan. Employees with ten (10) or more years of service are entitled to full annual pension benefits beginning at age 65. Employees with less than ten (10) but at least five (5) years of service are entitled to a reduced annual benefit at age 65 provided that the Pension Board approves such benefit. Employees with fifteen (15) or more years of service are entitled to full annual pension benefits beginning at age 55. The ATU Plan permits early retirement if an employee becomes disabled after ten (10) or more years of service, and deferred vested retirement upon employee termination after ten (10) or more years of service, with benefits payable at age 65. Employees may elect to receive their benefits in the form of a joint or survivor annuity. These benefit provisions and all other requirements are established by State statute and the labor agreement with the ATU. The following actuarial methods and assumptions are based on a report dated January 1, 2009.

**Actuarial Methods and Assumptions:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Methods/Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
<td>January 1, 2009</td>
</tr>
<tr>
<td>Actuarial cost method</td>
<td>Aggregate Entry Age Normal</td>
</tr>
<tr>
<td>Amortization method</td>
<td>Level dollar open</td>
</tr>
<tr>
<td>Remaining amortization period</td>
<td>20 years</td>
</tr>
<tr>
<td>Asset Valuation Method</td>
<td>Market value adjusted for unrecognized investment gains or losses during the prior four years, phased in at 20% per year, subject to a minimum of 80% and a maximum of 120% of market value</td>
</tr>
</tbody>
</table>

**Actuarial Assumptions**

- **Investment Rate of Return**: 8.00%
- **Projected Salary Increases**: 22.13% for the first three years of service, 3.76% thereafter
- **Consumer Price Index (CPI)**: 3.50% per year
- **Costs of living adjustments**: None

Pursuant to ATU Plan policy, assets are required to be invested in accordance with an investment program which provides for the financial needs of the ATU Plan and allows for such investments to be appropriately diversified and prudently invested to protect the safety of the principal and to maintain a reasonable return. ATU Plan investment guidelines are set forth below:

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Range</th>
<th>Actual(^{(1)})</th>
<th>Ongoing Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Fixed Income</td>
<td>35-45%</td>
<td>40%</td>
<td>39%</td>
</tr>
<tr>
<td>Domestic Large-Cap Value</td>
<td>15-25%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Domestic Large-Cap Index</td>
<td>10-20%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Domestic Small-Cap Value</td>
<td>5-15%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>International Equity</td>
<td>10-20%</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-5%</td>
<td>0%</td>
<td>1%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) As of June 30, 2009.

The Authority contributes to the ATU Plan at actuarially determined rates applied to eligible payroll sufficient to maintain funding of vested benefits. Such contribution includes an amortized amount
of the unfunded accrued actuarial liability ("UAAL") as well as current year normal costs. Totals of the actual cost and the amortized cost of the UAAL equal the actuarial rate that would liquidate the UAAL over a period of years. The actuarial review and analysis as of January 1, 2009 resulted in an increase to $18.4 million and 18.25% in dollar terms and as a percentage of covered payroll. The Authority’s contribution for Fiscal Year ending June 30, 2009 was $14.8 million. The primary driver for the increase in plan costs was due to investment experience of plan assets during 2008.

The schedule of funding progress is as follows:

### Schedule of Funding Progress (1)
Santa Clara Valley Transportation Authority Amalgamated Transit Union, Local 265 Pension Plan

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets</th>
<th>Actuarial Accrued Liability (&quot;AAL&quot;)</th>
<th>Unfunded AAL</th>
<th>Funded Ratio</th>
<th>Covered Payroll</th>
<th>Unfunded AAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/04</td>
<td>$268,428,853</td>
<td>$350,895,167</td>
<td>$82,466,314</td>
<td>76%</td>
<td>$88,448,718</td>
<td>93%</td>
</tr>
<tr>
<td>12/31/05</td>
<td>288,829,224</td>
<td>363,114,404</td>
<td>74,285,180</td>
<td>80</td>
<td>92,663,178</td>
<td>80</td>
</tr>
<tr>
<td>12/31/06</td>
<td>314,816,391</td>
<td>397,853,860</td>
<td>83,037,469</td>
<td>79</td>
<td>93,985,560</td>
<td>88</td>
</tr>
<tr>
<td>12/31/07</td>
<td>344,521,552</td>
<td>423,739,213</td>
<td>79,217,661</td>
<td>81</td>
<td>98,722,453</td>
<td>80</td>
</tr>
<tr>
<td>12/31/08</td>
<td>325,247,483</td>
<td>442,830,578</td>
<td>117,583,095</td>
<td>73</td>
<td>100,877,989</td>
<td>117</td>
</tr>
</tbody>
</table>

Based on the Authority’s Comprehensive Annual Financial Report, the five-year trend of pension contributions is as follows:

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Annual Pension Cost (&quot;APC&quot;)</th>
<th>Percentage of APC Contributed</th>
<th>Net Pension Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/05</td>
<td>$14,292,000</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>6/30/06</td>
<td>15,278,000</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>6/30/07</td>
<td>14,859,000</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>6/30/08</td>
<td>16,137,000</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>6/30/09</td>
<td>14,843,000</td>
<td>100</td>
<td>-</td>
</tr>
</tbody>
</table>

The funding ratio for termination liability for the ATU Plan, as of January 1, 2009, for benefits accrued as of January 1, 2009, based on pay and years of service of covered employees as of January 1, 2009, was 72.8%. The funding ratio for termination liability is intended to provide an estimate of the obligation the ATU Plan would have to meet if the ATU Plan were terminated, assuming that the expected return on assets remained at 8%.

**Public Employees’ Retirement Plan.** All eligible non-ATU employees of the Authority participate in the State’s Public Employees Retirement System (“CalPERS”). Prior to separation from the County on January 1, 1995, all eligible Authority non-ATU employees participated in CalPERS through the County. As a result of the separation from the County, certain administrative employees were transferred from the County to the Authority. All of those administrative employees’ service credits earned during the period they worked for the County’s transportation agency were transferred to the Authority’s CalPERS account. The transfer of related assets at a market value totaling approximately $52.3 million was completed by CalPERS in Fiscal Year 1999.
CalPERS is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local and state governmental agencies within the State. CalPERS provides retirement, disability, and death benefits based on the employees’ years of service, age, and final compensation. Employees vest after five (5) years of service and may receive retirement benefits at age 50. These benefit provisions and all other requirements are established by state statute and Authority resolutions. The Authority contracts with CalPERS to administer these benefits. The following actuarial methods and assumptions are based on a report dated October 2009.
### Actuarial Methods and Assumptions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Methods/Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
<td>June 30, 2008</td>
</tr>
<tr>
<td>Actuarial cost method</td>
<td>Entry Age Normal Cost Method</td>
</tr>
<tr>
<td>Amortization method</td>
<td>Level percent of Payroll</td>
</tr>
<tr>
<td>Average Remaining Period</td>
<td>26 years as of the Valuation Date</td>
</tr>
<tr>
<td>Asset Valuation Method</td>
<td>15 years smoothed market</td>
</tr>
<tr>
<td>Actuarial Assumptions</td>
<td></td>
</tr>
<tr>
<td>Investment Rate of Return</td>
<td>7.75% (net of investment expense)</td>
</tr>
<tr>
<td>Projected Salary Increases</td>
<td>3.25 to 14.45% depending on Age, Service, and type of employment</td>
</tr>
<tr>
<td>Inflation</td>
<td>3.00%</td>
</tr>
<tr>
<td>Payroll Growth</td>
<td>3.25%</td>
</tr>
<tr>
<td>Individual Salary Growth</td>
<td>A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%</td>
</tr>
</tbody>
</table>

Active members in the Authority’s CalPERS Plan (“CalPERS Plan”) are not required to contribute to the CalPERS Plan, as the Authority elected to contribute the actuarially determined amount necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the CalPERS Plan are established by State statute, though CalPERS establishes and may amend the employer contribution requirements. CalPERS provides the Authority with a required contribution rate as a percentage of payroll as part of its annual or biennial evaluation of the CalPERS program financial status.

Historically, the Authority has paid both the required employer and employee contributions, including payments for the UAAL. The required employer and employee contribution rate is 19.08% of payroll for Fiscal Year ending June 30, 2010, based on the latest actuarial valuation. For Fiscal Year ending June 30, 2009, the Authority’s annual CalPERS pension cost was $6.3 million.

The schedule of funding progress is as set forth on the following page.
## Schedule of Funding Progress

### Santa Clara Valley Transportation Authority CalPERS Plan

(Unaudited)

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Entry Age</th>
<th>Normal Accrued Liability</th>
<th>Actuarial Value of Assets</th>
<th>Unfunded Actuarial Liability (UAAL)</th>
<th>Funded Ratio</th>
<th>Annual Covered Payroll</th>
<th>UAAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2004</td>
<td>$142,662,507</td>
<td>$119,708,580</td>
<td>$22,953,927</td>
<td>83.9%</td>
<td>$50,876,724</td>
<td>45.1%</td>
<td></td>
</tr>
<tr>
<td>6/30/2005</td>
<td>160,103,833</td>
<td>135,508,064</td>
<td>24,595,769</td>
<td>84.6</td>
<td>50,193,561</td>
<td>49.0</td>
<td></td>
</tr>
<tr>
<td>6/30/2006</td>
<td>177,983,295</td>
<td>152,536,031</td>
<td>25,447,264</td>
<td>85.7</td>
<td>50,301,722</td>
<td>50.6</td>
<td></td>
</tr>
<tr>
<td>6/30/2007</td>
<td>195,098,516</td>
<td>170,836,697</td>
<td>24,261,819</td>
<td>87.6</td>
<td>49,681,839</td>
<td>48.8</td>
<td></td>
</tr>
<tr>
<td>6/30/2008</td>
<td>214,450,572</td>
<td>188,897,985</td>
<td>25,552,587</td>
<td>88.1</td>
<td>51,043,339</td>
<td>50.1</td>
<td></td>
</tr>
</tbody>
</table>

The five-year trend in contributions are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
<th>Net Pension Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/05</td>
<td>$5,171,000</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>6/30/06</td>
<td>6,501,000</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>6/30/07</td>
<td>5,929,000</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>6/30/08</td>
<td>6,278,000</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>6/30/09</td>
<td>6,507,000</td>
<td>100</td>
<td>-</td>
</tr>
</tbody>
</table>

CalPERS’ policy is to spread market value asset gains and losses over fifteen (15) years. CalPERS also has a policy of establishing the actuarial value of assets from 80-120 percent of market value. These policies are designed to reduce fluctuations in employer contributions over time.

**Retiree Health Care Program.** Employees who retire directly from the Authority are eligible for retiree health benefits if they meet certain requirements relating to age and service.

For ATU retirees, the Authority provides an ATU Retiree Health Care Program (“ATU Program”), in accordance with the agreement between the Authority and the ATU, to all ATU represented employees who retire from the Authority on or after attaining the age of 55 with at least fifteen (15) years of service, or age 65 with ten (10) years of service, or if an employee becomes disabled and has completed at least ten (10) years of service. The Authority pays the full cost of employee-only premium for employees who retired before 9/1/04. ATU employees who retired on or after September 1, 2004 contribute $25 toward the employee only monthly premium. ATU retirees who are eligible for Medicare are reimbursed for the Medicare Part B premium. As of June 30, 2009, 853 retirees met the eligibility requirements. All non-ATU employees upon retirement with at least five (5) years of service and attaining age 50 are also covered under a Retiree Health Care Program (Non-ATU Program) if hired before specific dates (see below). Non-ATU represented employees, hired on or after the following dates have modified benefits as indicated:

- SEIU represented employees hired on or after May 15, 2006 must have 8 years of service;
- TAEA represented employees hired on or after December 5, 2006 must have 8 years of service;
• AFSCME represented employees hired between August 30, 2007 and December 31, 2009 must have 8 years of service;

• AFSCME represented employees hired on or after January 1, 2010 must have 15 years of service;

• Non-represented employees hired between February 11, 2008 and October 31, 2009 must have 8 years of service;

• Non-represented employees hired on or after November 1, 2009 must have 15 years of service.

The Authority contribution towards retiree health benefits for Non-ATU retirees retired before January 2, 2006 is limited to the Kaiser rate for active single employees. The Authority also reimburses Medicare Part B premiums for retirees eligible for Medicare. Non-ATU employees who retired after January 1, 2006 contribute $25 toward the employee only monthly premium. As of June 30, 2009, 310 retirees met the eligibility requirements for the Non-ATU Program.

An actuarial analysis of Retiree Health Benefits as of July 1, 2008 disclosed that the actuarial liability, which is the present value of benefits attributed to past service, is $225.5 million. The unfunded actuarial accrued liability of the Authority as of July 1, 2008 is $121.1 million. The Authority contributions are advance funded on an actuarially determined basis. For the Fiscal Year ended June 30, 2009, the Authority made contributions to both the ATU and Non-ATU programs of $15.9 million, which was 104% of the annual required contribution.

The actuarial cost method used for determining the benefit obligations is the projected unit benefit cost method. The significant economic assumptions used were: (1) a discount rate of 7.75%; (2) a projected salary increase of 4.0% per year; (3) inflation component of 3.25% used for amortization; (4) a health inflation assumption of 10.0%, graded down 1.0% per year to 5% after six (6) years, remaining at that level thereafter; (5) retiree contribution remaining fixed at $25 per month.

In 2004, the Government Accounting Standards Board (“GASB”) issued Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (“GASB 45”). GASB 45 requires governmental agencies to change their accounting for other post employment benefits from pay-as-you-go to an accrual basis. The most recent actuarial analysis of Retiree Health Benefits as of July 1, 2008 also provides the following estimates of assets, liabilities and unfunded liability, based on the GASB 45 method: actuarial accrued liability $225.5 million, assets of $104.4 million, and UAAL of $121.1 million. The Authority has been making funding contributions on an actuarially determined basis since prior to its legal separation from the County in 1995. The Authority implemented the requirements of GASB 45, including financial statement reporting and disclosures, by July 1, 2007, the results of which included in the financial statements of June 30, 2008 and later.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY FOR FISCAL YEAR ENDED JUNE 30, 2009
APPENDIX C
COUNTY OF SANTA CLARA DEMOGRAPHIC AND ECONOMIC INFORMATION

General Information

The County of Santa Clara (the “County”) lies immediately south of San Francisco Bay and is the sixth most populous county in the State of California (the “State”). It encompasses an area of approximately 1,316 square miles. The County was incorporated in 1850 as one of the original 28 counties of the State and operates under a home rule charter adopted by County voters in 1950 and amended in 1976.

The southern portion of the County has retained the agricultural base which once existed throughout the area and has two cities, separated by roughly 10 miles. The northern portion of the County is densely populated, extensively urbanized and heavily industrialized. The County contains 15 cities, the largest of which is the City of San Jose, the third largest city in the State and the County seat. The uppermost northwestern portion of the County, with its concentration of high-technology, electronics-oriented industry, is popularly referred to as the “Silicon Valley.” Large employers include Hewlett-Packard, Intel Corp., National Semiconductor Corp., Lockheed Martin Space Systems Co., and IBM Corp.

Neighboring counties include San Mateo in the northwest, Santa Cruz in the southwest, San Benito in the south, Merced and Stanislaus in the east, and Alameda in the northeast. The City of San Jose is approximately 50 miles south of San Francisco and 42 miles south of the City of Oakland. These are the three largest cities of the nine-county San Francisco Bay Area, with the City of San Jose being the largest.

As required under the County Charter and under County ordinances, or by State and federal mandate, the County is responsible at the local level for activities involving public welfare, health and justice (courts and jails) and for the maintenance of public records. The County also operates recreational and cultural facilities serving the unincorporated areas of the County and on a regional basis.

Population

Historical Population Growth. Over the past 60 years, the County’s population growth pattern has exhibited three decades of rapid growth followed by three decades of more sustainable growth rates.

According to U.S. Census figures, the number of County residents grew by 66% between 1940 and 1950, with most of the increase concentrated in the unincorporated areas and in the largest cities of San Jose, Palo Alto and Santa Clara. In the next decade, from 1950 to 1960, population grew by 121% with every major city as well as the unincorporated areas experiencing huge increases. The County also recorded the incorporation of four new cities during the 1950s, raising the total number of cities to its current level of fifteen.

The County’s population growth subsided somewhat during the 1960s, although the 66% growth rate was over four times the 15.4% statewide increase. The population of San Jose doubled for the second decade in a row, while the cities of Mountain View, Santa Clara, and Sunnyvale added at least 23,000 residents each. As a result of the incorporation of four cities, the unincorporated area of the County posted its first decline in the 1960s, setting the stage for further drops in each of the subsequent three decades.
The County population growth rate fell to 21.5% during the 1970s. San Jose continued to add more residents (183,621) than any other city, while two of the larger cities (Palo Alto and Santa Clara) recorded small population declines and residents in the unincorporated area fell by 25,160. The slower growth of the 1970s reflected a slowing urbanization, due in part to policies adopted by the County to preserve agricultural areas.

The data from the 2000 U.S. Census indicate that the County’s population reached 1,682,585, representing a 12.4% increase from the population base in 1980. Over the same period, statewide population grew more rapidly at a rate of 13.8%. San Jose surpassed San Francisco as the largest city in the Bay Area, with a population of 894,943. According to the 2000 census data, over one-half of the County’s residents live in San Jose.

The proportion of residents living in cities is currently 94.9%, in contrast to the County’s makeup in 1940 when urban residents made up only 6.5% of the County’s population. Since the 1940s, the increasing maturation of the County’s employment and economic sectors has resulted in the incorporation of new cities as well as the expansion of city boundaries, resulting in a shrinking fraction (currently 5.6%) of residents living in unincorporated areas.

Recent Annual Population Performance. Between 2000 and 2009, the County experienced population growth of 10.4%. All of the cities in the County experienced growth during this period, with the City of Gilroy posting the fastest growth (24.22%). From 2006 to 2009, Morgan Hill and Milpitas were the fastest growing cities in the County, growing at rates of 7.4% and 8.6%, respectively. The number of residents living in the unincorporated areas of the County decreased by 6.0% from 2000 to 2009. Currently, approximately 5.1% of the County residents live in unincorporated areas, a percentage which has steadily decreased over time as the population continues to migrate toward the cities.

By the year 2020, the State Department of Finance predicts that the County’s population will grow to approximately 2.0 million residents, a 7.3% increase from 2009. The following table provides a historical summary of population in the County and its incorporated cities.

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1 State of California, Department of Finance, Demographic Research Unit (Report P-1).
County of Santa Clara
Population

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>24,731</td>
<td>26,843</td>
<td>36,088</td>
<td>38,138</td>
<td>39,531</td>
<td>39,992</td>
<td>40,420</td>
</tr>
<tr>
<td>Cupertino</td>
<td>18,216</td>
<td>34,297</td>
<td>39,967</td>
<td>50,602</td>
<td>54,602</td>
<td>55,059</td>
<td>55,840</td>
</tr>
<tr>
<td>Gilroy</td>
<td>12,665</td>
<td>21,641</td>
<td>31,487</td>
<td>41,464</td>
<td>49,362</td>
<td>50,947</td>
<td>51,508</td>
</tr>
<tr>
<td>Los Altos</td>
<td>24,872</td>
<td>25,769</td>
<td>26,599</td>
<td>27,693</td>
<td>27,950</td>
<td>28,172</td>
<td>28,458</td>
</tr>
<tr>
<td>Los Altos Hills</td>
<td>6,862</td>
<td>7,421</td>
<td>7,514</td>
<td>8,025</td>
<td>8,558</td>
<td>8,800</td>
<td>8,889</td>
</tr>
<tr>
<td>Los Gatos</td>
<td>23,466</td>
<td>26,906</td>
<td>27,357</td>
<td>28,592</td>
<td>29,247</td>
<td>30,170</td>
<td>30,497</td>
</tr>
<tr>
<td>Milpitas</td>
<td>27,149</td>
<td>37,820</td>
<td>50,690</td>
<td>62,698</td>
<td>66,215</td>
<td>69,135</td>
<td>70,817</td>
</tr>
<tr>
<td>Monte Sereno</td>
<td>3,074</td>
<td>3,434</td>
<td>3,287</td>
<td>3,483</td>
<td>3,546</td>
<td>3,565</td>
<td>3,619</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>6,485</td>
<td>17,060</td>
<td>23,928</td>
<td>33,586</td>
<td>38,204</td>
<td>39,051</td>
<td>39,814</td>
</tr>
<tr>
<td>Mountain View</td>
<td>54,206</td>
<td>58,655</td>
<td>67,365</td>
<td>70,708</td>
<td>72,854</td>
<td>73,618</td>
<td>74,762</td>
</tr>
<tr>
<td>Palo Alto</td>
<td>55,999</td>
<td>55,225</td>
<td>55,900</td>
<td>58,598</td>
<td>62,267</td>
<td>63,098</td>
<td>64,484</td>
</tr>
<tr>
<td>San Jose</td>
<td>445,779</td>
<td>629,400</td>
<td>782,224</td>
<td>895,131</td>
<td>968,287</td>
<td>985,307</td>
<td>1,006,892</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>87,717</td>
<td>87,700</td>
<td>93,613</td>
<td>102,361</td>
<td>113,612</td>
<td>115,018</td>
<td>117,242</td>
</tr>
<tr>
<td>Saratoga</td>
<td>27,199</td>
<td>29,261</td>
<td>28,061</td>
<td>29,849</td>
<td>31,226</td>
<td>31,458</td>
<td>31,679</td>
</tr>
<tr>
<td>Sunnyvale</td>
<td>95,408</td>
<td>106,618</td>
<td>117,324</td>
<td>131,844</td>
<td>134,966</td>
<td>136,952</td>
<td>138,826</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>152,181</td>
<td>127,021</td>
<td>106,173</td>
<td>99,813</td>
<td>97,815</td>
<td>99,138</td>
<td>93,874</td>
</tr>
<tr>
<td>County Total(2)</td>
<td>1,066,009</td>
<td>1,295,071</td>
<td>1,497,577</td>
<td>1,682,585</td>
<td>1,798,242</td>
<td>1,829,480</td>
<td>1,857,621</td>
</tr>
</tbody>
</table>

California 18,136,045 23,668,145 33,873,086 37,472,074 37,883,992 38,292,687

(1) As of January 1.
(2) Totals may not be precise due to independent rounding.
Source: U.S. Census; State of California, Department of Finance, Demographic Research Unit (E-4 City/County Population).

Employment and Industry

The County is home to a highly skilled and diverse work force, a situation that has traditionally translated into lower unemployment rates in the County when compared to State and national average unemployment rates. From 1997 through 2000, job growth in Silicon Valley was extraordinary, with the addition of more than 103,300 jobs. However, the County’s unemployment rate rose sharply between 2000 and 2003 as a result of the retraction in the communications and high technology industries that dominate the County’s employment base. From December 2000 to January 2004, over 200,000 jobs were lost in The County. Since 2003, the unemployment rate in the County declined, and averaging 4.5% for 2006 compared to 8.4% in 2003. However, as was the case in the rest of the United States, economic growth in the County slowed considerably in 2007, with much lower job growth than in the prior several years, and with the unemployment rate in the County increasing from 4.5% in 2006 to 4.8% in 2007.

At the end of 2009 the County had 861,300 wage and salary jobs. Three major industry sectors comprise approximately 55.5% of the County’s employment: Goods Producing 189,800, Professional & Business Activities 161,900 and Trade, Transportation & Utilities 126,400.

Development of high technology has been enhanced by the presence of Stanford University, Santa Clara University, San Jose State University, other institutions of higher education, and research and
development facilities, such as SRI International, the Stanford Linear Accelerator Center, and Ames Research Center (NASA) within the County. In addition, the Rincon de los Esteros Redevelopment Area in northern San Jose has been the site of industrial/research and development submarkets in Silicon Valley.

The following table lists wage and salary employment in the County by Industry.

<table>
<thead>
<tr>
<th>County of Santa Clara</th>
<th>Average Annual Employment by Industry (In Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>824,900</td>
</tr>
<tr>
<td>Employment</td>
<td>771,700</td>
</tr>
<tr>
<td>County Unemployment Rate</td>
<td>53,200</td>
</tr>
<tr>
<td>County Unemployment</td>
<td>6.4%</td>
</tr>
<tr>
<td>State of California</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Industry Employment(2)

| Total, All Industries     | 868,700 | 876,300 | 897,400 | 917,900 | 921,000 | 861,300 |
| Total Farm                | 6,700   | 6,300   | 6,200   | 6,700   | 6,100   | 5,700   |
| Total Nonfarm             | 862,000 | 869,900 | 891,200 | 911,200 | 914,900 | 855,600 |
| Goods Producing           | 210,300 | 209,600 | 210,800 | 214,200 | 212,400 | 189,800 |
| Natural Resources and Mining | 100    | 200    | 300    | 300    | 300    | 200    |
| Construction              | 43,000  | 44,500  | 46,800  | 47,200  | 44,200  | 33,900  |
| Manufacturing             | 167,200 | 164,900 | 163,700 | 166,700 | 168,000 | 155,700 |
| Service Providing         | 651,700 | 660,300 | 680,400 | 697,000 | 702,500 | 665,800 |
| Trade, Transportation & Utilities | 130,900 | 132,800 | 137,100 | 139,700 | 137,600 | 126,400 |
| Information               | 32,600  | 35,300  | 37,500  | 39,600  | 42,300  | 41,100  |
| Financial Activities      | 35,400  | 36,300  | 37,100  | 37,200  | 34,600  | 31,700  |
| Professional & Business Services | 165,600 | 165,800 | 172,000 | 178,300 | 178,900 | 161,900 |
| Education & Health Services | 95,000 | 96,800  | 100,400 | 103,200 | 107,900 | 108,100 |
| Leisure & Hospitality     | 70,900  | 72,800  | 75,200  | 76,800  | 78,100  | 74,300  |
| Other Services            | 25,000  | 24,600  | 24,800  | 25,100  | 25,400  | 24,300  |
| Government                | 96,300  | 95,900  | 96,400  | 97,200  | 97,800  | 98,000  |

(1) Data not available.
(2) Data for 2009 is for Santa Clara and San Benito Counties combined (San Jose-Santa Clara-Sunnyvale MSA), where Santa Clara County employment share is approximately 98.0% of the total industry.

Source: Employment Development Department.
Major Employers

The County, which is centered in the heart of Silicon Valley, is home to numerous high technology and computer software and hardware manufacturing companies. Public-sector employers continue to top the list of the largest employers in Silicon Valley. The County ranks as number one, employing over 15,000 workers. In addition, the City of San Jose has over 7,000 full-time employees. Although there have been hiring freezes and cut-backs that have impacted public-sector organizations, such organizations typically tend to remain more stable in a volatile job market.

Income

Owing to the presence of relatively high-wage skilled jobs and wealthy residents, the County historically achieves high rankings relative to the rest of the state on a variety of income measurements. The U.S. Census Bureau reported the County as having the tenth highest median household income in the United States, and the highest among California counties, at $87,287 (2008 inflation adjusted).2

Commercial Activity

Ranking first among San Francisco Bay Area counties and fourth among all California counties in terms of retail activity through 2004, the County is an important center of commercial activity. Taxable sales activity at business and personal service outlets, as well as at other non-retail commercial establishments, are a significant component of the County’s commercial activity. The following table sets forth the amount of taxable transactions from 2005 through 2008, which is the last calendar year for which annual information is available, and the first quarter of 2009 compared with the same period for 2008.

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2 U.S. Census Bureau, Factsheet, Santa Clara County, California.
### County of Santa Clara
### Taxable Transactions by Sector
### 2005 through 2008
### 2008 and 2009 First Quarter Comparison
### (In thousands)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2008(1)</th>
<th>2009(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel Stores</td>
<td>1,169,069</td>
<td>1,264,215</td>
<td>1,334,050</td>
<td>1,422,687</td>
<td>273,306</td>
<td>340,136</td>
</tr>
<tr>
<td>General Merchandise Stores</td>
<td>2,839,877</td>
<td>2,979,387</td>
<td>3,112,536</td>
<td>2,946,466</td>
<td>676,061</td>
<td>470,581</td>
</tr>
<tr>
<td>Specialty Stores(3)</td>
<td>3,377,917</td>
<td>3,674,311</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Service Stations(4)</td>
<td>-</td>
<td>-</td>
<td>2,320,507</td>
<td>2,526,073</td>
<td>603,946</td>
<td>353,821</td>
</tr>
<tr>
<td>Food Stores</td>
<td>830,483</td>
<td>849,281</td>
<td>890,341</td>
<td>868,612</td>
<td>210,532</td>
<td>219,874</td>
</tr>
<tr>
<td>Eating and Drinking Places</td>
<td>2,440,418</td>
<td>2,645,787</td>
<td>2,813,519</td>
<td>2,876,837</td>
<td>701,368</td>
<td>658,022</td>
</tr>
<tr>
<td>Home Furnishings and Appliances</td>
<td>850,634</td>
<td>879,892</td>
<td>901,164</td>
<td>1,068,519</td>
<td>193,020</td>
<td>106,539</td>
</tr>
<tr>
<td>Building Materials</td>
<td>1,577,165</td>
<td>1,659,844</td>
<td>1,581,859</td>
<td>1,356,505</td>
<td>339,576</td>
<td>274,679</td>
</tr>
<tr>
<td>Automotive</td>
<td>5,289,878</td>
<td>5,534,342</td>
<td>3,468,163</td>
<td>2,709,927</td>
<td>732,831</td>
<td>530,962</td>
</tr>
<tr>
<td>Other Retail Stores</td>
<td>528,067</td>
<td>552,873</td>
<td>4,368,119</td>
<td>3,537,686</td>
<td>974,238</td>
<td>147,218</td>
</tr>
<tr>
<td>Total Retail Stores</td>
<td>18,903,508</td>
<td>20,039,932</td>
<td>20,790,258</td>
<td>19,313,313</td>
<td>4,704,878</td>
<td>3,670,684</td>
</tr>
<tr>
<td>Business and Personal Services</td>
<td>1,214,550</td>
<td>1,265,315</td>
<td>1,244,445</td>
<td>1,111,792</td>
<td>277,220</td>
<td>116,738</td>
</tr>
<tr>
<td>All Other Outlets</td>
<td>10,075,744</td>
<td>10,967,991</td>
<td>11,628,745</td>
<td>11,849,202</td>
<td>2,754,498</td>
<td>2,538,388</td>
</tr>
<tr>
<td>Total All Outlets(2)</td>
<td>30,193,802</td>
<td>32,273,238</td>
<td>33,663,448</td>
<td>32,274,306</td>
<td>7,736,596</td>
<td>6,209,072</td>
</tr>
</tbody>
</table>

(1) First quarter only.
(2) Totals may not add due to independent rounding.
(3) Not available after 2006.
(4) Not available prior to 2006.
Source: State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

The local economy started to slow down in late calendar year 2007 and the beginning of 2008, leading to a decline in taxable sales. Contributing to the slow down of the local economy are recent increases in energy, food, and raw material costs, and a downturn in the housing industry. Reduced home building, home sales, and auto sales contributed to a slowdown in taxable sales growth. As a result of the economic slow down, the Authority is experiencing a flattening of growth in 2000 Measure A Sales Tax Revenues and has adjusted its Fiscal Year 2008 and Fiscal Year 2009 2000 Measure A Sales Tax Revenues projection. See “THE 2000 MEASURE A SALES TAX – 2000 Measure A Sales Tax Revenues” in the forepart of this Remarketing Memorandum.

### Construction Activity and Home Sales

The housing downturn continued to slow the County economy in 2007 and 2008. Home building, home sales, and related retail sales all declined in the County. The problems with subprime mortgages and the related financial market volatility and credit tightening have worsened the housing sector.
downturn and raised the risk of further deterioration. Construction of new single family dwelling units in the County for 2008 is below the 2000 level. New multiple-family dwelling units in 2008 have decreased from the 2000 level by 43%. The valuations of new residential building permit activity have decreased from the 2000 level by 22%. The total valuation of new residential and non-residential construction permits issued in the County was approximately $3.0 billion in 2008, representing a decrease of $1.3 billion (30%) from the 2000 total valuation. The following tables provide a summary of building permit valuations and the number of new dwelling units authorized in the County since 2000.

### County of Santa Clara

**Building Permit Valuations**

<table>
<thead>
<tr>
<th>Year</th>
<th>New Residential</th>
<th>New Non-Residential</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$1,348.8</td>
<td>$2,865.9</td>
<td>$4,214.6</td>
</tr>
<tr>
<td>2001</td>
<td>1,051.5</td>
<td>2,254.8</td>
<td>3,306.3</td>
</tr>
<tr>
<td>2002</td>
<td>1,087.3</td>
<td>1,330.6</td>
<td>2,417.9</td>
</tr>
<tr>
<td>2003</td>
<td>1,466.4</td>
<td>972.9</td>
<td>2,439.3</td>
</tr>
<tr>
<td>2004</td>
<td>1,406.2</td>
<td>915.8</td>
<td>2,322.0</td>
</tr>
<tr>
<td>2005</td>
<td>1,537.3</td>
<td>1,287.8</td>
<td>2,825.1</td>
</tr>
<tr>
<td>2006</td>
<td>1,652.9</td>
<td>1,534.2</td>
<td>3,187.1</td>
</tr>
<tr>
<td>2007</td>
<td>1,378.2</td>
<td>1,986.2</td>
<td>3,361.3</td>
</tr>
<tr>
<td>2008</td>
<td>1,052.4</td>
<td>1,915.0</td>
<td>2,967.4</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Construction Industry Research Board.

### County of Santa Clara

**Number of New Dwelling Units**

<table>
<thead>
<tr>
<th>Year</th>
<th>Single Family</th>
<th>Multiple Family</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2,834</td>
<td>4,220</td>
<td>7,054</td>
</tr>
<tr>
<td>2001</td>
<td>1,641</td>
<td>4,319</td>
<td>5,960</td>
</tr>
<tr>
<td>2002</td>
<td>2,057</td>
<td>2,456</td>
<td>4,513</td>
</tr>
<tr>
<td>2003</td>
<td>2,320</td>
<td>5,170</td>
<td>7,490</td>
</tr>
<tr>
<td>2004</td>
<td>2,688</td>
<td>2,816</td>
<td>5,504</td>
</tr>
<tr>
<td>2005</td>
<td>2,577</td>
<td>3,295</td>
<td>5,872</td>
</tr>
<tr>
<td>2006</td>
<td>2,257</td>
<td>3,928</td>
<td>6,185</td>
</tr>
<tr>
<td>2007</td>
<td>2,063</td>
<td>2,520</td>
<td>4,583</td>
</tr>
<tr>
<td>2008</td>
<td>1,254</td>
<td>2,417</td>
<td>3,671</td>
</tr>
<tr>
<td>2009</td>
<td>646</td>
<td>396</td>
<td>1,042</td>
</tr>
</tbody>
</table>

Source: Construction Industry Research Board.

Existing home sales in the County have begun to increase. Sales of single-family homes increased 28.7% for the calendar year 2009 compared to calendar year 2008, but the median price for a single-family home in the County was down 20.1% for the calendar year 2009 compared to calendar year 2008 (Source: 2009 RE Report, The Real Estate Report for Santa Clara County.)
APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture, dated as of August 1, 2006, between the Santa Clara Valley Transportation Authority (the “Issuer”) and Deutsche Bank National Trust Company, as trustee (the “Trustee”), dated as of August 1, 2006, as supplemented and amended (hereinafter collectively referred to as the “Indenture”), between the Issuer and the Trustee. Such summary is not intended to be complete or definitive, is supplemental to the summary of other provisions of the Indenture contained elsewhere in this Remarketing Memorandum, and is qualified in its entirety by reference to the full terms of the Indenture. All capitalized terms used and not otherwise defined in this Remarketing Memorandum shall have the meanings assigned to such terms in the Indenture.

Definitions

**Accreted Value** means, with respect to any Capital Appreciation Bond, the principal amount thereof plus the interest accrued thereon, compounded at the approximate interest rate thereon on each date specified therein. The Accreted Value at any date shall be the amounts set forth in the Accreted Value Table as of such date, if such date is a compounding date, and if not, as of the immediately preceding compounding date.

**Accreted Value Table** means the table denominated as such which appears as an exhibit to, and to which reference is made in, a Supplemental Indenture providing for a Series of Capital Appreciation Bonds issued pursuant to such Supplemental Indenture.

**Act** means the Santa Clara Valley Transportation Authority Act, Part 12 of Division 10 (Section 100000 et seq.) of the Public Utilities Code of the State of California and Chapter 6 of Part 1 of Division 2 of Title 5 (Section 54300 et seq.) of the Government Code of the State of California as referenced in the Santa Clara Valley Transportation Authority Act.

**Alternate Liquidity Facility** means, with respect to a Series of Bonds, a line of credit, letter of credit, standby purchase agreement or similar liquidity facility, issued by a commercial bank or other financial institution, and delivered or made available to the Trustee, as a replacement or substitute for any Liquidity Facility then in effect.

**Annual Debt Service** means, for any Fiscal Year, the aggregate amount (without duplication) of principal and interest on all Bonds and Parity Obligations becoming due and payable during such Fiscal Year calculated using the principles and assumptions set forth under the definition of Debt Service.

**ARS Mode** means, with respect to a Series of 2006 Series Bonds, the Mode during which such Series of 2006 Series Bonds bear interest at the ARS Rate.

**Assumed Debt Service** means for any Fiscal Year the aggregate amount of principal and interest which would be payable on all Bonds if each Excluded Principal Payment were amortized on a substantially level debt service basis for a period commencing on the date of calculation of such Assumed Debt Service and ending on the earlier of (i) the date specified by the Issuer, which date may be the final maturity date of such Bonds or (ii) the Tax Expiration Date, such Assumed Debt Service to be calculated based on a fixed interest rate equal to the rate at which the Issuer could borrow for such period, as set forth in a certificate of a financial advisor or investment banker, delivered to the Trustee, who may rely
conclusively on such certificate, such certificate to be delivered within thirty (30) days of the date of calculation.

**Authority** or **Issuer** means the Santa Clara Valley Transportation Authority, a public transit district duly established and existing under the laws of the State of California.

**Authorized Representative** means the Chairperson of the Board, the General Manager, the Chief Financial Officer, the Fiscal Resources Manager, Treasury and Financial Planning or such other person as may be designated to act on behalf of the Issuer by a written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Issuer by an Authorized Representative.

**Beneficial Owner** means any Person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bond, including, without limitation, any Person holding Bonds through nominees or depositories, including the Securities Depository.

**BMA Municipal Swap Index** means the index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by Municipal Market Data or any successor indexing agent which meets the specific criteria established by the Bond Market Association.

**Board** means the Board of Directors of the Issuer.

**Bond Obligation** means, as of any given date of calculation, (1) with respect to any Outstanding Current Interest Bond, the principal amount of such Bond, and (2) with respect to any Outstanding Capital Appreciation Bond, the Accreted Value thereof.

**Bond Reserve Fund** means any fund by that name established with respect to one or more Series of Bonds pursuant to the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

**Bond Reserve Requirement** with respect to a Series of Bonds for which the Issuer shall have established a Bond Reserve Fund shall have the meaning specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

**Bondholder** or **Owner**, whenever used in the Indenture or in this Remarketing Memorandum with respect to a Bond, means the person in whose name such Bond is registered.

**Bonds** means the Santa Clara Valley Transportation Authority 2000 Measure A Sales Tax Revenue Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

**Business Day** means, except as is otherwise provided in the Supplemental Indenture pursuant to which a Series of Bonds are issued, any day other than (1) a Saturday, Sunday, or a day on which banking institutions in the State or the State of New York are authorized or obligated by law or executive order to be closed, (2) for purposes of payments and other actions relating to Bonds secured by a Credit Enhancement or supported by a Liquidity Facility, a day upon which commercial banks in the city in which is located the office of the issuing bank at which demands for payment under the Credit Enhancement or Liquidity Facility, as applicable, are to be presented are authorized or obligated by law or executive order to be closed, and (3) a day on which the New York Stock Exchange is closed.
**Capital Appreciation Bonds** means the Bonds of any Series designated as Capital Appreciation Bonds in the Supplemental Indenture providing for the issuance of such Series of Bonds and on which interest is compounded and paid at maturity or on prior redemption.

**Certificate, Statement, Request, Requisition** and **Order** of the Issuer mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Issuer by an Authorized Representative.

**Code** means the Internal Revenue Code of 1986, and the regulations applicable thereto or issued thereunder, or any successor to the Internal Revenue Code of 1986. Reference to any particular Code section shall, in the event of such a successor Code, be deemed to be reference to the successor to such Code section.

**Continuing Disclosure Certificate** means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the Continuing Disclosure Certificate, dated the date of issuance of such Series of Bonds, executed by the Issuer, as the same may be supplemented, modified or amended in accordance with its terms.

**Corporate Trust Office** or **corporate trust office** means the corporate trust office of the Trustee at 101 California Street, 46th Floor, San Francisco, California 94111, Attention: Corporate Trust, or such other or additional offices as may be designated by the Trustee from time to time.

**Costs of Issuance** means all items of expense directly or indirectly payable by or reimbursable to the Issuer and related to the authorization, execution, sale and delivery of a Series of Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, travel expenses and costs relating to rating agency meetings and other meetings concerning such Series of Bonds, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds, surety, insurance, credit enhancement and liquidity costs, and any other cost, charge or fee in connection with the initial delivery of a Series of Bonds or any Parity Obligations delivered in connection with a Series of Bonds.

**Costs of Issuance Fund** means a fund by that name established pursuant to the provisions of a Supplemental Indenture to pay Costs of Issuance with respect to a Series of Bonds being issued pursuant to such Supplemental Indenture.

**Counterparty** means an entity which has entered into an Interest Rate Swap Agreement with the Issuer.

**Credit Enhancement** means, with respect to a Series of Bonds, any Insurance, letter of credit, line of credit, surety bond or other instrument, if any, which secures or guarantees the payment of principal of and interest on a Series of Bonds, issued by an insurance company, commercial bank or other financial institution, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms, or, in the event of the delivery or availability of an Alternate Credit Enhancement, such Alternate Credit Enhancement.

**Credit Enhancement Provider** means, with respect to a Series of Bonds, the Insurer, commercial bank or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Credit Enhancement then in effect with respect to such Series of Bonds.
**Current Interest Bonds** means the Bonds of any Series designated as Current Interest Bonds in the Supplemental Indenture providing for the issuance of such Series of Bonds and which pay interest at least semiannually to the Owners thereof excluding the first payment of interest thereon.

**Daily Mode** means, with respect to a Series of 2006 Series Bonds, the Mode during which such Series of 2006 Series Bonds bear interest at the Daily Rate.

**Daily Rate** means the per annum interest rate on any Series of 2006 Series Bonds in the Daily Mode determined pursuant to the Indenture.

**Debt Service,** when used with respect to any Bonds, means, as of any date of calculation and with respect to any Fiscal Year, the sum of (1) the interest falling due on such Bonds during such Fiscal Year and (2) the principal or mandatory sinking account payments required with respect to such Bonds during such Fiscal Year; computed on the assumption that no portion of such Bonds shall cease to be Outstanding during such Fiscal Year except by reason of the application of such scheduled payments; provided, however, that for purposes of such computation:

(a) Excluded Principal Payments and the interest related thereto, provided such interest is being paid by the same source as the Excluded Principal Payments, shall be excluded from such calculation and Assumed Debt Service shall be included in such calculation;

(b) in determining the principal amount due in each Fiscal Year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such Bonds, including any Mandatory Sinking Account Payments or any scheduled redemption or payment of Bonds on the basis of Accreted Value, and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond;

(c) if any Bonds bear, or if any Bonds proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is excluded or expected to be excluded from gross income for federal income tax purposes, the interest rate on such variable interest rate Bonds shall be calculated at an interest rate listed in The Bond Buyer “25 Revenue Bond Index” published on a date selected by the Issuer, which date shall be no earlier than the first day of the calendar month preceding the date of sale of such Bonds and no later than the date of sale of such Bonds plus twenty-five (25) basis points or if such index is not published on the date of sale such Bonds, at the interest rate listed in such index published immediately prior to the date of sale such Bonds plus twenty-five (25) basis points (provided, however, that if such index is no longer published, the interest rate on such Bonds shall be calculated based upon such index as the Issuer shall designate in writing to the Trustee);

(d) if any Bonds bear, or if any Bonds proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is included or expected to be included in gross income for federal income tax purposes, the interest rate on such Bonds shall be calculated at an interest rate equal to 110% of the average One Month USD LIBOR Rate during the three (3) months preceding the month of sale of such Bonds, or if the One Month USD LIBOR Rate is no longer available, such similar rate as the Issuer shall designate in writing to the Trustee;
(e) with respect to any Bonds bearing interest, or expected to bear interest, at a variable interest rate for which an Interest Rate Swap Agreement is in place, if (i) the interest rate on such Bonds, plus (ii) the payments received and made by the Issuer under an Interest Rate Swap Agreement with respect to such Bonds, are expected to produce a synthetic fixed rate to be paid by the Issuer (e.g., an interest rate swap under which the Issuer pays a fixed rate and receives a variable rate that is expected to equal or approximate the rate of interest on such Bonds), such Bonds shall be treated as bearing such synthetic fixed rate for the duration of the synthetic fixed rate;

(f) if any Bonds bear, or are expected to bear, a fixed interest rate and an Interest Rate Swap Agreement is entered into with respect to such Bonds, if (i) the interest rate on such fixed interest rate Bonds, plus (ii) the payments received and made by the Issuer under an Interest Rate Swap Agreement with respect to such fixed interest rate Bonds, are expected to produce a synthetic variable rate to be paid by the Issuer (e.g., an interest rate swap under which the Issuer pays a variable rate and receives a fixed rate that is expected to equal or approximate the rate of interest on such fixed interest rate Bonds), the fixed interest rate Bonds, shall be treated as bearing such synthetic variable rate for the duration of the Interest Rate Swap Agreement calculated as provided in subparagraph (c) or subparagraph (d), as applicable, above; and

(g) principal and interest payments on Bonds shall be excluded to the extent such payments are to be paid from amounts on deposit with the Trustee or other fiduciary in escrow specifically therefor and interest payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Bonds held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest or are to be paid from Revenues then held on deposit by the Trustee.

Event of Default means any of the events of default specified in the Indenture.

Excluded Principal Payments means each payment of principal of Bonds which the Issuer determines (in the Supplemental Indenture) that the Issuer intends to pay with moneys which are not Revenues (such as commercial paper, balloon indebtedness or bond anticipation notes) but from future debt obligations of the Issuer, grants from the State or federal government, or any agency or instrumentality thereof, or any other source of funds of the Issuer, upon which determination of the Issuer the Trustee may conclusively rely. No such determination shall affect the security for such Bonds or the obligation of the Issuer to pay such payments from Revenues. No payment of principal of Bonds may be determined to be an Excluded Principal Payment unless it is due on or prior to the later of April 1, 2036 or the Tax Expiration Date.

Favorable Opinion of Bond Counsel means, with respect to any action the occurrence of which requires such an opinion, an Opinion of Bond Counsel, addressed to the Trustee, to the effect that the action proposed to be taken will not, in and of itself, adversely affect any exclusion from gross income of interest on the affected Series of 2006 Series Bonds.

Fees and Expenses Fund means the fund by that name established pursuant to the Indenture.

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other 12-month period hereafter selected and designated as the official fiscal year period of the Issuer, which designation shall be provided to the Trustee in a Certificate delivered by the Issuer.

Fitch means Fitch Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term
“Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Issuer.

**Fixed Rate** means the per annum interest rate or interest rates on any Series of 2006 Series Bonds in a Fixed Rate Mode determined pursuant to the Indenture.

**Fixed Rate Mode** means, with respect to a Series of 2006 Series Bonds, the Mode during which such Series of 2006 Series Bonds bear interest at a Fixed Rate.

**Fixed Rate Remarketing Agent** means, an investment banking firm or firms selected by the Issuer which has or have entered into a written agreement with the Issuer to remarket or purchase and remarket a Series of 2006 Series Bonds being converted to a Fixed Rate Mode in accordance with the terms and provisions set forth in the Indenture.

**Flexible Mode** means, with respect to a Series of 2006 Series Bonds, the Mode during which such Series of 2006 Series Bonds bear interest at Flexible Rates.

**Flexible Rate** means, with respect to any 2006 Series Bond in a Flexible Mode, the per annum interest rate determined for such 2006 Series Bond pursuant to the Indenture.

**Indenture** means the Indenture, dated as of August 1, 2006, between the Trustee and the Issuer, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Indenture delivered pursuant to the provisions of the Indenture.

**Insurance** means any financial guaranty insurance policy or municipal bond insurance policy issued by an Insurer insuring the payment when due of principal of and interest on a Series of Bonds as provided in such financial guaranty insurance policy or municipal bond insurance policy.

**Insurer** means any provider of Insurance with respect to a Series of Bonds.

**Interest Fund** means the fund by that name established pursuant to the Indenture.

**Interest Payment Date**, with respect to each Series of Bonds, shall have the meaning specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

**Interest Rate Swap Agreement** or **Swap** means an interest rate swap, cap, collar, option, floor, forward, derivative or other hedging agreement, arrangement or security, however denominated, entered into between the Issuer and a Counterparty, in connection with, or incidental to, the issuance or carrying of Bonds including, without limitation, an interest rate swap, cap, collar, option, floor, forward, derivative or other hedging agreement, arrangement or security entered into in advance of the issuance of Bonds.

**Investment Policy** means the investment policy adopted by the Board on April 4, 1996 and reaffirmed by the Board on June 1, 2006, as heretofore modified, amended and supplemented, and as such investment policy may be further modified, amended or supplemented from time to time by action of the Board.

**Investment Securities** means any of the following to the extent such Investment Securities are permitted pursuant to the Investment Policy:

(A) The following obligations may be used as Investment Securities for all purposes, including defeasance investments in refunding escrow accounts:
(1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below);

(2) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Rural Economic Community Development Administration (formerly the Farmers Home Administration)
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA’s)
- Federal Housing Administration
- Federal Financing Bank; and

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations rated “Aaa” by Moody’s and “AAA” by Standard & Poor’s issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by each Credit Enhancement Provider then providing Credit Enhancement for a Series of Bonds.

(B) The following obligations may be used as Investment Securities for all purposes other than defeasance investments in refunding escrow accounts:

(1) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks (including the Trustee and its affiliates) which have a rating (ratings on holding companies are not considered as the rating of the banks) on their short-term certificates of deposit on the date of purchase of “A-1” or “A-1+” by Standard & Poor’s and “P-1” by Moody’s and maturing no more than three hundred sixty (360) days after the date of purchase;

(2) Commercial paper which is rated at the time of purchase in the single highest classification, “A-1” by Standard & Poor’s or “P-1” by Moody’s and which matures not more than two hundred seventy (270) days after the date of purchase;

(3) Investments in a money market fund rated “AAAm or “AAAm-G” or better by Standard & Poor’s including funds for which the Trustee or an affiliate provides investment advice or other services;
(4) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Standard & Poor’s and Moody’s or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and prepayment premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and prepayment premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified prepayment date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and prepayment premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(5) General obligations of states with a rating of at least “A2/A” or higher by both Moody’s and Standard & Poor’s;

(6) Any investment agreement with a financial institution or insurance company which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated (or the parent company or guarantor of which is rated) in either of the two highest long-term Rating Categories by Moody’s and Standard & Poor’s;

(7) The Local Agency Investment Fund managed by the Treasurer of the State of California, as referred to in Section 16429.1 of the Government Code of the State but only to the extent such investment is registered in the name of the Trustee;

(8) Shares in a common law trust established pursuant to Title 1, Division 7, Charter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53601 of Title 5 Division 2, Chapter 4 of the Government Code of the State, as it may be amended (“CAMP”);

(9) The commingled investment fund of the County, California, which is administered in accordance with the investment policy of said County as established by the Director of Finance thereof, as permitted by Section 53601 of the Government Code of the State, copies of which policy are available upon written request to said Director of Finance; and

(10) Any other forms of investments, including repurchase agreements, approved in writing by each Credit Enhancement Provider then providing Credit Enhancement for a Series of Bonds.

Issuer or Authority means the Santa Clara Valley Transportation Authority, a public transit district duly established and existing under the laws of the State of California.
Liquidity Facility means, with respect to a Series of Bonds, a line of credit, letter of credit, standby purchase agreement or similar liquidity facility, issued by a commercial bank, insurance company, pension fund or other financial institution, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms, or, in the event of the delivery or availability of an Alternate Liquidity Facility, such Alternate Liquidity Facility.

Liquidity Facility Bonds means any Bonds purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Liquidity Facility, but excluding any Bonds no longer considered to be Liquidity Facility Bonds in accordance with the terms of the applicable Liquidity Facility.

Liquidity Facility Provider means, with respect to a Series of Bonds, the commercial bank, insurance company, pension fund or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Liquidity Facility then in effect with respect to such Series of Bonds.

Liquidity Facility Rate means, with respect to a Series of Bonds, the interest rate per annum, if any, specified in the Liquidity Facility delivered in connection with such Series of Bonds as applicable to Liquidity Facility Bonds.

Mandatory Sinking Account Payment means, with respect to Bonds of any Series and maturity, the amount required by the Supplemental Indenture establishing the terms and provisions of such Series of Bonds to be deposited by the Issuer in a Sinking Account for the payment of Term Bonds of such Series and maturity.

Maturity Date means, with respect to a Series of Bonds, the date of maturity or maturities specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

Maximum Annual Debt Service means the maximum amount of Annual Debt Service becoming due and payable on all Bonds Outstanding and all Parity Obligations outstanding during the period from the date of such calculation through the final maturity date of the Bonds and Parity Obligations, calculated utilizing the assumptions set forth under the definition of Debt Service.

Maximum Rate means the lesser of (i) twelve percent (12%) and (ii) the maximum rate of interest that may legally be paid on the Bonds from time to time.

Moody’s means Moody’s Investors Service, a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Issuer.

Mode or Interest Rate Mode means, as the context may require, the ARS Mode, the Daily Mode, the Weekly Mode, the Flexible Mode, the Term Rate Mode, or the Fixed Rate Mode.

Mode Change Date means with respect to all of any Series of 2006 Series Bonds in a particular Mode, the day on which another Mode for all of such Series of 2006 Series Bonds begins, and includes an ARS Rate Conversion Date and a Conversion Date.

Notice Parties means the Issuer, the Trustee, the Credit Enhancement Provider, if any, the Liquidity Facility Provider, if any, the Broker-Dealer, if any, the Auction Agent, if any, the Remarketing
Agent, if any, and the Fixed Rate Remarketing Agent, if any, for the Series of 2006 Series Bonds to which the notice being given relates.

**One Month USD LIBOR Rate** means the British Banker’s Association average of interbank offered rates in the London market for deposits in U. S. dollars for a one month period as reported in The Wall Street Journal or, if not reported in such newspaper, as reported in such other source as may be selected by the Issuer.

**Opinion of Bond Counsel** means a written opinion of a law firm of national standing in the field of public finance selected by the Issuer.

**Ordinance** means Ordinance No. 01.1 adopted by the Board on March 1, 2001, pursuant to the provisions of Article 9 of Chapter 5 of the Act, as now in effect and as it may from time to time hereafter be amended or supplemented.

**Outstanding**, when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except: (1) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which all liability of the Issuer shall have been discharged in accordance with the provisions of the Indenture described below under the caption “Discharge of Liability on Bonds,” and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture; provided, however, that in the event the principal of or interest due on any Bonds shall be paid by the Credit Enhancement Provider pursuant to the Credit Enhancement issued in connection with such Bonds, such Bonds shall remain Outstanding for all purposes and shall not be considered defeased or otherwise satisfied or paid by the Issuer and the pledge of Revenues and all covenants, agreements and other obligations of the Issuer to the Owners shall continue to exist and shall run to the benefit of such Credit Enhancement Provider and such Credit Enhancement Provider shall be subrogated to the rights of such Owners.

**Parity Obligations** means (i) any indebtedness, installment sale obligation, lease obligation or other obligation of the Issuer for borrowed money or (ii) any Interest Rate Swap Agreement (excluding fees and expenses and termination payments on Interest Rate Swap Agreements which fees and expenses and termination payments shall be secured by a lien and charge on the 2000 Measure A Sales Tax Revenues subordinate to the lien and charge upon the 2000 Measure A Sales Tax Revenues which secures the Bonds, Parity Obligations and payment of principal and interest on Subordinate Obligations) entered into in connection with a Series of Bonds, in each case incurred in accordance with the Indenture and having an equal lien and charge upon the 2000 Measure A Sales Tax Revenues and therefore payable on a parity with the Bonds (whether or not any Bonds are Outstanding).

**Participating Underwriter** means any of the original underwriters of a Series of Bonds required to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission, under the Securities Act of 1934, as the same may be amended from time to time.

**Person** means an association, corporation, firm, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**Principal Fund** means the fund by that name established pursuant to the Indenture.

**Project** means the acquisition, construction improvement or equipping of any or all real and personal and intellectual property, equipment, computers, information services, software rights or
interests to be owned, held or used for transit purposes, including, but not limited to, rights-of-way, rail lines, bus lines, stations, platforms, switches, yards, terminals, parking lots and any and all facilities necessary or convenient for transit service within or partly without the County as permitted under the Ordinance, and the payment and/or reimbursement of all costs incidental to or connected with the accomplishment of such purpose including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during construction and for a period not to exceed one (1) year thereafter or such greater period as shall be specified in the Tax Certificate delivered in connection with a Series of Bonds.

As and to the extent permitted pursuant to 2000 Measure A and the Ordinance, Project shall also include the payment of operating expenses relating to increased bus, light rail and paratransit services.

**Project Fund** means, with respect to any Series of Bonds, a fund by that name established pursuant to the provisions of a Supplemental Indenture to hold the proceeds of a Series of Bonds or a portion thereof prior to expenditure on the portion of the Project being financed with the proceeds of such Series of Bonds.

**Proportionate Basis,** when used with respect to the redemption of Bonds, means that the amount of Bonds of each maturity to be redeemed shall be determined as nearly as practicable by multiplying the total amount of funds available for redemption by the ratio which the amount of Bond Obligation of Bonds of such maturity bears to the amount of all Bond Obligation of Bonds to be redeemed, provided, however that, any Bond may only be redeemed in an authorized denomination. For purposes of the foregoing. Term Bonds shall be deemed to mature in the years and in the amounts of the Mandatory Sinking Account Payments, and Capital Appreciation Bonds and Current Interest Bonds maturing or subject to Mandatory Sinking Account Payments in the same year shall be treated as separate maturities. When used with respect to the payment or purchase of Bonds, “Proportionate Basis” shall have the same meaning set forth above except that “pay” or “purchase” shall be substituted for “redeem” or “redemption” and “paid” or “purchased” shall be substituted for “redeemed.”

**Purchase Fund** means a fund by that name established to hold funds to be applied to pay the purchase price of a Series of Bonds, which fund shall be established pursuant to the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

**Rating Agency** means, as and to the extent applicable to a Series of Bonds, each of Fitch, Moody’s and Standard & Poor’s then maintaining a rating on such Series of Bonds at the request of the Issuer.

**Rating Category** means: (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier; and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

**Rebate Fund** means that fund by that name established pursuant to the Indenture.

**Rebate Instructions** means, with respect to any Series of Bonds, those calculations and directions required to be delivered to the Trustee by the Issuer pursuant to the Tax Certificate delivered in connection with such Series of Bonds.

**Rebate Requirement** means, with respect to any Series of Bonds, the Rebate Requirement determined in accordance with the Tax Certificate delivered in connection with such Series of Bonds.
Record Date, with respect to each Series of Bonds, shall have the meaning specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

Redemption Fund means the fund by that name established pursuant to the Indenture.

Redemption Price means, with respect to any Bond (or portion thereof) the principal amount of such Bond (or portion thereof) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and the Indenture.

Refunding Bonds means a Series of Bonds or a portion of a Series of Bonds issued pursuant to the provisions of the Indenture described below under the caption “Issuance of Refunding Bonds.”

Remarketing Agent means, with respect to any Series of 2006 Series Bonds, the remarketing agent for such Series of 2006 Series Bonds selected by the Issuer pursuant to the Indenture.

Repositories means the public or private entities designated as Repositories in a Continuing Disclosure Certificate entered into in connection with a Series of Bonds.

Reserve Facility means any insurance policy, letter of credit or surety bond issued by a Reserve Facility Provider, meeting the requirements set forth in the Indenture described below under the caption “Funding and Application of Bond Reserve Funds,” and delivered to the Trustee in satisfaction of all or a portion of the Bond Reserve Requirement applicable to one or more Series of Bonds.

Reserve Facility Provider means any issuer of a Reserve Facility.

Revenue Fund means the Sales Tax Revenue Fund established pursuant to the Indenture.

Revenues means: (i) all 2000 Measure A Sales Tax Revenues; and (ii) all investment earnings on amounts held by the Trustee in the funds and accounts established under the Indenture, excluding amounts deposited to the Rebate Fund and any Purchase Fund. Revenues does not include any funds or assets of the Issuer except 2000 Measure A Sales Tax Revenues and investment earnings on amounts held by the Trustee in the funds and accounts established under the Indenture, excluding amounts deposited to the Rebate Fund and any Purchase Fund; provided, however, that in accordance with the provisions of the Indenture described below under the caption “Issuance of Additional Bonds,” the Issuer by Supplemental Indenture may provide for additional revenues or assets of the Issuer to be included in the definition of Revenues.

Rule 15c2-12 means Securities and Exchange Commission Rule 15c2-12, as supplemented and amended from time to time.

Securities Depository means The Depository Trust Company, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depository, or no such depositories, as the Issuer may designate in a Request of the Issuer delivered to the Trustee.

Serial Bonds means Bonds, maturing in specified years, for which no Mandatory Sinking Account Payments are provided.

Series, whenever used in the Indenture with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter
authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as in the Indenture provided.

**Sinking Account** means an account by that name established in the Principal Fund for the payment of Term Bonds.

**Standard & Poor’s or S&P** means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Issuer.

**State** means the State of California.

**State Board of Equalization** means the California State Board of Equalization.

**Subordinate Obligations** means any obligations issued or incurred in accordance with the provisions of the Indenture described in paragraph (D) under the caption “Limitations on the Issuance of Obligations Payable from 2000 Measure A Sales Tax Revenues; Parity Obligations; Subordinate Obligations” set forth below.

**Subordinate Obligations Fund** means the fund by that name established pursuant to the Indenture.

**Supplemental Indenture** means any indenture hereafter duly executed and delivered, supplementing, modifying or amending the Indenture, but only if and to the extent that such supplemental indenture is specifically authorized under the Indenture.

**Tax Certificate** means each Tax Certificate delivered by the Issuer at the time of issuance and delivery of a Series of Bonds, as the same may be amended or supplemented in accordance with its terms.

**Tax Expiration Date** means March 31, 2036 or such later date to which the levy of the 2000 Measure A Sales Tax is extended in accordance with the Act.

**Term Bonds** means Bonds payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

**Term Rate** means the per annum interest rate for any Series of 2006 Series Bonds in the Term Rate Mode determined pursuant to the Indenture.

**Term Rate Mode** means, with respect to a Series of 2006 Series Bonds, the Mode during which such Series of 2006 Series Bonds bear interest at a Term Rate.

**Trustee** means Deutsche Bank National Trust Company, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or its successor, as Trustee as provided in the Indenture.

**2000 Measure A** means the ballot measure which authorized the 2000 Measure A Sales Tax.
**2000 Measure A Sales Tax** means the retail transactions and use tax authorized by 2000 Measure A.

**2000 Measure A Sales Tax Revenues** or **Sales Tax Revenues** means the amounts available for distribution to the Issuer after the date of issuance of the 2006 Series Bonds on account of the 2000 Measure A Sales Tax after deducting amounts payable by the Issuer to the State Board of Equalization for costs and expenses for its services in connection with the 2000 Measure A Sales Tax collected pursuant Section 100250 et seq. of the Act and levied pursuant to the Ordinance.


**Variable Rate Indebtedness** means any indebtedness the interest rate on which is not fixed at the time of incurrence of such indebtedness, and has not at some subsequent date been fixed, at a numerical rate or rates for the entire term of such indebtedness.

**Weekly Rate** means the per annum interest rate on any Series of 2006 Series Bonds in the Weekly Mode determined pursuant to the Indenture.

**Weekly Mode** means, with respect to any Series of 2006 Series Bonds, the Mode during which such Series of 2006 Series Bonds bear interest at the Weekly Rate.

**Pledge of 2000 Measure A Sales Tax Revenues; Sales Tax Revenue Fund**

The Bonds are limited obligations of the Issuer and are payable as to both principal and interest, and any premium upon redemption thereof, exclusively from the 2000 Measure A Sales Tax Revenues and other funds pledged under the Indenture. All 2000 Measure A Sales Tax Revenues are pledged to secure the punctual payment of the principal of, redemption premium, if any, and interest on the Bonds and any Parity Obligations in accordance with their terms, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and provisions set forth in the Indenture. All amounts (including proceeds of the Bonds) held by the Trustee under the Indenture (except for amounts held in the Rebate Fund and any Purchase Fund) are pledged to secure the payment of the principal of and redemption premium, if any, and interest on the Bonds in accordance with their terms, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. Said pledge shall constitute a first lien on the 2000 Measure A Sales Tax Revenues and on the amounts in such funds and shall be valid and binding from and after delivery by the Trustee of the 2006 Series Bonds or Parity Obligations incurred in connection with the 2006 Series Bonds, without any physical delivery thereof or further act.

The 2000 Measure A Sales Tax Revenues pledged to the payment of Bonds and Parity Obligations shall be applied without priority or distinction of one over the other and the 2000 Measure A Sales Tax Revenues shall constitute a trust fund for the security and payment of the Bonds and Parity Obligations; but nevertheless out of 2000 Measure A Sales Tax Revenues certain amounts may be applied for other purposes as provided in the Indenture.

Out of 2000 Measure A Sales Tax Revenues there shall be applied as hereinafter described all sums required for the payment of the principal of (including any premium thereon) and interest on the Bonds and all Parity Obligations, together with any sinking fund payments of Bonds and Parity Obligations and reserve requirements with respect thereto and fees and expenses and similar charges payable in connection with the Bonds and Parity Obligations. All remaining 2000 Measure A Sales Tax
Revenues, after making the foregoing allocation, shall be available to the Issuer for all lawful Issuer purposes. The pledge of 2000 Measure A Sales Tax Revenues made in the Indenture shall be irrevocable until all of the Bonds, all Parity Obligations and amounts owed in connection with the Bonds and Parity Obligations.

The 2000 Measure A Sales Tax Revenues shall be received and held in trust by the Trustee for the benefit of the Owners of the Bonds and the Parity Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture and described below under the caption “Allocation of Revenues.” As long as any Bonds are Outstanding or any Parity Obligations remain unpaid, the Issuer assigns and shall cause 2000 Measure A Sales Tax Revenues to be transmitted by the California State Board of Equalization directly to the Trustee. The Trustee shall forthwith deposit in a trust fund, designated as the “Sales Tax Revenue Fund,” which fund the Trustee shall establish and maintain, all 2000 Measure A Sales Tax Revenues, when and as received by the Trustee. Investment income on amounts held by the Trustee under the Indenture (other than amounts held in the Rebate Fund or for which particular instructions (such as with respect to a Project Fund or a Purchase Fund) are provided in a Supplemental Indenture) shall also be deposited in the Revenue Fund. All moneys at any time held in the Revenue Fund shall be held in trust for the benefit of the Owners of the Bonds and the holders of Parity Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture and described below under the caption “Allocation of Revenues.”

**Allocation of 2000 Measure A Sales Tax Revenues**

So long as any Bonds are Outstanding, the Trustee shall set aside in each month following receipt of the 2000 Measure A Sales Tax Revenues the moneys in the Revenue Fund in the following respective funds (each of which the Trustee shall establish, maintain and hold in trust for the benefit of the Owners of the Bonds and, as and to the extent applicable, the holders of Parity Obligations) in the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund subsequent in priority; provided that on a parity with such deposits the Trustee may set aside or transfer amounts with respect to any outstanding Parity Obligations as provided in the proceedings for such Parity Obligations delivered to the Trustee (which shall be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the Bonds and such Parity Obligations):

**Interest Fund.** Following receipt of the 2000 Measure A Sales Tax Revenues in each month, the Trustee shall set aside in the Interest Fund as soon as practicable in such month an amount equal to (a) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) during the next ensuing six (6) months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing six (6) months), until the requisite half-yearly amount of interest on all such Outstanding Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) is on deposit in such fund; provided that from the date of delivery of a Series of Current Interest Bonds until the first interest payment date with respect to such Series of Bonds the amounts set aside in such fund with respect to such Series of Bonds shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on said interest payment date with respect to such Series of Bonds, plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by the Issuer, or if the Issuer shall not have specified an interest
rate in writing, calculated at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to month of deposit plus one hundred (100) basis points (provided, however, that the amount of such deposit into the Interest Fund for any month may be reduced by the amount by which the deposit in the prior month exceeded the actual amount of interest accrued during that month on said Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into the Interest Fund for any month shall be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on said Outstanding Variable Rate Indebtedness). No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the Interest Payment Dates falling within the next six (6) months upon all of the Bonds issued under the Indenture and then Outstanding and on April 1 of each year any excess amounts in the Interest Fund not needed to pay interest on such date (and not held to pay interest on Bonds having interest payment dates other than April 1 and October 1) shall be transferred to the Issuer (but excluding, in each case, any moneys on deposit in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay interest on any future interest payment dates following such interest payment dates).

**Principal Fund; Sinking Accounts.** Following receipt of the 2000 Measure A Sales Tax Revenues in each month, the Trustee shall deposit in the Principal Fund as soon as practicable in such month an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six (6) months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next twelve (12) months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next 12-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that if the Issuer certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in a Bond Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be set aside towards such principal to be so refunded or paid. All of the aforesaid deposits made in connection with future Mandatory Sinking Account Payments shall be made without priority of any payment into any one such Sinking Account over any other such payment.

In the event that the Revenues shall not be sufficient to make the required deposits so that moneys in the Principal Fund on any principal or mandatory redemption date are equal to the amount of Bond Obligation to become due and payable on the Outstanding Serial Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding Term Bonds required to be redeemed or paid at maturity on such date, then such moneys shall be applied on a Proportionate Basis and in such proportion as said Serial Bonds and said Term Bonds shall bear to each other, after first deducting for such purposes from said Term Bonds any of said Term Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding 12-month period and any of said Term Bonds required to be redeemed semiannually as shall have been redeemed or purchased during the six-month period ending on such date or the immediately preceding six month period. In the event that the Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts shall be made on a Proportionate Basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current 12-month period bear to the
aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such 12-month period.

No deposit need be made into the Principal Fund so long as there shall be in such fund (i) moneys sufficient to pay the Bond Obligations of all Serial Bonds issued under the Indenture and then Outstanding and maturing by their terms within the next twelve (12) months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such 12-month period; provided that if the Issuer certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in a Bond Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be on deposit with respect to such principal payments. At the beginning of each Fiscal Year and in any event not later than April 1 of each year, the Trustee shall request from the Issuer a Certificate of the Issuer setting forth the principal payments for which deposits will not be necessary pursuant to the preceding sentence and the reason therefor. On April 1 of each year any excess amounts in the Principal Fund not needed to pay principal on such date (and not held to pay principal on Bonds having principal payment dates other than April 1) shall be transferred to the Issuer.

**Bond Reserve Fund.** Upon the occurrence of any deficiency in any Bond Reserve Fund, the Trustee shall make such deposit to such Bond Reserve Fund as is required pursuant to the provisions of the Indenture described in paragraph (D) under the caption “Funding and Application of Bond Reserve Funds,” each such deposit to be made as soon as possible in each month, until the balance therein is at least equal to the applicable Bond Reserve Requirement.

**Subordinate Obligations Fund.** Upon the written direction of the Issuer, the Trustee shall establish, maintain and hold in trust a separate fund designated as the “Subordinate Obligations Fund.” Upon the establishment of the Subordinate Obligations Fund at the direction of the Issuer, after the transfers to the Interest Fund, the Principal Fund and the Bond Reserve Funds described above have been made, the Trustee shall deposit in the Subordinate Obligations Fund in each month such amount as the Issuer shall specify in writing is necessary to pay principal of and interest due and payable during the following month with respect to Subordinate Obligations then outstanding.

**Fees and Expenses Fund.** After the transfers to the Interest Fund, the Principal Fund, the Bond Reserve Funds and the Subordinate Obligations Fund described above have been made if Issuer shall have instructed the Trustee to establish a Subordinate Obligations Fund or after the transfers described above to Interest Fund, Principal Fund, and Bond Reserve Funds have been made if no Subordinate Obligations Funds shall have been established, the Trustee shall deposit as soon as practicable in each month in the Fees and Expenses Fund (which fund the Trustee hereby agrees to establish, maintain and hold in trust) amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by the Issuer in connection with the Bonds or any Parity Obligations (excluding termination payments on Interest Rate Swap Agreements). The Issuer shall inform the Trustee of such amounts, in writing, at the beginning of each month.

Any Revenues remaining in the Revenue Fund after the foregoing transfers in the funds and accounts described above, except as the Issuer shall otherwise direct in writing or as is otherwise provided in a Supplemental Indenture, shall be transferred to the Issuer on the same Business Day or as soon as is practicable thereafter. The Issuer may use and apply the Revenues when received by it for any lawful purpose of the Issuer, including the redemption of Bonds upon the terms and conditions set forth in the Supplemental Indenture relating to such Bonds and the purchase of Bonds as and when and at such prices as it may determine.
If five (5) days prior to any principal payment date, interest payment date or mandatory redemption date the amounts on deposit in the Interest Fund, the Principal Fund, including the Sinking Accounts therein, and, as and to the extent applicable, any Bond Reserve Fund established in connection with a Series of Bonds with respect to the payments to be made on such upcoming date are insufficient to make such payments, the Trustee shall immediately notify the Issuer, in writing, of such deficiency and direct that the Issuer transfer the amount of such deficiency to the Trustee on or prior to such payment date. The Issuer covenants and agrees to transfer to the Trustee from any Revenues in its possession the amount of such deficiency on or prior to the principal, interest or mandatory redemption date referenced in such notice.

Establishment and Application of Funds and Accounts

Each of the funds and accounts described below is established pursuant to the Indenture.

Interest Fund. All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to the Indenture) and making periodic payments on Interest Rate Swap Agreements, as provided pursuant to the provisions of the Indenture described below under the caption “Payment Provisions Applicable to Interest Rate Swap Agreements.”

Principal Fund. All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purposes of paying the Bond Obligation of the Bonds when due and payable, except that all amounts in the Sinking Accounts shall be used and withdrawn by the Trustee solely to purchase or redeem or pay at maturity Term Bonds, as provided in the Indenture.

The Trustee shall establish and maintain within the Principal Fund a separate account for the Term Bonds of each Series and maturity, designated as the “_____ Sinking Account,” inserting therein the Series and maturity designation of such Bonds. On or before the Business Day prior to any date upon which a Mandatory Sinking Account Payment is due, the Trustee shall transfer the amount of such Mandatory Sinking Account Payment (being the principal thereof, in the case of Current Interest Bonds, and the Accreted Value, in the case of Capital Appreciation Bonds) from the Principal Fund to the applicable Sinking Account. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of such Series and maturity for which such Sinking Account was established, in the manner provided in the Indenture or the Supplemental Indenture pursuant to which such Series of Bonds was created; provided that, at any time prior to giving such notice of such redemption, the Trustee shall, upon receipt of a Request of the Issuer, apply moneys in such Sinking Account to the purchase of Term Bonds of such Series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as is directed by the Issuer, except that the purchase price (excluding accrued interest, in the case of Current Interest Bonds) shall not exceed the principal amount or Accreted Value thereof. If, during the 12-month period (or six-month period with respect to Bonds having semi-annual Mandatory Sinking Account Payments) immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Term Bonds of such Series and maturity with moneys in such Sinking Account, or, during said period and prior to giving said notice of redemption, the Issuer has deposited Term Bonds of such Series and maturity with the Trustee, or Term Bonds of such Series and maturity were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Term Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Term Bonds purchased or
deposited pursuant to the provisions of the Indenture described herein shall be cancelled by the Trustee and destroyed by the Trustee and a certificate of destruction shall be delivered to the Issuer by the Trustee. Any amounts remaining in a Sinking Account on April 1 of each year following the redemption as of such date of the Term Bonds for which such account was established shall be withdrawn by the Trustee and transferred as soon as is practicable to the Issuer to be used for any lawful purpose. All Term Bonds purchased from a Sinking Account or deposited by the Issuer with the Trustee in a twelve month period ending March 31 (or in a six-month period ending March 31 or September 30 with respect to Bonds having semi-annual Mandatory Sinking Account Payments) and prior to the giving of notice by the Trustee for redemption from Mandatory Sinking Account Payments for such period shall be allocated first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of Term Bonds, if any, occurring on the next April 1 or October 1, then as a credit against such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the Issuer. All Term Bonds redeemed by the Trustee from the Redemption Fund shall be credited to such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the Issuer.

**Funding and Application of Bond Reserve Funds.** The Issuer may at its sole discretion at the time of issuance of any Series of Bonds or at any time thereafter by Supplemental Indenture provide for the establishment of a Bond Reserve Fund as additional security for a Series of Bonds. Any Bond Reserve Fund so established by the Issuer shall be available to secure one or more Series of Bonds as the Issuer shall determine and shall specify in the Supplemental Indenture establishing such Bond Reserve Fund. Any Bond Reserve Fund established by the Issuer shall be held by the Trustee and shall comply with the requirements of the Indenture described under this caption.

In lieu of making the Bond Reserve Requirement deposit applicable to one or more Series of Bonds in cash or in replacement of moneys then on deposit in any Bond Reserve Fund (which shall be transferred by the Trustee to the Issuer), or in substitution of any Reserve Facility comprising part of the Bond Reserve Requirement relating to one or more Series of Bonds, the Issuer may, at any time and from time to time, deliver to the Trustee an irrevocable letter of credit issued by a financial institution having unsecured debt obligations rated at the time of delivery of such letter of credit in one of the two highest Rating Categories of Moody’s and Standard & Poor’s, in an amount, which, together with cash, Investment Securities or other Reserve Facilities, as described in the paragraph below, then on deposit in such Bond Reserve Fund, will equal the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates. Such letter of credit shall have a term no less than three (3) years or, if less, the final maturity of the Bonds in connection with which such letter of credit was obtained and shall provide by its terms that it may be drawn upon as provided in this caption. At least one (1) year prior to the stated expiration of such letter of credit, the Issuer shall either (i) deliver a replacement letter of credit, (ii) deliver an extension of the letter of credit for at least one (1) additional year or, if less, the final maturity of the Bonds in connection with which such letter of credit was obtained, or (iii) deliver to the Trustee a Reserve Facility satisfying the requirements of the Indenture described in the paragraph below. Upon delivery of such replacement Reserve Facility, the Trustee shall deliver the then-effective letter of credit to or upon the order of the Issuer. If the Issuer shall fail to deposit a replacement Reserve Facility with the Trustee, the Issuer shall immediately commence to make monthly deposits with the Trustee so that an amount equal to the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates will be on deposit in such Bond Reserve Fund no later than the stated expiration date of the letter of credit. If an amount equal to the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates as of the date following the expiration of the letter of credit is not on deposit in such Bond Reserve Fund one (1) week prior to the expiration date of the letter of credit (excluding from such determination the letter of credit), the Trustee shall draw on the letter of credit to fund the deficiency resulting therefrom in such Bond Reserve Fund.
In lieu of making a Bond Reserve Requirement deposit in cash or in replacement of moneys then on deposit in a Bond Reserve Fund (which shall be transferred by the Trustee to the Issuer) or in substitution of any Reserve Facility comprising part of a Bond Reserve Requirement for any Bonds, the Issuer may, at any time and from time to time, deliver to the Trustee a surety bond or an insurance policy securing an amount which, together with moneys, Investment Securities, or other Reserve Facilities then on deposit in a Bond Reserve Fund, is no less than the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates. Such surety bond or insurance policy shall be issued by an insurance company whose unsecured debt obligations (or for which obligations secured by such insurance company’s insurance policies) are rated at the time of delivery in one of the two highest Rating Categories of Moody’s and Standard & Poor’s. Such surety bond or insurance policy shall have a term of no less than the final maturity of the Bonds in connection with which such surety bond or insurance policy is obtained. In the event that such surety bond or insurance policy for any reason lapses or expires, the Issuer shall immediately implement (i) or (iii) of the preceding paragraph or make the required deposits to such Bond Reserve Fund.

Subject to the provisions of the Indenture described in the final paragraph under this caption, all amounts in any Bond Reserve Fund (including all amounts which may be obtained from Reserve Facilities on deposit in such Bond Reserve Fund) shall be used and withdrawn by the Trustee, as hereinafter described for the purpose of making up any deficiency in the Interest Fund or the Principal Fund relating to the Bonds to which such Bond Reserve Fund relates, or (together with any other moneys available therefor) for the payment or redemption of all Bonds then Outstanding to which such Bond Reserve Fund relates or, for the payment of the final principal and interest payment of such Bonds. Unless otherwise directed in a Supplemental Indenture establishing the terms and provisions of a Series of Bonds, the Trustee shall apply amounts held in cash or Investment Securities in any Bond Reserve Fund prior to applying amounts held in the form of Reserve Facilities in any Bond Reserve Fund, and if there is more than one Reserve Facility being held on deposit in any Bond Reserve Fund, shall on a pro rata basis with respect to the portion of a Bond Reserve Fund held in the form of a Reserve Facility (calculated by reference to the maximum amount of such Reserve Facility), draw under each Reserve Facility issued with respect to such Bond Reserve Fund, in a timely manner and pursuant to the terms of such Reserve Facility to the extent necessary in order to obtain sufficient funds on or prior to the date such funds are needed to pay the Bond Obligation of, Mandatory Sinking Account Payments with respect to, and interest on the Bonds to which such Bond Reserve Fund relates when due. In the event that the Trustee has notice that any payment of principal of or interest on a Bond has been recovered from a Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee, pursuant to and provided that the terms of the Reserve Facility, if any, securing the Bonds so provide, shall so notify the issuer thereof and draw on such Reserve Facility to the lesser of the extent required or the maximum amount of such Reserve Facility in order to pay to such Owners the principal of and interest so recovered.

The Trustee shall notify the Issuer of any deficiency in any Bond Reserve Fund (i) due to a withdrawal from such Bond Reserve Fund for purposes of making up any deficiency in the Interest Fund or the Principal Fund relating to the Bonds to which such Bond Reserve Fund relates or (ii) resulting from a valuation of Investment Securities held on deposit in such Bond Reserve Fund pursuant to the provisions of the Indenture described below under the caption “Investment in Funds and Accounts” and shall request that the Issuer replenish such deficiency or repay any and all obligations due and payable under the terms of any Reserve Facility comprising part of any Bond Reserve Requirement. Upon receipt of such notification from the Trustee, the Issuer shall instruct the Trustee to commence setting aside in each month following receipt of 2000 Measure A Sales Tax Revenues for deposit in the applicable Bond Reserve Fund an amount equal to one-twelfth (1/12th) of the aggregate amount of each unreplenished prior withdrawal from such Bond Reserve Fund or decrease resulting from a valuation of Investment Securities and shall further instruct the Trustee to transfer to each Reserve Facility Provider providing a
Reserve Facility satisfying a portion of the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates, an amount equal to one-twelfth (1/12th) of the aggregate amount of any unreplenished prior withdrawal on such Reserve Facility, such amount to be transferred by the Trustee as promptly as possible after receipt of the 2000 Measure A Sales Tax Revenues each month, commencing with the month following the Issuer’s receipt of notification from the Trustee of withdrawal or decrease resulting from a valuation, as applicable, until the balance on deposit in such Bond Reserve Fund is at least equal to the Bond Reserve Requirement relating to the Series of Bonds to which such Bond Reserve Fund relates.

Unless the Issuer shall otherwise direct in writing, amounts in any Bond Reserve Fund in excess of the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates shall be transferred by the Trustee to the Issuer on the Business Day following April 1 of each year; provided that such amounts shall be transferred only from the portion of such Bond Reserve Fund held in the form of cash or Investment Securities. In addition, amounts on deposit in any Bond Reserve Fund shall be transferred by the Trustee to the Issuer upon the defeasance, retirement or refunding of Bonds of the Series to which such Bond Reserve Fund relates or upon the replacement of cash on deposit in such Bond Reserve Fund with one or more Reserve Facilities in accordance with the provisions of the Indenture described above.

Subordinate Obligations Fund. All moneys in the Subordinate Obligations Fund shall be applied to the payment of principal of and interest on Subordinate Obligations in accordance with, and upon the written directions of, the Issuer.

Fees and Expenses Fund. All amounts in the Fees and Expenses Fund shall be used and withdrawn by the Trustee solely for the purpose of paying fees, expenses and similar charges owed by the Issuer in connection with the Bonds or any Parity Obligations (excluding termination payments on any Interest Rate Swap Agreement) as such amounts shall become due and payable.

Redemption Fund. The Trustee shall establish, maintain and hold in trust a special fund designated as the “Redemption Fund.” All moneys deposited by the Issuer with the Trustee for the purpose of optionally redeeming Bonds of any Series shall, unless otherwise directed by the Issuer, be deposited in the Redemption Fund. All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds of such Series and maturity as shall be specified by the Issuer in a Request to the Trustee, in the manner, at the times and upon the terms and conditions specified in the Supplemental Indenture pursuant to which the Series of Bonds was created; provided that, at any time prior to giving such notice of redemption, the Trustee shall, upon receipt of a Request of the Issuer, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding, in the case of Current Interest Bonds, accrued interest, which is payable from the Interest Fund) as is directed by the Issuer, except that the purchase price (exclusive of any accrued interest) may not exceed the Redemption Price or Accreted Value then applicable to such Bonds. All Term Bonds purchased or redeemed from the Redemption Fund shall be allocated to Mandatory Sinking Account Payments applicable to such Series and maturity of Term Bonds as may be specified in a Request of the Issuer.

Rebate Fund. Upon receipt of funds to be applied to the Rebate Requirement, the Trustee shall establish and maintain a fund separate from any other fund established and maintained under the Indenture designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary in order to comply with the terms and requirements of each Tax Certificate as directed in writing by the Issuer. Subject to the transfer provisions provided in the Indenture, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the federal government of the United States of
America, and neither the Trustee nor any Owner nor any other Person shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by the Indenture and by each of the Tax Certificates. The Issuer covenants to comply with the directions contained in each Tax Certificate and the Trustee covenants to comply with all written instructions of the Issuer delivered to the Trustee pursuant to each Tax Certificate (which instructions shall state the actual amounts to be deposited in or withdrawn from the Rebate Fund and shall not require the Trustee to make any calculations with respect thereto).

Payment Provisions Applicable to Interest Rate Swap Agreements

In the event the Issuer shall enter into an Interest Rate Swap Agreement in connection with a Series of Bonds, the amounts received by the Issuer, if any, pursuant to such Interest Rate Swap Agreement may be applied to the deposits required under the Indenture. If the Issuer so designates in a Supplemental Indenture establishing the terms and provisions of such Series of Bonds (or if such Interest Rate Swap Agreement is issued subsequent to the issuance of such Series of Bonds, if the Issuer so designates in a Certificate of the Issuer delivered to the Trustee concurrently with the execution of such Interest Rate Swap Agreement) amounts payable under such Interest Rate Swap Agreement (excluding termination payments and payments of fees and expenses which shall in all cases be payable from, and secured by, 2000 Measure A Sales Tax Revenues on a subordinate basis to Bonds, Parity Obligations and payment of principal and interest on Subordinate Obligations) shall constitute Parity Obligations under the Indenture, and, in such event, the Issuer shall pay or cause to be paid to the Trustee for deposit in the Interest Fund, at the times and in the manner provided in the Indenture, the amounts to be paid pursuant to such Interest Rate Swap Agreement, as if such amounts were additional interest due on the Series of Bonds to which such Interest Rate Swap Agreement relates, and the Trustee shall pay to the Counterparty to such Interest Rate Swap Agreement, to the extent required thereunder, amounts deposited in the Interest Fund for the payment of interest on the Series of Bonds with respect to which such Interest Rate Swap Agreement was entered into.

Investment in Funds and Accounts

All moneys in any of the funds and accounts held by the Trustee and established pursuant to the Indenture shall be invested, as directed by the Issuer, solely in Investment Securities, subject to the limitations set forth in the Indenture. If and to the extent the Trustee does not receive investment instructions from the Issuer with respect to the moneys in the funds and accounts held by the Trustee pursuant to the Indenture, such moneys shall be invested in Investment Securities described in clause (B)(3) of the definition thereof and the Trustee shall thereupon request investment instructions from the Issuer for such moneys.

Moneys in any Bond Reserve Fund shall be invested in Investment Securities available on demand for the purpose of payment of the Bonds to which such Bond Reserve Fund relates as provided in the Indenture. Moneys in the remaining funds and accounts shall be invested in Investment Securities maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee.

Unless otherwise provided in a Supplemental Indenture establishing the terms and provisions of a Series of Bonds: (i) all interest, profits and other income received from the investment of moneys in the Interest Fund representing accrued interest or capitalized interest shall be retained in the Interest Fund; (ii) all interest, profits and other income received from the investment of moneys in a Bond Reserve Fund shall be retained in such Bond Reserve Fund to the extent of any deficiency therein, and otherwise shall be transferred to the Revenue Fund; (iii) all interest, profits and other income received from the investment of moneys in a Project Fund shall be retained in such Project Fund, unless the Issuer shall
direct that such earnings be transferred to the Rebate Fund; (iv) all interest, profits and other income received from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund, except as otherwise provided in the Indenture; and (vi) all interest, profits and other income received from the investment of moneys in any other fund or account shall be transferred to the Revenue Fund.

All Investment Securities credited to any Bond Reserve Fund shall be valued (at market value) as of March 1 of each year (or the next succeeding Business Day if such day is not a Business Day), such market value to be determined by the Trustee in the manner then currently employed by the Trustee or in any other manner consistent with corporate trust industry standards. Notwithstanding anything to the contrary in the Indenture, in making any valuations of investments under the Indenture, the Trustee may utilize and rely on computerized securities pricing services that may be available to it, including those available through its regular accounting system.

The Trustee may commingle any of the funds or accounts established pursuant to the Indenture (except the Rebate Fund and any Purchase Fund) into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee under the Indenture shall be accounted for separately as required by the Indenture. The Trustee may act as principal or agent in the making or disposing of any investment and, with the prior written consent of the Issuer may impose its customary charge therefor. The Trustee may sell at the best price obtainable, or present for redemption, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited. The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with the provisions of the Indenture.

**Issuance of Additional Bonds and Other Obligations**

**Issuance of Additional Bonds.** Subsequent to the issuance of the 2006 Series Bonds, the Issuer may by Supplemental Indenture establish one or more additional Series of Bonds, payable from 2000 Measure A Sales Tax Revenues and secured by the pledge made under the Indenture equally and ratably with the 2006 Series Bonds, and the Issuer may issue, and the Trustee may authenticate and deliver to the purchasers thereof. Bonds of any Series so established, in such principal amount as shall be determined by the Issuer, but only, with respect to each additional Series of Bonds issued subsequent to the 2006 Series Bonds issued under the Indenture, upon compliance by the Issuer with the provisions of the Indenture described below under the caption “Proceedings for Issuance of Additional Bonds” and any additional requirements set forth in said Supplemental Indenture and subject to the specific conditions set forth below, each of which is hereby made a condition precedent to the issuance of any such additional Series of Bonds.

(A) No Event of Default shall have occurred and then be continuing.

(B) Subject to the provisions of the Indenture described above under the caption “Funding and Application of Bond Reserve Funds,” in the event a Supplemental Indenture providing for the issuance of such Series of Bonds shall require either (i) the establishment of a Bond Reserve Fund to provide additional security for such Series of Bonds or (ii) that the balance on deposit in an existing Bond Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of such Series, to an amount at least equal to the Bond Reserve Requirement with respect to such Series of Bonds and all other Bonds secured by such Bond Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Bonds, the Supplemental Indenture providing for the issuance of such additional Series of Bonds shall require deposit of the amount necessary. Said deposit shall be made as provided in the Supplemental Indenture providing for the issuance of such additional Series of Bonds and may be made from the proceeds of the sale of such Series of Bonds or from other funds of the Issuer or from both
such sources or may be made in the form of a letter of credit, surety bond or insurance policy as provided in the provisions of the Indenture described above under the caption “Funding and Application of Bond Reserve Funds.”

(C) The aggregate principal amount of Bonds issued under the Indenture shall not exceed any limitation imposed by law or by any Supplemental Indenture.

(D) The Issuer shall place on file with the Trustee a Certificate of the Issuer certifying that the lesser of (i) the amounts of 2000 Measure A Sales Tax Revenues for a period of twelve (12) consecutive months (selected by the Issuer) during the eighteen (18) months immediately preceding the date on which such additional Series of Bonds will become Outstanding, or (ii) the estimated 2000 Measure A Sales Tax Revenues for the Fiscal Year in which such Series of Bonds are to be issued, shall have been, or will be, as applicable, at least equal to 1.3 times Maximum Annual Debt Service, on all Series of Bonds and Parity Obligations then Outstanding and the additional Series of Bonds then proposed to be issued, which Certificate shall also set forth the computations upon which such Certificate is based.

(E) Principal payments of each additional Series of Bonds shall be due on April 1 in each year in which principal is to be paid if and to the extent deemed practical in the reasonable judgment of the Issuer with regard to the type of Bond to be issued, and, if the interest on such Series of Bonds is to be paid semiannually, such interest payments shall be due on April 1 and October 1 in each year to the extent deemed practical in the reasonable judgment of the Issuer with regard to the type of Bond to be issued.

Nothing in the Indenture shall prevent or be construed to prevent the Supplemental Indenture providing for the issuance of an additional Series of Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by the Indenture, additional security for the benefit of such additional Series of Bonds or any portion thereof.

In the event additional assets or revenues are included within the definition of “Revenues” by a Supplemental Indenture, such additional assets or revenues shall be included in the calculations to be provided pursuant to the provisions of the Indenture described in paragraph (D) above as if such additional assets or revenues had always been included in “Revenues.”

**Proceedings for Issuance of Additional Bonds.** Subsequent to the issuance of the 2006 Series Bonds, before any additional Series of Bonds shall be issued and delivered, the Issuer shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied).

(A) A Supplemental Indenture authorizing such Series executed by the Issuer.

(B) A Certificate of the Issuer certifying: (i) that no Event of Default has occurred and is then continuing; and (ii) that the requirements of the Indenture described in paragraphs (B) and (C) under the caption “Issuance of Additional Bonds” have been satisfied by the Issuer.

(C) A Certificate of the Issuer certifying (on the basis of calculations made no later than the date of sale of such Series of Bonds) that the requirement of the Indenture described in paragraph (D) under the caption “Issuance of Additional Bonds” is satisfied.

(D) An Opinion of Bond Counsel to the effect that the Supplemental Indenture is being entered into in accordance with the Indenture and that such Series of Bonds, when duly executed by the Issuer and authenticated and delivered by the Trustee, will be valid and binding obligations of the Issuer.
Issuance of Refunding Bonds. Refunding Bonds may be authorized and issued by the Issuer without compliance with the provisions of the Indenture described above under the captions “Issuance of Additional Bonds” and “Proceedings for Issuance of Additional Bonds;” provided that Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Bonds. Such Refunding Bonds may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following:

1. the principal or Redemption Price of the Outstanding Bonds or outstanding Parity Obligations to be refunded;
2. all expenses incident to the calling, retiring or paying of such Outstanding Bonds or outstanding Parity Obligations and the Costs of Issuance of such Refunding Bonds;
3. interest on all Outstanding Bonds or outstanding Parity Obligations to be refunded to the date such Bonds or Parity Obligations will be called for redemption or paid at maturity;
4. interest on the Refunding Bonds from the date thereof to the date of payment or redemption of the Bonds or Parity Obligations to be refunded; and
5. funding a Bond Reserve Fund for the Refunding Bonds, if required.

Before such Series of Refunding Bonds shall be issued and delivered pursuant to the provisions of the Indenture described under this caption, the Issuer shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Refunding Bonds have been satisfied).

1. A Supplemental Indenture authorizing such Series of Refunding Bonds executed by the Issuer.
2. A Certificate of the Issuer certifying: (i) that Maximum Annual Debt Service on all Bonds and Parity Obligations which will be outstanding following the issuance of such Series of Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds Outstanding and Parity Obligations outstanding prior to the issuance of such Refunding Bonds; and (ii) that the requirements of the Indenture described in paragraphs (A), (B), and (C) under the caption “Issuance of Additional Bonds” are satisfied.
3. If any of the Bonds to be refunded are to be redeemed prior to their stated maturity dates, irrevocable instructions to the Trustee to give the applicable notice of redemption or a waiver of the notice of redemption signed by the Owners of all or the portion of the Bonds or Parity Obligations to be redeemed, or proof that such notice has been given by the Issuer; provided, however, that in lieu of such instructions or waiver or proof of notice of redemption, the Issuer may cause to be deposited with the Trustee all of the Bonds and Parity Obligations proposed to be redeemed (whether canceled or uncanceled) with irrevocable instructions to the Trustee to cancel said Bonds or Parity Obligations so to be redeemed upon the exchange and delivery of said Refunding Bonds.
4. An Opinion of Bond Counsel to the effect that the Supplemental Indenture is being entered into in accordance with the Indenture and that such Series of Refunding Bonds,
when duly executed by the Issuer and authenticated and delivered by the Trustee, will be valid and binding obligations of the Issuer.

Limitations on the Issuance of Obligations Payable from 2000 Measure A Sales Tax Revenues; Parity Obligations; Subordinate Obligations. The Issuer will not, so long as any of the Bonds are Outstanding, issue any obligations or securities, howsoever denominated, payable in whole or in part from 2000 Measure A Sales Tax Revenues except the following:

(A) Bonds authorized pursuant to provisions in the Indenture described above under the caption “Issuance of Additional Bonds;”

(B) Refunding Bonds authorized pursuant to the provisions of the Indenture described above under the caption “Issuance of Refunding Bonds;”

(C) Parity Obligations, provided that the following conditions to the issuance or incurrence of such Parity Obligations are satisfied:

1. Such Parity Obligations have been duly and legally authorized for any lawful purpose;

2. No Event of Default shall have occurred and then be continuing, as evidenced by the delivery of a Certificate of the Issuer to that effect, which Certificate of the Issuer shall be filed with the Trustee;

3. Such Parity Obligations are being issued or incurred either (i) for purposes of refunding in compliance with the requirements for the issuance of Refunding Bonds set forth in the Indenture and described above under the caption “Issuance of Refunding Bonds” or (ii) the Issuer shall have placed on file with the Trustee a Certificate of the Issuer, upon which the Trustee may conclusively rely certifying (on the basis of calculations made no later than the date of sale or incurrence of such Parity Obligations, as applicable) that the requirements of the Indenture described in paragraph (D) under the caption “Issuance of Additional Bonds” relating to the issuance of an additional Series of Bonds have been satisfied with respect to such Parity Obligations, which Certificate shall also set forth the computations upon which such Certificate is based evidencing compliance with the requirements set forth in subsection (ii) of this paragraph;

4. As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Parity Obligations and the Issuer shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Parity Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Parity Obligations).

Notwithstanding any other provision of the Indenture to the contrary, the execution and delivery of an Interest Rate Swap Agreement shall not be subject to compliance with the provisions of the Indenture described in paragraphs (C)(3) or (C)(4) above.

(D) Subordinate Obligations which are payable as to principal, premium, interest and reserve fund requirements, if any, only out of 2000 Measure A Sales Tax Revenues after the prior payment of all amounts then required to be paid under the Indenture from 2000 Measure A Sales Tax Revenues for principal, premium, interest and reserve fund requirements, if any, for all Bonds Outstanding, and all Parity Obligations outstanding, as the same become due and payable and at the times and in the manner as required in the Indenture and in the instrument or instruments pursuant to which any Parity Obligations were issued or incurred.
(E) Termination payments and fees and expenses on Interest Rate Swap Agreements and other obligations which shall be secured by a lien and charge on the 2000 Measure A Sales Tax Revenues subordinate to the lien and charge upon the 2000 Measure A Sales Tax Revenues which secures the Bonds, Parity Obligations and payment of principal and interest on Subordinate Obligations.

**Calculation of Maximum Annual Debt Service with Respect to Parity Obligations.** For purposes of the Indenture, Maximum Annual Debt Service with respect to Parity Obligations shall be determined no later than the date of incurrence of such Parity Obligations utilizing the assumptions set forth in the definition of Debt Service; provided, however, that if a Parity Obligation is contingent upon funds being provided pursuant to such Parity Obligation to pay principal, or purchase price of, or interest on a Bond, such Parity Obligations shall not be considered outstanding until such payment is made thereunder.

**Conversion From ARS Mode**

**Change from ARS Mode to Daily Mode, Weekly Mode, Term Rate Mode or Flexible Mode.** At the option of the Issuer, any Series of 2006 Series Bonds may be converted from an ARS Mode to a Daily Mode, a Weekly Mode, a Term Rate Mode or a Flexible Mode. The Conversion Date from an ARS Mode shall be the Interest Payment Date following the final Auction Period for the affected Series of 2006 Series Bonds.

(1) The Issuer shall give written notice of any such conversion in accordance with the provisions of the Indenture to the Trustee and each of the other Notice Parties not less than five (5) Business Days prior to the date on which the Trustee is required to notify the Owners of the conversion pursuant to the Indenture. Together with such notice, the Issuer shall file with the Trustee a Favorable Opinion of Bond Counsel. No change from the ARS Mode to another Mode shall become effective unless the Issuer shall also file with the Trustee, (i) a Favorable Opinion of Bond Counsel to the same effect dated the Conversion Date and (ii) notice from the Rating Agencies of the rating(s) to be assigned to the affected Series of 2006 Series Bonds on the Conversion Date, such notice to be provided on or prior to the Conversion Date.

(2) Not less than twenty (20) days prior to the Conversion Date, the Trustee shall mail a written notice of the conversion to the Owners of all of the affected Series of 2006 Series Bonds to be converted specifying the Conversion Date and the Mode to which the conversion will be made. Such notice shall be combined with the notice of mandatory purchase required to be delivered by the Trustee pursuant to the Indenture.

(3) A change from an ARS Mode to another Mode as described above is effective only if:

(a) The Issuer shall appoint a Remarketing Agent for the affected Series of 2006 Series Bonds as provided in the Indenture.

(b) In the event that the Mode on the affected Series of 2006 Series Bond is being changed to a Daily Mode, a Weekly Mode or a Flexible Mode, the Issuer shall provide a Liquidity Facility meeting the requirements specified in the Indenture, such Liquidity Facility to be delivered to the Trustee and to become effective on the Conversion Date.

(4) At anytime prior to 10:00 a.m. New York City time on the Business Day immediately preceding the proposed Conversion Date, the Issuer may withdraw its notice of
conversion by giving written notice of such withdrawal to each of the Notice Parties. If the Issuer so withholds such notice, the Auction for the affected Series of 2006 Series Bonds will be held on the scheduled Auction Date as if no notice of conversion had ever been given.

(5) On the Conversion Date applicable to the Series of 2006 Series Bonds to be converted, such Series of 2006 Series Bonds shall be subject to mandatory tender for purchase at a purchase price equal to 100% of the principal amount thereof. In the event that any of the conditions to conversion set forth in the Indenture and described above in this caption are not satisfied or if there is a failure to remarket all of the affected Series of 2006 Series Bonds on the proposed Conversion Date, the Mode on such Series of 2006 Series Bonds will not be converted, such Series of 2006 Series Bonds will not be purchased, such Series of 2006 Series Bonds will be returned to their Owners, the Auction Period will automatically convert to a seven-day Auction Period and such Series of 2006 Series Bonds will bear interest at the Maximum Interest Rate for the seven-day Auction Period then commencing. The Trustee shall notify by mail the Owners of the Series 2006 Bonds to have been converted of the failed conversion in accordance with the provisions of the Indenture. Notwithstanding any other provision of this Indenture, a failure to purchase 2006 Series Bonds on a proposed Conversion Date shall not constitute an Event of Default under the Indenture.

Change from ARS Mode to Fixed Rate Mode. At the option of the Issuer, any Series of 2006 Series Bonds may be converted from an ARS Mode to a Fixed Rate Mode. The Mode Change Date shall be the Interest Payment Date following the final Auction Period for the affected Series of 2006 Series Bonds.

(1) At least five (5) Business Days prior to the date the notice of the Mode Change Date is required to be given to the Owners by the Trustee as required by the Indenture, the Issuer shall give written notice to each of the Notice Parties in accordance with the provisions of the Indenture. Together with such notice, the Issuer shall file with the Trustee a Favorable Opinion of Bond Counsel. No conversion to a Fixed Rate Mode shall occur unless the Issuer shall also file with the Trustee a Favorable Opinion of Bond Counsel to the same effect dated the Mode Change Date.

(2) Not less than the twentieth (20th) day next preceding the Mode Change Date, the Trustee shall mail notice of such proposed change to the Owners of the affected Series of 2006 Series Bonds, stating that the Mode on such 2006 Series Bonds will be changed to a Fixed Rate Mode and setting forth the proposed Mode Change Date. Such notice shall be combined with the notice of mandatory purchase required to be delivered by the Trustee pursuant to the Indenture. The Trustee shall provide a copy of such notice to the Issuer and to each of the other Notice Parties.

(3) A change from an ARS Mode to a Fixed Rate Mode is effective only if the Issuer shall have selected a Fixed Rate Remarketing Agent to remarket the Series of 2006 Series of Bonds being changed to the Fixed Rate Mode and the following items shall have been delivered to the Issuer and each of the Notice Parties on or prior to the Mode Change Date: (a) a Favorable Opinion of Bond Counsel dated the Mode Change Date and (b) notice from the Rating Agencies of the rating(s) to be assigned such Series of 2006 Series Bonds on such Mode Change Date.

(4) The Fixed Rate for the affected Series of 2006 Series Bonds shall be established by the applicable Fixed Rate Remarketing Agent on the Rate Determination Date applicable thereto in accordance with the provisions set forth in the Indenture. Such Fixed Rate or Fixed
Rates, as applicable, shall remain in effect until the Maturity Date or Maturity Dates, as applicable, of the affected Series of 2006 Series Bonds.

(5) Upon conversion of a Series of 2006 Series Bonds to a Fixed Rate Mode, such Series of 2006 Series Bonds shall be subject to the serialization and shall be subject to the optional redemption and mandatory sinking fund redemption provisions set forth in the Indenture and shall be remarketed at par.

(6) At anytime prior to 10:00 a.m. New York City time on the Business Day immediately preceding the proposed Conversion Date, the Issuer may withdraw its notice of conversion by giving written notice of such withdrawal to each of the Notice Parties. If the Issuer so withdraws such notice, the Auction for the affected Series of 2006 Series Bonds will be held on the scheduled Auction Date as if no notice of conversion had ever been given.

(7) On the Conversion Date applicable to the Series of 2006 Series Bonds to be converted, such Series of 2006 Series Bonds shall be subject to mandatory tender for purchase at a purchase price equal to 100% of the principal amount thereof. In the event that any of the conditions to conversion to a Fixed Rate Mode set forth in the Indenture and described above in this caption are not satisfied or if there is a failure to remarket all of the affected Series of 2006 Series Bonds on the proposed Conversion Date, the Mode on such Series of 2006 Series Bonds will not be converted, such Series of 2006 Series Bonds will not be purchased, such Series of 2006 Series Bonds will be returned to their Owners, the Auction Period will automatically convert to a seven-day Auction Period and such Series of 2006 Series Bonds will bear interest at the Maximum Interest Rate for the seven-day Auction Period then commencing. The Trustee shall notify by mail the Owners of the Series 2006 Bonds to have been converted of the failed conversion in accordance with the provisions of the Indenture. Notwithstanding any other provision of this Indenture, a failure to purchase 2006 Series Bonds on a proposed Conversion Date shall not constitute an Event of Default under the Indenture.

Failure to Satisfy Conditions Precedent to a Mode Change. In the event that the Issuer has not withdrawn any election by it to change from an ARS Mode to another Mode as provided in the Indenture and the conditions described above, as applicable, have not been satisfied by the applicable Mode Change Date, then the new mode shall not take effect. The affected Series of 2006 Series Bonds shall automatically convert to a seven-day Auction Period and will bear interest at the Maximum Interest Rate. Succeeding Auction Periods shall be seven-day Auction Periods until subsequently changed in accordance with the provisions set forth in the Indenture and the Auction Rate for succeeding Auction Periods shall be determined in accordance thereto, the contrary, the Issuer may rescind any election by it to change a Mode as described above prior

Rescission of Election to Change Mode. Notwithstanding anything in the Indenture to the Mode Change Date by giving written notice thereof to the Notice Parties prior to such Mode Change Date. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the affected Series of 2006 Series Bonds, then such notice of change in Mode shall be of no force and effect. If the Trustee receives notice from the Issuer of rescission of a Mode change after the Trustee has given notice thereof to the Owners of the affected Series of 2006 Series Bonds, and if the proposed Mode Change Date would have been a Mandatory Purchase Date, the affected Series of 2006 Series Bonds shall in not be subject to mandatory purchase and shall remain in the ARS Mode. An Auction for the affected Series of 2006 Series Bonds will be held on the scheduled Auction Date as though no notice of conversion had ever been given.

Certain Covenants of the Issuer
**Punctual Payments.** The Issuer will punctually pay or cause to be paid the principal or Redemption Price of and interest on all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, and shall punctually pay or cause to be paid all Mandatory Sinking Account Payments, but in each case only out of 2000 Measure A Sales Tax Revenues as provided in the Indenture.

**Against Encumbrances.** The Issuer will not create any pledge, lien or charge upon any of the 2000 Measure A Sales Tax Revenues having priority over or having parity with the lien of the Bonds except only as permitted in the caption “Limitations on the Issuance of Obligations Payable from 2000 Measure A Sales Tax Revenues; Parity Obligations; Subordinate Obligations” above.

**Accounting Records and Financial Statements.** The Issuer will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Revenues. Such books of record and account shall be available for inspection by the Trustee at reasonable hours and under reasonable circumstances.

The Issuer will furnish the Trustee, within two hundred ten (210) days after the end of each Fiscal Year, the financial statements of the Issuer for such Fiscal Year, together with the report and opinion of an independent certified public accountant stating that the financial statements have been prepared in accordance with generally accepted accounting principles and that such accountant’s examination of the financial statements was performed in accordance with generally accepted auditing standards and a Certificate of the Chief Financial Officer of the Issuer stating that no event which constitutes an Event of Default or which with the giving of notice or the passage of time or both would constitute an Event of Default has occurred and is continuing as of the end of such Fiscal Year, or specifying the nature of such event and the actions taken and proposed to be taken by the Issuer to cure such default. Thereafter, a copy of such financial statements will be furnished to any Owner upon written request to the Issuer, which copy of the financial statements may, at the sole discretion of the Issuer, be provided by means of posting such financial statements on an internet site that provides access to the Owners.

**Collection of 2000 Measure A Sales Tax Revenues.** The Issuer covenants and agrees that it has duly levied the 2000 Measure A Sales Tax in accordance with the Act, pursuant to and in accordance with the Ordinance, duly passed and adopted by the Issuer. Said Ordinance has not and will not be amended, modified or altered so long as any of the Bonds are Outstanding in any manner which would reduce the amount of or timing of receipt of 2000 Measure A Sales Tax Revenues, and the Issuer will continue to levy and collect the 2000 Measure A Sales Tax to the full amount permitted by law. The Issuer further covenants that the Issuer has entered into an agreement with the State Board of Equalization under and pursuant to which the State Board of Equalization will process and supervise collection of the 2000 Measure A Sales Tax and will transmit 2000 Measure A Sales Tax Revenues directly to the Trustee. Said agreement will be continued in effect so long as any of any Bonds are Outstanding and shall not be amended, modified or altered without the written consent of the Trustee so long as any of the Bonds are Outstanding. The Issuer will receive and hold in trust for (and remit immediately to) the Trustee any 2000 Measure A Sales Tax Revenues paid to the Issuer by the State Board of Equalization.

2000 Measure A Sales Tax Revenues received by the Trustee shall be transmitted to the Issuer pursuant to the caption “Allocation of Revenues” above; provided that, during the continuance of an Event of Default, any 2000 Measure A Sales Tax Revenues received by the Trustee shall be applied first to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and pursuing remedies, including reasonable compensation of its agents, attorneys and counsel, which costs and expenses shall be paid from the Revenue Fund, and second, to deposit into the Interest Fund and
The Issuer covenants and agrees to separately account for all Revenues and to provide to the Trustee access to such accounting records at reasonable hours and under reasonable circumstances.

**Tax Covenants.** The Issuer covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code; provided that, prior to the issuance of any Series of Bonds, the Issuer may exclude the application of the covenants contained in this caption “Tax Covenant” and the caption “Rebate Fund” above to such Series of Bonds. The Issuer will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Issuer, or take or omit to take any action that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code. To that end, the Issuer will comply with all requirements of the Tax Certificate relating to each Series of the Bonds. In the event that at any time the Issuer is of the opinion that for purposes of this caption “Tax Covenants” it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under the Indenture, the Issuer shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Without limiting the generality of the foregoing, the Issuer agrees that there shall be paid from time to time all amounts required to be rebated to the federal government of the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. The Issuer specifically covenants to pay or cause to be paid to the federal government of the United States of America the Rebate Requirement with respect to each Series of Bonds at the times and in the amounts determined under and as described in the Tax Certificate executed and delivered in connection with such Series of Bonds.

Notwithstanding any provision of this caption “Tax Covenant” and the caption “Rebate Fund” above and the Tax Certificate, if the Issuer shall receive an Opinion of Bond Counsel to the effect that any action required under this caption “Tax Covenant” and the caption “Rebate Fund” above or any Tax Certificate is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Bonds pursuant to Section 103 of the Code, the Issuer and the Trustee may rely conclusively on such opinion in complying with the provisions of the Indenture, and the covenants under the Indenture shall be deemed to be modified to that extent.

Notwithstanding any provisions of the Indenture, including particularly Article X, the covenants and obligations set forth in this caption shall survive the defeasance of the Bonds or any Series thereof.

**Continuing Disclosure.** Upon the issuance of any Series of Bonds requiring an undertaking regarding continuing disclosure under Rule 15c2-12, the Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed and delivered in connection with such Series of Bonds. Notwithstanding any other provision of the Indenture, failure of the Issuer to comply with the provisions of any Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall, at the written request of any Participating Underwriter or of the Owners of at least twenty-five (25%) aggregate principal amount of any Series of Bonds then Outstanding (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or
additional charges and fees of the Trustee whatsoever, including, without limitation, reasonable fees and expenses of its attorneys), or any Owner or beneficial owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this caption “Continuing Disclosure.”

Events of Default and Remedies

Events of Default. The following are Events of Default:

(A) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, or default in the redemption from any Sinking Account of any Bonds in the amounts and at the times provided therefor;

(B) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(C) if the Issuer shall fail to observe or perform any covenant, condition, agreement or provision in the Indenture on its part to be observed or performed, other than as referred to in subsection (A) or (B) above, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Issuer by the Trustee or by any Credit Enhancement Provider; except that, if such failure can be remedied but not within such sixty (60) day period and if the Issuer has taken all action reasonably possible to remedy such failure within such sixty (60) day period, such failure shall not become an Event of Default for so long as the Issuer shall diligently proceed to remedy the same in accordance with and subject to any directions or limitations of time established by the Trustee;

(D) if any payment default shall exist under any agreement governing any Parity Obligations and such default shall continue beyond the grace period, if any, provided for with respect to such default;

(E) if the Issuer files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself;

(F) if a court of competent jurisdiction shall enter an order, judgment or decree declaring the Issuer insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof;

(G) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the Revenues, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control; or

(H) if the Legislature of the State shall repeal or amend all or any portion of the provisions of the Act relating to the 2000 Measure A Sales Tax, being Sections 100250 to 100256, inclusive, of the Act unless the Issuer has determined that said repeal or amendment does not materially and adversely affect the rights of Bondholders.
**No Acceleration of Maturities.** If an Event of Default occurs, the Trustee shall not have the right to declare the principal of and the interest on the Bonds then Outstanding to be due and payable immediately. Acceleration of the Bonds is not a remedy granted to the Trustee or to the Owners.

**Application of Revenues and Other Funds After Default.** If an Event of Default shall occur and be continuing, the Issuer shall immediately transfer to the Trustee all Revenues held by it and the Trustee shall apply all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (excluding the Rebate Fund and any Purchase Fund and except as otherwise provided in the Indenture) as follows and in the following order:

1. To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and Parity Obligations, including the costs and expenses of the Trustee and the Bondholders in declaring such Event of Default, and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under the Indenture;

2. To the payment of the whole amount of Bond Obligation then due on the Bonds and Parity Obligations (upon presentation of the Bonds and Parity Obligations to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, with interest on such Bond Obligation, at the rate or rates of interest borne by the respective Bonds and on Parity Obligations, to the payment to the persons entitled thereto of all installments of interest then due and the unpaid principal or Redemption Price of any Bonds and Parity Obligations which shall have become due, whether at maturity, by call for redemption or otherwise, in the order of their due dates, with interest on the overdue Bond Obligation and Parity Obligations at the rate borne by the respective Bonds and Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the Bonds and Parity Obligations due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Accreted Value (plus accrued interest) due on such date to the persons entitled thereto, without any discrimination or preference.

**Trustee to Represent Bondholders.** The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, the Indenture, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and, with respect to any Series of Bonds for which a Credit Enhancement has been provided, upon the written request of the Credit Enhancement Provider providing such Credit Enhancement, or if such Credit Enhancement Provider is then failing to make a payment required pursuant to such Credit Enhancement, upon the written request of the Owners of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power in the Indenture granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Indenture, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the 2000 Measure A Sales Tax Revenues and other assets pledged under the Indenture, pending such proceedings; provided, however, that, with respect to
any Series of Bonds for which a Credit Enhancement has been provided, the Trustee may only act with the consent of the Credit Enhancement Provider providing such Credit Enhancement. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Indenture.

Bondholders’ Direction of Proceedings. Anything in the Indenture to the contrary (except provisions relating to the rights of a Credit Enhancement Provider to direct proceedings as set forth in the caption “Credit Enhancement Provider Directs Remedies Upon Event of Default” below), the Owners of a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee and upon furnishing the Trustee with indemnification satisfactory to it, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders or holders of Parity Obligations not parties to such direction.

Limitation on Bondholders’ Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Act or any other applicable law with respect to such Bond, unless: (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; provided, however, that the written consent of a Credit Enhancement Provider providing a Credit Enhancement with respect to a Series of Bonds shall be required if the Credit Enhancement with respect to such Series of Bonds is in full force and effect and if the Credit Enhancement Provider providing such Credit Enhancement is not then failing to make a payment as required in connection therewith.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy under the Indenture or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Indenture, the Act or other applicable law with respect to the Bonds, except in the manner in the Indenture provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner in the Indenture provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Credit Enhancement Provider Directs Remedies Upon Event of Default. Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Credit Enhancement Provider then providing Credit Enhancement for any Series of Bonds shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Bonds secured by such Credit Enhancement or granted to the Trustee for the benefit of the Owners of the
Bonds secured by such Credit Enhancement, provided that the Credit Enhancement Provider’s consent shall not be required as otherwise provided in the Indenture if such Credit Enhancement Provider is in default of any of its payment obligations as set forth in the Credit Enhancement provided by such Credit Enhancement Provider.

Modification or Amendment of the Indenture

Amendments Permitted. The Indenture and the rights and obligations of the Issuer, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Issuer and the Trustee may enter into when the written consent of:
(i) each Credit Enhancement Provider then providing a Credit Enhancement for any Series of Bonds, provided that the Credit Enhancement provided by such Credit Enhancement Provider is in full force and effect and the Credit Enhancement Provider is not then failing to make a payment as required in connection therewith; or
(ii) the Owners of a majority in aggregate amount of Bond Obligation of the Bonds (or, if such Supplemental Indenture is only applicable to a Series of Bonds, such Series of Bonds) then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under the Indenture; and provided, further, that if the Credit Enhancement provided for any Series of Bonds is in full force and effect and if the Credit Enhancement Provider providing such Credit Enhancement is not failing to make a payment as required in connection therewith, such Credit Enhancement Provider shall also consent in writing to such modification or amendment, which consent shall not be unreasonably withheld.

No such modification or amendment shall (a) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (b) reduce the aforesaid percentage of Bond Obligation the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (in each case, except as expressly provided in the Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. The Indenture and the rights and obligations of the Issuer, of the Trustee and of the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Issuer may adopt without the consent of any Bondholders, but with the written consent of each Credit Enhancement Provider then providing a Credit Enhancement for any Series of Bonds which shall be materially and adversely affected by such amendment, which consent shall not be unreasonably withheld; provided, however, that such written consent shall be required only if the Credit Enhancement provided by such Credit Enhancement Provider is in full force and effect and if the Credit Enhancement Provider is not then failing to make a payment as required in connection therewith, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Issuer in the Indenture contained other covenants and agreements thereafter to be observed, 1o pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power in the Indenture reserved to or conferred upon the Issuer;
(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Issuer may deem necessary or desirable, and which shall not materially and adversely affect the interests of the Owners of the Bonds;

(3) to modify, amend or supplement the Indenture in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially and adversely affect the interests of the Owners of the Bonds;

(4) to provide for the issuance of an additional Series of Bonds pursuant to the provisions of the Indenture described above under the caption “Issuance of Additional Bonds.”

(5) to make modifications or adjustments necessary appropriate or desirable to provide for the issuance or incurrence, as applicable, of Capital Appreciation Bonds, Parity Obligations, Subordinate Obligations or Variable Rate Indebtedness, with such interest rate, payment, maturity and other terms as the Issuer may deem desirable; subject to the provisions of the Indenture described above under the captions “Issuance of Additional Bonds,” “Proceedings for Issuance of Additional Bonds,” and “Limitations on the Issuance of Obligations Payable from 2000 Measure A Sales Tax Revenues; Parity Obligations; Subordinate Obligations”;

(6) to make modifications or adjustments necessary, appropriate or desirable to provide for change from one interest rate mode to another in connection with any Series of Bonds;

(7) to make modifications or adjustments necessary, appropriate or desirable to accommodate Credit Enhancements, Liquidity Facilities and Reserve Facilities;

(8) to make modifications or adjustments necessary, appropriate or desirable to provide for the appointment of an auction agent, a broker-dealer, a remarketing agent, a tender agent and/or a paying agent in connection with any Series of Bonds;

(9) to modify the auction provisions applicable to any Series of Bonds in accordance with the terms and provisions set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds;

(10) to provide for any additional covenants or agreements necessary to maintain the tax-exempt status of interest on any Series of Bonds;

(11) if the Issuer agrees in a Supplemental Indenture to maintain the exclusion of interest on a Series of Bonds from gross income for purposes of federal income taxation, to make such provisions as are necessary or appropriate to ensure such exclusion;

(12) to provide for the issuance of Bonds in book-entry form or bearer form and/or to modify or eliminate the book-entry registration system for any Series of Bonds;

(13) to modify, alter, amend or supplement the Indenture in any other respect, including amendments which would otherwise be described in the first two paragraphs under this caption, if the effective date of such amendments is a date on which all Bonds affected thereby
are subject to mandatory tender for purchase pursuant to the provisions of the Indenture; or if notice of the proposed amendments is given to Owners of the affected Bonds at least thirty (30) days before the proposed effective date of such amendments and, on or before such effective date, such Owners have the right to demand purchase of their Bonds pursuant to the provisions of the Indenture or if all Bonds affected thereby are in an auction mode and a successful auction is held following notice of such amendment; and

(14) for any other purpose that does not materially and adversely affect the interests of the Owners of the Bonds.

Any Supplemental Indenture entered into pursuant to the provisions of the Indenture described under this caption shall be deemed not to materially adversely affect the interest of the Owners so long as (i) all Bonds are secured by a Credit Enhancement and (ii) each Credit Enhancement Provider shall have given its written consent to such Supplemental Indenture in accordance with the provisions of the Indenture.

Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Issuer, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Defeasance

Discharge of Indenture. Bonds of any Series or a portion thereof may be paid by the Issuer in any of the following ways:

(A) by paying or causing to be paid the Bond Obligations of and interest on such Outstanding Bonds, as and when become due and payable;

(B) by depositing with the Trustee, an escrow agent or other fiduciary, in trust, at or before maturity, money or securities in the necessary amount (as provided pursuant to the provisions of the Indenture described below under the caption “Deposit of Money or Securities”) to pay or redeem such Outstanding Bonds; or

(C) by delivering to the Trustee, for cancellation by it, such Outstanding Bonds.

If the Issuer shall pay all Series for which any Bonds are Outstanding and also pay or cause to be paid all other sums payable under the Indenture by the Issuer, then and in that case, at the election of the Issuer (evidenced by a Certificate of the Issuer, filed with the Trustee, signifying the intention of the Issuer to discharge all such indebtedness and the Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of 2000 Measure A Sales Tax Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the Issuer under the Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon Request of the Issuer, the Trustee shall cause an accounting for such period or periods as may be requested by the Issuer to be prepared and filed with the Issuer and shall execute and deliver to the Issuer all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, a sign or deliver to the Issuer all moneys or securities or other property held by it pursuant to the Indenture which, as evidenced by a verification report, upon
which the Trustee may conclusively rely, from a firm of certified public accountants or other independent consulting firm, are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

**Discharge of Liability on Bonds.** Upon the deposit with the Trustee, escrow agent or other fiduciary, in trust, at or before maturity, of money or securities in the necessary amount (as provided pursuant to the provisions of the Indenture described below under the caption “Deposit of Money or Securities”) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in the Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Issuer in respect of such Bond shall cease, terminate and be completely discharged, provided that the Owner thereof shall thereafter be entitled to the payment of the principal of and premium, if any, and interest on the Bonds, and the Issuer shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment.

**Deposit of Money or Securities.** Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(A) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in the Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(B) Investment Securities described in clause (A) of the definition thereof the principal of and interest on which when due will, in the opinion of an independent certified public accountant delivered to the Trustee (as confirmed by a verification report upon which verification report the Trustee may conclusively rely), provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in the Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Request of the Issuer) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

**Payment of Bonds After Discharge of Indenture.** Any moneys held by the Trustee in trust for the payment of the principal. Redemption Price, or interest on any Bond and remaining unclaimed for one (1) year after such principal. Redemption Price, or interest has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or one (1) year after the date of deposit of such principal. Redemption Price or interest on any Bond if such moneys were deposited after the date when such Bond became due and payable, shall be repaid to the Issuer free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Issuer as aforesaid, the Trustee may (at the cost of the Issuer) first mail to the Owners of any Bonds remaining unpaid at the addresses shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and
with respect to the provisions relating to the repayment to the Issuer of the moneys held for the payment thereof. All moneys held by or on behalf of the Trustee for the payment of principal or Accreted Value of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners any interest on, or be liable to the Owners or any other person (other than the Issuer) interest earned on, moneys so held. Any interest earned thereon shall belong to the Issuer and shall be deposited upon receipt by the Trustee into the Revenue Fund.
APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Santa Clara Valley Transportation Authority 2000 Measure A Sales Tax Revenue Refunding Bonds, 2008 Series A, 2008 Series B, 2008 Series C and 2008 Series D Bonds (each a “Series of Bonds,” and, hereinafter collectively referred to as the “Bonds”). The Bonds were issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each Series of Bonds in the aggregate principal amount of such Series of Bonds, and will be deposited with DTC. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the front portion of this Remarketing Memorandum or in Appendix D - Summary of Certain Provisions of the Indenture.

The following information has been provided by DTC, and neither the Santa Clara Valley Transportation Authority (the “Authority”) nor Goldman, Sachs & Co., Banc of America Merrill Lynch, J.P. Morgan Securities Inc., nor Morgan Stanley & Co. Incorporated, each as a remarketing agent of the above-referenced Bonds, make any representation as to its accuracy or completeness. For further information, beneficial owners should contact DTC in New York, New York.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. The information set forth on such websites is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (each a “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the
Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a Series are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such Series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority and the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments, redemption proceeds, distributions and dividend payments, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Trustee, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of the Authority, DTC, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, redemption proceeds, distributions and dividends, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the applicable remarketing agent, and shall effect delivery of such Bonds by causing the
Direct Participant to transfer the Participant’s interest in the Bonds, on DTC’s records, to the applicable remarketing agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC’s records and followed by a book-entry credit of tendered Bonds to the applicable remarketing agent’s DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered in accordance with the provisions of the Indenture.
APPENDIX F

COPY OF FINAL APPROVING OPINION OF ORRICK, HERRINGTON & SUTCLIFFE LLP

WHEREAS, the Santa Clara Valley Transportation Authority (the “Authority”) is a public transit district duly organized and existing under the provisions of the Santa Clara Valley Transportation Authority Act, being Part 12 of Division 10 of the Public Utilities Code of the State of California, Sections 100000 et seq. (the “Law”);

WHEREAS, the Board of Directors of the Authority (the “Board”) is authorized to issue bonds or notes payable from the proceeds of retail transactions and use taxes (hereinafter referred to as the “Measure A Sales Tax”), authorized pursuant to a ballot measure (“Measure A”) approved on November 7, 2000 by the voters of the County of Santa Clara, which comprises the territory of the Authority, which Measure A Sales Tax was levied by the Authority pursuant to Section 100250 et seq. of the Law and Ordinance No. 01-1, adopted by the Board on March 1, 2001;

WHEREAS, the Santa Clara Valley Transportation Authority 2000 Measure A Sales Tax Revenue Refunding Bonds, 2008 Series A, 2008 Series B, 2008 Series C and 2008 Series D (hereinafter collectively referred to as the “2000 Measure A 2008 Series Bonds”) were issued by the Authority on June 25, 2008 pursuant to an Indenture, dated as of August 1, 2006 (as supplemented and amended, the “Indenture”), between the Authority and Deutsche Bank National Trust Company, as trustee (the “Trustee”);

WHEREAS, the Authority, with the advice of Ross Financial, has selected Sumitomo Mitsui Banking Corporation as the Liquidity Facility Provider for the 2008 Series C Bonds and the 2008 Series D Bonds;

WHEREAS, there has been prepared and distributed to the Board, a proposed form of remarketing memorandum describing the Bonds and related matters (the “Remarketing Memorandum”), to be used in connection with the remarketing Bonds;

WHEREAS, the Board now deems it necessary and advisable and in the financial interest of the Authority (i) to approve the form of, and to authorize the execution and delivery of the Remarketing Memorandum, (ii) to approve the distribution of the Remarketing Memorandum, and (iii) to authorize the taking of various other actions in connection with therewith;

WHEREAS, all acts, conditions and things required by the Law and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions contemplated hereby do exist, have happened and have been performed as required by law, and the Authority is now duly
authorized and empowered, pursuant to each requirement of law, to authorize and consummate the transactions for the purposes, in the manner and upon the terms provided in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Transportation Authority as follows:

Section 1. The foregoing recitals are true and correct and the Board hereby so finds and determines.

Section 2. The proposed form of Remarketing Memorandum, attached hereto as Exhibit A, describing the Bonds and related matters, and the terms and provisions thereof, which are hereby incorporated by reference, are hereby approved. The Secretary is directed to file a copy of such form of Remarketing Memorandum with the minutes of this meeting. The General Manager of the Authority or the Chief Financial Officer of the Authority, or any designee appointed by either (each an “Authorized Officer”), acting alone, is hereby authorized and directed to execute and deliver the Remarketing Memorandum in substantially the form of the Remarketing Memorandum attached hereto as Exhibit A, with such additions thereto or changes therein as such Authorized Officer, with the advice of counsel to the Authority, may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Remarketing Memorandum. The Authority hereby authorizes the distribution of the Remarketing Memorandum in connection with the remarketing of the Bonds.

Section 3. Each Authorized Officer and each other appropriate officer of the Authority, are authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver any and all agreements, certificates, documents and instruments, including, without limitation, signature certificates, no-litigation certificates, disclosure certificates and certificates concerning the contents of the Remarketing Memorandum, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution, and to carry out, consummate and perform the duties of the Authority set forth in this Resolution and all other documents executed in connection with the remarketing of the Bonds.

Section 4. The General Counsel of the Authority is authorized and directed to provide such opinions, on behalf of the Authority, as are required to consummate any of the transactions authorized by this Resolution.

Section 5. All actions heretofore taken by the members of the Board, each Authorized Officer, the General Counsel of the Authority or any other officers, agents or employees of the Authority, with respect to the remarketing of the Bonds and the other transactions contemplated hereby and by the Remarketing Memorandum, are hereby ratified, confirmed and approved.

Section 6. If any section, paragraph clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph or clause or provision shall not affect any of the remaining provisions of this Resolution.
PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Transportation Authority this 3rd day of June, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

____________________________________________________________________
Sam Liccardo, Chairperson
Board of Directors

I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the vote of a majority of the Board of Directors of the Santa Clara Valley Transportation Authority, California at a meeting of said Board of Directors on the date indicated, as set forth above.

Date:____________________

____________________________________________________________________
Sandra Weymouth, Board Secretary

APPROVED AS TO FORM:

____________________________________________________________________
Kevin Allmand, General Counsel
## New Liquidity Provider

<table>
<thead>
<tr>
<th>Bank</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sumitomo Mitsui Banking Corp.</td>
<td>Ronald S. Rumack</td>
</tr>
<tr>
<td>277 Park Avenue</td>
<td>Senior Vice President</td>
</tr>
<tr>
<td>New York, New York</td>
<td></td>
</tr>
<tr>
<td>(212) 224-4631</td>
<td></td>
</tr>
</tbody>
</table>
Authorize funding VTA’s Partner Contribution for Caltrain’s FY2011 Operating Expense, after consideration of recommendations from the General Manager concerning fund sources and VTA’s payment obligations.

WILL BE FORWARDED UNDER SEPARATE COVER
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority  
Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: Senate Bill 83 - Vehicle Registration Fee

ACTION ITEM

RECOMMENDATION:

1) Adopt a resolution to place a ballot measure before the voters of Santa Clara County in November 2010 to authorize a $10 increase in the fees of motor vehicle registration for transportation-related projects and programs, containing a finding of fact that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee and the projects or programs are consistent with the Regional Transportation Plan; and 2) Adopt an expenditure plan allocating the revenue to transportation-related programs and projects that have a relationship or benefit to the persons who pay the fee; and 3) Allocate $1,000,000 of Measure B Local Program Reserve funds to be used for the costs associated with placing the measure on the ballot. 4) Increase expenditure appropriation in the amount of $1,000,000 in the FY 2011 Congestion Management Program Fund Operating Budget.

BACKGROUND:

Senate Bill 83 (Hancock) was signed into law in 2009. This legislation authorizes a countywide transportation agency, such as VTA, to implement a vehicle registration fee (VRF) of up to $10 on motor vehicles registered within the county for transportation programs and projects. The statute requires that the fee be approved by a simple majority of voters in the county.

The statute also requires that the fees collected be used only to pay for programs and projects bearing a relationship or benefit to the owners of motor vehicles paying the fee. The programs and projects must be consistent with the regional transportation plan and requires the agency’s
board to make a specified finding of fact in that regard. Finally, the governing board of the agency must adopt an expenditure plan that details the programs and projects that would result from the VRF.

As outlined by the statute, the categories of eligible transportation projects and programs in the expenditure plan may include:

A. To provide matching funds for other grant funds sources

B. Congestion mitigation programs such as HOV/HOT lanes, local streets and roads rehabilitation, bicycle and pedestrian improvements, signal coordination and roadway operational improvements, traveler information systems, Intelligent Transportation Systems and transit service expansion.

C. Automobile-related pollution mitigation programs.

A $10 annual fee per vehicle would generate an estimated $14 million per year in Santa Clara County.

**DISCUSSION:**

At the April 2010, Board of Directors meeting, the Board authorized staff to proceed with the following activities regarding the VRF: a) conduct polling to survey Santa Clara County voters in order to determine whether or not the electorate would support a VRF in November 2010; b) authorize the development of an expenditure plan to detail the projects and programs that would be developed through the VRF. Additionally, to comply with the statute, should the Board choose to place the measure on a ballot a “Finding of Fact” specifying that the proposed expenditures are consistent with the Regional Transportation Plan and that the proposed expenditures provide benefits to fee payers are also required.

**Survey of Santa Clara County Voters**

Following Board approval, VTA staff contracted with the firm FM3 to conduct the survey. The polling survey is anticipated to be in early May. Staff elected to conduct the polling as late in the year as possible to assure the most accurate results possible, while still providing ample time for the Board to determine whether or not to place the item on the ballot. The poll results are intended to inform the Board of Directors as to the likely intent of the voters of supporting the fee and proposed expenditures of revenue generated by the fee.

**Draft Expenditure Plan**

To develop the expenditure plan, staff has been working with an ad hoc SB 83 Working Group of the Technical Advisory Committee and other stakeholders to develop a draft expenditure plan, describing how the funding collected from the VRF will be used. As outlined above, the statute is explicit in that the fees collected must bear a relationship or benefit to the owners of the motor vehicles which pay the fee. Therefore, the development of the draft expenditure plan has been
based on the following principles:

- Plan should be based on eligible program areas described in statute
- Plan should be a simple and straightforward description of expenditures
- Plan should be based on program categories versus specific projects
- Plan should provide for a portion of revenue to be returned to jurisdictions based on a “return to source” formula approved by the Board of Directors
- Plan should be based on a Benefit Analysis comparing expenditures to the intent of the statute.

Attachment A to the memorandum describes the working draft of the proposed Expenditure Plan prepared by the SB 83 Ad hoc Working Group of the TAC. The Plan is composed of three areas of expenditure: 1. Direct Return to Source, 2. Regional Program, 3. Administration. The proposed program categories and eligible expenditures are intended to comply with intent of SB83. In order to validate the eligibility, staff is preparing a Benefit Analysis of the Expenditure Plan to perform a technical, quantitative and qualitative analysis correlating the proposed expenditure categories to the intent of the statute. A draft Benefit Analysis will be provided to the committees for review and comment.

Also included in the Expenditure Plan is a requirement for VTA to prepare an annual public reporting of expenditures intended to provide the fee payers and users of the transportation system information on the use of the fee revenues consistent with the Expenditure Plan.

Attachment B describes the proposed distribution formula to be applied to Category 1. Return to Source. The formula is based on population of each jurisdiction except for a distribution to Santa Clara County based lane miles to account for lower unincorporated population and higher lane miles due to the Expressway System.

Finding of Fact

SB 83 also requires that the Board adopt a finding of fact that; a) the projects and programs contained in the expenditure plan are consistent with the Regional Transportation Plan (RTP) and; b) that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee.

The RTP is the Bay Area’s long range transportation plan which describes projects and categories of expenditures anticipated to be funded and implemented over the next 25 years. The RTP prepared by the Metropolitan Transportation Commission (MTC) is compiled from each county wide transportation plan prepared by the nine Congestion Management Agencies in the Bay Area. VTA has prepared Valley Transportation Plan 2035 as Santa Carla County’s long range plan. Based on the review of proposed SB 83 expenditures and projects and programs include in both the VTP 2035 and RTP, it is staff’s opinion that a Finding of Fact can be made by the Board of Directors that the proposed SB 83 Expenditure Plan is consistent with and included in the RTP.
A Benefits Analysis is also being prepared which will address the relationship of fees paid to benefits received by the payers through the proposed expenditures. The Benefit Analysis will make recommended findings as to the proposed Expenditure Plan meeting the intent of the statute.

The costs for the County Registrar of Voters to place a measure on an election ballot is estimated at $800,000, based on costs of similar county wide elections conducted in 2008. The memorandum recommends that up to $1 million of Local Program Reserve funds be allocated by the Board of Directors for this expense.

At the committee meeting, staff will provide an update on the following items: a) an overview of the draft survey results from polling; b) Draft Expenditure Plan for discussion; c) preliminary draft Benefits Analysis study.

The recommendation before the committee is conditional upon the receipt of supporting poll data. Staff generated the initial recommendation based upon the very favorable poll results that have been found in neighboring counties. Staff may alter the recommendation to the committee based upon the results of the poll.

**ALTERNATIVES:**

The committee may recommend that the Board not place the VRF on the November ballot. The committee may also recommend changes to the expenditure plan. However, any suggested revisions must stay within the constraints of the statute.

**FISCAL IMPACT:**

If the Board of Directors decides to ask the voters to consider the VRF in November, VTA would be responsible for the cost of placing the measure on the ballot. Previous ballot measure election costs in 2008 were approximately $800,000. These costs would be reimbursable if the VRF is approved. Local Program Reserve funds are proposed to be used for the costs of the election.

If voters approve the VRF, it would generate an estimated $14 million annually.

**ADVISORY/STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Citizens Advisory Committee (CAC) reviewed this item on May 12, 2010. Members asked questions regarding the polling data and the expenditure plan. The committee also asked what types of reporting measures VTA will implement and how VTA will ensure the revenues forwarded to the cities will only be used for projects eligible in the expenditure plan. Staff responded that VTA will require regular audits of all revenue to ensure the funds are being spent correctly. The committee unanimously supported staff’s recommendation.
The Technical Advisory Committee (TAC) reviewed this item on May 13, 2010. Staff presented an overview of Senate Bill 83, the recommended actions and the results of electorate polling.

The committee discussed various components of the proposed expenditure plan, how the polling results compared with those components, draft Benefit Analysis document, how distribution of funding will actually work and how other County expenditure plans in the Bay Area compare to the VTA proposal. The City of Sunnyvale voiced concern over several of the proposed components of the plan and requested that VTA consider a more conservative interpretation of expenditure categories to ensure a stronger benefit nexus test. The components of concern include Pedestrian and Bicycle Improvements, Roadway Sweeping and Litter Control and Transit Access. Staff responded that the Expenditure Plan is a working draft and all comments are taken as input to a final plan. The Benefit Analysis being prepared will also analyze all components and provide a recommendation of finding of the best plan which is consistent with the SB 83 statute. The City of Sunnyvale also commented that the proposal to use these funds to leverage outside grant sources was too broadly defined and proposed that VTA more clearly define that item.

The City of Morgan Hill requested that the vote on recommended actions be taken as two separate votes. On the first vote the TAC recommended to place the item on the ballot with Morgan Hill abstaining. On the second vote, the TAC voted to approve the expenditure Plan as recommended with Sunnyvale voting no.

The Policy Advisory Committee (PAC) reviewed this item on May 13, 2010. Staff presented an overview of Senate Bill 83, the recommended actions and the results of electorate polling. The committee discussion centered around the issue of establishing a fee in perpetuity versus temporary, categories of proposed plan which were questionable from a benefit connection standpoint including Pedestrian & Bike Improvements and Transit Access and Efficiency. The committee also discussed whether HOV/HOT Lanes was appropriate to include since other federal/State funding may be available to fund those highway projects. The committee voted to approve the staff recommendation with the modification to remove the HOV/HOT Lane as an eligible category with Sunnyvale and Mountain View voting no.

The Congestion Management Program & Planning Committee reviewed this item on May 21, 2010. Members requested clarification on the types of projects that can be included in the expenditure plan. Staff responded that the projects included in the expenditure plan are based on the project descriptions that are contained in the statute. Members also requested clarification on the benefit some projects will provide for automobile owners. Staff stated that benefits study will help determine how strong of a benefit each project will provide to motor vehicle owners and that staff will have a completed benefits study for the June meeting. The committee voted to recommend this item for approval with the direction that staff continue to refine the expenditure plan to meet the requirements of the statute and to consider ways that VTA can use funds derived from the VRF to leverage other funds.

Prepared by: Scott Haywood
Memo No. 2446
“The Local Transportation Investment Fund”

Senate Bill 83 Expenditure Plan

1. **80% - Local Road Improvement and Repair Program** (Direct return-to-source based on City population and County lane mileage)
   - Revenue Estimate – $11.2 million (FY 2011)
   - Eligible Project Categories: (includes all expenses for administration, planning, design, construction, procurement and operation of a Complete Streets System)
     - Pavement Rehabilitation/Reconstruction
     - Traffic Control Signals, Traveler Information & Safety Technology Devices
     - Curb & Gutter Rehabilitation/Reconstruction (Does not include subsurface drainage)
     - Roadway-related Facilities to Improve Pedestrian & Bicycle Safety
     - Roadway Lighting & Landscaping Installation and Rehabilitation
     - Automobile-related Environmental Mitigation including Roadway Sweeping & Litter Control

2. **15% - Regional Program**
   - Revenue Estimate – $2.1 million (FY 2011)
   - Eligible Project Categories: (includes all expenses for administration, planning, design, construction, procurement and operation)
     - Leverage Outside Funding Sources (provide matching funds for Federal/State/Regional transportation grants applied to any transportation project included in the adopted Valley Transportation Plan)
     - Intelligent Transportation System Technologies (transportation-related technologies including traffic control signals, safety and traveler information systems)
     - Improve Transit Access & Efficiency
     - Countywide Environmental Mitigation related to autos and trucks
     - Projects which Advance the Completion and Maintenance of a Complete Streets System

3. **Up to 5% - Program Administration**
   - Revenue Estimate – $0.7 million (FY 2011); (unused funds to be disbursed through Regional Program)
   - Eligible Expense Categories:
     - Expense directly related to administration, oversight, programming, reporting, surveys, initial election ballot and auditing/accounting of the program.
     - Annual public report of expenditures

Revised 5.26.10
## PROPOSED SB83 EXPENDITURE PLAN
"RETURN TO SOURCE" DISTRIBUTION

<table>
<thead>
<tr>
<th>City/County</th>
<th>County - % of Lane Miles Cities by Population % (normalized)</th>
<th>County - % of Lane Miles Cities by Population % ($1000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>1.92%</td>
<td>215</td>
</tr>
<tr>
<td>Cupertino</td>
<td>2.66%</td>
<td>297</td>
</tr>
<tr>
<td>Gilroy</td>
<td>2.45%</td>
<td>274</td>
</tr>
<tr>
<td>Los Altos</td>
<td>1.35%</td>
<td>152</td>
</tr>
<tr>
<td>Los Altos Hills</td>
<td>0.42%</td>
<td>47</td>
</tr>
<tr>
<td>Los Gatos</td>
<td>1.45%</td>
<td>162</td>
</tr>
<tr>
<td>Milpitas</td>
<td>3.37%</td>
<td>377</td>
</tr>
<tr>
<td>Monte Sereno</td>
<td>0.17%</td>
<td>19</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>1.89%</td>
<td>212</td>
</tr>
<tr>
<td>Mountain View</td>
<td>3.56%</td>
<td>398</td>
</tr>
<tr>
<td>Palo Alto</td>
<td>3.07%</td>
<td>343</td>
</tr>
<tr>
<td>San Jose</td>
<td>47.88%</td>
<td>5,363</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>5.58%</td>
<td>624</td>
</tr>
<tr>
<td>Saratoga</td>
<td>1.51%</td>
<td>169</td>
</tr>
<tr>
<td>Sunnyvale</td>
<td>6.60%</td>
<td>739</td>
</tr>
<tr>
<td>Santa Clara County</td>
<td>16.12%</td>
<td>1,806</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>$ 11,200</strong></td>
</tr>
</tbody>
</table>

Population: 2009 Department of Finance data  
Lane Mileage: 2009 data
MEMORANDUM

TO: VTA Board of Directors
FROM: Michael T. Burns  
General Manager
DATE: May 21, 2010
SUBJECT: Polling Results for Vehicle Registration Fee

At the April 2010 Board of Directors meeting, the Board authorized staff to hire a polling firm to survey Santa Clara County voters to determine whether or not the electorate would support a vehicle registration fee (VRF) in November 2010.

VTA contract with Fairbank, Maslin, Maullin, Metz & Associates (FM3) to conduct the poll. In early May, FM3 conducted a telephone survey of 800 Santa Clara County voters likely to vote in the November 2010 general election to assess voter support for a potential VRF of $10.1 The survey results indicate that a broad spectrum of voters see a need for additional funding to support road repairs and transportation improvements in the County. Below is a summary of the results:

- 59 percent of voters indicate initial support for a $10 vehicle registration fee, a percentage that increases as voters learn more about the measure’s benefits, including the types of projects that might be funded by the measure.

- After voters hear pro and con messages, support for the VRF remains above the required vote threshold by a substantial margin. Survey respondents were read a variety of positive arguments in favor of the potential measure, as well as a number of messages in opposition to its passage. After positive messages, voter support rose to 65 percent, with slightly less than one-third opposed (32%) and only 2 percent undecided. The proportion of voters who strongly support the measure after hearing the positives (40%) outpaced those in firm opposition (20%) by a margin of two to one. While opposition messages referencing the sluggish nature of the economy, already high tax rates, higher priorities and competing measures all resonated with voters, after hearing these arguments, more than six in ten voters (62%) remained supportive, underscoring the measure’s viability in the midst of a challenging political and economic environment.

1 Methodology: From May 4-8, 2010, FM3 completed a survey of 800 registered voters in Santa Clara County who are likely to cast ballots in the November 2010 general election. The margin of sampling error for the full sample is +/-3.5%; margins of error for subgroups within the sample will be higher. Some results do not total to 100% because of rounding. Where applicable, results are tracked from prior Santa Clara County research.
• Regarding the perceived need for transportation funding, 82 percent of voters say there is at least “some need,” including 44 percent who believe there is a “great need” for additional funding.

• Survey respondents were presented with a list of potential projects that might be funded through revenue generated by the VRF, and were asked to indicate whether the project was “extremely important,” “very important,” “somewhat important” or “not too important” in the context of limited available funds. More than three-quarters of voters (77%) identified “repairing potholes” as an “extremely” or “very important” priority, followed by just under three-quarters (73%) who ascribed the same level of importance to making Santa Clara County eligible for its fair share of state and federal transportation funds. More than two-thirds of voters identified the general categories of preventing road runoff (70%), repaving and maintaining aging local streets and roads (69%) and relieving traffic congestion (67%) as high priorities. As shown in Figure 1 below, a range of projects related to traffic congestion relief and pedestrian walkway and bike path improvements garnered majority support as high priorities as well.

**Figure 1**

**Voter Priorities for VRF Funding**

<table>
<thead>
<tr>
<th>Project</th>
<th>Extremely/Very Important</th>
<th>Somewhat Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairing potholes</td>
<td>77%</td>
<td>16%</td>
</tr>
<tr>
<td>Making Santa Clara County eligible for its fair share of state and federal transportation funds</td>
<td>73%</td>
<td>16%</td>
</tr>
<tr>
<td>Preventing polluted, toxic roadway runoff from entering storm drains and contaminating water supplies</td>
<td>70%</td>
<td>20%</td>
</tr>
<tr>
<td>Repaving and maintaining aging local streets and roads</td>
<td>69%</td>
<td>24%</td>
</tr>
<tr>
<td>Relieving traffic congestion</td>
<td>67%</td>
<td>24%</td>
</tr>
<tr>
<td>Improving traffic flow with turn lanes and better traffic management technology</td>
<td>60%</td>
<td>29%</td>
</tr>
<tr>
<td>Adding traffic signals and stop signs to improve pedestrian safety</td>
<td>60%</td>
<td>26%</td>
</tr>
<tr>
<td>Improving sidewalk and bike safety near schools</td>
<td>60%</td>
<td>28%</td>
</tr>
<tr>
<td>Synchronizing traffic signals</td>
<td>59%</td>
<td>25%</td>
</tr>
<tr>
<td>Reducing global warming pollution</td>
<td>56%</td>
<td>23%</td>
</tr>
<tr>
<td>Improving lighting along streets and walkways</td>
<td>55%</td>
<td>29%</td>
</tr>
<tr>
<td>Expanding public transit services</td>
<td>55%</td>
<td>23%</td>
</tr>
<tr>
<td>Investing in transportation projects that reduce pollution that causes global warming</td>
<td>54%</td>
<td>26%</td>
</tr>
<tr>
<td>Expanding light rail transit to include express service</td>
<td>51%</td>
<td>25%</td>
</tr>
<tr>
<td>Improving and repairing sidewalks</td>
<td>50%</td>
<td>32%</td>
</tr>
<tr>
<td>Expanding Caltrain service</td>
<td>48%</td>
<td>26%</td>
</tr>
<tr>
<td>Improving and widening freeway on and off ramps</td>
<td>46%</td>
<td>31%</td>
</tr>
<tr>
<td>Constructing new bike lanes and bike paths</td>
<td>42%</td>
<td>30%</td>
</tr>
<tr>
<td>Adding left and right turn lanes at intersections</td>
<td>41%</td>
<td>35%</td>
</tr>
<tr>
<td>Adding carpool and bus lanes</td>
<td>39%</td>
<td>33%</td>
</tr>
</tbody>
</table>
Overall, the results of the voter survey are solidly positive. Support for a $10 vehicle registration fee starts off substantially above the required threshold at 59 percent of the electorate and remains consistent, even after voters hear messages in opposition. This consistent level of support is likely due to the broadly held perception that additional transportation funding is needed to repair roads and relieve traffic congestion. Voters also view the prospect of leveraging local dollars to obtain state and federal transportation funding as a compelling reason to support the measure. With a strong public education effort, a $10 VRF has a good chance of passing in November 2010.

We will be bringing a recommendation to the Board at the June 3 meeting to place the $10 vehicle registration fee on the ballot for the November election.
The Resolution accompanying this action will be forwarded under separate cover.
ACTION ITEM

RECOMMENDATION:

Approve the Fiscal Year 2011 Congestion Management Work Program.

BACKGROUND:

Congestion Management Agencies (CMAs) were created in 1990 by Proposition 111 and its accompanying legislation that 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 compliment the transportation system investments.

The Santa Clara County CMA was established in 1991 through a Joint Powers Agreement entered into by the CMA’s Member Agencies, which are the fifteen cities and towns within the county and the County of Santa Clara. In January 1995, the Santa Clara County CMA and the Santa Clara County Transit District merged to form Santa Clara Valley Transportation Authority (VTA), which was designated as the CMA for Santa Clara County. The Congestion Management Program (CMP) functions are now performed by CMA Division staff at VTA.

CMPs must contain five elements: 1) a system definition and traffic level of service (LOS) standard element; 2) a multimodal performance measures element; 3) a transportation demand management and trip reduction element; 4) a land use impact analysis element; and 5) a capital improvement program (CIP). In addition to these five elements, other actions, such as the development of a countywide transportation model and deficiency plans, are necessary to meet the requirements of the CMP legislation. The FY 2011 CMP Work Program is composed of the following main work areas:
• Capital Improvement Program (CIP)
• Congestion Management Program Conformance
• Land Use and Transportation Integration
• Plans and Studies

**DISCUSSION:**

The proposed FY 2011 CMP Work Program is a result of a number of inputs including statutory requirements, Board initiated activities, staff recommended initiatives reacting to federal, state and regional issues and individual discussions conducted with each member of the Technical Advisory Committee during the month of December 2009. Based on these inputs, the Work Program reflects more 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.

**CMP Work Program**

The proposed FY 2011 CMP Work Program is included as Attachment A.

**CMP Budget and Fees**

The proposed FY 2011 CMP Budget as summarized below supports the major tasks outlined in the CMP Work Program for the upcoming year, including the total estimated cost of VTA staff, consultant services, and other goods and services to accomplish each task.

The projected revenue is comprised of the following:

<table>
<thead>
<tr>
<th>FY 2011 Projected Revenue</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Agency Fees</td>
<td>$ 2,494,584</td>
</tr>
<tr>
<td>MTC STP Planning Grant</td>
<td>$ 1,451,000</td>
</tr>
<tr>
<td>TFCA 40% Local Program Manager Administrator Fee</td>
<td>$ 107,270</td>
</tr>
<tr>
<td>STIP Programmed Project Monitoring (PPM) Funds</td>
<td>$ 547,000</td>
</tr>
<tr>
<td>Local Partnership Funds</td>
<td>$ 80,000</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$ 4,679,854</strong></td>
</tr>
</tbody>
</table>

Member Agency fees are based on the fee schedule adopted by the Board in June 2005, which specifies annual increases of 3.5%. However, VTA staff recommends that the fee structure for FY 2011 remain unchanged from FY 2010 by deferring the 3.5% increase.

The projected expenditures are comprised of the following:

<table>
<thead>
<tr>
<th>FY 2011 Projected Expenditures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Capital Improvement Program (CIP) $1,213,854
2. Congestion Management Program (CMP) Conformance $950,000
3. Land Use and Transportation Integration $1,100,000
4. Plans and Studies $1,416,000

**Total:** $4,679,854

The proposed FY 2011 CMP Budget of $4,679,854 is $190,146 less than the adopted FY 2010 CMP Budget of $4,870,000.

The FY 2011 CMP Work Program is scheduled as an information item at the TAC, PAC and CMPP committees in April and as an action item at these committees in May. In June, it will be scheduled for review and approval by the Board.

**ALTERNATIVES:**

The CMP Work Program could be altered through additions, deletions and modifications to the proposed Work Program that is attached.

**FISCAL IMPACT:**

Appropriation for the Recommended FY 2011 CMP Work Program is included in the FY 2011 Adopted Congestion Management Program Fund Operating Budget.

**ADVISORY/STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

**April Committees**
The Technical Advisory Committee (TAC) reviewed this item on April 8, 2010. There was discussion regarding the proposed scope of services and freezing of Member Agency Fees. TAC members supported the staff recommendation.

The Policy Advisory Committee (PAC) reviewed this item on April 8, 2010. There was discussion regarding the proposed scope of services and freezing of Member Agency Fees. PAC members supported the staff recommendation.

The Congestion Management Program and Planning Committee (CMPP) reviewed this item on April 16, 2010. There was discussion regarding the proposed scope of services and Member Agency Fees. Although the VTA staff recommendation is to freeze Member Agency Fees, one CMPP member inquired if fees could be reduced by deferring certain scope in the Work Program.

Staff will provide various options for fee levels and services at the May Committee meetings for consideration.

**May Committees**
The Technical Advisory Committee (TAC) reviewed this item on May 13, 2010. Staff presented an overview of the direction received from the CMPP Committee to assess options for a fee decrease and commensurate reductions in scope of services. Staff presented a historical
background of fees and a table outlining fee decreases of 3.5% and 10% and various work scope reductions. The City of Sunnyvale suggested that the fees be reduced by 10% and to eliminate the Proactive Development Review program. Several of the cities/County presented commentary supporting the staff recommendation to maintain fees at the current level and to maintain the current level of work program. Additionally several cities also commented that due to their own budgetary issues, they have come to rely even more on VTA CMA staff to assist with project assistance, funding and coordination with federal/State/regional agencies. The TAC also requested staff to clarify that the staff report reference to “deferral” of the fee increase really means to delete the increase and that fee decrease will not be made up by doubling the increase in future years. Staff concurred with that understanding. The TAC voted to support staff recommendation on fees and work program with Sunnyvale voting no.

The Policy Advisory Committee (PAC) reviewed this item on May 13, 2010. Staff presented an overview of discussion and direction received from the TAC. The City of Sunnyvale representative discussed concerns that they have with regard to how VTA utilizes technical guidelines as requirements in project ranking and grant making processes. Staff responded to follow-up with Sunnyvale staff to clarify specific issues and instances and report back to the PAC on this topic. Sunnyvale also commented that they believe that they receive no benefit from the Land Use and Transportation Integration Program. The PAC voted unanimously to support the staff recommendation on holding the fee the same last year’s level and to maintain the proposed work program level of effort.

The Congestion Management Program and Planning (CMPP) Committee reviewed this item on May 21, 2010. Per direction received from the April Committee meeting, Staff presented various options for reduction of fee and commensurate reduction in scope of services. The Committee thanked staff for following up on the request and offering options for the Committee to consider. The Committee voted unanimously to approve the Work Program as proposed by staff except to delay staff development work on the County Wide Development Impact Fee (Option 1.d. from materials handed out at meeting) until at least January 2011 and to reduce the overall Member Agency fees associated with that work scope reduction from the current FY 2010 level by 3.5% or approximately $85,000.

Prepared by: Suet Nguyen
Memo No. 2305
Introduction

Congestion Management Agencies (CMA) were created in 1990 by Proposition 111 and its accompanying legislation that 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 compliment transportation system investments.

The Congestion Management Agency (CMA) for Santa Clara County was established in 1991 through a Joint Powers Agreement entered into by the CMA’s Member Agencies, which are the fifteen cities within the county and the County of Santa Clara. The CMA functions in Santa Clara County are referred to collectively as the Congestion Management Program (CMP). In 1994, the Santa Clara County Transit District and the CMA were merged to form Santa Clara Valley Transportation Authority (VTA). The CMP functions previously performed by the CMA are now performed by VTA.

Policy and administrative decisions that affect the CMP are made by the VTA Board of Directors (VTA Board). The members of the VTA Board are comprised of elected officials from throughout Santa Clara County: five members from the city of San Jose, five members from other Santa Clara County cities/towns, and two County of Santa Clara Supervisors.

The Board receives input from five advisory committees, with four of these committees providing direction on CMP-related matters: the Policy Advisory Committee (PAC), the Technical Advisory Committee (TAC), the Citizens Advisory Committee (CAC), and the Bicycle and Pedestrian Advisory Committee (BPAC). The PAC consists of one elected official from each of the county’s 15 cities and one County Supervisor; its mission is to ensure that all jurisdictions within the county have access to the development of VTA’s policies.

The major responsibilities of the CMP include the development, implementation, and administration of the long-range countywide transportation plan for Santa Clara County; promoting land use and transportation integration with Member Agencies; programming of discretionary federal, state, regional and local funds; monitoring projects programmed by the VTA Board; serving as the program manager for certain countywide grant funds; preparation and implementation of the countywide plans and programs; and a range of other planning and programming activities.

The CMP is a distinct program within the Congestion Management Agency (CMA) Division of VTA, under the general direction of the Chief CMA Officer. The fiscal resources of the CMP are distinct from those of the VTA Transit Enterprise.
This work program outlines the major tasks that the CMP will address during Fiscal Year 2011. These tasks, with the total estimated cost of VTA staff, consultant services, and other goods and services for each task shown in brackets, are:

1. Capital Improvement Program (CIP)  [$1,213,854]
2. Congestion Management Program (CMP) Conformance  [$950,000]
3. Land Use and Transportation Integration  [$1,100,000]
4. Plans and Studies  [$1,416,000]
Total  [$4,679,854]

Each of these activities is discussed in detail in the following text.

1. **Capital Improvement (CIP)**

The biennial Congestion Management Program includes a Capital Improvement Program (CIP) element that consists of the priority capital transportation projects 1) currently programmed in Santa Clara County with CMA-monitored federal, state, regional and local funds and/or 2) included in the first 10 years of Valley Transportation Plan (VTP) 2035, the comprehensive multimodal countywide transportation plan for Santa Clara County.

The major activities of the CIP are:

1.1. **Grant Programming and Policy Development (Policy and Plan Development)**

VTA’s authority to provide grants ultimately comes from Article 1, Sections 8 & 9 of the US Constitution. California Government Code Section 65802(b) and California Streets & Highways Code Sections 182.6(d)1 and 182.7(d)2, combined with the Metropolitan Transportation Commission (MTC) policies provide VTA, acting as the CMA for Santa Clara County, with more specific requirements for planning, policy development, and programming transportation capital funds.

Current programs in which VTA has prioritization and funding responsibilities include, but are not limited to:

- **Lifeline Transportation Program**
  VTA and the County of Santa Clara are jointly designated as the administrators for Santa Clara County and work under a memorandum of understanding. This year, staff will continue work with MTC and county staff to update project selection criteria and solicit another programming cycle.

- **State Transportation Improvement Program (STIP)**
  VTA, as the CMA for Santa Clara County, has the responsibility for prioritizing and programming Santa Clara County’s Regional Improvement Program (RIP) share of the State Transportation Program (STIP). The STIP is updated every two years. This year, staff monitor and provide assistance to projects programmed in the 2010 STIP.
• Program Manager for Transportation Fund for Clean Air (TFCA) 40%
These funds are programmed annually in the spring. As the Program Manager for these funds in Santa Clara County, VTA staff will continue to work with Member Agencies and the BAAQMD to evaluate local guidelines for future programs. VTA staff will also participate in the development of the regional criteria for the BAAQMD 60% funds. VTA staff will also continue to monitor progress of previously programmed TFCA projects.

• 2006 Transportation Infrastructure Bond Programs
The Highway Safety Traffic Reduction Air Quality and Port Security Bond Act of 2006 (I-Bond) was passed by the voters in November 2006, and the State is now in a multi-year process of authorizing and selling up to $19.1 Billion in general obligation bonds to fund 12 separate new and existing transportation programs, including:
  o State – Local Partnership Program (SLPP)
  o Corridor Mobility Improvement Account Program (CMIA)
  o Trade Corridors Improvement Fund (TCIF)
  o High Speed Rail Crossing Account (HRCSA)
  o Traffic Light Synchronization Program (TSLP)

While the baseline programming and policies for each of these was developed in previous years, the State’s continuing fiscal crisis and subsequent inability to sell bonds has severely impacted these programs. VTA staff has been active at the State and Regional levels in developing allocation plans for the limited funds that have been available, and developing and implementing creative strategies for keeping individuals projects on track. These activities are anticipated to increase in FY 2011.

• American Reconstruction & Recovery Act (ARRA) & Potential Successors
On February 18, 2009, President Obama signed the American Reconstruction & Recovery Act (ARRA) into law, providing new Federal Economic Stimulus funding for “shovel ready” transit, roadway, and aviation capital projects. Since that date, VTA staff have been fully engaged developing regional and state policies to deal with the new funds, assembling and submitting member agency and VTA’s own projects for funding, and conveying information to member agencies, the media, and the general public. VTA anticipates that ARRA-related activity will continue through at least September 2010, when all non-transit funds must be encumbered. Additionally, indications are that a second economic stimulus bill, with even more stringent timelines, may be on its way for at least the next year until the initial and secondary deadlines are met on the new bill.

• Regional Transportation Plan Implementation: Surface Transportation Program/ Congestion Mitigation Air Quality (STP/CMAQ) Related Programs

In anticipation of Federal Transportation Act Reauthorization, MTC has combined three of its previous CMA administered funding programs (Local Streets & Roads Rehabilitation, Transportation Livable Communities and Regional Bicycle) into one “Block Grant” program, creating a new “Safe Routes to School” program and tasked the CMAs with delivering them on the local level. In response, VTA staff began
developing new processes and criteria during the latter half of FY 2010. A high level of activity around these new programs is anticipated to continue through FY 2011.

- Senate Bill 83 (SB 83)

SB 83 was signed into law in 2009. This legislation authorizes a countywide transportation agency, such as VTA, to implement a vehicle registration fee (VRF) of up to $10 on motor vehicles registered within the county for transportation programs and projects. The statute requires that the fee be approved by a simple majority of voters in the county. An action item to place a ballot measure before voters of Santa Clara County, adopt an expenditure plan and make a finding of fact regarding SB 83 is scheduled for review and approval by the Board in June. If this action item is approved by the Board, staff will draft the expenditure plan, prepare a Benefit Analysis study and implement the VRF Program. Implementation of the VRF Program is contingent upon approval by the voters in Santa Clara County.

VTA staff serves on numerous regional and statewide committees and associations that help develop funding policies and procedures that impact the CMP and VTA’s capital programs. They have become increasingly important in forging consensus on issues of regional and statewide significance and creating consistency among congestion management agencies. These activities include:

- Advocacy for state and federal transportation funds with the MTC, California Transportation Commission (CTC), and California Department of Transportation (Caltrans)
- Participation in regional and state agency committees involving the planning and allocation of transportation resources
- Monthly participation in CMA regional meetings and MTC Bay Area Partnership and participation in ad hoc subcommittees on issues of topical interest

This year, staff will continue to work with the appropriate federal, state and regional agencies and local project sponsors to manage the grant funds and monitor the progress of those projects through the development and implementation process. There will be a particular focus on implementation of programs previously discussed.

1.2. Programmed Projects Monitoring (PPM)

Two regional bodies and two state bodies have a significant impact on the CMP’s capital programs and policies: the MTC, the Bay Area Air Quality Management District (BAAQMD), the CTC, and Caltrans.

VTA staff serves on numerous committees and task forces, and working groups organized by these bodies that develop planning and programming policies and procedures affecting VTA’s projects, programs and the interests of VTA’s Member Agencies. Examples include: MTC’s Partnership Technical Advisory Committee (PTAC) and its associated working groups; the Highway and Arterial Operations Committee; the Smart Corridors Task Force; the Bay Area ITS Architecture Maintenance Committee; the Bay Area ITS Plan Steering Committee; Caltrans’ District 4 Bicycle
Advisory Committee; the California Bicycle Advisory Committee; the Regional Bicycle Working Group; and the Regional Pedestrian Committee.

Staff analyzes state and regional issues, develops the appropriate countywide response, and distributes relevant information to Member Agencies. Staff will play key roles on activities through FY 2011 on the initial development of the 2013 Regional Transportation Plan (RTP) update and the 2012 countywide transportation plan update, VTP 2040.

1.3. Agency Project Delivery Assistance Fund (Program Administration, Project Monitoring and Assistance)

The processes that project sponsors need to follow in order to obtain state and federal funds programmed to their projects are extremely complex. The grant funds are also subject to multiple use-it-or-lose-it deadlines at the regional, state, and federal levels for fund obligation, expenditure, and close-out. MTC is using the congestion management agencies as its agent to communicate these requirements, monitor project progress, and assist local agencies in meeting these requirements.

The CMP provides active oversight of the delivery of CIP projects. This oversight includes a significant level of direct involvement by VTA staff, utilizing consulting engineering assistance where necessary, on high profile state highway projects managed by Caltrans, and occasionally on local road or bicycle projects as requested by Member Agencies.

VTA staff also prepares the Programmed Projects Quarterly Monitoring Report, which is provided to the VTA Board, one Board standing committee, and four advisory committees. It is also available on the VTA website. This report details the progress of projects funded through programming actions by the Board and identifies projects at risk of losing funds due to delivery difficulties.

Staff will continue to work with the appropriate federal, state and regional agencies and local project sponsors to manage the grant funds and monitor the progress of those projects through the development and implementation process.

These responsibilities will be carried out in the programs mentioned previously in Section 1.1.

2. Congestion Management Program Compliance (CMP)

The CMP statutes require that the CMP system is monitored a minimum of every two years (biennially) for compliance with the CMP Level of Service (LOS) standard. However, to obtain a more accurate and useful understanding of system performance, the VTA Board adopted a policy of annual monitoring. If a Member Agency is found to not conform to the CMP standard it risks losing its gas tax subventions generated by Proposition 111 (Streets and Highways Code Section 2105) and other funding for its capital improvement projects.

Member Agencies are requested to provide this land-use monitoring data to VTA by October 1st of the monitoring year. The traffic LOS monitoring results and land use impact analyses are summarized by

The land use information is also used as an input to the Countywide Transportation Demand Model database and for coordinating land use information at the regional level with Association of Bay Area Governments (ABAG) Projections. As Countywide Model land use databases are updated, this information is reviewed and checked against other information to ensure that these databases are as accurate as possible. The land use database is emerging as a critical component of work being conducted region-wide in efforts stemming from the implementation of Assembly Bill (AB) 32 and Senate Bill (SB) 375 and the development of related Sustainable Community Strategies (SCS). This process has assigned additional responsibilities to the region’s CMAs, and the VTA CMP Work Program will respond accordingly.

Chapter 8 of the 2009 CMP describes the monitoring program in detail. In summary, the monitoring requirements consist of the following:

**2.1. Traffic Level of Service (LOS) Monitoring**

Member Agencies provide VTA staff with LOS analysis data for CMP intersections. Staff, utilizing consultant assistance, collects traffic volume data on freeways and rural highways and analyzes the data. The freeway data collected with aerial photography is used to calculate vehicle density to determine LOS. Rural highway data is collected using tube counters for 24-hour traffic counts over three days. Travel time data is calculated using a “floating car” method on specified routes in the county to assess average speeds, travel times and bottlenecks. County of Santa Clara Roads and Airports Department staff collects travel time data for expressways.

**2.2. Land Use Impact Analysis Program**

Member Agencies have two responsibilities as part of the Annual Monitoring and Conformance Report with respect to the Land Use Impact Analysis Program:

- They must certify that they have used the VTA CMP adopted methodology to prepare transportation impact analyses (TIAs) for all appropriate development projects and have submitted these reports to VTA.
- They must submit an annual report documenting all development project approvals and major land use changes during the year.

**2.3. Development Review Program Reports**

One way of improving transportation and land use decision-making is through VTA’s Development Review Program. Under the existing program, VTA staff annually reviews, on average, over 400 proposed private development projects to ensure compatibility with existing and future transit services and transportation projects, including a review to assess impacts on the multimodal transportation system. VTA provides written comments to cities recommending
project changes, conditions or mitigation measures. The Community Design and Transportation (CDT) Program has an integral role in this process. In addition, at the request of city staff or in relation to VTA projects, VTA staff actively participates in the early review of city projects including participation in team/committee meetings and field visits.

The CMP Development Review Program includes a monitoring and evaluation program. VTA staff provides a quarterly report on VTA’s comments and recommendations (the Proactive CMP Reviewed and Approved Projects Quarterly Status Report, commonly known as the Proactive CMP Report) to the VTA Board, one Board standing committee and four advisory committees that summarizes VTA’s comments and recommendations on development projects reviewed. In addition, VTA staff reports on the responses received from Member Agencies on VTA’s recommendations, which provide the VTA Board with critical information on the factors, impacts and trade-offs of their land use decision-making processes.

During 2009, staff implemented the first phase of improvements to this program including a feedback loop with cities to track development approvals and a better tracking system for developments utilizing Geographic Information System (GIS). For the upcoming year, staff will implement additional improvements to the Development Review Program and the related process for preparing the Proactive CMP Report.

2.4. Countywide Transportation Model

2.4.1. Countywide Model Update

The following are planned activities for the upcoming year:

- Improve the transit forecasting capabilities of the model using the results of the 2005 transit on-board survey to provide more accurate corridor and station-level boarding estimates.
- Include additional traffic analysis zones to the countywide model to improve vehicle and transit forecasting capabilities and conform to proposed changes in census tracts.
- Update the non-work trip models using recent Household Survey Data.
- Improve heavy-duty truck vehicle forecasting capabilities.
- Begin development of Direct Demand Models to better capture the affects of land use changes.
- Establish “testing” components to more efficiently test alternative land use and transportation scenarios.
- Develop model components and improvements necessary to address requirements stemming from SB 375 / AB 32.
- Incorporate High Speed Rail (HSR) into the model.

2.4.2. Maintenance of the Countywide Model and Database

Maintaining the countywide model requires continued updating and refinement of the socio-
economic input. It also requires making refinements to the model itself to develop more accurate transportation forecasts. Specific tasks include the following:

- Revise the countywide model to maintain consistency with MTC and ABAG increments through 2035.
- Complete revisions to the model forecasts based upon results of the current CIP.
- Develop methodology to prepare zone-level estimates of jobs, housing and workers based on and consistent with ABAG’s Projections 2005.
- Update countywide annual land use and transportation conditions based upon approved projects and major land use decisions provided to VTA by Member Agencies.
- Update the model as necessary to address implementation of AB 32/SB 375.

2.4.3. Transportation Modeling Assistance

Another task will be using the model to assist VTA staff, Member Agencies and other regional partners in developing transportation plans and analyzing the impacts of land use decisions. Specific tasks to be accomplished include:

- Perform Year 2005 through 2035 model runs with updated land use and transportation parameters and new land use databases to support highway and transit corridor projects performed by the VTA.
- Perform model run and analysis of annual Member Agency land use approvals and transportation system improvements as well as a scenario reflecting adopted General Plans.
- Perform model development and demand forecasting for specific agencies, organizations or projects.

2.4.4. Local Transportation Modeling Support

The CMP also provides technical support to Member Agencies on local transportation modeling issues. For example, model input and output data (transportation as well as socio-economic) is produced in electronic format for use by Member Agencies and assistance and resources are provided for agencies preparing their own local transportation models. VTA CMP staff also provides training to Member Agency staff on the application of the new countywide models. Specific tasks include:

- Develop sub-area modeling techniques to allow implementation of an abbreviated version of the full countywide models by Member Agencies,
- Assist Member Agency staff to allow for application of the full countywide models by in-house member agency staff if desired.
- Advise Member Agencies and regional partners on strategies for meeting the requirements of SB 375/AB 32.

2.5. Development Impact Fee/Deficiency Plans

To ensure that a CMP directly addresses congestion, state law requires mitigation of deficiencies on the CMP roadway system. In Santa Clara County, a deficiency on a facility exists when the
traffic level-of-service (LOS) falls below LOS E, when it previously operated at LOS E or better in 1991. If LOS declines to LOS F on a CMP roadway and this decline in LOS cannot be restored to LOS E or better, then the local jurisdiction with the deficient roadway must complete a Deficiency Plan (DP) outlining the measures it will take to mitigate the deficiency. Without a DP, the local jurisdiction risks non-conformance with the CMP and the potential loss of 1990 Proposition 111 State Gas Tax funds.

With increasing traffic congestion, the need to address deficiencies on the CMP roadway system will remain an annual issue. One approach to addressing deficiencies on the regional system is with the preparation of a DP. Implementing a DP could address:

- Existing LOS policy that conflicts with VTA and Member Agency policies of concentrating development to support transit investments and a multi-modal environment.
- The impacts of new development that may be addressed at a very local level, but exacerbates the traffic conditions on the regional CMP network.

A DP that covers the entire county would eliminate the need for local jurisdictions to develop a deficiency plan as each deficiency occurs and create opportunities for additional transportation funding at both local and countywide levels. The development of a countywide DP is estimated to take between two and three years. The results of the countywide DP could be incorporated into future countywide long-range transportation plan (VTP) updates.

Additionally, in 2009, the VTA Board requested that staff prepare a report outlining options for a countywide or sub-regional development impact fee program. The report was to identify existing laws regulating development fees, provide examples of existing development impact fee programs and provide an overview of issues, opportunities and constraints to implementation of development impact fees in Santa Clara County. Information is scheduled to be presented to committees in spring/summer 2010 for consideration.

VTA staff will continue to assist Member Agencies in developing local DPs as needed by providing technical assistance, providing data for use in local DPs, reviewing local DPs, coordinating and advising on local and countywide modeling efforts, and taking the plans through the VTA approval process. Work is underway to update the VTA Deficiency Plan Guidelines.

2.6. Update of Congestion Management Program (Documents, Guidelines, etc.)

The activities of the CMP are documented in certain documents, some of which have already been referred to earlier in this document. The following is a listing of the key CMP documents, including the date of the most recent update of the document.

- Transportation Impact Analysis Guidelines (March 2009)
- Traffic LOS Analysis Guidelines (June 2003)
- Local Transportation Model Consistency Guidelines (May 2009)
- Requirements for Local Deficiency Plans (November 1992)
- Annual Monitoring and Conformance Requirements (September 1994)
Each document is reviewed and updated as needed. During this fiscal year, staff will complete the updates to the Requirements for Local Deficiency Plans. In addition, the Annual Monitoring and Conformance Requirements are updated each year to meet the needs of the monitoring program.

3. Land Use and Transportation Integration

Improved integration of land use and transportation decision-making is a long-standing goal of VTA and its predecessor agencies, and is a key element of VTA’s Long-range and Strategic Planning efforts. Various VTA documents frame policies to better integrate land use and transportation. This includes technical tools and assistance, and local incentives for cities to craft and adopt land use policies that encourage alternatives to the single occupant automobile, and that promotes innovative planning and development practices and high-quality project planning and design.

VTA staff is available to answer Member Agency questions about specific CMP requirements and to provide information on a wide array of activities including the Congestion Management Program document, the development of deficiency plans, transportation planning, community/urban design, transit-and-pedestrian oriented design, traffic and transportation engineering, systems engineering, Intelligent Transportation Systems (ITS) engineering and planning, bicycle and pedestrian design, and capital improvement funding programs. VTA staff responds to Member Agencies on these requests for information and advice on a daily basis, and works closely with Member Agency staffs to address local transportation and development issues.

In 2002, VTA Board adopted the CDT Program as its primary program for integrating transportation and land use. This action included the adoption of the CDT Manual of Best Practices for Integrating Transportation and Land Use (CDT Manual) and an implementing resolution (No. 02.11.35) incorporating the concepts, principles, practices and actions set forth in the CDT Program and manual into VTA projects and programs. In 2003, the VTA Board adopted the Pedestrian Technical Guidelines (PTG) to support further development of the CDT Program, and pedestrian projects and environments in general. During 2009/10, the CDT Manual will undergo a comprehensive update and incorporate guidelines for new State and Federal requirements for developing Complete Streets Programs.

3.1. Bicycle Program Planning Activities Format

An update to the Countywide Bicycle Plan was adopted by VTA Board in October 2008 and included a number of new elements designed to improve across barrier connections, the development of integrated countywide bicycle corridors, closing gaps in the existing bicycle network. In 2009, the VTA Board adopted an updated Bicycle Expenditure Plan (BEP) consisting of approximately $160 million in projects.

The Bicycle Planning Program develops the Countywide Bicycle Plan, the BEP resulting from the plan and administers and distributes funds from several different funding sources to Member Agencies to implement and construct the projects in the BEP. It also identifies new capital projects including an unconstrained master list of bicycle infrastructure needs, contains policies and
implementing actions that will improve bicycle facilities and coordination, and describes programs that will promote bicycling and bicycle safety in Santa Clara County.

VTA staff prepares the Bicycle Technical Guidelines (BTG) and the PTG. These documents provide planning guidelines and technical details to Member Agencies to assist them with designing bicycle- and pedestrian-friendly facilities and to ensure consistency in the design and construction of these facilities. The BTG is currently being updated with cross-references to both PTG and the CDT Manual, as well as being reformatted so that pages can be updated individually, enabling VTA to keep the document more current and relevant.

A key task of the focus of FY 2011 will be to continue to promote their use of the BTG and the Countywide Bike Plan among Member Agencies and to deliver training to local planners and engineers.

The Bicycle Planning Program is also responsible for reviewing planning and design documents to ensure they are consistent with the BTG and BEP policies and procedures, conducting special studies, and developing bike programs. Staff provides technical and policy assistance to the VTA Highway Program regarding the inclusion of bike accommodations in project conceptual development and design. Other services include assisting with the Development Review process to ensure impacts on bicyclists have been addressed and to help identify conditions of approval that can promote bike and pedestrian access to the site. In addition, as part of ongoing bike planning and program development activities, VTA staff participates in various regional and state technical and advisory committees and working groups. In 2009, the Bicycle Planning Program was charged by VTA Board to develop and implement a Bike Sharing Pilot Program. The development of this program will continue through 2010, using as partial funding a $500,000 Safe Routes to School grant.

The Bicycle Planning Program, in conjunction with other VTA departments, administers the bike locker rental program at VTA light rail and Park & Ride lots to facilitate bicycle usage on transit and the Bike Rack program that provides bike racks to Member Agencies who agree to install them in pre-approved locations and in conformance with the BTG. New electronic lockers were implemented at certain locations during FY 2010, and will continue over the next two years.

3.2. Pedestrian Program Planning Activities

In 2001, at the request of the VTA Board, the Bicycle Advisory Committee was re-established as the Bicycle and Pedestrian Advisory Committee (BPAC) and its modified duties included pedestrian issues. The first major product of the Pedestrian Program was the PTG. The PTG was adopted by the VTA Board in October 2003 and comprehensively updated in 2008. It is both a companion document to the CDT Program and a standalone technical planning and design document, and will be updated within the next two years.

VTA assists as needed with pedestrian issues raised by the VTA Board or at VTA BPAC meetings. VTA also assists in Development Review regarding pedestrian impacts and improvements, and provides technical and policy assistance to the Highway Program regarding the inclusion of pedestrian accommodations in each project’s conceptual development and design.
VTA will continue development of the Pedestrian Program during FY 2011. Included will be continued development of the assessment study to determine countywide pedestrian issues and needs, with specific emphasis placed on access to transit stops and stations and downtown areas. In addition, staff will explore ways to expand capital project funding for pedestrian projects, including investigating potential funding for county expressways pedestrian projects. The CDT Planning and Capital Grants Programs will provide support for the implementation of pedestrian capital projects and encourage utilization of and incorporation of the PTG.

3.3. Complete Streets System & Community Design and Transportation Program

A key element of meeting VTA’s Strategic Planning goal of integrating land use and transportation is the continued development of the Community Design & Transportation (CDT) Program and evolution of a land use/transportation investment strategy. The VTA Board approved development of the CDT Program, with the understanding that the Program requires commitment from Member Agencies to address topics that include smart growth, urban design, building and site design, transit station area design, street standards, right-of-way dedication, and parking management when making land use decisions.

In addition, to support implementation of the CDT Program VTA created two new grant fund programs: the CDT Planning Grants and CDT Capital Grants Programs. These programs offer grants to Member Agencies on a competitive basis. The CDT Planning Grants are intended for planning projects such as pedestrian streetscape improvements, or policy planning projects such as revising zoning standards, Pedestrian Master Plans, or preparing Specific Plans for Station Areas. The CDT Capital Grants program implements pedestrian capital projects as described the CDT Program Area presented in VTP 2035 and discussed later in this document.

CDT Program development activities expected to occur in 2010 include an update to the CDT Manual. Staff will continue development of the CDT Program.

VTA staff is available to assist Member Agencies with research, technical and design-related aspects of issues dealing with Smart Growth, Joint Development, Transit-Oriented Development (TOD), and integrating transportation and land use as part of the VTA Board adopted CDT Program. Program assistance may include assisting Member Agencies with review of development proposals, developing technical design guidelines and standards related to buildings, pedestrian environments, and street design, and developing specific plans and urban designs for station areas, corridors and districts.

The El Camino/Grand Boulevard project is a coordinated multi-agency effort involving transportation agencies and cities in Santa Clara and San Mateo counties. VTA is participating in the El Camino/Grand Boulevard Project as a funding partner and as a full participant in all committee and steering group activities. This effort is focusing on land use, aesthetic/urban design, and transit opportunities to enhance the El Camino Real Corridor in both counties. Project goals include transforming El Camino into a vibrant corridor of origins and destinations by providing jobs, housing, recreational, shopping, civic, and educational activities that are interconnected by an attractive, transit-oriented, walkable environment.
3.4. Transportation Energy and Air Quality (TEAQ) Program

The TEAQ Program was established with the adoption of VTP 2035 in January 2009. The TEAQ Program will provide a framework for VTA to work with its member agencies and regional partners to, among other things, meet the requirements of new legislation and regional initiatives related to the passage of AB 32 and SB 375. The foremost item related to this effort is the development of Sustainable Communities Strategies (SCS) and/or alternative planning strategies as required by SB 375. Many questions not only remain, but are being generated, regarding the requirements of AB 32 and SB 375. Nevertheless, the SCS may have significant effects on countywide and local transportation funding. These efforts will also play significant, and perhaps predominant, roles in the next updates to the RTP and VTP. Both the RTP and VTP are scheduled for adoption in 2013 with work beginning in 2010.

4. Plans and Studies

VTA staff has conducted engineering and planning studies in concert with local agencies to refine projects to move forward for specific funding consideration. In FY 2010, VTA completed the US 101 Implementation Plan for a segment of US 101 between Trimble/De La Cruz and McKee. Additionally, significant stretches of new and upgrade ramp metering were implemented on SR 87, SR 85 and US 101 with this work coordinated through the VTA TAC’s Systems Operations & Management (SOM) Working Group. This work was conducted jointly with Caltrans and MTC under a countywide memorandum of understanding (MOU) for ramp metering that was signed by Caltrans and by VTA on behalf of the Member Agencies.

Work continues on the before/after evaluations of the results of the metering on the above named three corridors. Work on a ramp metering upgrade for a fourth corridor, I-880, will continue into FY 2011. In addition, VTA staff participates in a range of transportation corridor and special studies including transit capital projects, highway/roadway capital projects, and multimodal transportation studies.

With the approval of VTP 2035 in January 2009, VTA staff began developing implementation plans for the various programs represented in VTP 2035. These implementation plans will be taken the committee and Board process for approval in FY 2010. Included in this effort will be recommendation for transportation studies.

VTA staff also participates in efforts performed by others such as MTC and Caltrans. Examples of recent such efforts are Caltrans’ Project Initiation Document (PID) streamlining effort, Caltrans’ Highway Design Manual update, MTC’s drafting of legislation for a regional express lanes concept, Caltrans’ development of Corridor System Management Programs in concert with the development of CMIA projects, MTC’s continued development of Freeway Performance Initiative (FPI) improvements, and activities associated with AB 32 and SB 375 climate protection bills. Lastly, VTA staff participates and supports Member Agency efforts such as specific plan developments, and general plan updates.

4.1. Transportation Management Information Systems (TMIS)
A management information system using the existing Geographic Information System (GIS) software must be developed and maintained to effectively store and utilize the transportation and land use data being collected.

There are four ongoing TMIS projects:

4.1.1. County Land Use Database

VTA has developed a GIS land use database for the county using information from the County Assessor, Member Agencies, and other county and regional agencies. It is updated and expanded as part of the annual CMP monitoring process.

Development of a more complete land use database will allow VTA to more accurately allocate future growth using ABAG projections data properly aligned with the general plans and development policies of the Member Agencies. The land use database improves the countywide model, VTA transit and highway project forecasts and the quality of information provided to ABAG, which should improve ABAG’s forecasts for Santa Clara County and reduce the requests for data made by ABAG to Member Agency planning staffs. VTA staff will have a lead role in the next update of projections and work conducted as a part of SB 375.

The land use database will also be provided to Member Agencies for their use in planning and engineering projects.

4.1.2. CMP Transportation Model Data Distribution

Member Agencies frequently prepare transportation models for use in their own jurisdictions that provide more detail on local transportation conditions than the countywide model. The CMP statute requires that local transportation models be consistent with the countywide model. A significant amount of data is required to develop local models that are consistent with the countywide model. Data from the transportation model database is upon request electronically provided to Member Agencies using the Travel Demand Models or GIS.

4.1.3. CMP Transportation System Database

The CMP and Member Agencies are responsible for collecting and evaluating information on the CMP System condition and performance. This data is used to develop capital and operating transportation system improvement programs.

4.1.4. CMP Information via the Internet

VTA’s web site includes information about its transit services and other activities. Specifically, the site includes general information about VTA, meeting agendas and minutes, employment information, service and fare information, transit schedules, route maps, selected transit stops, the Countywide Bikeways Map, policies regarding bikes on VTA Transit, and links to other sites. The site has been updated to include interactive Bike Maps and LOS Maps, and will continue to be expanded to include VTA-developed policies and programs, and information generated specifically by the CMP such as related policies and statutes, roadway
congestion, project specific information, capital improvement summaries, summary text of the 2007 Congestion Management Program document, the countywide long-range transportation plan (VTP 2035), the CDT Program, research and reports, and technical guidelines and documents. The website also provides information on VTA grant programs and their associated project solicitations. Additionally, the website will contain the Programmed Projects Quarterly Monitoring Report, which details the progress of projects funded through programming actions by the VTA Board and identifies projects at risk of losing funds due to delivery difficulties, and the Pro-Active CMP which provides a quarterly review of VTA comments provided on development projects.

VTA staff provides ITS planning services to Member Agencies and participates on regional ITS initiatives with MTC, Caltrans and others. ITS planning activities include: prioritization of ITS improvements for countywide planning purposes; working in partnership with Member Agency staffs on ITS initiatives; integration of highway ITS into construction projects; working with Caltrans and Member Agency staffs on Caltrans Traffic Operations Systems (TOS) and ramp metering issues; and working on countywide initiatives that ensure the consideration of ITS-related operational improvements for the transportation system.

4.2. Transportation Systems Monitoring Program (TSMP)

VTA has developed and implemented the TSMP. The purpose of this program is to provide local jurisdictions, VTA advisory committees, and the VTA Board with information on the health and performance of transportation systems in Santa Clara County in a single, public friendly report format. The monitoring program also functions as an asset management tool for Santa Clara County’s transportation system infrastructure. The data collected is also useful for transportation planning purposes, for identifying areas in the transportation system needing improvements, and for building a case for allocating resources to make improvements or correct deficiencies. The proposal is for an annual update of the TSMP as part of the CMP work program.

4.3. Transportation Systems Planning and Project Development

VTA staff continues to provide support to local agencies and assist in the coordination of planning and project development work related to transportation improvements, especially those on the regional transportation system. The projects range from interchange improvement projects to freeway overcrossings to rapid transit improvements on State highways. VTA staff will continue to play a key role in ensuring that transportation system improvements address the needs of all modes of travel supported by the CMP.

4.4. Noise Reduction Screening Projects

Under Senate Bill 45 (SB 45), the responsibility for prioritizing and programming noise reduction projects for the STIP was passed to local agencies, such as VTA. Despite the many noise complaints that VTA and its member agencies receive each year, few projects have been submitted for funding. In order to assist member agencies in identifying potential projects, VTA developed a Noise Reduction Screening Program to evaluate whether candidate locations meet the VTA eligibility criteria and the Basic Noise Mitigation Standard.
In May 2007, VTA issued a “Request for Candidate Locations” for the Noise Reduction Screening Program. VTA received a total of 78 candidate locations from 10 member agencies. As a result of an initial screening process that was conducted by VTA staff, 49 locations were determined to be eligible for further screening to determine whether they meet VTA’s Basic Noise Mitigation Standard. The Noise Mitigation Standard is based on a cost limit per benefited residence, minimum noise reduction, and existing noise level.

On January 3, 2008, the VTA Board approved a budget of $400,000 for the Noise Reduction Screening Program. It is anticipated that the Noise Reduction Screening Program will complete its study of sites that meet VTA’s Basic Noise Mitigation Standard by the end of FY 2010.

In FY 2011, VTA will present the results of the Noise Reduction Screening Study. VTA will assist its member agencies in responding to their constituents regarding the results of the study and will provide technical assistance in preparing the documentation required to program projects for future STIP funding. VTA will also review the policies, project selection and programming criteria for the Sound Barrier Program that was approved in November 2003 based on the latest state and federal guidelines and best practices of other public agencies.

4.5. Countywide Transportation Plan (VTP 2040) and Follow-up Activities

VTP 2035 is the countywide long-range transportation plan for Santa Clara County, which drives overall planning and programming efforts of VTA. The VTA Board adopted it on January 8, 2009. VTP 2035 includes programs and policies for delivering a multimodal transportation system for Santa Clara County by providing a framework for making key transportation decisions, a plan for investing in our transportation system, and strategic direction for VTA’s involvement in land use and other livability issues. VTP 2035 contains programs that:

- Improve the relationship between land use and transportation decisions, and responds to heightened awareness of the link between transportation and open space preservation, urban design, and in general, the county’s quality of life and economic vitality.
- Focus on maintaining and managing our existing system, while providing the capacity to expand elements of the transportation system.
- Provide multimodal transportation improvements, effectively distribute transportation resources and plans their future use, and effectively upgrades the existing state and local roadway system.
- Address new legislation related to climate protection
- Provide a Strategic Planning Framework for VTA

VTP 2035 identifies transportation improvements for transit, roadway, bicycle, and pedestrian systems, and a financial plan for implementing the related projects. The next plan update is scheduled for adoption in early 2013, following a schedule similar to that of MTC’s update of the RTP. However, due to significant new legislation regarding climate protection and the preparation of the RTP, work on the plan will begin in early 2009 and continue through 2013.
Santa Clara Valley Transportation Authority
Congestion Management Program

Major Accomplishments in FY 2010

The summary below details the major accomplishments for the Congestion Management Program in FY 2010.

Programming & Grants:
- Developed and programmed the American Recovery and Reconstruction Act (ARRA) Highway & Transit Formula program for Santa Clara County.
- Developed a funding strategy for VTP 2035 that enabled most major roadway improvements and the entire Measure A Transit program to be included in the fiscally constrained 2009 Region Transportation Plan.
- Developed and programmed the FY 2010 TFCA 40% Program.
- Developed and programmed FY 2010 TDA Article 3 Program, which funds the backbone of most member agencies sidewalk and ADA curb ramp programs.
- In partnership with the County, developed and programmed several rounds of Lifeline program funding to support expanded transportation services.

Planning:
- Completed VTP 2035.
- Updated Annual Monitoring and Conformance Requirements.
- Updated CMP Guidelines.
- Prepared of white paper on traffic impact fees.
- Prepared of Proactive CMP reports on a quarterly basis.
- Prepared Bicycle Technical Guidelines.

Project Development:
- Continuing work to update CMP Requirements for Local Deficiency Plans with completion of this activity expected by the end of FY 2010.
- Work on baseline year Transportation System Monitoring Program completed and accepted by VTA Board at its March 2010 meeting.
- Completed preparation of Noise Reduction Assessments.
- Ramp Metering Memorandum of Understanding.
- Ramp Metering implementation working with TAC and SOM Working Group.
- Updating of Project Initiation Document (PID) Work Program.
- Completed review of ZZ documents (traffic studies, environmental documents, notices of preparation, etc.) as part of the Proactive CMP process for the period of July 1, 2009 through February 28, 2010.
- Organized and hosted training.
Santa Clara Valley Transportation Authority
Congestion Management Program

FY 2011 Member Agency Fee Schedule

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BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief External Affairs Officer, Greta Helm

SUBJECT: Monthly Legislative History Matrix

FOR INFORMATION ONLY

BACKGROUND:

For your information, I am attaching our Monthly Legislative History Matrix, which describes the key transportation-related bills that are being considered by the California State Legislature during the 2009-2010 session. It indicates the status of these measures and any adopted VTA positions with regard to them.

DISCUSSION:

For the time being, the state’s financial situation has slipped to the sidelines as lawmakers await Gov. Arnold Schwarzenegger’s proposed revisions to his January budget plan. Scheduled to be submitted to the Assembly and Senate in May, these revisions will include updated forecasts of revenues and expenditures, and will trigger the next round of budget negotiations between the Governor and the Legislature. Currently, the deficit is pegged at $18.6 billion.

Meanwhile, lawmakers have been focusing their attention on deciding the fate of new pieces of legislation that have been introduced since January. New bills underwent their first round of policy committee hearings during the month of April. In the transportation arena, high-speed rail and climate change continue to be the most popular topics and, consequently, have generated the most bills. Here are the key measures that have been introduced by lawmakers in both of these areas:

High-Speed Rail:

AB 289 (Galgiani): This bill requires the California High-Speed Rail Authority, to the extent possible, to use the proceeds from Proposition 1A bonds to match federal economic stimulus funds made available to the state under the American Recovery and Reinvestment Act (ARRA). In addition, it appropriates the $2.25 billion in ARRA funding that was recently awarded to California and allows the High-Speed Rail Authority to expend this money for preliminary engineering, project-level environmental work, mitigation, final design, and construction.
Finally, AB 289 states the intent of the Legislature to establish an inspector general to oversee the fiscal functions of the High-Speed Rail Authority. Status: Senate Transportation and Housing Committee. VTA Position: None.

AB 1375 (Galgiani): This is one of several measures proposing to restructure the High-Speed Rail Authority. Specifically, AB 1375 calls for creating a new Department of High-Speed Rail within the Business, Transportation & Housing Agency (BTH) to manage and implement the state’s planned high-speed rail system. Under the provisions of AB 1375, this new department would be overseen by the High-Speed Rail Authority. Status: Senate Transportation and Housing Committee. VTA Position: None.

AB 1747 (Galgiani): AB 1747 requires the High-Speed Rail Authority to consider the creation of jobs in the state when awarding major contracts. Status: Assembly Appropriations Committee. VTA Position: None.

AB 1830 (Galgiani): Another measure addressing procurement issues, AB 1830 requires the High-Speed Rail Authority to make every effort to purchase high-speed rail rolling stock and related equipment manufactured in California. Status: Assembly Floor. VTA Position: None.

AB 2121 (Harkey): This legislation requires the High-Speed Rail Authority to adopt a six-year high-speed train program for submission to the Legislature and the Governor. Under the provisions of AB 2121, this program would include a listing of all capital improvement projects that are expected to need an appropriation in the annual Budget Act over the course of the next six fiscal years. Status: Assembly Appropriations Committee. VTA Position: None.

SB 409 (Ducheny): Another governance restructuring bill, SB 409 calls for placing the High-Speed Rail Authority within BTH. In addition, it requires the authority to submit an annual high-speed rail funding plan to the California Transportation Commission (CTC) for approval, and requires BTH to prepare a five-year Strategic Rail Connectivity Plan that focuses on opportunities for coordinating and linking passenger rail systems in the state. Status: Assembly Transportation Committee. VTA Position: None.

SB 455 (Lowenthal): This measure requires Senate confirmation for the Governor’s appointments to the High-Speed Rail Authority. It also establishes criteria for selecting high-speed rail projects and provides the High-Speed Rail Authority with eminent domain authority similar to that currently assigned to Caltrans. Status: Assembly Floor. VTA Position: None.

SB 964 (Alquist): Part of the Senate’s 27-bill jobs package, SB 964 requires the High-Speed Rail Authority to contract with the California Employment Development Department to put together a strategy to facilitate the availability of a skilled, in-state workforce to participate in the construction of the state’s high-speed rail system. Status: Senate Appropriations Committee. VTA Position: Recommended Support.

SB 965 (DeSaulnier): Also part of the Senate’s jobs package, SB 965 allows the High-Speed Rail Authority to expend federal funds made available to it under ARRA, subject to appropriation by the Legislature. In addition, this measure requires the High-Speed Rail Authority to take those actions necessary to ensure that ARRA high-speed rail funds are obligated and expended in a manner that: (a) meets all applicable federal deadlines; (b) maximizes job creation in California at the earliest feasible time; (c) expedites the completion of
vital high-speed rail infrastructure projects that improve rail-highway safety, mobility and performance; and (d) makes the most efficient use of available Proposition 1A bond funds. Status: Senate Appropriations Committee. VTA Position: None.

Climate Change:

AB 231 (Huffman): This legislation requires the California Air Resources Board (CARB) to adopt a schedule of fees to be paid by the sources of greenhouse gas emissions regulated by AB 32 (Nunez), the Global Warming Solutions Act of 2006. Status: Senate Environmental Quality Committee. VTA Position: None.

AB 1405 (DeLeon): This bill requires CARB to deposit a minimum of 30 percent of fee revenues generated under the Global Warming Solutions Act into a new Community Benefits Fund. Under the provisions of AB 1405, these revenues must be spent in the most impacted and disadvantaged communities in California in order to accelerate greenhouse gas emission reductions or mitigate the direct health impacts of climate change in those communities. Status: Senate Floor. VTA Position: None.

AB 2329 (Ruskin): Similar to a measure that died in the Senate Appropriations Committee last year, AB 2329 calls for creating a “Climate Action Team” consisting of key department and agency heads to coordinate the state’s overall climate change policy. Status: Assembly Appropriations Committee. VTA Position: None.

AB 2534 (Fuentes): AB 2534 allows CARB to spend a portion of the revenues generated from a market-based compliance mechanism established pursuant to the Global Warming Solutions Act in communities experiencing increased exposure to air pollutants, if CARB determines that this increased exposure is caused by the implementation of the market-based compliance mechanism. Status: Assembly Natural Resources Committee. VTA Position: None.

SB 1120 (Dutton): One of several bills introduced by Republican lawmakers that attempt to either scale back or repeal the Global Warming Solutions Act, SB 1120 prohibits CARB from implementing a market-based compliance mechanism as part of the state’s efforts to reduce greenhouse gas emissions. Status: Senate Environmental Quality Committee. VTA Position: None.

SB 1263 (Wyland): This legislation makes the provisions of the Global Warming Solutions Act and any regulations adopted by CARB to implement it inoperative. Status: Senate Environmental Quality Committee. VTA Position: None.

SB 1305 (Pavley): SB 1305 requires revenues generated from fees to fund expenditures beyond administrative costs related to the implementation of the Global Warming Solutions Act; from the implementation of a market-based compliance mechanism; or from other compliance mechanisms to be appropriated for purposes as determined by the Legislature. Status: Senate Environmental Quality Committee. VTA Position: None.

Prepared By: Kurt Evans
Memo No. 2333
## State Assembly Bills

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<tr>
<td>AB 153</td>
<td>Specifies that the California High-Speed Rail Authority constitutes a “governing body” for the purpose of adopting a resolution of necessity pursuant to an eminent domain proceeding. Allows the authority to employ its own legal staff or contract with other state agencies for legal services.</td>
<td>As Introduced</td>
<td>Senate Transportation and Housing Committee</td>
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<tr>
<td>AB 231</td>
<td>By March 30, 2010, requires the California Air Resources Board (CARB) to adopt a schedule of fees to be paid by the sources of greenhouse gas emissions regulated pursuant to the California Global Warming Solutions Act of 2006. Requires revenues collected pursuant to compliance mechanisms related to the implementation of the Global Warming Solutions Act, as well as any federal climate change funds received by the state, to be deposited in the Climate Protection Trust Fund and to be made available, upon appropriation by the Legislature, for the purpose of carrying out the provisions of the act.</td>
<td>6/26/09</td>
<td>Senate Environmental Quality Committee</td>
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<td>AB 266</td>
<td>Every five years, requires the California Transportation Commission (CTC) to develop an assessment of: (a) the unfunded costs of programmed state and federally earmarked transportation projects in California; and (b) available funding for transportation purposes and unmet transportation needs on a statewide basis. Requires the assessment to include recommendations on how the state and local transportation agencies may address the transportation funding shortfalls and unmet needs that are identified. Requires the results from the initial assessment to be submitted to the Legislature by March 1, 2011.</td>
<td>4/20/09</td>
<td>Senate Rules Committee</td>
<td>Support</td>
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<td><strong>AB 289</strong>&lt;br&gt;(Galgiani)&lt;br&gt;High-Speed Rail: ARRA Funds</td>
<td>Requires the California High-Speed Rail Authority, to the extent possible, to use bond proceeds from the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A) to match federal economic stimulus funds made available to the state under the American Recovery and Reinvestment Act (ARRA). Appropriates $2.25 billion in ARRA high-speed rail funding that has been awarded to California to the High-Speed Rail Authority. Allows the High-Speed Rail Authority to expend these ARRA funds for preliminary engineering, project-level environmental work, mitigation, final design, and construction. Requires the High-Speed Rail Authority to take those actions necessary to ensure that the federal funds awarded to it: (1) are expended and used in a manner that meets all applicable federal guidelines; (2) make the most efficient use of available state bond funds; and (3) are expended and used consistent with state law. In determining how to expend the $2.25 billion in ARRA funds, requires the High-Speed Rail Authority to consider actions that: (1) maximize job creation in California at the earliest feasible time; and (2) expedite the completion of vital high-speed rail infrastructure projects that improve rail safety, mobility and performance. States the intent of the Legislature to establish an inspector general to oversee the fiscal functions of the High-Speed Rail Authority to ensure public and private investor confidence in the fiscal management and construction of the high-speed rail project. Allows the Governor to appoint up to five deputy directors for the High-Speed Rail Authority, who would: (a) be exempt from civil service; and (b) serve at the pleasure of the authority’s executive director. Requires the High-Speed Rail Authority to include in its business plan an estimate of jobs created in each high-speed rail corridor.</td>
<td>4/21/10</td>
<td>Senate Transportation and Housing Committee</td>
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<td><strong>AB 497</strong>&lt;br&gt;(Block)&lt;br&gt;HOV Lanes: Physicians</td>
<td>Allows Caltrans and local transportation authorities to permit a vehicle driven by a physician who is traveling in response to an emergency call to use high-occupancy vehicle (HOV) lanes regardless of the number of passengers in the vehicle, provided the vehicle displays an insignia approved by the California Highway Patrol (CHP) indicating that the vehicle is owned by a licensed physician. Specifies that the provisions of the bill would only apply if Caltrans determines that its application would not subject the state to a loss of federal aid for highways.</td>
<td>5/14/09</td>
<td>Senate Transportation and Housing Committee</td>
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<td><strong>AB 569</strong>&lt;br&gt;(Emmerson)&lt;br&gt;Meal Periods: Construction and Transportation Industries</td>
<td>Specifies that provisions in the Industrial Welfare Commission’s wage order pertaining to meal periods do not apply to an employee in a construction occupation, a commercial driver in the transportation industry or an employee in the security services industry if all of the following conditions are satisfied: (1) the employee is covered by a valid collective bargaining agreement; (2) the valid collective bargaining agreement expressly provides for the wages, hours of work, and working conditions of employees; and (c) the valid collective bargaining agreement expressly provides for meal periods, final and binding arbitration of disputes concerning the application of its meal period provisions, premium wage rates for all overtime hours worked, and a regular hourly rate of pay of not less than 30 percent more than the state minimum wage rate.</td>
<td>9/11/09</td>
<td>Senate Labor and Industrial Relations Committee</td>
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<td><strong>AB 619</strong>&lt;br&gt;(Blumenfield)&lt;br&gt;Federally Funded Transportation Projects</td>
<td>Requires Caltrans to notify the Legislature within 30 days of making a determination that a project will be delayed beyond its scheduled completion date due to state cash flow or other funding issues, if the delay places at risk federal funds, including money earmarked for the project.</td>
<td>As Introduced</td>
<td>Senate Transportation and Housing Committee</td>
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<td><strong>AB 726</strong> (Nielsen)</td>
<td>States that local roadway rehabilitation projects are eligible for funding under the State Transportation Improvement Program (STIP).</td>
<td>As Introduced</td>
<td>Senate Transportation and Housing Committee</td>
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<td>Local Roadway Rehabilitation Projects</td>
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<td><strong>AB 732</strong> (Jeffries)</td>
<td>Extends the authority for Caltrans to use the design-sequencing method of contracting for the design and construction of not more than nine transportation projects from January 1, 2010, to July 1, 2010.</td>
<td>6/16/09</td>
<td>Senate Appropriations Committee</td>
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<td>Design-Sequencing Contracts</td>
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<td>AB 744 (Torrico) Bay Area Express Lane Network</td>
<td>Authorizes the Bay Area Toll Authority (BATA) to develop, acquire, administer, operate, and maintain a regional express lane network on state highways within the geographic jurisdiction of the Metropolitan Transportation Commission (MTC) in a collaborative manner with the congestion management agencies (CMAs) in the Bay Area, Caltrans and the California Highway Patrol (CHP). Creates the Bay Area Express Lane Network Project Oversight Committee to recommend policies related to the network to BATA, including an express lane development plan. Specifies that the plan would consist of the following two elements: (1) a phasing plan for the development of the express lane network, which would include a definition of the geographic boundaries of each of the express lane corridors in the network; and (2) an operational plan, which would include consistency standards for the network related to geometric design, signage, safe and simple operations, technology, pricing policies and goals, carpool occupancy requirements, hours of operation, maintenance, enforcement, marketing, tort liability, and performance standards. Requires the committee to establish corridor working groups for each express lane corridor. Requires each corridor working group to prepare a project initiation document to assess the feasibility and desirability of express lanes in the corridor, as well as to develop a corridor investment plan. Requires the corridor investment plan to consist of the following: (a) phased development of the segment of the regional express lane network within the corridor of the group; (b) carpool occupancy and fee policies; (c) local funding for the development of part or all of the segment of the network within the corridor of the group; (d) proposed reimbursement of local agencies for prior expenditures on elements of the network; (e) proposals as to which agencies would perform the work described in the corridor investment plan; (f) an examination of equity considerations; (g) a proposal for improving public transit services in the corridor; (h) an examination of safety and operations, including express lane ingress and egress; and (i) projects and programs to be funded with any net revenues generated by the corridor, giving the highest priority to projects and programs that would provide cost-effective transit. Authorizes BATA to issue revenue bonds to finance the development of the regional express lane network, and to pledge toll revenues from the Bay Area’s state-owned toll bridges as a “backstop” for those bonds. Allows BATA to increase the tolls collected on those bridges if that action is necessary to meet the obligations of the revenue bonds. Allows BATA to expend toll bridge revenues on the regional express lane network provided that: (a) funding from other sources is not available; and (b) BATA projects that funding the network will not necessitate an increase in bridge toll rates or preclude BATA from upholding its contractual and statutory obligations. Requires all revenues generated by the network to be deposited in the Bay Area Express Lane Network Account, which BATA would create. Requires BATA to return 95 percent of any revenues net of operating, maintenance, financing, and administration costs to the corridors where the net revenues are generated for the purpose of funding projects and programs identified in the relevant corridor investment plan. Requires the Santa Clara Valley Transportation Authority (VTA), the Alameda County Congestion Management Agency and the Sunol Smart Carpool Lane Joint Powers Authority to enter into agreements with BATA by January 1, 2011, to provide for the transfer of their rights and obligations relative to express lane projects to BATA. Requires BATA to provide vehicle owners with the option of obtaining a FasTrak account using cash or a check, and without having to provide a name or address. Prohibits BATA from converting existing non-tolled general purpose lanes to express lanes.</td>
<td>7/15/09</td>
<td>Senate Appropriations Committee</td>
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<td><strong>AB 987</strong>&lt;br&gt;(Ma)&lt;br&gt;Transit Village Developments: Infrastructure Financing</td>
<td>Allows a local government to create an infrastructure financing district and thereby use tax increment financing to pay for public facilities and amenities within a transit village development district. Recasts the area for a transit village development plan to include all land within not more than a half mile of the main entrance of a public transit station. Requires a transit village development plan utilizing an infrastructure financing district to do all of the following: (a) include an increase in the stock of affordable housing or live-travel options for transit-needy groups as one of its five demonstrable public benefits; (b) use at least 20 percent of all revenues derived from the infrastructure financing district to increase, improve and preserve the supply of low- and moderate-income affordable housing in the district for a period of at least 55 years for rental housing and 45 years for owner-occupied housing; and (c) replace dwelling units at an affordable housing cost when specified dwelling units are destroyed or removed. Eliminates the requirement for voter approval for the formation of an infrastructure financing district, adoption of an infrastructure financing district plan, and the issuance of bonds for implementing an infrastructure financing district plan, if the district is being proposed to implement a transit village development plan.</td>
<td>1/4/10</td>
<td>Senate Local Government Committee</td>
<td>Support</td>
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<tr>
<td><strong>AB 1030</strong>&lt;br&gt;(Blumenfield)&lt;br&gt;Caltrans: Renewable Energy Projects</td>
<td>In consultation with Caltrans, authorizes the Institute of the Environment at the University of California-Los Angeles (UCLA) to undertake a project for mapping the renewable energy development potential of state-owned real property under the direction and control of Caltrans. Requires Caltrans to respond within 90 days to any proposal to develop a renewable energy project as to whether: (a) the property is available for sale, lease or encroachment permit; and (b) the project would be compatible with the current and projected use of that property.</td>
<td>7/13/09</td>
<td>Senate Appropriations Committee</td>
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<td><strong>AB 1104</strong>&lt;br&gt;(Monning)&lt;br&gt;Off-Highway Motor Vehicles</td>
<td>Expands the period of time during which a review of a parking violation may be requested.</td>
<td>4/14/09</td>
<td>Senate Transportation and Housing Committee</td>
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<td>AB 1375 (Galgiani)</td>
<td>California High-Speed Rail Authority</td>
<td>Creates the Department of High-Speed Trains within the Business, Transportation and Housing Agency. Requires the California High-Speed Rail Authority to establish policies directing the development and implementation of high-speed train service that is fully integrated with the state’s existing intercity rail and bus network, consisting of interlinked conventional and high-speed train lines and associated feeder buses. Further specifies that the intercity network in turn shall be fully coordinated and connected with commuter train lines and urban transit systems developed by local agencies, through the use of common station facilities whenever possible. Requires the Department of High-Speed Trains to implement these policies. Requires the authority to do all of the following: (1) select the routes of the high-speed train system; (2) serve as the governing body of the Department of High-Speed Trains; (3) adopt criteria for the awarding of franchises; and (4) set fares or establish guidelines for the setting of fares. By October 1 of each year, requires the authority to adopt and submit to the Governor and the Legislature a high-speed train program that would cover a period of six fiscal years. Requires the program to include a listing of all capital improvement projects that are expected to require an appropriation in the annual Budget Act, including federal, state, local, and private funds, during the following six fiscal years. Requires the director of the Department of High-Speed Trains to be appointed by the Governor. Requires the department to do all of the following: (1) conduct engineering and other studies related to the selection and acquisition of rights-of-way, and the selection of a franchisee; (2) evaluate alternative high-speed train technologies, systems and operators, and select an appropriate high-speed train system; (3) award franchises consistent with criteria adopted by the authority; (4) select a proposed franchisee, a proposed route and proposed terminal sites; (5) prepare a detailed financing plan, including any necessary taxes, fees or bonds to pay for the construction of the high-speed train system; (6) enter into contracts for the design, construction and operation of the high-speed train system; (7) acquire rights-of-way through purchase or eminent domain; (8) enter into cooperative or joint development agreements with local governments or private entities; (9) subject to the approval of the authority, issue debt secured by pledges of state funds, federal grants or project revenues; (10) relocate highways and utilities; (11) plan, construct and operate the high-speed train system; (12) acquire, sell and lease passenger rail rolling stock, power units and associated equipment; and (13) acquire, lease, design, construct, and improve track lines and related facilities.</td>
<td>1/15/10</td>
<td>Senate Transportation and Housing Committee</td>
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<td><strong>AB 1405</strong></td>
<td>Requires the California Air Resources Board (CARB) to deposit a minimum of 30 percent of the fee revenues generated under the California Global Warming Solutions Act of 2006, other than revenues collected for administrative purposes, in the Community Benefits Fund. Requires the revenues in the fund to be used solely in the most impacted and disadvantaged communities in the state to accelerate greenhouse gas emission reductions or mitigate direct health impacts of climate change in those communities. Requires the revenues in the fund to be used to provide competitive grants for projects that do any of the following: (a) reduce greenhouse gas emissions while achieving co-benefits, such as reductions in air pollution; (b) increase water and energy efficiency and conservation through retrofitting, replacing or weatherizing activities; (c) install clean distributed generation systems that utilize locally available renewable energy sources, such as solar, wind and geothermal energy; (d) initiate or enhance public mass transit, including fare subsidies to commuters; (e) incentive low-income, public mass transit-oriented housing development; (f) minimize the direct health impacts of climate change and prepare for emergencies from extreme weather events by taking actions such as the operation of air-conditioned cooling centers that are open to the public; or (g) provide community based greening, forestry or water-related projects, such as stormwater capture, tree planting, and water conservation and efficiency measures that have been recognized to reduce greenhouse gas emissions and produce co-benefits. Requires CARB to adopt a methodology to identify the most impacted and disadvantaged communities by June 30, 2010.</td>
<td>9/1/09</td>
<td>Senate Floor</td>
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<td><strong>AB 1500</strong></td>
<td>Unless pre-empted by federal law, extends the authorization for low-emission vehicles to use high-occupancy vehicle (HOV) lanes regardless of the number of vehicle occupants from January 1, 2011, to January 1, 2014.</td>
<td>7/14/09</td>
<td>Senate Floor</td>
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<td><strong>AB 1670</strong></td>
<td>Authorizes the California Transportation Commission (CTC) to relinquish the following to the city of San Jose: (a) the portion of State Route 82 from U.S. 101 to I-880; and (b) the portion of State Route 130 within the city limits.</td>
<td>4/5/10</td>
<td>Assembly Appropriations Committee</td>
<td>Support</td>
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<td><strong>AB 1747</strong></td>
<td>Allows the California High-Speed Rail Authority to consider, to the extent permitted by federal and state law, the creation of jobs in the state when awarding major contracts, including for the purchase of high-speed trains and related equipment and supplies.</td>
<td>4/14/10</td>
<td>Assembly Appropriations Committee</td>
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<td><strong>AB 1760</strong>&lt;br&gt;(Blumenfield)&lt;br&gt;Design-Sequencing Contracts&lt;br&gt;Authorizes Caltrans to award design-sequencing contracts for the design and construction of transportation projects until January 1, 2016. Defines “design-sequencing” as a method of contracting that enables the sequencing of design activities to permit each construction phase to commence when design for that phase is complete, instead of requiring design for the entire project to be completed before commencing construction. Provides that under a design-sequencing contract, Caltrans would serve as the responsible agency for the performance of design work. In selecting projects for design-sequencing, requires Caltrans to attempt to: (a) balance geographical areas among projects; (b) pursue diversity in the types of projects undertaken; and (c) consider selecting projects that improve interregional and intercounty routes. Allows Caltrans to use employees or consultants for design-sequencing contracts, consistent with the provisions in the state Constitution.</td>
<td>4/19/10</td>
<td>Assembly Transportation Committee</td>
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<td><strong>AB 1784</strong>&lt;br&gt;(Fong)&lt;br&gt;VTA: Local Roadway Projects&lt;br&gt;Authorizes the Santa Clara Valley Transportation Authority (VTA) to manage the construction of improvement projects on local roadways under the jurisdiction of the 15 cities within Santa Clara County or the county, if requested by a city or the county to do so.</td>
<td>4/12/10</td>
<td>Senate Rules Committee</td>
<td>Sponsor</td>
<td></td>
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<td><strong>AB 1805</strong>&lt;br&gt;(Calderon)&lt;br&gt;CEQA Litigation Protection Pilot Program of 2010&lt;br&gt;Establishes the California Environmental Quality Act (CEQA) Litigation Protection Pilot Program. Requires the Business, Transportation &amp; Housing Agency to select 25 projects for each calendar year between 2010 and 2014 to participate in the program. For a project to qualify for the program, requires the lead agency to certify that the environmental impact report (EIR) for the project will be certified within 12 months. In selecting projects for the program, requires the Business, Transportation &amp; Housing Agency to consider the following: (1) the number and quality of jobs that would be created by the project; (b) the amount of capital investment made by the project; and (c) a balance between projects sponsored by public and private entities. Provides that a lead agency’s decision to certify an EIR or to adopt a mitigated negative declaration based on an initial study for a project selected to participate in the pilot program is not subject to judicial review.</td>
<td>As Introduced</td>
<td>Assembly Natural Resources Committee</td>
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<td><strong>AB 1830</strong>&lt;br&gt;(Galgiani)&lt;br&gt;High-Speed Rail: Rolling Stock and Equipment Purchases&lt;br&gt;Requires the California High-Speed Rail Authority to make every effort to purchase high-speed train rolling stock and related equipment manufactured in the state.</td>
<td>4/8/10</td>
<td>Assembly Floor</td>
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<td><strong>AB 1958</strong>&lt;br&gt;(Caballero)&lt;br&gt;State Departments: Budget Cuts&lt;br&gt;States the intent of the Legislature to enact a bill to require each state department to make recommendations on reducing its costs by 5 percent, and to use those cost savings to fund pre-approved infrastructure projects not funded by existing bond proceeds.</td>
<td>As Introduced</td>
<td>Assembly Desk</td>
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<td><strong>AB 2097</strong>&lt;br&gt;(Miller)&lt;br&gt;Vehicles: Confidential Home Addresses&lt;br&gt;Requires a person who requests the confidentiality of his or her home address to provide the Department of Motor Vehicles (DMV) with a current employment address for purposes of processing the service and collection of a traffic, parking or toll road violation.</td>
<td>As Introduced</td>
<td>Assembly Appropriations Committee</td>
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<td>State Assembly Bills</td>
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<td>AB 2098 (Miller)</td>
<td>Provides that a project of a local transportation entity may be approved by the California Transportation Commission (CTC) for the design-build method of procurement if the project is consistent with the Policy Guidance for Project Authorizations under the Design-Build Demonstration Program adopted by the commission in September 2009.</td>
<td>4/21/10</td>
<td>Assembly Transportation Committee</td>
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<tr>
<td>AB 2113 (Evans)</td>
<td>Authorizes a county board of supervisors to place on the ballot either or both of the following for consideration by the voters in accordance with all constitutional and statutory requirements: (1) a local personal income tax; or (2) a local vehicle license fee.</td>
<td>As Introduced</td>
<td>Assembly Local Government Committee</td>
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<tr>
<td>AB 2121 (Harkey)</td>
<td>Requires the California High-Speed Rail Authority to adopt a six-year high-speed train program for submission to the Legislature and the Governor. Requires the program to include a listing of all capital improvement projects that are expected to need an appropriation in the annual Budget Act during the next six fiscal years. Requires the High-Speed Rail Authority to prepare and submit to the Legislature and the Governor an annual report. Requires the report to include all of the following: (1) a description of the progress made on the high-speed train program adopted by the authority; (2) a detailed financing plan, including any necessary taxes, fees or bonds to pay for the construction of the high-speed train network; and (3) a proposed high-speed train financial plan, including necessary taxes, bonds or other indebtedness.</td>
<td>4/28/10</td>
<td>Assembly Appropriations Committee</td>
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<tr>
<td>AB 2124 (Villines)</td>
<td>Specifies that Caltrans shall be responsible for damage inflicted on any roadway under the jurisdiction of a local agency resulting from activities performed by the department’s own employees or its contractors during maintenance or construction work on a state highway.</td>
<td>As Introduced</td>
<td>Assembly Transportation Committee</td>
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<tr>
<td>AB 2127 (Nestande)</td>
<td>Requires the Department of Health Care Services to establish a two-year pilot program in at least three counties to evaluate a non-emergency medical transportation model in which the state would contract with a broker to manage the provision of non-emergency medical transportation services to Medi-Cal beneficiaries. Requires the department to monitor the pilot program, evaluate the outcomes and savings, and provide the fiscal committees of the Legislature with a report on its findings and recommendations. If it determines that the pilot program is cost effective, authorizes the department to implement the program statewide at any time and to continue the operation of the program indefinitely.</td>
<td>As Introduced</td>
<td>Assembly Health Committee</td>
<td></td>
</tr>
<tr>
<td>AB 2147 (V. Perez)</td>
<td>In awarding grants to local governmental agencies under the Safe Routes to School Program, requires Caltrans, as part of the rating process, to consider: (a) the benefit of a particular project to a disadvantaged community; and (b) the use of a public participation process.</td>
<td>4/19/10</td>
<td>Assembly Appropriations Committee</td>
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<tr>
<td>AB 2311 (Mendoza)</td>
<td>Requires the executive officer of the California Air Resources Board (CARB) to conduct three reviews on the implementation of the low-carbon fuel standard regulations adopted by CARB to regulate greenhouse gas emissions from transportation fuels. Requires the CARB executive officer to establish a Low-Carbon Fuel Standard Advisory Panel for purposes of participating in the reviews.</td>
<td>4/19/10</td>
<td>Assembly Appropriations Committee</td>
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<tr>
<td>AB 2313 (Buchanan) CEQA: Greenhouse Gas Emissions</td>
<td>Establishes the criteria to be used by a lead agency in determining whether, under the California Environmental Quality Act (CEQA), its project may have a significant effect on the environment with regard to greenhouse gas emissions.</td>
<td>4/5/10</td>
<td>Assembly Appropriations Committee</td>
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<tr>
<td>AB 2324 (J. Perez) Public Transit Facilities</td>
<td>Prohibits the following: (a) a person from knowingly possessing specified weapons within a sterile area of a public transit facility; (b) an unauthorized person from knowingly entering a restricted area of a public transit facility if the area has been posted with notices restricting access to authorized personnel only; and (c) a person from intentionally avoiding submission to screening and inspection when entering or re-entering a sterile area of a public transit facility. Defines “sterile area” to mean any portion of a public transit facility that is generally controlled in a manner consistent with a public transit agency’s security plan. Increases the penalties for repeat fare evasion offenders and for certain acts of public transit passenger misconduct.</td>
<td>4/5/10</td>
<td>Assembly Appropriations Committee</td>
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<tr>
<td>AB 2329 (Ruskin) Climate Action Team</td>
<td>Creates the Climate Action Team consisting of the following representation: (a) secretary of the California Environmental Protection Agency (CalEPA); (b) secretary of the Natural Resources Agency; (c) chairperson of the California Air Resources Board (CARB); (d) chairperson of the Energy Resources Conservation and Development Commission; (e) president of the California Public Utilities Commission (CPUC); (f) secretary of the Business, Transportation and Housing Agency; (g) secretary of the Department of Food and Agriculture; (h) secretary of the Department of Consumer Affairs; (i) secretary of the Health and Human Services Agency; (j) director of the Office of Planning and Research; and (k) secretary of the Labor and Workforce Development Agency. Consistent with the Global Warming Solutions Act of 2006, requires the Climate Action Team to coordinate the state’s overall climate change policy. To meet the goals of the Global Warming Solutions Act, requires the Climate Action Team to do all of the following: (1) identify and review activities, funding programs and other revenues of state agencies that may need to be coordinated; (2) recommend policies, investment strategies and priorities; and (3) provide information to local governments that will assist them with their own climate change efforts.</td>
<td>4/8/10</td>
<td>Assembly Appropriations Committee</td>
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<tr>
<td>AB 2509 (Hayashi) Transit Village Plans: Educational Facilities</td>
<td>Adds educational facilities and other land uses that provide direct linkages for people traveling to and from primary and secondary schools, community colleges and universities to the list of specified characteristics that a transit village plan may address.</td>
<td>4/8/10</td>
<td>Assembly Local Government Committee</td>
<td>Support</td>
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<tr>
<td>AB 2516 (Hill) Townhomes Located Near Public Transit</td>
<td>Requires 10 percent of the units in townhomes located within a half mile of a public transit station to be designed with a full bathroom, a kitchen and a bedroom on the ground floor.</td>
<td>As Introduced</td>
<td>Assembly Judiciary Committee</td>
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<tr>
<td>AB 2520 (Solorio) Proposition 116 Projects</td>
<td>Authorizes the lead agency for a project funded through Proposition 116, the Clean Air and Transportation Improvement Act of 1990, to apply for a letter of no prejudice (LONP) that would allow the agency to expend its own funds for any bond-funded component of the project, subject to later reimbursement from bond proceeds under certain conditions.</td>
<td>As Introduced</td>
<td>Assembly Transportation Committee</td>
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<tr>
<td>AB 2534 (Fuentes)</td>
<td>Global Warming Solutions Act: Impacted Communities</td>
<td>As Introduced</td>
<td>Assembly Natural Resources Committee</td>
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<tr>
<td>AB 2579 (Evans)</td>
<td>Master Plan for Infrastructure Financing and Development Commission</td>
<td>4/19/10</td>
<td>Assembly Appropriations Committee</td>
<td></td>
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<tr>
<td>AB 2620 (Eng)</td>
<td>Toll Facilities</td>
<td>4/26/10</td>
<td>Assembly Appropriations Committee</td>
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<tr>
<td>AB 2640 (Arambula)</td>
<td>Income Taxes: Free and Subsidized Parking</td>
<td>4/8/10</td>
<td>Assembly Revenue and Taxation Committee</td>
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Allows the California Air Resources Board (CARB) to use a portion of the revenues generated from a market-based compliance mechanism established pursuant to the Global Warming Solutions Act of 2006 for expenditure on communities experiencing increased exposure to air pollutants to the extent that CARB determines that this increased exposure is caused by the implementation of the market-based compliance mechanism regulation.

Creates the Master Plan for Infrastructure Financing and Development Commission. Specifies that the mission of the commission is to develop and recommend a plan to be presented to the Governor and Legislature that provides for financing, building and maintaining the infrastructure necessary to meet the needs of Californians from the present to the year 2050. States the intent of the Legislature that the commission provide long-term guidelines for California’s infrastructure needs and a prioritized plan that meets those needs by doing all of the following: (1) project population, social and economic trends through 2050; (2) utilize the projects to assess the state’s capital needs for transportation, education, housing, and water through 2050, including the need for private capital to augment or complement public financing; (3) assess the availability of private and public funds to support jointly sponsored projects throughout the period from the present to 2050; (4) assess the status and fiscal value of dedicating future revenues to specific infrastructure construction and maintenance, including transportation and schools; (5) recommend a financing plan for the state’s capital needs through 2050, with a priority plan for each five-year interval, including evaluation and recommendations of various financing methods that are feasible and may be of benefit to the state and local governments; and (6) incorporate the findings of ongoing state infrastructure planning and reporting requirements. Requires the commission to submit its final report to the Governor and Legislature by December 1, 2012. Requires the commission to be dissolved 30 days after issuance of its final report.

Requires an unspecified percentage of net toll revenues generated by a toll facility on the state highway system to be dedicated to funding projects in the State Highway Operation and Protection Program (SHOPP). Applies to toll facilities developed on and after January 1, 2011. Requires the cooperative agreement between Caltrans and the local agency to provide for the payment of these revenues to the department for deposit in the State Highway Account. Specifies that the provisions of the bill do not apply to corridors authorized in current law for the San Diego Association of Governments, the Sunol Smart Carpool Lane Joint Powers Authority, the Alameda County Congestion Management Authority, the Santa Clara Valley Transportation Authority, the Los Angeles County Metropolitan Transportation Authority, and the Riverside County Transportation Commission.

Subjects free or subsidized parking to income taxes by removing its exclusion from the calculation of gross income.
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<tr>
<td>AB 2691 (Hall)</td>
<td>Global Warming Solutions Act: Fees</td>
<td>Prohibits a state or local agency from imposing a greenhouse gas emissions fee on a source of greenhouse gas emissions that is subject to either of the following: (a) a market-based compliance mechanism; or (b) a fee regulation adopted by the California Air Resources Board (CARB).</td>
<td>4/6/10</td>
<td>Assembly Natural Resources Committee</td>
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<tr>
<td>AB 2703 (J. Perez)</td>
<td>Federal Transportation Economic Stimulus Funds: Second Round</td>
<td>Allows Caltrans to make loans using money received by California from a second round of federal transportation economic stimulus funding for the purpose of advancing projects that otherwise would be funded from Proposition 1B transportation infrastructure bond revenues.</td>
<td>4/8/10</td>
<td>Assembly Transportation Committee</td>
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<tr>
<td>AB 2704 (Gaines)</td>
<td>Local Snow Removal Funding</td>
<td>Requires Highway Users Tax Account funding to cities and counties for local snow removal to be maintained, as in effect on January 1, 2010.</td>
<td>4/8/10</td>
<td>Senate Rules Committee</td>
</tr>
<tr>
<td>ACA 3 (Blakeslee)</td>
<td>State General Obligation Bonds</td>
<td>Calls for placing before the voters an amendment to the California Constitution to require an initiative measure authorizing the issuance of state general obligation bonds in a total amount exceeding $1 billion to either provide additional tax or fee revenues, eliminate existing programs or both as necessary to fully fund the bonds in order to be placed on the ballot.</td>
<td>6/16/09</td>
<td>Assembly Floor</td>
</tr>
<tr>
<td>ACA 5 (Calderon)</td>
<td>State General Obligation Bonds</td>
<td>Calls for placing before the voters an amendment to the California Constitution to allow a local agency to impose, extend or increase any special tax if the tax is approved by its electorate by a 55 percent majority. Also allows a local agency to incur indebtedness in the form of general obligation bonds to fund any of the following: (a) the construction, reconstruction, rehabilitation, or replacement of public infrastructure improvements, and facilities or buildings used primarily to provide sheriff, police or fire protection services to the public; (b) affordable housing; and (c) the acquisition or lease of real estate for public infrastructure improvements, public safety facilities or buildings, and affordable housing, if the bond issuance is approved by its electorate by a 55 percent majority. Creates an exception to the 1 percent limit for property tax assessments if the revenues are being used to pay bonded indebtedness, approved by a 55 percent majority vote, to fund any of the following: (a) the construction, reconstruction, rehabilitation, or replacement of public infrastructure improvements, and facilities or buildings used primarily to provide sheriff, police or fire protection services to the public; (b) affordable housing; and (c) the acquisition or lease of real estate for public infrastructure improvements, public safety facilities or buildings, and affordable housing.</td>
<td>7/14/09</td>
<td>Assembly Floor</td>
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<tr>
<td>ACA 9 (Huffman)</td>
<td>Local Governments: Special Taxes</td>
<td>Calls for placing before the voters an amendment to the California Constitution to allow a local agency to impose, extend or increase any special tax if the tax is approved by its electorate by a 55 percent majority. Also allows a local agency to incur indebtedness in the form of general obligation bonds to fund any of the following: (a) the construction, reconstruction, rehabilitation, or replacement of public infrastructure improvements, and facilities or buildings used primarily to provide sheriff, police or fire protection services to the public; (b) affordable housing; and (c) the acquisition or lease of real estate for public infrastructure improvements, public safety facilities or buildings, and affordable housing, if the bond issuance is approved by its electorate by a 55 percent majority. Creates an exception to the 1 percent limit for property tax assessments if the revenues are being used to pay bonded indebtedness, approved by a 55 percent majority vote, to fund any of the following: (a) the construction, reconstruction, rehabilitation, or replacement of public infrastructure improvements, and facilities or buildings used primarily to provide sheriff, police or fire protection services to the public; (b) affordable housing; and (c) the acquisition or lease of real estate for public infrastructure improvements, public safety facilities or buildings, and affordable housing.</td>
<td>6/26/09</td>
<td>Assembly Floor Support</td>
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<td><strong>ACA 13</strong> (Hernandez) Initiatives</td>
<td>Calls for placing before the voters an amendment to the California Constitution regarding statewide initiative measures. Specifically, requires the Secretary of State’s Office to transmit an initiative measure to the Legislature prior to certification of the voter signatures that were collected to qualify the measure for the ballot. Allows the Legislature to amend an initiative measure that proposes to change the Constitution by concurrent resolution. If the proponents of the initiative measure accept the amendments of the Legislature, the Legislature may return the measure to the Secretary of State’s Office for possible placement on the ballot. Allows an initiative measure transmitted to the Legislature that only proposes a statute to be introduced in the Legislature as a bill. Provides that if such a bill is enacted and the proponents of the initiative measure accept any amendments of the Legislature, then the Secretary of State’s Office shall not submit the initiative measure to the voters. If the Legislature returns an initiative measure to the Secretary of State’s Office within 30 legislative session days after it has been transmitted to the Legislature and the measure is certified to have been signed by the requisite number of voters, requires the Secretary of State’s Office to place the measure, including any accepted amendments, on the ballot. If the Legislature does not return an initiative measure to the Secretary of State’s Office within 30 legislative session days after it has been transmitted to the Legislature, requires the Secretary of State’s Office to place the measure on the ballot if it is certified to have been signed by the requisite number of voters.</td>
<td>9/4/09</td>
<td>Assembly Floor</td>
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<tr>
<td><strong>ACA 15</strong> (Arambula) Local Governments: Transportation Special Taxes</td>
<td>Calls for placing before the voters an amendment to the California Constitution to allow a local agency to impose, extend or increase a special tax for the purpose of providing funding for local transportation projects if the tax is approved by its electorate by a 55 percent majority.</td>
<td>As Introduced</td>
<td>Assembly Floor</td>
<td>Support</td>
</tr>
<tr>
<td><strong>ACA 16</strong> (Nestande) State General Obligation Bonds</td>
<td>Calls for placing before the voters an amendment to the California Constitution to allow the Legislature to approve general obligation bond measures only for the purpose of funding long-term infrastructure. Defines “long-term infrastructure” to mean any of the following: (a) the acquisition of land, including easements, rights-of-way and other interests in land; (b) the construction or acquisition of improvements to land, including structures and equipment integral to the operation of those structures; and (c) the construction or acquisition of roadways and water conveyances.</td>
<td>As Introduced</td>
<td>Assembly Appropriations Committee</td>
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# State Senate Bills

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<tr>
<td><strong>SB 10</strong> (Leno)</td>
<td>Local Vehicle Assessment</td>
<td>7/8/09</td>
<td>Assembly Floor</td>
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<tr>
<td><strong>SB 409</strong> (Ducheny)</td>
<td>California High-Speed Rail Authority</td>
<td>1/26/10</td>
<td>Assembly Transportation Committee</td>
<td></td>
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<tr>
<td><strong>SB 10</strong> (Leno)</td>
<td>Authorizes counties and San Francisco to impose a voter-approved local vehicle assessment at a rate not to exceed 2 percent of the market value of each motor vehicle or trailer coach registered within their respective jurisdictions for general revenue purposes if: (a) the board of supervisors approves an ordinance to that effect by a two-thirds vote; and (b) the assessment is approved by a majority vote of the electorate. Specifies that the bill is not to be construed to supplant any funds that the state apportions to counties and San Francisco, including those apportioned under the Vehicle License Fee Law.</td>
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<td><strong>SB 409</strong> (Ducheny)</td>
<td>Places the California High-Speed Rail Authority within the Business, Transportation and Housing Agency. Requires the five members of the High-Speed Rail Authority appointed by the Governor to be confirmed by the Senate. Requires the authority to annually submit a funding plan to the California Transportation Commission (CTC) for approval. Requires the funding plan to identify the need for investments during the fiscal year and the amount of bond sales necessary to accommodate those investments. Requires the Business, Transportation and Housing Agency to prepare a five-year Strategic Rail Connectivity Plan for the state, the focus of which would be to identify opportunities for passenger rail system improvements and linkages. Requires this plan to: (a) include desirable linkages and feeder opportunities between high-speed rail, and conventional intercity rail, commuter rail and rail transit; (b) identify the coordination in planning and capital investments necessary to maximize the opportunities for each of those services in providing a cohesive, connected and easy-to-use system for Californians; (c) identify future right-of-way needs for passenger rail lines in connection with state and local highway system improvements; and (d) include other matters that offer opportunities for statewide coordination, such as the efficient movement of goods. Requires the strategic plan to be submitted to the CTC for approval on September 1, 2011, and every five years thereafter.</td>
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<td><strong>SB 455</strong></td>
<td>Requires the five gubernatorial appointments to the California High-Speed Rail Authority to be confirmed by the Senate. Exempts the High-Speed Rail Authority from the following: (a) various statutory provisions related to the acquisition and disposal of property requiring the approval of the Department of Finance; (b) securing the approval of the Department of Finance or the State Public Works Board when expending funds appropriated for capital outlay purposes; and (c) securing the approval of the Department of General Services when acquiring an easement or right-of-way. Prohibits the Department of General Services from: (a) granting easements across the property of the High-Speed Rail Authority; and (b) maintaining an inventory of the property owned by the authority. Authorizes the High-Speed Rail Authority to negotiate, in the name of the state, access to rights-of-way that it owns. Requires any capital investment made by the High-Speed Rail Authority for Phase 1 of the high-speed train project to be consistent with one or more of the following criteria: (a) enhances railroad access to stations and terminals, with priority being given to those stations and terminals that serve the largest employment centers; (b) improves travel times, service reliability, safety, and service frequency for existing commuter and intercity passenger train services; or (c) improves connections from the San Joaquin Valley to Southern California, or from the San Joaquin Valley to the Bay Area. Requires changes in contracts entered into by the High-Speed Rail Authority to be approved by its governing board. Requires the High-Speed Rail Authority to create an overall schedule with delivery milestones for all aspects of the high-speed train project.</td>
<td>4/16/09</td>
<td>Assembly Floor</td>
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<td><strong>SB 474</strong></td>
<td>Requires the California Transportation Commission (CTC) to provide an annual consolidated report to the Legislature on the progress of the following pilot programs authorized under current law: (1) public-private partnerships; (2) design-build; and (3) design-sequencing. Within 90 days after the award of a contract or after entering into any agreement for a pilot program involving public-private partnerships, design-build or design-sequencing under current law, requires the lead agency for the project to make a finding that the use of the alternative contracting or financing method will provide any of the following benefits to the public when compared to a traditional contracting or financing method: (a) accelerates the project completion date; (b) produces savings in personnel or financial resources; (c) results in lower costs to the users of the facility developed under the method; or (d) brings financial resources to the project that would not otherwise be available. If the lead agency on a project is not the owner of the facility, requires the owner of the facility to concur with the finding.</td>
<td>8/24/09</td>
<td>Assembly Transportation Committee</td>
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<td><strong>SB 476</strong></td>
<td>Clarifies provisions of the California Environmental Quality Act (CEQA) that prescribe when and how a person may bring an action or a proceeding against a project before a public entity.</td>
<td>4/30/09</td>
<td>Assembly Natural Resources Committee</td>
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| **SB 518**  
(Lowenthal)  
Parking | With respect to any lease of real property that a state entity enters into on or after January 1, 2011, requires the lessor to list the full cost of any parking spaces as a separate line item. Establishes a menu of parking policy reforms with a point score for each reform. Authorizes cities and counties to adopt and implement measures to reduce or eliminate subsidies for parking from the menu. Includes reforms relating to the following as part of the menu: (a) eliminating or reducing minimum parking requirements and/or establishing maximum parking requirements in local zoning ordinances; (b) allowing greater development potential on existing parking lots; (c) requiring that all new employment contracts charge the full cost of employer-provided parking; (d) requiring employers to offer public transit passes to employees on a pre-tax basis; (e) setting parking meter rates at market rate; (f) installing meters in areas with parking shortages; (g) establishing parking benefit districts to direct new revenues from meters or meter rate increases to the community from which they come; (h) allowing commuters to use surplus spaces in residential permit areas for a price; and (i) dedicating parking revenues to programs that reduce parking demand, including public transit, transportation demand management, and bicycle and pedestrian infrastructure. Requires the California Air Resources Board (CARB) to consider making a city or county that adopts and implements measures that exceed a total score of 20 points eligible to receive carbon reduction credits through its cap-and-trade program for those measures that exceed the 20-point threshold if the granting of those credits does not result in increasing the overall cap on emissions. Requires a city or county that adopts at least 50 points of reforms to receive a 5 percent scoring bonus for any state competitive loan or grant program related to housing, transportation or economic development, or that is funded by a general obligation bond approved by the voters on or after January 1, 2010. Allows any funding apportioned to cities or counties from the Highway Users Tax Account to be expended for implementing transportation demand management measures. Authorizes a local entity to dedicate any portion of the revenues collected from parking meter zones to parking benefit districts or programs that reduce parking demand, including public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements and promotion. | 1/21/10 | Assembly Desk | |
| **SB 535**  
(Yee)  
HOV Lanes: Low-Emission and Fuel-Efficient Vehicles | Unless pre-empted by federal law, indefinitely extends the authorization for vehicles that meet California’s super ultra-low exhaust emission standard and the federal inherently low-emission evaporative emission standard to use high-occupancy vehicle (HOV) lanes regardless of the number of vehicle occupants. In addition, allows certain highly fuel-efficient vehicles to travel in HOV lanes without the required number of passengers, beginning in 2011. However, retains the January 1, 2011, sunset date for hybrid vehicles. | 9/4/09 | Assembly Floor | |
| **SB 632**  
(Lowenthal)  
Ports: Infrastructure Needs | Beginning January 1, 2010, requires the ports of Long Beach, Los Angeles and Oakland to assess their infrastructure and air quality improvement needs, including projects that improve the efficiency of the movement of cargo, and that reduce the congestion impacts and pollution associated with the movement of cargo. Requires these assessments to include the total costs of the infrastructure and air quality improvements, possible funding options for these projects, and estimated timelines for their implementation. Requires each port to provide this assessment to the Legislature by July 1, 2010. | 4/30/09 | Assembly Floor | |
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<tr>
<td><strong>SB 901</strong>&lt;br&gt;(Ashburn)&lt;br&gt;Proposition 1B Grade Separation Projects</td>
<td>Authorizes the lead agency for a grade separation or railroad crossing project funded through the Proposition 1B Highway-Railroad Crossing Safety Account to apply for a letter of no prejudice (LONP) that would allow the agency to expend its own funds for any bond-funded component of the project, subject to later reimbursement from bond proceeds under certain conditions.</td>
<td>As Introduced</td>
<td>Senate Transportation and Housing Committee</td>
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<td><strong>SB 927</strong>&lt;br&gt;(Huff)&lt;br&gt;HOV Lanes</td>
<td>Makes several technical, non-substantive changes to state statutes pertaining to high-occupancy vehicle (HOV) lanes.</td>
<td>As Introduced</td>
<td>Senate Rules Committee</td>
<td></td>
</tr>
<tr>
<td><strong>SB 976</strong>&lt;br&gt;(Hollingsworth)&lt;br&gt;CEQA Exemption: Overpass and Ramp Expansion Projects</td>
<td>Exempts from the California Environmental Quality Act (CEQA) projects that would expand an existing overpass, on-ramp or off-ramp that is built on an easement or right-of-way under the control of Caltrans, a local transportation agency, a city, or a county.</td>
<td>3/22/10</td>
<td>Senate Environmental Quality Committee</td>
<td></td>
</tr>
<tr>
<td><strong>SB 964</strong>&lt;br&gt;(Alquist)&lt;br&gt;High-Speed Rail: Workforce Development Program</td>
<td>Requires the California High-Speed Rail Authority to contract with the California Employment Development Department to develop a labor market assessment of the workforce, and identify the education and skills needed to: (a) construct a high-speed train system in the state; and (b) operate and maintain a high-speed train system, as necessary to aid the High-Speed Rail Authority in planning the construction of the system. Requires the assessment to include a recommended strategy to ensure that training programs are in place to facilitate the availability of a skilled, in-state workforce to participate, to the maximum extent feasible, in the construction of California’s high-speed train system. Appropriates $500,000 from the amount of Proposition 1A high-speed rail bond funds set aside for environmental studies, planning and preliminary engineering to implement this bill.</td>
<td>4/22/10</td>
<td>Senate Appropriations Committee</td>
<td></td>
</tr>
<tr>
<td><strong>State Senate Bills</strong></td>
<td><strong>Subject</strong></td>
<td><strong>Last Amended</strong></td>
<td><strong>Status</strong></td>
<td><strong>VTA Position</strong></td>
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<tr>
<td><strong>SB 965</strong></td>
<td>Subject to appropriation by the Legislature, authorizes the California High-Speed Rail Authority to expend federal funds made available to it under the American Recovery and Reinvestment Act (ARRA) for high-speed rail purposes. Allows the High-Speed Rail Authority to expend ARRA funds for conducting environmental studies, planning analyses and preliminary engineering activities, as well as for capital projects. Requires the High-Speed Rail Authority to use Proposition 1A bond money to match any ARRA funding, if a match is required. Requires the High-Speed Rail Authority to take those actions necessary to ensure that any federal funds appropriated to it are obligated and expended in a manner that: (1) meets all applicable federal deadlines; (2) maximizes job creation in California at the earliest feasible time; (3) expedites the completion of vital high-speed rail infrastructure projects that improve rail-highway safety, mobility and performance; (4) makes the most efficient use of available state bond funds; and (5) is consistent with current state law. Requires the High-Speed Rail Authority to submit to the Legislative Analyst’s Office and to the Legislature an adopted plan for the expenditure of ARRA funds. Requires the plan to include: (1) a description of the projects proposed for funding, including a discussion of each project’s independent utility; (2) the location of each project; (3) the baseline budget for each project, including support costs and estimated capital costs; (4) the amount of federal and state funds, including Proposition 1A bond proceeds and private money, proposed to be committed to each project; (5) the proposed baseline schedule, with project milestones, and the completion date for each project; and (5) the number of jobs that each project is estimated to create or maintain in California.</td>
<td>4/7/10</td>
<td>Senate Appropriations Committee</td>
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<tr>
<td><strong>SB 1006</strong></td>
<td>Requires the Strategic Growth Council to provide guidelines and distribute data and information to local governments and regional agencies that will assist in developing and implementing climate change adaptation strategies, projects or activities.</td>
<td>4/5/10</td>
<td>Senate Appropriations Committee</td>
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<tr>
<td><strong>SB 1010</strong></td>
<td>Establishes the California Environmental Quality Act (CEQA) Litigation Protection Pilot Program. Requires the Business, Transportation &amp; Housing Agency to select 25 projects for each calendar year between 2010 and 2014 to participate in the program. For a project to qualify for the program, requires the lead agency to certify that the environmental impact report (EIR) for the project will be certified within 12 months. In selecting projects for the program, requires the Business, Transportation &amp; Housing Agency to consider the following: (1) the number and quality of jobs that would be created by the project; (b) the amount of capital investment made by the project; and (c) a balance between projects sponsored by public and private entities. Provides that a lead agency’s decision to certify an EIR or to adopt a mitigated negative declaration based on an initial study for a project selected to participate in the pilot program is not subject to judicial review.</td>
<td>As Introduced</td>
<td>Senate Environmental Quality Committee</td>
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<tr>
<td><strong>SB 1061</strong></td>
<td>Allows a bicycle-pedestrian-maintenance pathway on the San Francisco-Oakland Bay Bridge to be funded with state-owned toll bridge revenues under the jurisdiction of the Bay Area Toll Authority (BATA), provided that the project is included in the adopted Regional Transportation Plan (RTP). Prior to approving the project and authorizing construction, requires BATA to make a finding that the pathway does not fundamentally alter the profile of the bridge. Prohibits BATA from increasing tolls to fund the project.</td>
<td>4/8/10</td>
<td>Senate Appropriations Committee</td>
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<tr>
<td>State Senate Bills</td>
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<tr>
<td><strong>SB 1120</strong></td>
<td>(Dutton) California Global Warming Solutions Act: Cap and Trade</td>
<td>Prohibits the California Air Resources Board (CARB) from implementing a market-based compliance mechanism pursuant to the California Global Warming Solutions Act of 2006 that includes caps on greenhouse gas emissions and trading among participants unless it is part of a legally enforceable regional or federal program.</td>
<td>As Introduced</td>
<td>Senate Environmental Quality Committee</td>
</tr>
<tr>
<td><strong>SB 1205</strong></td>
<td>(Corbett) Bay Area Disaster Recovery Authority</td>
<td>Establishes the San Francisco Bay Area Disaster Recovery Authority to create a long-term regional recovery plan to be implemented before and after an earthquake or other disaster occurs in the San Francisco Bay Area. Requires the authority to cooperate with various stakeholders in the region, including cities, counties, special districts, schools, emergency operators, hospitals, members of the public, private businesses, and non-governmental organizations. Declares the intent of the Legislature that the authority complement existing efforts by cities; counties; special districts; and other local, regional and state entities. Allows the authority to award grants to public and private entities for the purposes of maintaining and enhancing the region’s resiliency following a disaster by reducing the potential loss of life, property damage or environmental degradation, and by accelerating economic recovery.</td>
<td>4/13/10</td>
<td>Senate Appropriations Committee</td>
</tr>
<tr>
<td><strong>SB 1215</strong></td>
<td>(Price) Caltrans: Architectural and Engineering Services</td>
<td>Until January 1, 2014, authorizes Caltrans to establish prequalified lists of architectural and engineering services firms. Requires Caltrans to comply with certain requirements relating to the advertisement and award of contracts in the event the department utilizes the prequalified list.</td>
<td>4/8/10</td>
<td>Senate Appropriations Committee</td>
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<td><strong>SB 1245</strong></td>
<td>(Simitian) Express Lanes: Free Passage</td>
<td>Prohibits charging a toll to a vehicle that meets the applicable occupancy level for use of a high-occupancy vehicle (HOV) lane. Specifies that this provision does not apply to toll bridges. Provides that an increase in the vehicle occupancy level for an HOV lane may only be implemented if Caltrans determines that the change will maximize person throughput with respect to the affected highway. Requires Caltrans to obtain the approval of the applicable transportation planning agency and to report to the Legislature before making the change.</td>
<td>4/22/10</td>
<td>Senate Appropriations Committee</td>
</tr>
<tr>
<td><strong>SB 1263</strong></td>
<td>(Wyland) Global Warming Solutions Act: Inoperative</td>
<td>Makes the provisions of the California Global Warming Solutions Act of 2006 and any regulation adopted by the California Air Resources Board (CARB) pursuant to the act inoperative.</td>
<td>As Introduced</td>
<td>Senate Environmental Quality Committee</td>
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</tbody>
</table>
Prohibits a transportation agency from selling or providing personally identifiable information of a person obtained pursuant to the person’s participation in an electronic toll collection system or use of a toll facility, subject to specified exceptions. Requires a transportation agency that employs an electronic toll collection system to establish a privacy policy regarding the collection and use of personally identifiable information. Requires the policy to include a description of the following: (a) the types of personally identifiable information that is collected by the agency; (b) the categories of third-party persons or entities with whom the agency may share personally identifiable information; (c) the process by which a transportation agency notifies subscribers of material changes to its privacy policy; (d) the effective date of the privacy policy; and (e) the process by which a subscriber may review and request changes to any of his or her personally identifiable information. Within practicable business and cost constraints, allows a transportation agency to store only personally identifiable information of a person, such as the account name, credit card number, billing address, vehicle information, and other basic account information, that is required to perform account functions, such as billing, account settlement or enforcement activities. Requires all other information to be discarded within six months after the closure date of the billing cycle or 60 days after the bill has been paid, whichever occurs last. Within practical business and cost constraints, requires a transportation agency to make every effort to purge the personal account information of an account within 60 days after the date the account is closed or terminated. Authorizes a person whose personally identifiable information has been sold or provided in violation of this bill to bring specified actions for recovery of damages, costs and attorney’s fees.

By January 1, 2012, requires the Department of Motor Vehicles (DMV) to develop and implement a pilot program designed to assess the following issues related to putting in place a vehicle miles traveled (VMT) fee in California: (1) different methods of calculating mileage; (2) processes for transmitting data to protect the integrity of the data and ensure the privacy of drivers; and (3) the types of equipment that may be required of the state and of drivers in order to implement a VMT fee. Requires the DMV to prepare and submit a report of its findings to the Legislature by June 30, 2012. Requires the report to include all of the following elements: (1) recommendations regarding how best to implement a VMT fee in a manner that minimizes confusion and inconvenience to California’s drivers, while also ensuring their privacy; (2) given the technological and institutional demands associated with implementing a VMT fee, a discussion of different processes that may be used to transition from the fuel tax to a VMT fee over time; and (3) a discussion of issues that the Legislature may wish to consider when evaluating whether and how to implement a VMT fee.

Requires revenues generated from: (a) fees to fund expenditures beyond administrative costs related to the implementation of the California Global Warming Solutions Act of 2006; (b) the implementation of market-based compliance mechanisms; or (c) other compliance mechanisms to be appropriated by the Legislature for purposes determined by the Legislature.
<table>
<thead>
<tr>
<th>State Senate Bills</th>
<th>Subject</th>
<th>Last Amended</th>
<th>Status</th>
<th>VTA Position</th>
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</thead>
<tbody>
<tr>
<td>SB 1320 (Hancock)</td>
<td>AC Transit: Fare Evasion and Passenger Misconduct</td>
<td>As Introduced</td>
<td>Senate Rules Committee</td>
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<td>Authorizes the Alameda-Contra Costa Transit District (AC Transit) to impose and enforce civil administrative penalties for fare evasion and passenger misconduct in lieu of criminal penalties. Allows the revenues generated from the civil administrative penalties to be deposited in the AC Transit’s General Fund. Requires AC Transit to adhere to specified administrative adjudication procedures when imposing and enforcing these civil administrative penalties.</td>
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<tr>
<td>SB 1340 (Kehoe)</td>
<td>Electric Vehicles</td>
<td>4/22/10</td>
<td>Senate Appropriations Committee</td>
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<td>Specifies that a cost-effective program to provide funding for homeowners who purchase an electric vehicle to offset costs associated with modifying electric sources to include a residential plug-in electric vehicle charging station is eligible to receive money under the state’s existing Alternative and Renewable Fuel and Vehicle Technology Program.</td>
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<tr>
<td>SB 1348 (Steinberg)</td>
<td>CTC Guidelines</td>
<td>4/14/10</td>
<td>Senate Appropriations Committee</td>
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<td>Specifies a process that the California Transportation Commission (CTC) must use when adopting guidelines pursuant to a statutory authorization or mandate that are exempt from the rulemaking provisions of the Administrative Procedure Act. Requires the CTC to maintain a guideline adoption file containing: (a) a summary of each objection or recommendation made with regard to a proposed guideline; and (b) an explanation of how the proposed guideline was changed to accommodate each objection or recommendation, or the reasons for making no change. Requires the CTC to include in its annual report to the Legislature a summary of its activities related to the adoption of program or policy guidelines during the previous calendar year.</td>
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<tr>
<td>SB 1371 (Lowenthal)</td>
<td>Federal Transportation Economic Stimulus Funds: Second Round</td>
<td>As Introduced</td>
<td>Senate Appropriations Committee</td>
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<td>Requires Caltrans to work with local agencies to develop a list of potential projects that may be under contract within 90 days of the award of a second round of federal transportation economic stimulus funds to the state. In doing so, requires Caltrans to assess whether a particular project: (a) is included in the federal transportation improvement program (TIP); (b) has completed applicable state and federal environmental reviews; and (c) would have sufficient funding from other sources to complete the project if stimulus funds were to be provided.</td>
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<tr>
<td>SB 1418 (Wiggins)</td>
<td>SAFE Program</td>
<td>As Introduced</td>
<td>Senate Appropriations Committee</td>
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<td>Increases the maximum amount of the vehicle registration surcharge that a Service Authority for Freeways and Expressways (SAFE) may impose from $1 to $2. In addition to call boxes and freeway service patrols, allows SAFE surcharge revenues to be used for mobile roadside assistance systems, intelligent transportation systems, incident management programs and coordination, traveler information system programs, and traffic operation centers. Allows the Metropolitan Transportation Commission (MTC) to use SAFE funds to install call boxes in parking lots and roadway areas in state and federal parks in the Bay Area where telecommunication services are not available.</td>
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<td>SB 1445 (DeSaulnier) Regional Blueprint Plans</td>
<td>Requires the Planning Advisory and Assistance Council in the Office of Planning and Research to: (1) work with the Strategic Growth Council, regional agencies, cities, and counties to facilitate the implementation of regional blueprint plans; and (2) develop and propose recommendations to facilitate coordination between regional blueprint plans, state growth and infrastructure funding plans, and programs that facilitate the implementation of regional blueprint plans. Imposes a vehicle registration surcharge of $1. Requires the Department of Motor Vehicles (DMV) to distribute 1 percent of the net revenues from the surcharge to the Planning Advisory and Assistance Council. Requires the DMV to allocate the remaining net revenues to metropolitan planning organizations (MPOs), councils of governments (COGs), and transportation planning agencies in areas outside of MPOs and COGs based on the amount of surcharge revenues collected from motor vehicles registered within each jurisdiction. Requires MPOs, COGs and transportation planning agencies to use their surcharge revenues to: (a) develop and implement a sustainable communities strategy, regional blueprint plan or rural transportation plan element that is consistent with guidelines developed by Caltrans for regional blueprints; and (b) to provide grants to cities, counties and congestion management agencies for planning and projects related to the implementation of a regional blueprint plan.</td>
<td>4/13/10</td>
<td>Senate Appropriations Committee</td>
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<tr>
<td>SB 1475 (Simitian) Electronic Wireless Communications Devices</td>
<td>Requires the driver’s license examination administered by the Department of Motor Vehicles (DMV) to include a test of an applicant’s understanding of the distractions and dangers of handheld cell phone use and text-messaging while operating a motor vehicle. Prohibits a person from riding a bicycle while using a wireless telephone unless that telephone is specifically designed and configured to allow hands-free listening and talking, and is used in that manner. Also prohibits a person from riding a bicycle while using an electronic wireless communications device to write, send or read a text-based message. Increases the penalties for violating the current prohibitions in state law against using wireless telephones and text-messaging while operating a motor vehicle. Requires a portion of the fines collected for these violations to be allocated to the Office of Traffic Safety for an education program on the dangers of cell phone use and text-messaging while driving.</td>
<td>4/5/10</td>
<td>Senate Appropriations Committee</td>
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<tr>
<td>SCA 2 (Wyland) Legislative Biennial Sessions</td>
<td>Calls for placing before the voters an amendment to the California Constitution to revise the biennial sessions of the Legislature. Specifically, requires legislative sessions held in odd-numbered years to be budget sessions. In a budget session, specifies that the Legislature shall meet only to conduct oversight and review of the revenues and expenditures of the state, and to consider only budget bills and budget implementation bills for the succeeding two fiscal years, and related revenue bills. Provides an exception for bills to enact emergency statutes. In each odd-numbered calendar year, requires the Governor to submit to the Legislature proposed budgets for the two subsequent fiscal years. Requires legislative sessions held in even-numbered years to be general sessions, during which any bill may be considered.</td>
<td>3/16/10</td>
<td>Senate Rules Committee</td>
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<tr>
<td>SCA 3 (Wyland) Proposition 42 Suspensions</td>
<td>Calls for placing before the voters an amendment to the California Constitution to eliminate the ability of the Governor and the Legislature to suspend the transfer of gasoline sales tax revenues pursuant to Proposition 42 from the General Fund to the Transportation Investment Fund (TIF). Prohibits the loaning of TIF revenues under any circumstances. Prohibits the enactment of a statute that would reduce the extent to which gasoline sales tax revenues are deposited into the General Fund for transfer to the TIF for transportation purposes.</td>
<td>As Introduced</td>
<td>Senate Revenue and Taxation Committee</td>
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2009-2010 Legislative History
<table>
<thead>
<tr>
<th>State Senate Bills</th>
<th>Subject</th>
<th>Last Amended</th>
<th>Status</th>
<th>VTA Position</th>
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<tbody>
<tr>
<td><strong>SCA 5</strong>&lt;br&gt;(Hancock)&lt;br&gt;State Budget</td>
<td>Calls for placing before the voters an amendment to the California Constitution to allow for General Fund appropriations in the state budget bill to be enacted by the Legislature with a majority vote.</td>
<td>As Introduced</td>
<td>Senate Floor</td>
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<tr>
<td><strong>SCA 10</strong>&lt;br&gt;(Ducheny)&lt;br&gt;Constitutional Amendments</td>
<td>Calls for placing before the voters an amendment to the California Constitution regarding statewide initiative measures. Specifically, requires the Secretary of State’s Office to transmit a copy of an initiative measure certified for the ballot to both the Senate and Assembly no later than 176 days prior to the election at which the measure is to be considered by the electorate. Within 30 days, allows the Legislature to propose an amended form of the initiative measure by adopting a concurrent resolution. If the sponsors of the initiative measure accept the proposed amendments, requires the Legislature’s proposal to appear on the ballot in place of the certified initiative measure. If the amended form proposed by the Legislature is not accepted, requires information regarding the proposed amended form to be included in the ballot materials related to the initiative measure.</td>
<td>8/17/09</td>
<td>Senate Floor</td>
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<tr>
<td><strong>SCA 14</strong>&lt;br&gt;(Ducheny)&lt;br&gt;Ballot Initiative Costs</td>
<td>Calls for placing before the voters an amendment to the California Constitution regarding the costs associated with statewide initiative measures. Specifically, prohibits an initiative measure that would result in a net increase in state or local government costs other than costs attributable to the issuance, sale or repayment of bonds from being placed on the ballot unless the Legislative Analyst’s Office and the Department of Finance jointly determine that the initiative measure provides for additional revenues in an amount that would meet or exceed the net increase in costs.</td>
<td>8/17/09</td>
<td>Senate Floor</td>
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<tr>
<td><strong>SCA 15</strong>&lt;br&gt;(Calderon)&lt;br&gt;State Budget</td>
<td>Calls for placing before the voters an amendment to the California Constitution to waive the two-thirds majority vote requirement for enacting the Budget Act for the upcoming fiscal year if the Legislative Analyst’s Office, on or after May 15, determines that General Fund revenues are five percent below the estimate for the current-year budget.</td>
<td>4/13/09</td>
<td>Senate Budget and Fiscal Review Committee</td>
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<td>DAY</td>
<td>JANUARY</td>
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<tr>
<td>1</td>
<td>Statutes signed into law in 2009 take effect.</td>
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<td>4</td>
<td>Legislature reconvenes.</td>
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<tr>
<td>10</td>
<td>Budget must be submitted by the Governor to the Legislature on or before this date.</td>
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<tr>
<td>15</td>
<td>Last day for policy committees to hear and report fiscal bills introduced in their house of origin in 2009.</td>
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<tr>
<td>22</td>
<td>Last day for any committee to hear and report to the floor bills introduced in their house of origin in 2009. Last day to submit bill requests to the Legislative Counsel’s Office.</td>
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<tr>
<td>31</td>
<td>Last day for bills introduced in 2009 to be passed out of their house of origin.</td>
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<thead>
<tr>
<th>DAY</th>
<th>FEBRUARY</th>
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<tbody>
<tr>
<td>19</td>
<td>Last day for new bills to be introduced.</td>
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<tr>
<th>DAY</th>
<th>MARCH</th>
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<tr>
<td>25</td>
<td>Spring Recess begins upon adjournment.</td>
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<tr>
<th>DAY</th>
<th>APRIL</th>
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<tbody>
<tr>
<td>5</td>
<td>Legislature reconvenes from Spring Recess.</td>
</tr>
<tr>
<td>23</td>
<td>Last day for policy committees to hear and report fiscal bills introduced in their house of origin in 2010.</td>
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<tr>
<th>DAY</th>
<th>MAY</th>
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<tbody>
<tr>
<td>7</td>
<td>Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house of origin in 2010.</td>
</tr>
<tr>
<td>28</td>
<td>Last day for fiscal committees to hear and report to the floor bills introduced in their house of origin in 2010.</td>
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<tr>
<th>DAY</th>
<th>JUNE</th>
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<tbody>
<tr>
<td>4</td>
<td>Last day for bills introduced in 2010 to be passed out of their house of origin.</td>
</tr>
<tr>
<td>15</td>
<td>Budget must be passed by midnight.</td>
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<tr>
<td>24</td>
<td>Last day for legislative measures to qualify for placement on the November 2, 2010, general election ballot.</td>
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<tr>
<th>DAY</th>
<th>JULY</th>
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<tbody>
<tr>
<td>2</td>
<td>Last day for policy committees to hear and report bills introduced in the other house. Summer Recess begins upon adjournment, provided that the budget bill has been enacted.</td>
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<table>
<thead>
<tr>
<th>DAY</th>
<th>AUGUST</th>
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<tbody>
<tr>
<td>2</td>
<td>Legislature reconvenes from Summer Recess.</td>
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<tr>
<td>13</td>
<td>Last day for fiscal committees to hear and report to the floor bills introduced in the other house.</td>
</tr>
<tr>
<td>20</td>
<td>Last day to amend bills on the Assembly and Senate floors.</td>
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<tr>
<td>31</td>
<td>Last day for each house to pass bills. Final Recess begins at the end of this day’s session.</td>
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<thead>
<tr>
<th>DAY</th>
<th>SEPTEMBER</th>
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<tbody>
<tr>
<td>30</td>
<td>Last day for the Governor to sign or veto bills passed by the Legislature before September 1, and in his possession after September 1.</td>
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<thead>
<tr>
<th>DAY</th>
<th>NOVEMBER</th>
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<tr>
<td>2</td>
<td>General Election.</td>
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<tr>
<th>DAY</th>
<th>DECEMBER</th>
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<tbody>
<tr>
<td>6</td>
<td>The 2011-2012 regular legislative session convenes.</td>
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</tbody>
</table>
CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 11:07 a.m. by Chairperson Kniss in Room B-104, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don Gage</td>
<td>Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>Liz Kniss</td>
<td>Chairperson</td>
<td>Present</td>
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<td>Chuck Reed</td>
<td>Board Member</td>
<td>Absent</td>
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<tr>
<td>Perry Woodward</td>
<td>Vice Chairperson</td>
<td>Present</td>
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<tr>
<td>Nora Campos</td>
<td>Alternate Board Member</td>
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<td>Pete McHugh</td>
<td>Alternate Board Member</td>
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<tr>
<td>George Shirakawa</td>
<td>Alternate Board Member</td>
<td>N/A</td>
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</table>

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

There were no Orders of the Day.

CONSENT AGENDA

4. Regular Meeting Minutes of April 15, 2010

M/S/C (Gage/Woodward) to approve the Regular Meeting Minutes of April 15, 2010.

5. Monthly Legislative History Matrix

M/S/C (Gage/Woodward) to review the Monthly Legislative History Matrix.


M/S/C (Gage/Woodward) to review the Report on Santa Clara Valley Transportation Authority Investments for the month of March 2010.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
7. **Fiscal Year 2010 Quarterly Statement of Revenues and Expenses for the Period Ending March 31, 2010**

M/S/C (Gage/Woodward) to review and accept the Fiscal Year 2010 Quarterly Statement of Revenues and Expenses for the period ending March 31, 2010.

8. **Quarterly Purchasing Report**

M/S/C (Gage/Woodward) to review the Quarterly Purchasing Report.

9. **Third Quarter FY 2010 Public Liability/Property Damage Claims Activity Report**

M/S/C (Gage/Woodward) to review the Third Quarter FY 2010 Public Liability/Property Damage Claims Activity Report.

10. **Third Quarter Report of Workers’ Compensation Claims and Transitional Work Program**

M/S/C (Gage/Woodward) to review the Third Quarter Report of Workers’ Compensation Claims and Transitional Work Program.

11. **Amendments to the Advisory Committee Bylaws Recommended by the Advisory Committee Enhancement Task Force**

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to adopt a resolution: 1) Amending the bylaws for the Bicycle & Pedestrian Advisory Committee, Citizens Advisory Committee, and the Committee for Transit Accessibility to implement changes recommended by the Advisory Committee Enhancement Task Force to enhance the advisory committee process; 2) Amending the Policy Advisory Committee and the Technical Advisory Committee bylaws to make minor technical adjustments and corrections; and 3) Amending the VTA Administrative Code to be consistent therewith.

12. **Bicycle and Pedestrian Advisory Committee and Committee for Transit Accessibility Appointments to the Citizens Advisory Committee**

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to ratify the appointments of the following individuals to the Citizens Advisory Committee (CAC) to represent the specified stakeholder group as indicated: Herman Wadler representing the Bicycle & Pedestrian Advisory Committee (BPAC) and Aaron Morrow representing the Committee for Transit Accessibility (CTA).

13. **Bicycle and Pedestrian Advisory Committee (BPAC) Member Appointments**

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to ratify the following appointments and re-appointments to the Bicycle & Pedestrian Advisory Committee (BPAC):

**New Appointment:** Breene Kerr representing the Town of Los Altos Hills for term commencing July 1, 2010 to June 30, 2012.

**Reappointments:** Jerri-Ann Meyer representing the City of Mountain View for term commencing July 1, 2010 to December 31, 2011; Ray Cosyn representing the City of Saratoga; Thomas Muniz representing the City of Gilroy; John Sullivan representing the City of Santa Clara; and Richard Svent representing the City of Palo Alto for term commencing July 1, 2010 to June 30, 2012.
14. **Federal Fiscal Year 2010 Federal Transit Administration Grant Applications**

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to submit federal Fiscal Year 2010 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5309 Fixed Guideway.

15. **VTA FY 2010 – 2011 Transportation Development Act and State Transit Assistance Allocation Claim**

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to adopt a resolution authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2010-2011 Transportation Development Act (TDA) and State Transit Assistance (STA) funds.

16. **Bill Position: SB 901 (Ashburn)**

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to recommend that the VTA Board of Directors adopt a support position for SB 901 (Ashburn), which authorizes the lead agency for a grade separation or safety project funded through the Proposition 1B Highway-Railroad Crossing Safety Account to apply for a Letter of No Prejudice (LONP) that would allow the agency to expend its own funds for any bond-funded component of the project and be eligible to seek reimbursement from bond proceeds at a later date under certain circumstances.

17. **Bill Position: SB 964 (Alquist)**

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to recommend that the VTA Board of Directors adopt a support position for SB 964 (Alquist), which requires the California High-Speed Rail Authority to contract with the state Employment Development Department to put together a strategy for ensuring that the necessary training programs are in place to facilitate the availability of a skilled, in-state workforce for California's proposed high-speed train system.

18. **Bill Position: AB 2324 (J. Perez)**

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to recommend that the VTA Board of Directors adopt a support position for AB 2324 (J. Perez), which prohibits the following: (a) a person from knowingly possessing specified weapons within a sterile area of a public transit facility; (b) an unauthorized person from knowingly entering a restricted area of a public transit facility; and (c) a person from intentionally avoiding submission to screening and inspection when entering or re-entering a sterile area of a public transit facility. In addition, this bill increases the penalties for repeat fare evasion offenders and for certain acts of public transit passenger misconduct.

   The Agenda was taken out of order.


Upon query from Chairperson Kniss, Joe Smith, Chief Financial Officer and Staff Liaison, reported on the General Market Conditions, noting the equity markets performed very well in March 2010.
Mr. Smith stated VTA’s Retirees’ Other Post Employment Benefits (OPEB) Trust composite portfolio increased to 3.8 percent in the current month and increased to 4.2 percent for the quarter; therefore, outperforming the policy benchmark.

Mr. Smith continued Santa Clara Valley Transportation Authority - Amalgamated Transit Union (SCVTA – ATU), Local 265 Pension Plan Assets increased to 4.2 percent, while the ATU Spousal Medical Trust Fund composite portfolio increased to 3.9 percent in the current month.

**REGULAR AGENDA**

19. **Advanced Farebox System Procurement**

   Ali Hudda, Deputy Director of Accounting, reported VTA’s bus fareboxes are 22 years old and difficult to maintain since the fareboxes are functionally obsolete. Mr. Hudda continued that VTA’s current bus fareboxes cannot issue tickets or accept electronic payments and are subject to various forms of fare evasion.

   VTA issued an initial Request for Proposal (RFP) in July 2009 for VTA’s “Advanced Farebox System” and received proposals from three vendors. In December 2009, VTA issued a revised RFP requirements and a request for Best and Final Offer (BAFO) to GFI Genfare and Scheidt & Bachmann.

   VTA notified ACS Transport Solutions that their proposal would not be considered further due to the following:
   - Farebox prototype used in the demonstration was not fully functional;
   - Software development was not complete;
   - Proposed Driver Control Unit was not demonstrated; and
   - No evidence was provided that the required revenue transfer equipment had been developed.

   The Selection Committee determined that the proposal from GFI Genfare was more advantageous to VTA based on the following:
   - GFI Genfare revenue transfer equipment is well proven and may be readily installed; and
   - GFI Genfare validating fareboxes are currently in service to transit agencies throughout North America and in the Bay Area.

   Mr. Hudda reported that the GFI Odyssey Validating Farebox integrates all passenger fare payment and fare media options into one convenient and secure device.

   Michael T. Burns, General Manager, noted that the GFI Odyssey Validating Farebox does not integrate with the Clipper System formerly the TransLink System.

   Chairperson Kniss stressed the importance to purchase the right equipment at the appropriate time to ensure that the funding is wisely spent on the best model available.

   Mr. Burns responded that VTA’s current fareboxes have exceeded their recommended life cycle, noting the current fareboxes are obsolete and no longer meet VTA’s current requirements.

   VTA receives approximately 53 percent of fares in cash and the new fareboxes have the capability to provide a wide variety of traditional and electronic fare media options.
Mr. Burns stated the GFI Odyssey Validating Farebox is a proven reliable product and has been purchased by other transit agencies, such as AC Transit, SamTrans and Golden Gate.

Mr. Burns stated at this time the GFI Odyssey Validating Farebox is a separate fare system, which does not integrate with the Clipper Fare Collection System but noted the industry is moving towards standardizing equipment so there may be opportunities for integration later in the future.

Clipper Fare Collection System formerly the TransLink System is a universal regional transit fare payment system similar to a smart card, which will be used for fare collections for transit services in the Bay Area.

Upon query from Board Member Gage, Mr. Burns responded that the Clipper Fare Collection System is being utilized on BART, Muni, AC Transit, Golden Gate, and Caltrain. Some of these systems, he added, are in the trial period.

Mr. Burns stated staff anticipates the Clipper Fare Collection System will be activated on VTA’s transit system within six months, noting the Clipper System card readers are already installed on VTA’s buses and on light rail platforms.

Mr. Burns stated the smart cards are available for purchase on the website at [www.translink.org](http://www.translink.org) and are sold at Walgreens where Clipper is available.

### 20. Clipper Fare Collection System Memorandum of Understanding (MOU)

Michael T. Burns, General Manager, reported the Clipper Fare Collection System formerly known as TransLink is a regional electronic fare collection system sponsored by the Metropolitan Transportation Commission (MTC). The program is intended to become the primary means of fare collection for both intra-operator and inter-operator travel in the Bay Area.

Mr. Burns stated the Clipper System is currently in operation on several Bay Area transit operators including AC Transit, BART, Caltrain, Golden Gate Ferry and Transit, and SFMTA.

In December 2003, MTC and six of the transit operators entered into an Interagency Participation Agreement (IPA) creating the TransLink Consortium establishing the TransLink Management Group (TMG). The TMG was comprised of the chief executive officers of each of the parties as the primary decision making body for the program.

The IPA included provisions assigning responsibilities to MTC and the operators relative to the implementation, operation, and maintenance of the program, including payment of operating fees due to the contractor.

Ali Hudda, Deputy Director of Accounting, reported that on November 1, 2009, MTC notified the TMG that they intended to withdraw from the TransLink Consortium on June 30, 2010. The TMG discussed several options but were unable to agree upon any structure that would maintain the role of the TransLink Consortium so the TMG is scheduled to meet on June 28, 2010 to vote to terminate the IPA.

MTC wants to move away from the TransLink Consortium and be responsible to take over the management of the Clipper Fare Collection System. In place of the IPA, MTC has proposed a Memorandum of Understanding (MOU), which will provide a means for
MTC and the transit operators to agree to their continuing roles and obligations regarding the implementation, operation, and maintenance of the Clipper Fare Collection System.

Mr. Hudda reported that VTA has been actively engaged in the implementation of Clipper Fare Collection System and has regularly communicated VTA’s system requirements to MTC.

Mr. Hudda stated at this time several critical items remain unresolved with the Clipper Fare Collection System:

- The current version of the Clipper business rules does not accommodate VTA’s day pass, which is used by approximately 20 percent of VTA’s customers;
- The transit operators do not have access to the Clipper database to access information to verify their fare revenues collected by the Clipper Fare Collection System; and
- VTA has not yet received a funding agreement from MTC for the Ticket Vending Machine Integration, which may potentially jeopardize the project schedule.

Mr. Hudda stated staff will endeavor to achieve resolution of the issues prior to execution of the MOU between MTC and VTA.

Chairperson Kniss stressed the importance for staff to provide additional information to the Board of Directors on the Clipper Fare Collection System MOU. Mr. Burns responded that staff will provide an update to the Board at the August 5, 2010 Board of Directors Regular Meeting.

19. Advanced Farebox System Procurement (continued)

M/S/C (Woodward/Gage) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract in the amount of $7,696,261 with GFI Genfare, of Elk Grove Village, Illinois (a subsidiary of SPX Corporation) for the purchase of 450 electronic validating bus fareboxes plus related revenue transfer equipment, data systems, spare parts, and supplies, with an option to purchase up to 50 additional fareboxes if needed to support VTA fleet requirements at a cost of $11,400 each, for a total not-to-exceed contract value of $8,266,261.

20. Clipper Fare Collection System Memorandum of Understanding (MOU) (continued)

On order of Chairperson Kniss and there being no objection, the Committee accepted a report on the recommendation to authorize the General Manager to execute a Memorandum of Understanding with the Metropolitan Transportation Commission and other transit operators to implement the Clipper Fare Collection System at VTA.

21. Approval of Investment Banking Firm Pool

Joe Smith, Chief Financial Officer and Staff Liaison, reported the recommendation is to designate a pool of investment banking firms to underwrite and provide VTA access to capital markets in order to finance capital projects or refinance existing debt.

Kimberly Koenig, Fiscal Resources Manager, reported that investment banks play a key role in the structuring, marketing, and distribution of bonds, which provides a direct benefit to VTA in the form of wide distribution resulting in the lowest cost of borrowing.

VTA issued a Request for Qualifications (RFQ) for underwriting services on January 15, 2010 with the objective to form a pool of underwriting firms to optimize
VTA’s general financing plan and assist in the widest distribution of VTA bonds in the capital markets in order to ensure the lowest cost of funds.

Ms. Koenig stated VTA received 19 bids but 14 firms were selected due to the availability of and willingness to use the firm’s capital to underwrite transactions, sufficient experience with transportation and/or California issuers, and the firm’s team member skills and abilities.

Upon query from Chairperson Kniss, Ms. Koenig commented the underwriters would be compensated at the time bonds are actually issued with fees that are dependent on the type of financing structure and contingent on the bond sale. The fees would be negotiated with the selected underwriters on a transaction by transaction basis.

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to designate fourteen investment banking firms to an underwriting pool for a period of seven years to provide the VTA access to capital markets in order to finance capital projects or refinance existing debt.

22. Substitution of Liquidity – 2008 Measure A Bonds

Kimberly Koenig, Fiscal Resources Manager, reported on the recommendation to execute and deliver any and all documents including a Remarketing Memorandum to implement the replacement of Banco Bilboa Vizcaya Argentaria (BBVA) S.A. with Sumitomo Mitsui Banking Corporation as the liquidity provider for the 2008 Measure A Sales Tax Revenue Refunding Bonds Series C and Series D.

Ms. Koenig stated BBVA informed VTA that it could not commit to an additional extension that would take effect on June 24, 2010; therefore, staff worked to locate a replacement bank with better fees and terms if available.

Ms. Koenig commented that Sumitomo offered VTA a persuasive combination of pricing, trading value, and favorable document provisions, which will result in annual savings of $0.65 million compared to current costs.

Ms. Koenig noted due to the change in one of the liquidity providers for the 2008 Measure A Sales Tax Revenue Refunding Bonds, the market required VTA to provide an updated disclosure document to investors. The Remarketing Memorandum is a disclosure document that is required by the Securities Exchange Commission (SEC) in order to facilitate the change from BBVA to Sumitomo as VTA’s liquidity providers.

Chairperson Kniss expressed appreciation for the document, which includes a great number of data points that serve as a valuable reference.

Ms. Koenig commented on VTA’s Board of Directors fiduciary responsibility to reassure that the Remarketing Memorandum disclosure document is correct and accurately reflects any statements regarding VTA.

Upon query from Chairperson Kniss, Ms. Koenig commented on typical questions Board Members should be aware of regarding the Remarketing Memorandum:

- Is the disclosure document correct and accurately reflects VTA’s financial conditions;
- Is the current audit of VTA’s financial statements included;
- If using new bonds what are the bonds being used for; and
- If it is a good use of bond proceeds.
Chairperson Kniss noted the importance to indicate that VTA’s Board of Directors concur that all the necessary questions have been answered regarding the Remarketing Memorandum and they have discussed and understand their fiduciary responsibilities.

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to adopt a resolution authorizing the General Manager or Chief Financial Officer to execute and deliver any and all documents, including a Remarketing Memorandum in connection with the 2008 Measure A Sales Tax Revenue Refunding Bonds, that are required to implement the replacement of Banco Bilboa Vizcaya Argentaria S.A. with Sumitomo Mitsui Banking Corporation as liquidity provider for Series C and Series D.

23. Cellular Mobility – Contract Extension

Gary Miskell, Chief Information Officer, reported the current contract agreement with AT&T for cellular voice and data service will expire on June 30, 2010. Mr. Miskell stated a Request for Proposals (RFP) was issued on April 4, 2010 to solicit bids from qualified vendors.

Mr. Miskell stated the contract amendment will provide staff adequate time to properly review and select the most qualified vendor to meet VTA’s cellular voice and data service technologies.

Staff is currently in the process of reviewing the bids submitted to select the best candidate via a competitive RFP process, which will be forwarded for consideration at the September 2, 2010 Board of Directors Meeting.

M/S/C (Gage/Woodward) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with AT&T for cellular voice and data service. The contract amendment will extend the contract term for an additional one year for a cost of $200,000, for a new contract value of $1,558,000.

OTHER ITEMS

24. Caltrain Operating Expenses

Jim Lawson, Senior Policy Advisor, reported that Caltrain operates through a Joint Powers Agreement (JPA) with the counties of Santa Clara, San Francisco, and San Mateo. Santa Clara County provides its representation and funding through the Santa Clara Valley Transportation Authority (VTA).

The JPA established the Peninsula Corridor Joint Powers Board to oversee the operation where the three partner authorities appointed three members each to the Caltrain Board, noting VTA’s member representatives are Board Members Don Gage and Ash Kalra, and Ex-Officio Board Member Ken Yeager.

As part of the JPA, the San Mateo County Transit District (SamTrans) provides administration and contract oversight with the National Railroad Passenger Corporation (Amtrak) as the contracted operator. Caltrain receives funding through contributions from the three partners who agreed to fund operations together through a formula based on the number of morning peak boardings in each county established in the JPA.

Mr. Lawson reported that Michael J. Scanlon, SamTrans General Manager and Chief Executive Officer, announced at the April 1, 2010 JPB Meeting that SamTrans
would need to decrease their contribution by 70 percent beginning in Fiscal Year 2011. A decrease in their operating contribution would result in serious reductions to evening, midday, and weekend train service.

VTA has its contribution share for FY 2011 Caltrain Operating Service allocated within VTA’s Biennial Budget FY 2010 and 2011.

Mr. Lawson reported that Nathaniel P. Ford, Sr., San Francisco Municipal Transportation Agency (SFMTA) Executive Director and Chief Executive Officer, received approval from their Board to decrease their contribution share by 70 percent.

At the May 6, 2010 Caltrain Meeting, Caltrain submitted a preliminary budget with a 35.5 percent reduction in the partner members contributions, which would decrease the partner contributions by $14 million resulting in major service reductions. VTA’s partner member share would decrease from $16 million to $10 million.

Mr. Lawson reported that SamTrans announced that they may not be able to fund their partner member share for future Caltrain Services, which will lead to further discussions regarding the operation of Caltrain Service.

By way of background Mr. Lawson stated in 1992 the State decided to no longer fund the passenger rail service from San Jose to San Francisco; therefore, the three counties have been solely responsible to support and operate Caltrain Service. Mr. Lawson reported due to the economic recession state funding has decreased, which has made it very difficult for the three partner members to continue to support the vital and valuable transportation service.

Chairperson Kniss expressed concern regarding the long term negative impacts to customers that rely on Caltrain Service and stressed the importance to have discussions regarding State funding to operate the service.

Board Member Gage noted that all three agencies are currently experiencing challenging financial concerns that are impacting their transit service operations in addition to funding their partner member shares of Caltrain Service.

Board Member Gage stressed the importance for each partner member to pay their agreed upon share to operate Caltrain Service or else the other partners will be subsidizing the operating budgets of the other transit agencies.

Board Member Gage suggested VTA have discussions with the cities that receive Caltrain Service to request funding assistance to support the service in their city.

Chairperson Kniss noted the importance for VTA to explore all available options to address Caltrain funding constraints.

Vice Chairperson Woodward concurred with Board Member Gage, noting the importance to have the cities contribute to the Caltrain Service in their cities.

Board Member Gage commented if the cities want the Caltrain Service to continue in their cities then they need to provide funding to assist with service costs.

Board Member Gage suggested VTA approach the cities with the heaviest ridership and divide the costs associated with the ridership to determine the percentage they are responsible to provide to assist with service costs.
Michael T. Burns, General Manager, asked the Committee if staff should pursue other options to address the Caltrain funding constraints. The Committee responded in the affirmative.

Jim Lawson, Senior Policy Advisory, clarified that staff will pursue options regarding VTA’s partner member share.

Board Member Gage stressed the importance for each partner member to pay their fair share to operate Caltrain Service; otherwise, the result will be a dramatic decrease in this train service.

On order of Chairperson Kniss and there being no objection, the Committee received a report on Caltrain Operating Expenses.

25. **Items of Concern and Referral to Administration**

There were no Items of Concern and Referral to Administration.

26. **Committee Work Plan**

On order of Chairperson Kniss and there being no objection, the Committee reviewed the Committee Work Plan.

27. **Committee Staff Report**

There was no Committee Staff Report.

28. **Chairperson’s Report**

There was no Chairperson’s Report.

29. **Determine Consent Agenda for the June 3, 2010 Board of Directors Meeting**

CONSENT: Agenda Item #7. Review and accept the Fiscal Year 2010 Quarterly Statement of Revenues and Expenses for the period ending March 31, 2010;

Agenda Item #11. Adopt a resolution: 1) Amending the bylaws for the Bicycle & Pedestrian Advisory Committee, Citizens Advisory Committee, and the Committee for Transit Accessibility to implement changes recommended by the Advisory Committee Enhancement Task Force to enhance the advisory committee process; 2) Amending the Policy Advisory Committee and the Technical Advisory Committee bylaws to make minor technical adjustments and corrections; and 3) Amending the VTA Administrative Code to be consistent therewith;

Agenda Item #12. Ratify the appointments of the following individuals to the Citizens Advisory Committee (CAC) to represent the specified stakeholder group for the two-year term ending as indicated: Herman Wadler representing the Bicycle & Pedestrian Advisory Committee (BPAC) and Aaron Morrow representing the Committee for Transit Accessibility (CTA);

Agenda Item #13. Ratify the following appointments and re-appointments to the Bicycle & Pedestrian Advisory Committee (BPAC):

**New Appointment**: Breene Kerr representing the Town of Los Altos Hills for term commencing July 1, 2010 to June 30, 2012.

**Reappointments**: Jerri-Ann Meyer representing the City of Mountain View for term commencing July 1, 2010 to December 31, 2011; Ray Cosyn representing the City of Saratoga; Thomas Muniz representing the City of Gilroy; John Sullivan representing the City of Santa Clara; and Richard Swent representing the City of Palo Alto for term commencing July 1, 2010 to June 30, 2012;
Agenda Item #14. Authorize the General Manager to submit federal Fiscal Year 2010 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5309 Fixed Guideway;

Agenda Item #15. Adopt a resolution authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2010-2011 Transportation Development Act (TDA) and State Transit Assistance (STA) funds;

Agenda Item #16. Recommend that the VTA Board of Directors adopt a support position for SB 901 (Ashburn), which authorizes the lead agency for a grade separation or safety project funded through the Proposition 1B Highway-Railroad Crossing Safety Account to apply for a Letter of No Prejudice (LONP) that would allow the agency to expend its own funds for any bond-funded component of the project and be eligible to seek reimbursement from bond proceeds at a later date under certain circumstances;

Agenda Item #17. Recommend that the VTA Board of Directors adopt a support position for SB 964 (Alquist), which requires the California High-Speed Rail Authority to contract with the state Employment Development Department to put together a strategy for ensuring that the necessary training programs are in place to facilitate the availability of a skilled, in-state workforce for California's proposed high-speed train system;

Agenda Item #18. Recommend that the VTA Board of Directors adopt a support position for AB 2324 (J. Perez), which prohibits the following: (a) a person from knowingly possessing specified weapons within a sterile area of a public transit facility; (b) an unauthorized person from knowingly entering a restricted area of a public transit facility; and (c) a person from intentionally avoiding submission to screening and inspection when entering or re-entering a sterile area of a public transit facility. In addition, this bill increases the penalties for repeat fare evasion offenders and for certain acts of public transit passenger misconduct;

Agenda Item #21. Designate fourteen investment banking firms to an underwriting pool for a period of seven years to provide the VTA access to capital markets in order to finance capital projects or refinance existing debt; and

Agenda Item #23. Authorize the General Manager to execute a contract amendment with AT&T for cellular voice and data service. The contract amendment will extend the contract term for an additional one year for a cost of $200,000, for a new contract value of $1,558,000.

REGULAR: Agenda Item #19. Authorize the General Manager to execute a contract in the amount of $7,696,261 with GFI Genfare, of Elk Grove Village, Illinois (a subsidiary of SPX Corporation) for the purchase of 450 electronic validating bus fareboxes plus related revenue transfer equipment, data systems, spare parts, and supplies, with an option to purchase up to 50 additional fareboxes if needed to support VTA fleet requirements at a cost of $11,400 each, for a total not-to-exceed contract value of $8,266,261;

Agenda Item #22. Adopt a resolution authorizing the General Manager or Chief Financial Officer to execute and deliver any and all documents, including a Remarketing Memorandum in connection with the 2008 Measure A Sales Tax Revenue Refunding Bonds, that are required to implement the replacement of Banco Bilboa Vizcaya Argentaria S.A. with Sumitomo Mitsui Banking Corporation as liquidity provider for Series C and Series D; and

Agenda Item #24. Receive a report on Caltrain Operating Expenses.
Scheduled for the August 5, 2010 Board of Directors Meeting

**Agenda Item #20.** Authorize the General Manager to execute a Memorandum of Understanding with the Metropolitan Transportation Commission and other transit operators to implement the Clipper fare collection system at VTA.

30. **Announcements**

There were no Announcements.

31. **ADJOURNMENT**

**On order of Chairperson Kniss** and there being no objection, the Committee meeting was adjourned at 12:48 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Office of the Board Secretary
CALL TO ORDER

The Regular Meeting of the Congestion Management Program & Planning Committee (CMPP) was called to order at 12:04 p.m. by Chairperson Pyle in Conference Room B-104, Santa Clara Valley Transportation Authority, River Oaks Campus, 3331 North First Street, San Jose, California.

1. ROLL CALL

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<tr>
<th>Attendee Name</th>
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<td>Rose Herrera</td>
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<td>Chris Moylan</td>
<td>Member</td>
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<td>Chuck Page</td>
<td>Vice Chairperson</td>
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<td>Nancy Pyle</td>
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<td>Nora Campos</td>
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<td>Jamie Matthews</td>
<td>Alternate Member</td>
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A quorum was not present and a Committee of the Whole was declared.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

Chairperson Pyle noted Agenda Item #14, Receive a presentation on the Proactive CMP Quarterly Report for January-March 2010, will be the first item heard on the Agenda.

The Committee determined it would postpone the vote on any action item until a quorum was established.

   The Agenda was taken out of order.


John Ristow, Chief Congestion Management Agency (CMA) Officer and Staff Liaison, provided the staff report.

Mr. Ristow reported: 1) Staff provided a brief summary listing the significance of each project with the report; 2) Santa Clara City Council approved the Yahoo! Office Campus, a phased redevelopment of a 48.6 acre site near Great America Parkway and Tasman Drive, with over 3 million square feet of new office space; 3) The City of San José’s
Planning Commission approved the supplemental environmental impact report on the baseball stadium scheduled for Downtown San Jose.

Board Member Moylan shared additional background information on the Yahoo! Office Campus project.

On order of Chairperson Pyle and there being no objection, the Committee received a presentation on the Proactive CMP Quarterly Report for January through March 2010.

10. **SR 237/I-880 Express Connectors – System Integrator Contract Award**

John Ristow, Chief CMA Officer and Staff Liaison, stated a revised memorandum was provided to the Committee.

Murali Ramanujam, Senior Transportation Engineer, provided the staff report.

Chairperson Pyle noted the Committee would vote on this item once a quorum is attained.

11. **Bike Sharing Study Final Report**

Chris Augenstein, Deputy Director Planning, provided the staff report.

A handout was provided to the Committee entitled “Bike Sharing Pilot Project: Feasibility Study May 2010,” which included information on: 1) How Bike Sharing Works; 2) VTA’s Program: Fast Facts; 3) Feasibility Study: 3 Study Areas; 4) Features and Technology Review; 5) Market Research; 6) Business Plan; and 7) Next Steps.

John Ristow, Chief CMA Officer and Staff Liaison, noted a Bike Sharing Implementation Plan would be brought before the Board for its approval this fall.

Mr. Ristow provided a handout to the Committee containing images of bike share programs from around the world and of VTA staff members inspecting a bike locking station.

Member Moylan referenced this item’s failed motion at the Bicycle & Pedestrian Advisory Committee, with an 8 ayes to 2 noes vote, and questioned whether the failure to pass was due to a lack of member attendance. Mr. Augenstein stated the motion required 9 ayes to pass and suggested the low meeting attendance might have been due to the “Bike to Work Day” being held the following morning.

Member Moylan suggested staff take into consideration each community’s bike network as well as Caltrain ridership when making the initial city selection.

Member Moylan questioned potential bike theft. Mr. Augenstein stated, although staff was working out the details, renters would assume responsibility for the bikes. Member Moylan suggested a credit card system be utilized to provide information on bike renters.

Member Herrera noted, when determining where to locate the hubs, bikeability of the environment is important as well as the number of potential users. Mr. Augenstein stated the survey could not quantify the number of riders, but noted all three Caltrain stations
have robust bike networks associated with them. He further noted that the City of San Jose has made considerable improvements to the bike lanes in the downtown area.

Member Herrera questioned the anticipated destinations of the riders. Mr. Ristow noted the hub would be based at a Caltrain station, with docking pods established at facilities such as libraries, major employers, colleges, and major downtown locations. He noted having more major destinations would encourage ridership.

Member Herrera noted she hoped this would help the bike-bumping situation on Caltrain.

Member Herrera questioned the percentage of bikes currently on transit. Mr. Augenstein stated he would review the surveys and report back to the Committee with a ballpark number.

M/S/C (Herrera/Moylan) to accept the Bike Sharing Study Final Report.

CONSENT AGENDA

4. Minutes of April 16, 2010

M/S/C (Moylan/Herrera) to approve the Minutes of April 16, 2010.

5. Prop 84 Urban Greening for Sustainable Communities Planning Grant

M/S/C (Moylan/Herrera) to adopt a resolution authorizing the filing and execution of grants under the Proposition 84 Urban Greening for Sustainable Communities Planning funding through the State of California’s Strategic Growth Council.

6. STIP PPM Fund Transfer Agreement with Caltrans

M/S/C (Moylan/Herrera) to adopt a resolution authorizing the General Manager to execute a fund transfer agreement with the State of California Department of Transportation (Caltrans) for five fiscal years from 2010 to 2014 for the State Transportation Improvement Program Planning, Programming and Monitoring Program.

7. FY2010/11 TDA3 Project Priorities

M/S/C (Moylan/Herrera) to recommend the Board of Directors adopt a resolution approving the project priorities for the FY2010/11 Countywide Transportation Development Act Article 3 Program.


On order of Chairperson Pyle and there being no objection, the Committee received the Programmed Projects Quarterly Monitoring Report for January 2010 - March 2010.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
REGULAR AGENDA

9. **Senate Bill 83 – Vehicle Registration Fee**

Scott Haywood, Policy and Community Relations Manager, provided the staff report.

A handout was provided to the committee entitled “VTA Vehicle Registration Fee Expenditure Plan Benefits Study.”

Member Herrera questioned whether funds previously budgeted for projects on the expenditure plan could be freed up for usage elsewhere. John Ristow, Chief CMA Officer and Staff Liaison, noted this was a possibility. Member Herrera requested staff to look into the possibility of freeing up existing funds.

Member Moylan requested clarification on the benefit some projects will provide for automobile owners. Mr. Haywood stated that benefits study will help determine how strong of a benefit each project will provide to motor vehicle owners and that staff will have a completed benefits study for the June board meeting.

The Committee voted to recommend this item for approval with the direction that staff continue to refine the expenditure plan to meet the requirements of the statute and to consider ways that VTA can use funds derived from the vehicle registration fee to leverage other funds.

**M/S/C (Herrera/Moylan)** to recommend the Board of Directors take the following actions: 1) Adopt a resolution to place a ballot measure before the voters of Santa Clara County in November 2010 to authorize a $10 increase in the fees of motor vehicle registration for transportation-related projects and programs, containing a finding of fact that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee and the projects or programs are consistent with the Regional Transportation Plan; and 2) Adopt an expenditure plan allocating the revenue to transportation-related programs and projects that have a relationship or benefit to the persons who pay the fee; and 3) Allocate $1,000,000 of Measure B Local Program Reserve funds to be used for the costs associated with placing the measure on the ballot. 4) Increase expenditure appropriation in the amount of $1,000,000 in the FY 2011 Congestion Management Program Fund Operating Budget.

10. **SR 237/I-880 Express Connectors – System Integrator Contract Award (continued)**

Chairperson Pyle reminded the Committee this action was held until a quorum was attained.

**M/S/C (Herrera/Moylan)** to authorize the General Manager to execute the Electronic Toll Systems Integration contract for the SR 237/I-880 Express Connectors project. This is a negotiated procurement resulting in an itemized contract. A combination of federal stimulus funds and VTA local funds will be used to fund this contract.
12. **MTC Funding Agreement for Delivery of Freeway Performance Initiative (FPI) Projects**

David Kobayashi, Senior Transportation Planner, provided the staff report.

Member Herrera offered kudos to VTA as the project manager and noted her support.

John Ristow, Chief CMA Officer and Staff Liaison, stated this item is scheduled to come back to the Committee in August.

Member Pyle noted this is the final delivery of what was promised to voters. She also expressed appreciation for the changes made to the metering lights on Highway 87.

**M/S/C (Herrera/Pyle)** to authorize General Manager to execute a funding agreement for up to $2 million with the Metropolitan Transportation Commission (MTC) that specifies the roles and responsibilities to implement Traffic Operations Systems (TOS) improvements including ramp metering in Santa Clara County.

13. **FYI 2011 CMP Work Program**

John Ristow, Chief CMA Officer and Staff Liaison, provided the staff report.

A handout entitled “CMP Work Program” was provided to the Committee.

Mr. Ristow stated, in accordance with the Joint Powers Agreement, VTA is required to perform an annual program update. The memo lists work VTA is intending to perform as well as funding sources to accomplish the work. He noted one of the funding sources is Member Agency Fees. In response to the Committee’s request, a history of Member Agency Fees is listed on the handout.

Mr. Ristow noted, in response to the Committee’s request for staff to determine what the commensurate reductions and scope of services would be should the Member Agency Fees be reduced, Option H on the handout provides two scenarios: 1) Reduce Member Agency Fees by 3.5 percent, back to FY2008 levels. This is a variance of approximately $85,000; and 2) Reduce Member Agency Fees by 10 percent. This is a variance of approximately $250,000.

Mr. Ristow reported the Technical Advisory Committee and Policy Advisory Committee discussed and approved staff recommendations.

Member Moylan thanked staff for following up on the Committee’s request and providing the three levels of fees.

Member Moylan referenced the scenarios listed on the handout and stated in collaboration with his staff he would choose Scenario 2D, Eliminate Proactive Development Review Program and reduce member agency fees by 10 percent, a variance of approximately $250,000. He noted his second choice would be Scenario 1E, Reduce Proactive Development Review Program and reduce member agency fees by 3.5 percent, back to the FY2008 levels, a variance of approximately $85,000.
M/S (Moylan/Pyle) to recommend the Board of Directors approve the Fiscal Year 2011 Congestion Management Work Program with the amendment to eliminate the Proactive Development Review Program and to reduce the overall Member Agency fees associated with that work scope reduction from the current FY 2010 level by 10 percent or approximately $250,000.

Member Herrera questioned how this motion would impact VTA’s budget. Mr. Ristow stated the motion would not impact the VTA transit budget. Mr. Ristow stated Scenario 2D eliminates the Proactive Development Review Program. He noted this program is a major element of the Congestion Management Program statute.

Mr. Ristow stated the Committee might wanted to accept staff’s recommendation of Scenario 1D, to delay the County Wide Deficiency Plan, to see what fees may be coming from the regional programs without impacting all of the other CMP efforts. Mr. Ristow noted the current motion would eliminate land-use activities.

Member Moylan noted the impact would be on the Proactive Program wherein VTA tells the cities how to change their projects, which is why Sunnyvale staff does not want the program. Mr. Ristow stated the Proactive Program is the land-use side of all of the transportation investments. He noted it has been even more effective over the past year since it has been improved upon.

Mr. Ristow stated the Metropolitan Transportation Commission (MTC) has asked the CMAs to become countywide liaisons on Senate Bill 375. A new working group of the TAC has been formed to deal directly with the MTC-directed issues.

Chairperson Pyle confirmed with Mr. Ristow that by making this motion the Committee is going against staff recommendation. Mr. Ristow stated the staff recommendation was to keep the fees flat and keep the work program. He noted both the TAC and the PAC agreed with staff’s recommendation, with one dissenting vote at each committee.

Member Herrera questioned whether Member Moylan and Chairperson Pyle would accept Scenario 1D as a friendly amendment. Member Moylan and Chairperson Pyle noted their acceptance of the amendment to the motion. Member Moylan amended his previous motion to adopt Scenario 1D, as listed on the handout entitled “CMP Work Program.”

Mr. Ristow provided a handout entitled “Update of Project Readiness Initiatives (PRI) Grants.” He noted this was prepared for a project readiness initiative. Because the cities are struggling, this program was developed to give money back to the cities for capital project development to compete for regional grants. The handout lists the cities that have accepted these grants.

M/S/C (Moylan/Pyle) to withdraw the previous motion and recommend the Board of Directors approve the Fiscal Year 2011 Congestion Management Work Program with the amendment to delay staff development work on the County Wide Development Impact Fee until at least January 2011 and to reduce the overall Member Agency fees associated with that work scope reduction from the current FY 2010 level by 3.5 percent or approximately $85,000.
OTHER

15. **Items of Concern and Referral to Administration**
   
   There were no items of Concern and Referral to Administration.

16. **Committee Work Plan**
   
   There is no CMPP meeting proposed in June.

   **On order of Chairperson Pyle** and there being no objection, the Committee reviewed the Committee Work Plan.

17. **Committee Staff Report**
   
   John Ristow, Chief CMA Officer and Staff Liaison, provided his staff report as a handout to the Committee. He highlighted the following local events: 1) Sunnyvale will hold a ribbon cutting ceremony for their Murphy Avenue Streetscape project in Downtown Sunnyvale on June 4, 2010. This project was funded through VTA’s Community Design and Transportation Program; 2) The Mary Avenue Bridge in Cupertino/Sunnyvale won the Bicycle Project of the Year award given by the California Transportation Foundation on May 19, 2010. VTA provided funding support through its Bicycle Expenditure Program; and 3) Gary Richards won the Person of the Year Award given by the California Transportation Foundation on May 19, 2010.

   **On order of Chairperson Pyle** and there being no objection, the Committee received the Committee Staff Report.

18. **Chairperson’s Report**
   
   There was no Chairperson’s report.

19. **Consent Agenda for June 3, 2010, Board of Directors Meeting**

   **CONSENT:**

   **Agenda Item #5,** Prop 84 Urban Greening for Sustainable Communities Planning Grant

   **Agenda Item #6,** STIP PPM Fund Transfer Agreement with Caltrans

   **Agenda Item #7,** FY2010/11 TDA3 Project Priorities

   **Agenda Item #8,** Programmed Project Monitoring – Quarterly Report

   **Agenda Item #10,** SR 237/I-880 Express Connectors – System Integrator Contract Award

   **Agenda Item #11,** Bike Sharing Study Final Report

   **Agenda Item #12,** MTC Funding Agreement for Delivery of Freeway Performance Initiative (FPI) Projects
Agenda Item #14, Proactive CMP Quarterly Report for January-March 2010

REGULAR:

Agenda Item #9, Senate Bill 83 – Vehicle Registration Fee

Agenda Item #13, FYI 2011 CMP Work Program

20. ANNOUNCEMENTS

There were no Announcements.

21. ADJOURNMENT

On order of Chairperson Pyle and there being no objection, the meeting was adjourned at 1:38 p.m.

Respectfully submitted,

Susan E. Garcia, Board Assistant
Office of the Board Secretary
Transit Planning & Operations Committee

Thursday, May 20, 2010

MINUTES

CALL TO ORDER

The Regular Meeting of the Transit Planning and Operations (TP&O) Committee was called to order at 4:32 p.m. by Chairperson Kalra in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
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<tr>
<td>Margaret Abe-Koga</td>
<td>Member</td>
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<tr>
<td>Ash Kalra</td>
<td>Chairperson</td>
<td>P</td>
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<tr>
<td>Rich Larsen</td>
<td>Vice Chairperson</td>
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<tr>
<td>Sam Liccardo</td>
<td>Member</td>
<td>P</td>
</tr>
<tr>
<td>Nora Campos</td>
<td>Alternate Member</td>
<td>NA</td>
</tr>
<tr>
<td>Jamie Matthews</td>
<td>Alternate Member</td>
<td>NA</td>
</tr>
</tbody>
</table>

*Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

There were no Orders of the Day.

CONSENT AGENDA

4. Minutes of April 15, 2010

M/S/C (Larsen/Abe-Koga) to approve the Minutes of April 15, 2010.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
5. **FY 2008 Transit Security Grant Program (TSGP)**

M/S/C (Larsen/Abe-Koga) to approve submitting a recommendation to the Board of Directors to adopt a resolution authorizing the General Manager to submit and execute grant applications and agreements, certifications, assurances, and other documents as necessary to receive $1,256,836 from the U.S. Department of Homeland Security (DHS) FY 2008 Transit Security Grant Program (TSGP).


On Order of Chairperson Kalra and there being no objection, the March 2010 Facilities Projects Semi-Annual report was received.

7. **Transit Operations Performance Report Q3 FY 2010**

On Order of Chairperson Kalra and there being no objection, the Fiscal Year to Date 2010 Third Quarter Transit Operations Performance report was received.

8. **Quarterly Marketing Report**

On Order of Chairperson Kalra and there being no objection, Quarterly Marketing report was received.

**REGULAR AGENDA**

9. **Report from the Committee for Transit Accessibility (CTA) Activities**

There was no report from the Committee for Transit Accessibility Activities.

10. **Wrigley Creek Improvements Contract Award**

M/S/C (Abe-Koga/Larsen) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract with Top Grade Construction, the lowest responsible bidder, in the amount of $997,635 for the construction of Wrigley Creek Improvements. This contract is 100% funded by the 2000 Measure A Program.

11. **Closed Circuit Television (Phase 6) Contract Award**

Vice Chairperson Larsen inquired about staff plan regarding the installation of CCTV’s.

Dan Smith, Chief Operating Officer, responded staff plans to install CCTV’s on all 62 stations as long as funding is available. He noted 40 stations still need CCTV’s to reach the 100 percent goal.

M/S/C (Larsen/Abe-Koga) to approve submitting a recommendation to the Board of Directors to Authorize the General Manager to execute a contract with Cal Coast Telecom, the lowest responsible bidder, in the amount of $652,699 for the procurement
12. **Freight Railroad Relocation - Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation Contract Amendment to the Gordon N. Ball Inc. Construction Contract**

Mark Robinson, Chief Engineering & Construction Officer, explained a revised memorandum was created to indicate that the General Manager’s 15 percent contingency was exhausted. The additional amount above the contingency is $3,425,000 changing the contract amount to $20,953,305.

Vice Chairperson Larsen expressed concern about the contract amendment and recommended sharing the cost with UPRR.

Mr. Robinson responded that UPRR imposed a stop work order due to contractual anomalies. He noted staff failed to comply with UPRR’s procedures and terms of agreement. The stop work order resulted on an accelerated work schedule for the contractor to complete the construction. The accelerated work schedule brought additional labor costs and equipment expenses.

Mr. Robinson also explained the additional cost needed to remove hazardous material from the railroad. He noted talks to resolve this issue is ongoing, once resolved staff will report back to the Committee.

**M/S/C (Abe-Koga/Larsen)** to approve submitting a recommendation to the Board of Directors to authorize the General Manager to amend the Gordon N. Ball Inc. construction contract to accommodate scope additions and claims on the Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation contract in the amount of $3,425,000 for a new total contract amount of $20,953,305. This contract is funded by the 2000 Measure A Program.

13. **Silicon Valley Rapid Transit Master Agreement between VTA and City of Milpitas**

Member Liccardo took his seat at 4:47 p.m.

**M/S/C (Liccardo/Larsen)** to approve submitting a recommendation to the Board of Directors to authorize the General Manager to enter into a master agreement with the City of Milpitas in support of the BART Silicon Valley Project. This agreement will include provisions to ensure a commitment of cooperation from both parties.

14. **Silicon Valley Rapid Transit Program – Amendment to Engineering Services Contract with AECOM Technical Services, Inc.**

Carolyn Gonot, Chief SVRT Program Officer, provided a presentation highlighting the following: 1) Silicon Valley Berryessa Extension (SVBX) Design-Build (DB) Contract Formation; 2) Design Consultant Support for DB Formation; and 3) Summary of Design Consultant Contracts.
Vice Chairperson Larsen and Member Abe-Koga expressed concern about the amount of funds used on different consultants and the project as a whole.

Ms. Gonot responded the cost of the SVBX was significantly decreased with the negotiation conducted by staff. She described the function of each consultant and the way their contracts are structured. She noted staff has more control on the project because the work has to undergo an authorization process as stated in the contract language. She added that funds will only be distributed to contractors when needed. She stated that the 65 percent or 16 miles of design work done by consultants should be considered to the cost of the SVBX project.

Michael T. Burns, General Manager, noted that the project will cost more if we go on a different path.

M/S/C (Liccardo/Abe-Koga) on a Vote of 3 Ayes to 1 Noes and 0 Abstentions, to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with AECOM Technical Services, Inc. (formerly known as Earth Tech, Inc.) in an amount not to exceed $7.0 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current AECOM Technical Services, Inc. (AECOM) contract amount is $43.3 million. Vice Chairperson Larsen opposed.

15. Silicon Valley Rapid Transit Program – Amendment to Engineering Services Contract with Booz Allen Hamilton, Inc.

M/S/C (Liccardo/Abe-Koga) on a Vote of 3 Ayes to 1 Noes and 0 Abstentions, to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with Booz Allen Hamilton, Inc. in an amount of $4.0 million, and extend the contract term to June 30, 2012, for design integration engineering services for the Silicon Valley Rapid Transit Program. The current Booz Allen Hamilton, Inc. contract amount is $16.19 million. Vice Chairperson Larsen opposed.

16. Silicon Valley Rapid Transit Program – Amendment to Engineering Services Contract with HNTB Corporation

M/S/C (Liccardo/Abe-Koga) on a Vote of 3 Ayes to 1 Noes and 0 Abstentions, to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with the HNTB Corporation in an amount not to exceed $5.5 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current HNTB Corporation contract amount is $82.46 million. Vice Chairperson Larsen opposed.

M/S/C (Liccardo/Abe-Koga) on a Vote of 3 Ayes to 1 Noes and 0 Abstentions, to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with Kimley-Horn and Associates, Inc. in an amount of $3.3 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current Kimley-Horn and Associates, Inc. contract amount is $8.0 million. Vice Chairperson Larsen opposed.

18. Silicon Valley Rapid Transit Program – Amendment to Engineering Services Contract with PGH Wong Engineering/Parsons Brinckerhoff Quade & Douglas Joint Venture

M/S/C (Liccardo/Abe-Koga) on a Vote of 3 Ayes to 1 Noes and 0 Abstentions, to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with PGH Wong Engineering, Inc. and Parsons Brinckerhoff Quade & Douglas, Inc. (Wong/PB Joint Venture) in an amount not to exceed $9.3 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current Wong/PB Joint Venture contract amount is $30.7 million. Vice Chairperson Larsen opposed.

OTHER ITEMS

The Agenda was taken out of order.

21. Items of Concern and Referral to Administration

Vice Chairperson Larsen inquired about the $10 increase in the fees of motor vehicle registration.

Michael T. Burns, General Manager, responded the result of the polling was 60 percent favorable to move the motor vehicle registration fee forward.

Vice Chairperson Larsen left the meeting at 5:11 p.m.

19. JWI Quarterly Report

Bill Capps, Deputy Director for Operations, provided a report highlighting the following: 1) Operator/Mentor Apprenticeship Project; 2) Transit Career Ladder Project (TCLP); 3) TCLP Leadership Academy Pilot Project; and 4) JWI and Non-JWI Performance Statistics Summary.

Chairperson Kalra inquired about the selection process of to determine employees eligible for the program.
Mr. Capps responded that initially operators eligible for the program were new hired operators. Now the Operator/Mentor Apprenticeship Project will be incorporated with the Verification of Transit Training (VTT) classes that will be available to all operators.

Michael T. Burns, General Manager, noted the challenge we are facing is taking operators off their regular duty to attend the training.

Mr. Capps announced staff will be attending the “Building Workforce Partnerships Conference 2010” in San Diego to promote the JWI program.

Member Abe-Koga inquired about funding for the program.

Mr. Burns responded VTA is not obligated to provide funding when the funds are exhausted. He noted that ATU employees agreed to contribute for the program, two cents per hour will be deducted from their salaries that will amount to $70 thousand per year.

**On Order of Chairperson Kalra** and there being no objection, the Quarterly Joint Workforce Investment Program report was received.

20. **April 2010 Monthly Ridership and Fare Revenue Performance**

Joonie Tolosa, Manager for Operations Analysis and Systems, provided a report highlighting the following figures: 1) System Ridership; 2) BUS Ridership; 3) Light Rail Ridership; 4) Top 10 Bus Routes; 5) Fare Revenues; 6) Average Fare per Boarding; and 7) Unemployment rate.

**On Order of Chairperson Kalra** and there being no objection, the April 2010 Monthly Ridership and Fare Revenue Performance report was received.

22. **Committee Work Plan**

Dan Smith, Chief Operating Officer, noted that there will be no TPO meeting on June and July.

**On Order of Chairperson Kalra** and there being no objection, the Committee Work Plan was reviewed.

23. **Committee Staff Report**

Dan Smith, Chief Operating Officer and Staff Liaison, provided a handout highlighting the following: 1) Golden Guardian Regional Emergency Exercise; 2) Bike-to-Work Day; 3) Via Velo Bicycle Event in San Jose; 4) Federal Emergency Management Agency Transit Security Grant Program; 5) Hybrid Buses; 6) Express Trains; 7) ROAR Meeting; 8) Fire Victims Assistance; and 9) Fare Enforcement Operations.

**On order of Chairperson Kalra** and there being no objection, the Committee received the Committee Staff Report.
24. **Chairperson’s Report**

Chairperson Kalra expressed appreciation to staff for the activities that are moving the SVRT project forward.

25. **Determine Consent Agenda for the June 3, 2010 Board of Directors Meeting**

**Consent Agenda:**

**Agenda Item #5,** Adopt a resolution authorizing the General Manager to submit and execute grant applications and agreements, certifications, assurances, and other documents as necessary to receive $1,256,836 from the U.S. Department of Homeland Security (DHS) FY 2008 Transit Security Grant Program (TSGP).

**Agenda Item #6,** Receive Facilities Projects Semi-Annual Report.

**Agenda Item #10,** Authorize the General Manager to execute a contract with Top Grade Construction, the lowest responsible bidder, in the amount of $997,635 for the construction of Wrigley Creek Improvements. This contract is 100% funded by the 2000 Measure A Program.

**Agenda Item #11,** Authorize the General Manager to execute a contract with Cal Coast Telecom, the lowest responsible bidder, in the amount of $652,699 for the procurement and installation of Closed Circuit Television at Light Rail Stations (Phase 6). This contract is 100% funded under the Department of Homeland Security Transit Security Grant Program (FY07-TSGP) and Prop 1B California Transit Security Grant Program - California Transit Assistance Fund (FY07-08-CTSGP-CTAF).

**Agenda Item #12,** Authorize the General Manager to amend the Gordon N. Ball Inc. construction contract to accommodate scope additions and claims on the Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation contract in the amount of $3,425,000 for a new total contract amount of $20,953,305. This contract is funded by the 2000 Measure A Program.

**Agenda Item #13,** Authorize the General Manager to enter into a master agreement with the City of Milpitas in support of the BART Silicon Valley Project. This agreement will include provisions to ensure a commitment of cooperation from both parties.

**Agenda Item #14,** Authorize the General Manager to execute a contract amendment with AECOM Technical Services, Inc. (formerly known as Earth Tech, Inc.) in an amount not to exceed $7.0 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current AECOM Technical Services, Inc. (AECOM) contract amount is $43.3 million.

**Agenda Item #15,** Authorize the General Manager to execute a contract amendment with Booz Allen Hamilton, Inc. in an amount of $4.0 million, and extend the contract term to June 30, 2012, for design integration engineering services for the Silicon Valley Rapid Transit Program. The current Booz Allen Hamilton, Inc. contract amount is $16.19 million.
**Agenda Item #16,** Authorize the General Manager to execute a contract amendment with the HNTB Corporation in an amount not to exceed $5.5 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current HNTB Corporation contract amount is $82.46 million.

**Agenda Item #17,** Authorize the General Manager to execute a contract amendment with Kimley-Horn and Associates, Inc. in an amount of $3.3 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current Kimley-Horn and Associates, Inc. contract amount is $8.0 million.

**Agenda Item #18,** Authorize the General Manager to execute a contract amendment with PGH Wong Engineering, Inc. and Parsons Brinckerhoff Quade & Douglas, Inc. (Wong/PB Joint Venture) in an amount not to exceed $9.3 million, and extend the contract term to June 30, 2012, for engineering services for the Silicon Valley Berryessa Extension Project (SVBX) within the Silicon Valley Rapid Transit Program (SVRT). The current Wong/PB Joint Venture contract amount is $30.7 million.

**Regular Agenda:**

None

**26. ANNOUNCEMENTS**

Michael T. Burns, General Manager, announced that his trip with staff to Washington, D.C. to meet with house delegates went well. He noted the following items of concern were raised at the meeting: High Speed Rail, and Reauthorization. He added that it will also be difficult to get support on new revenue measures.

**27. ADJOURNMENT**

**On Order of Chairperson Kalra** and there being no objection, the meeting was adjourned at 5:35 p.m.

Respectfully submitted,

Michael Diareseco, Board Assistant
Office of the Board Secretary
1. CALL TO ORDER

The Regular Meeting of the Citizens Advisory Committee (CAC) was called to order at 5:30 p.m. by Chairperson Powers, County Government Center, Board of Supervisors Chambers, 70 West Hedding Street, San Jose, California.

ROLL CALL

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<th>Attendee Name</th>
<th>Title</th>
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<tr>
<td>Stephen Blaylock</td>
<td>CAC Member</td>
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<td>Clinton Brownley</td>
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<td>Bena Chang</td>
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<td>Chris Elias</td>
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<td>Ray Hashimoto</td>
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<td>Roberta Hughan</td>
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<td>Robert Jacobvitz</td>
<td>CAC Vice Chairperson</td>
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<td>Bruce Liedstrand</td>
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<td>Gaye Morando</td>
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<td>Aaron Morrow</td>
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<td>Charlotte Powers</td>
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<td>Present</td>
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<tr>
<td>Sally Probst</td>
<td>CAC Member</td>
<td>Present</td>
</tr>
<tr>
<td>Connie Rogers</td>
<td>CAC Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Martin Schulter</td>
<td>CAC Member</td>
<td>Present</td>
</tr>
<tr>
<td>Noel Tebo</td>
<td>CAC Member</td>
<td>Present</td>
</tr>
<tr>
<td>Herman Wadler</td>
<td>CAC Member</td>
<td>Present</td>
</tr>
</tbody>
</table>

A quorum was present.

2. ORDERS OF THE DAY

Chairperson Powers announced the Citizens Watchdog Committee’s Public Hearing would begin promptly at 6:00 p.m., after which the committee would return to the Citizens Advisory Committee meeting.

3. PUBLIC PRESENTATIONS

There were no Public Presentations.
4. **Committee Staff Report**

Greta Helm, Chief External Affairs Officer and Staff Liaison, reported: 1) Thursday, May 13, 2010, is “Bike to Work Day.” VTA participates in this annual event by encouraging bike riding, passing out maps for the county-wide bike trails, and providing refreshments at the Great Mall Transit Center; 2) VTA has officially launched its Facebook web page, which focuses more on encouraging feedback rather than strictly providing information; 3) An online survey is available on VTA’s website, seeking input from those currently not utilizing VTA; 4) During the Earth Day Celebration, VTA staff were surveying the public to determine what VTA can do to improve service.

5. **Chairperson’s Report**

Chairperson Powers noted she recently attended: 1) the Diridon Station Task Force meeting; 2) the High Speed Rail (HSR) open house; and 3) The Building Owners and Managers Association (BOMA) luncheon. BOMA’s guest speaker was VTA’s General Manager, Michael T. Burns.

- Financial Recovery Committee Member Report

Vice Chairperson Jacobvitz gave a brief overview of the May 5, 2010, Financial Recovery Committee meeting, noting: 1) The process is to review the different elements within VTA for potential consolidation or elimination; 2) A representative from Outreach spoke to the committee; 3) Stephen Flynn, Senior Management Analyst, reported on the ECO Pass Program; and 4) A review was provided of VTA’s partner agencies: Altamont Commuter Express, Caltrain, Santa Cruz Metro, Monterey Salinas Transit, Dumbarton, and AC Transit, as well as the DASH Service, VTA Airport Flyer, IBM-Hitachi Shuttle and the ACE Shuttles.

Vice Chairperson Jacobvitz expressed his concern over the potential elimination of the San Jose Airport Flyer. The City of San José is considering eliminating its $1.1 million subsidy. Vice Chairperson Jacobvitz noted his belief the Committee should advocate on behalf of the San Jose Airport Flyer.

Chairperson Powers stated the San Jose Airport Flyer would be placed on the June CAC agenda to enable the CAC to comment prior to budget adoptions by the cities within Santa Clara County.

- CAC Stakeholder Representation Subcommittee Report

Member Tebo provided a handout to the committee, which included:

Ace Process changes approved by the Board in January: 1) the CAC Bicyclists position was converted to the Bicycle & Pedestrian Advisory Committee (BPAC) position; and 2) The CAC Pedestrians position was converted to the Committee for Transit Accessibility (CTA) position.

Potential CAC Actions: 1) Consider converting the existing “Disabled Person” representative position to represent the Education Community; 2) Interest Groups that may merit future inclusion in the CAC process or for outreach on issue-related basis:
a) Public Policy Interests; b) Community Interests; c) Public Housing Residents; d) High Schools; and e) Major Transport Destinations.

Member Tebo noted approximately 150,000 students and staff at Santa Clara County colleges are commuters and potential transit riders. He questioned whether VTA was doing a good job of meeting their needs.

Chairperson Powers stated this item should be placed on the Committee’s June Agenda.

Chairperson Powers requested staff provide a report on how the bus system is currently serving colleges within Santa Clara County.

BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/ GENERAL MANAGER

COMBINED CAC AND 2000 MEASURE A CITIZENS WATCHDOG COMMITTEE CONSENT AGENDAS

6. Minutes of April 8, 2010

M/S/C (Wadler/Probst) to approve the Regular Meeting Minutes of April 8, 2010.

7. Bill Position: SB 901 (Ashburn)

M/S/C (Wadler/Probst) to recommend that the VTA Board of Directors adopt a support position for SB 901 (Ashburn), which authorizes the lead agency for a grade separation or safety project funded through the Proposition 1B Highway-Railroad Crossing Safety Account to apply for a Letter of No Prejudice (LONP) that would allow the agency to expend its own funds for any bond-funded component of the project and be eligible to seek reimbursement from bond proceeds at a later date under certain circumstances.

8. Bill Position: SB 964 (Alquist)

M/S/C (Wadler/Probst) to recommend that the VTA Board of Directors adopt a support position for SB 964 (Alquist), which requires the California High-Speed Rail Authority to contract with the State Employment Development Department to put together a strategy for ensuring that the necessary training programs are in place to facilitate the availability of a skilled, in-state workforce for California's proposed high-speed train system.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
9. **Bill Position: AB 2324 (J. Perez)**

M/S/C (Wadler/Probst) to recommend that the VTA Board of Directors adopt a support position for AB 2324 (J. Perez), which prohibits the following: (a) a person from knowingly possessing specified weapons within a sterile area of a public transit facility; (b) an unauthorized person from knowingly entering a restricted area of a public transit facility; and (c) a person from intentionally avoiding submission to screening and inspection when entering or re-entering a sterile area of a public transit facility. In addition, this bill increases the penalties for repeat fare evasion offenders and for certain acts of public transit passenger misconduct.

10. **Monthly Legislative History Matrix**

On order of Chairperson Powers and there being no objection, the Committee reviewed the Monthly Legislative History Matrix.

### 2000 MEASURE A CITIZENS WATCHDOG COMMITTEE REGULAR AGENDA

11. **Revised Final Compliance Audit Report on FY09 2000 Measure A Program Revenues and Expenditures**

Craig Boyer, Certified Public Account, Macias Gini & O’Connell LLP, presented the results of the 2009 Fiscal Year Financial Audit and summarized the requested changes within the report from what was presented to the CAC in April:

On Page 6, Note E was revised to include a debt service repayment schedule showing the amount of principal and interest that will need to be repaid related to debt service payments as requested by the Board.

On Pages 7 and 8, Note F: 1) revisions were made to the allocation methodology used to allocate the program-wide expenditures and then reallocated them accordingly, both cumulative and for the fiscal year; 2) Staff requested a change be made in presentation to the budget comparison schedule (Page 2). Specifically, staff was concerned that the presentation of the budget for project expenditures was not comparable with the presentation of the actual project expenditures. Staff requested Macias Gini & O’Connell show a remaining budget rather than an entire-project budget to give a more comparable presentation between the budget and the actual for the project expenditures.

M/S/C (Morando/Brownley) to receive and accept revised compliance audit of Fiscal Year 2009 (FY09), 2000 Measure A revenues and expenditures, incorporating minor clarifications requested by VTA staff at the April 14, 2010, meeting.

The Agenda was taken out of order.
13. **Amendments to the Citizens Advisory Committee Bylaws**

Member Elias took his seat at 5:51 p.m.

Members of the Committee expressed concern over the member-appointment terms listed within the memo. Stephen Flynn, Senior Management Analyst, stated two-year appointments were recommended to match the appointed terms for the Committee for Transit Accessibility (CTA) and Bicycle & Pedestrian Advisory Committee (BPAC).

Members of the Committee chose to amend the motion to further evaluate the implications of the two-year term for advisory committee members and decide whether to recommend future inclusion.

**M/S/C (Tebo/Wadler)** to approve amending the Citizens Advisory Committee (CAC) bylaws to modify the membership structure by converting two existing positions into one voting member each from the Bicycle & Pedestrian Advisory Committee and the Committee for Transit Accessibility, as recommended by the Advisory Committee Enhancement Task Force with the amendment that member terms will not change until clarified by the Committee at a future meeting.

12. **Conduct CWC Public Hearing**

Chairperson Powers called the 2000 Measure A Citizens Watchdog Committee public hearing on Measure A Program expenditures to order at 6:00 p.m.

Chairperson Powers stated the Citizens Watchdog Committee is conducting a Public Hearing in accordance with the 2000 Measure A ballot. The purpose of this Hearing is to provide the community the opportunity to express to the Committee its views, opinions and concerns on the Measure A Program expenditures, the results of the annual independent compliance audit, and on Measure A Program reports for the period of FY09 (July 1, 2008 – June 30, 2009).

Chairperson Powers continued by noting the input, combined with other information and data received, will be used by the CWC to form its conclusion on whether 2000 Measure A tax dollars for the period were spent in accordance with the intent of the Measure. Once the CWC has developed its conclusion, it will be published in local newspapers, and placed on VTA’s website to inform the citizens of the County of the CWC’s finding. The CWC’s finding will also be contained in the CWC’s Annual Report on Fiscal Year 2009, which will be made available to the public through various methods and also placed on VTA’s website.

Chairperson Powers reported in November 2000 the voters in Santa Clara County approved Measure A, a 30-year half cent sales tax devoted to specified transit projects. It also established the Citizens Watchdog Committee (CWC), vesting it with the following responsibilities:

- Reviewing all Measure A expenditures;
• Having a compliance audit conducted each fiscal year by an independent auditor to ensure tax dollars are being spent in accordance with the intent of the Measure;

• Holding public hearings and issuing reports at least annually to inform county residents on how the funds are being spent; and

• Publishing the results of the independent audit and the annual report in local newspapers

Chairperson Powers stated it is important to note that policy-related decisions for the Measure A Program, including the composition, implementation and funding level of projects, are the responsibility of the VTA Board of Directors. The Citizens Watchdog Committee is responsible for reviewing Measure A expenditures to ensure funds are being spent in accordance with the intent of the ballot.

Chairperson Powers stated, because the purpose of the Public Hearing is to receive input exclusively on the 2000 Measure A Program, members of the public wishing to speak will be required to limit their comments to 2000 Measure A Program related issues only.

Chairperson Powers noted the purpose of the Public Hearing is to receive community input. During the hearing, the CWC does not debate or engage in extended discussion with speakers or other CWC members. CWC members may, however, ask brief questions to clarify a statement or issue. If readily available or easily answered, the CWC or staff may provide very brief answers to a speaker’s questions. All other questions will be referred to staff to formulate a written response from the CWC.

Chairperson Powers asked staff if any written comments had been received from the public, either via e-mail or US mail. Those comments received will be provided to the CWC and audience and be entered into the official Public Hearing record. Stephen Flynn, Senior Management Analyst, responded staff did not receive any written comments from members of the public desiring to speak at the Public Hearing.

Chairperson Powers noted any members of the public in the audience who wished to speak on this matter were required to fill out a blue speaker’s card.

Public Comment:

Lowell E. Gratton, Interested Citizen, expressed his concern over bringing BART to San Jose. Mr. Gratton provided two handouts entitled: 1) BART Won’t Relieve San Jose Congestion; and 2) VTA is the Worst Transit System in the US.

Member Tebo requested that documentation provided by the public be sent to the committee via email.

Chairperson Powers questioned whether there were any additional members of the public who wished to speak. Hearing no further requests to address the CWC, Chairperson Powers closed the Public Hearing at 6:11 p.m.

Chairperson Powers noted a transcript of the hearing prepared by the court reporter and an audio recording of the hearing will be available to the public within a reasonable timeframe following the hearing.
14. **Proactive CMP Quarterly Report for January – March 2010**

Rob Swierk, Senior Transportation Planner, presented the staff report.

**Public Comment:**

James Wightman, Interested Citizen, requested information on the elevation of the light rail to Eastridge. John Ristow, Chief Congestion Management Agency Officer, stated current plans for an end-of-the-line station at Eastridge are for an at-grade station. Mr. Ristow noted the light rail will go over the top of Tully in an aerial structure and then come back down to grade.

Mr. Wightman questioned the timeline for the Eastridge extension. Mr. Ristow stated a timeline had not been established, noting everything is dependent upon funding. VTA is currently working on right-of-way, utility relocation, and pedestrian improvements in the corridor.

**On order of Chairperson Powers** and there being no objection, the Committee received a presentation on the Proactive CMP Quarterly Report for January through March 2010.

15. **Senate Bill 83 – Vehicle Registration Fee**

Scott Haywood, Policy and Community Relations Manager, provided the staff report.

Members of the Committee requested information on the results of the VTA-commissioned SB83 poll. Mr. Haywood noted the poll was conducted the week of May 3, 2010. He reported the results of the poll as: 1) 59 percent of the voters had initial support of a $10 vehicle registration fee; 2) 65 percent of those voters remained in favor of the $10 vehicle registration fee after hearing the reading of a series of positive campaign comments; 3) 62 percent of those voters remained in favor of the $10 vehicle registration fee after hearing the reading of a series of negative campaign comments.

Members of the Committee questioned why the cost of putting the measure on the ballot would not also be divided between VTA and the cities. John Ristow, Chief Congestion Management Agency Officer, stated VTA would be required to pay for the cost of placing the measure on the ballot. The funds for placing the measure on the ballot would come from Congestion Management Program fees.

Mr. Haywood reminded the Committee that because it is a fee there must be a benefit to those paying the fee. He stated it is anticipated that this fee would bring in approximately $14 million, of which 80 percent or $11.2 million of all revenues received would go back to the cities based upon a formula. The cities could use these funds for a series of eligible program categories.

Members of the Committee questioned what types of reporting measures VTA will implement and how VTA will ensure the revenues forwarded to the cities will only be used for projects eligible in the expenditure plan. Mr. Ristow stated that VTA will require regular audits of all revenue to ensure the funds are being spent correctly. He noted expenditure reports will be published on an annual basis.
Members of the Committee questioned the poll’s margin of error. Mr. Haywood stated the margin of error is 3.5 percent.

M/S/C (Probst/Tebo) to recommend the Board of Directors take the following actions:
1) Adopt a resolution to place a ballot measure before the voters of Santa Clara County in November 2010 to authorize a $10 increase in the fees of motor vehicle registration for transportation-related projects and programs, containing a finding of fact that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee and the projects or programs are consistent with the Regional Transportation Plan; and 2) Adopt an expenditure plan allocating the revenue to transportation-related programs and projects that have a relationship or benefit to the persons who pay the fee.

COMBINED CAC AND CITIZENS WATCHDOG COMMITTEE ITEMS

16. Citizens Advisory Committee and Citizens Watchdog Committee Work Plans

Items to be added to the June CAC Agenda

- Amendments to the Citizens Advisory Committee Bylaws
- San Jose Airport Flyer

At Chairperson Powers’ suggestion, Members of the Committee agreed to cancel the July 2010 CAC meeting.

On order of Chairperson Powers and there being no objection, the Committee reviewed the Citizens Advisory Committee and Citizens Watchdog Committee Work Plans.

OTHER

17. ANNOUNCEMENTS

There were no Announcements.

18. ADJOURNMENT

On order of Chairperson Powers, there being no objection, the meeting was adjourned at 6:52 p.m.

Respectfully submitted,

Susan E. Garcia, Board Assistant
VTA Office of the Board Secretary
CALL TO ORDER

The Regular Meeting of the Valley Transportation Authority (VTA) Bicycle and Pedestrian Advisory Committee (BPAC) was called to order at 6:05 p.m. by Vice Chairperson Meyer in the Conference Room B104, VTA, 3331 North First Street, San Jose, California.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bell</td>
<td>City of San Jose</td>
<td>Present</td>
</tr>
<tr>
<td>Ray Cosyn</td>
<td>City of Saratoga</td>
<td>Present</td>
</tr>
<tr>
<td>Aaron Faupell</td>
<td>City of Milpitas</td>
<td>Present</td>
</tr>
<tr>
<td>Chris Fernandez</td>
<td>County of Santa Clara</td>
<td>Absent</td>
</tr>
<tr>
<td>Nancy Ginzton</td>
<td>Town of Los Altos Hills</td>
<td>Absent</td>
</tr>
<tr>
<td>Carl Hagenmaier</td>
<td>City of Los Altos</td>
<td>Present</td>
</tr>
<tr>
<td>Jerri-Ann Meyer</td>
<td>City of Mountain View</td>
<td>Present</td>
</tr>
<tr>
<td>Thomas Muniz</td>
<td>City of Gilroy</td>
<td>Present</td>
</tr>
<tr>
<td>Richard Ruh</td>
<td>City of Monte Sereno</td>
<td>Present</td>
</tr>
<tr>
<td>Marian Sacco</td>
<td>City of Morgan Hill</td>
<td>Absent</td>
</tr>
<tr>
<td>David Simons</td>
<td>City of Sunnyvale</td>
<td>Absent</td>
</tr>
<tr>
<td>John Sullivan</td>
<td>City of Santa Clara</td>
<td>Present</td>
</tr>
<tr>
<td>Richard Swent</td>
<td>City of Palo Alto</td>
<td>Absent</td>
</tr>
<tr>
<td>Herman Wadler</td>
<td>City of Campbell</td>
<td>Present</td>
</tr>
<tr>
<td>James Wiant</td>
<td>City of Cupertino</td>
<td>Present</td>
</tr>
<tr>
<td>Erik Wilhelmsen</td>
<td>Town of Los Gatos</td>
<td>Absent</td>
</tr>
<tr>
<td>Corinne Winter</td>
<td>SVBC</td>
<td>Present</td>
</tr>
<tr>
<td>Paul Goldstein</td>
<td>Alt Ex-Officio, SVBC</td>
<td>Absent</td>
</tr>
</tbody>
</table>

A quorum was not present and a Committee of the Whole was declared.

The Agenda was taken out of order.

3. PUBLIC PRESENTATIONS:

There were no Public Presentations.

Member Hagenmaier took his seat at 6:06 and a quorum was declared.
2. ORDERS OF THE DAY

Vice Chairperson Meyer noted County staff request to consider Agenda Item #17., Special Events on County Roads Ordinance before the staff and chairperson’s report. She requested the following Agenda Items be moved from the Consent Agenda to the Regular Agenda: Item #7, Minutes of March 10, 2010; Item #10 – Bicycle Detention Loops on Lawrence Expressway; and Item #12 – Bicycle Improvements on San Tomas Expressway at Curtner Avenue.

M/S/C (Muniz/Bell) to accept Orders of the Day.

17. Special Events on County Roads Ordinance

Mr. Collen introduced Elizabeth Pianca, Santa Clara County Counsel and Sylvia Gallegos, Deputy County Executive / Acting Director, Santa Clara Valley Health and Hospital System (SCVHHS).

Ms. Gallegos thanked the BPAC and the subcommittee for their work on the Special Events Ordinance. Ms. Gallegos requested delaying action to work on the comments received and obtain the full endorsement from the BPAC. She noted a suggestion that the proposed ordinance be a “pilot ordinance” and will be reviewed in one year. She stated the goal of the ordinance is to reduce tension and be able to share the road between motorists and bicyclists and pedestrians.

Ms. DeRobertis noted for the record the e-mails received regarding the Special Ordinance, including (actual e-mail text available upon request):

a. From Member Wadler dated May 12, 2010
b. From Kevin Jackson dated May 11, 2010 (also includes comments for Agenda Items #10 and 12)
c. From Elizabeth Pianca dated May 10, 2010
d. From Vice Chairperson Meyer dated May 7, 2010
e. From Member Swent dated May 7, 2010
f. From former BPAC Member Joe Walton dated May 12, 2010
g. From Alan Wachtel dated May 12, 2010

Ms. Pianca distributed the latest version of the Special Events ordinance and addressed the comments from Kevin Jackson. Ms. Pianca clarified the ordinance applies to county roads and unincorporated county and does not apply to county expressways. Ms. Gallegos added the ordinance’s goal is to regulate special events and not necessarily the vehicle code.

The Committee expressed concern regarding the following: 1) the ordinance should not call out a particular community (San Antonio); 2) HULET should not take action on the special ordinance until the BPAC has endorsed it; 3) definition of minor special events; and 4) categories within the ordinance should be deleted to make it easier to understand.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
Ms. Gallegos explained categories were included in the ordinance because it attempts to address all types of events, each with different impacts. The County staff created the administrative guidelines to help people understand it better. Ms. Gallegos assured the Committee that the County staff will work with the BPAC subcommittee to work out the issues, come to an agreement and bring back the item to the BPAC for action. County staff will present to the HULET BPAC’s discussion and will request the HULET committee to defer action. She further assured the Special Events Ordinance will not go forward for final action without endorsement from the BPAC.

On order of Vice Chairperson Meyer and there being no objection, the Special Events on County Roads Ordinance was reviewed.

4. **Committee Staff Report**

Michelle DeRobertis, Senior Transportation Planner, reported the following: 1) VTA launched a Facebook page; 2) VTA will have an energizer station in Milpitas; and 3) VTA’s website was updated to highlight where bike e-lockers are located.

Ying Smith, Transportation Planning Manager, distributed copies of the staff report regarding the FY 2010/11 Countywide Transportation Development Act (TDA) Article 3 Program project priorities. Ms. Smith briefly discussed the list of submittal of Countywide Coordinated claim to the Metropolitan Transportation Commission for the Allocation of the FY 2010/11 funds to Santa Clara County Claimants. The Committee expressed support for the project priorities.

- **Capital Program Update**
  
  There was no Capital Program Update.

- **County Report**

  Dan Collen, County Roads and Airports Deputy Director, reported Supervisor Yeager’s office will be hosting a table outside 70 West Hedding for Bike to Work Day.

On order of Vice Chairperson Meyer and there being no objection, the Committee Staff Reports were received.

5. **Chairperson’s Report**

Vice Chairperson Meyer noted Bike to Work Day is tomorrow and the Over and Under Tour will be on Saturday, May 22, 2010. She noted the newspapers that mentioned the Over and Under Tour.

6. **BPAC Subcommittee Reports**

Vice Chairperson Meyer and Member Ruh reported about the Over and Under Tour including the following: 1) Over and Under Tour Website; 2) Volunteers are needed to manage the stations; 3) incentive programs; and 4) tour outreach activities.
Vice Chairperson Meyer noted the need to re-energize the Bylaws subcommittee to review the term limits, criteria for city appointments, policies and procedures for working sessions. Members of the Bylaws subcommittee are: Members Wadler, Bell, Chairperson Simons. Ms. Meyer noted former BPAC Member Joe Walton will provide comments to the subcommittee.

On order of Vice Chairperson Meyer and there being no objection, the BPAC Subcommittee Reports were received.

CONSENT AGENDA

7. (Removed from the Consent Agenda and placed on the Regular Agenda.)

   Approve the Minutes of March 10, 2010.

8. **Proactive CMP Quarterly Report for January through March 2010**

   M/S/C (Hagenmaier/Bell) to receive a presentation on the Proactive CMP Quarterly Report for January through March 2010.

9. **Church Creek Bridge Widening on Center Avenue (County Item)**

   M/S/C (Hagenmaier/Bell) to receive presentation from County staff on the Church Creek Bridge Widening on Center Avenue (County Item).

10. (Removed from the Consent Agenda and placed on the Regular Agenda.)

   Receive presentation on the BEP project # B93-Bicycle Detection Loops at Lawrence Expressway (County Item).

11. **Operational Improvements to Hicks, Quimby and Sierra Roads (County Item)**

   M/S/C (Hagenmaier/Bell) to receive presentation on the project status of operational improvements to Hicks, Quimby and Sierra Roads (County Item).

12. (Removed from the Consent Agenda and placed on the Regular Agenda.)

   Receive presentation on the Bike Improvements at San Tomas Expressway and Curtner Avenue(County Item).

REGULAR AGENDA

7. **Minutes of March 10, 2010**

   Vice Chairperson Meyer noted spelling correction to reflect Meyer instead of Meyers on Page 3, Item #6 of the Minutes.

   M/S/C (Hagenmaier/Muniz) to approve the Minutes of March 10, 2010 as amended.
10. **Bicycle Detection Loops on Lawrence Expressway (County Item)**

Vice Chairperson Meyer noted the item is pulled from the Consent Agenda because there were e-mailed comments from Kevin Jackson regarding the bicycle detection loops on expressway shoulders and adaptive signal timing for bicycles. Member Sullivan expressed concern regarding the wait time to cross the expressway.

Mr. Collen noted their website; www.countyroads.org has a video about bicycle treatments on expressways, which shows how the traffic safety grant was used to develop this technology. Mr. Collen explained the adaptive treatments provide sufficient time to allow cyclists to cross the expressway. The advanced detection is not included in the current project and could be part of a future project. Mr. Collen added changing the cycle lights can be tricky because it throws off the coordination and the software is only being developed at this time.

Member Faupell expressed support for Mr. Jackson’s comments in his e-mail.

**On order of Vice Chairperson Meyer** and there being no objection, the presentation on the BEP project # B93-Bicycle Detection Loops at Lawrence Expressway was received.

Member Wadler took his seat at 7:11 p.m.

12. **Bicycle Improvements on San Tomas Expressway at Curtner Avenue (County Item)**

Vice Chairperson Meyer noted in Mr. Jackson’s email, he expressed concern regarding the map and noted that the transition zone for cyclists is not shown.

Mr. Collen responded the Roads and Airports Department collaborated with Caltrans District 4 for the design of the project. The design is consistent with the Bicycle Accommodation Guideline. Mr. Collen explained the details of the map.

**On order of Vice Chairperson Meyer** and there being no objection, the presentation on the Bike Improvements at San Tomas Expressway and Curtner Avenue was received.

13. **Bike Share Program Study Final Report**

Ms. Smith provided a background and overview of the study including the partners in the working group. She introduced Aiko Cuenco, Transportation Planner.

Ms. Cuenco distributed a handout entitled, “Bike Sharing Pilot Project: Feasibility Study.” Ms. Cuenco reviewed how the Bike Sharing Works and fast facts about VTA’s Program. She also discussed the Feasibility Study Areas including: features and technology review; market research; and business plan. Ms. Cuenco noted the next steps and noted the possibility of launching the program by Spring 2011.

Ms. Cuenco explained after the printing of the BPAC agenda packet, it was decided that the Bike Share Program will be forwarded to the Congestion Management Program and Planning (CMPP) and the VTA Board of Directors as an information item to accept the report. Therefore, staff is requesting BPAC to accept the report only.
The Committee expressed support for the Bike Share Program. Members of the Committee expressed concerns, including: 1) Bike Share Program revenue assumptions and bike utilization; 2) financial impacts to VTA; 3) pilot program performance measures; 4) bike share locations other than transit stations; 5) number of bikes to be purchased; and 6) guarantee availability of bike for return commute through reservation. The Committee also noted the possibility of providing suggestions to the program implementation at one of its future working sessions.

M/S/F (Wadler/Muniz) on a vote of 8 ayes, 2 no, and 0 abstention to accept the Bike Share Program Study Final Report. Members Hagenmaier and Cosyn opposed.

14. **Amendments to the Bicycle & Pedestrian Advisory Committee Bylaws**

Member Wadler expressed concern about the process for the amendment of the BPAC bylaws. He noted the BPAC Bylaws subcommittee should have been involved in the process.

M/S/C (Wiant/Hagenmaier) on a vote of 9 ayes, 0 no, and 1 abstention to approve amending the Bicycle & Pedestrian Advisory Committee (BPAC) bylaws to provide for BPAC appointment of one of its members to serve as a voting member on VTA’s Citizens Advisory Committee (CAC), as recommended by the Advisory Committee Enhancement Task Force. Member Wadler abstained.

15. **Bicycle & Pedestrian Advisory Committee Conditional Appointment to the Citizens Advisory Committee**

M/S/C (Muniz/Hagenmaier) to appoint Herman Wadler to serve as a voting member on VTA’s Citizens Advisory Committee (CAC), subject to the appointee meeting the established CAC membership requirements and Board of Director ratification. This appointment is conditional on the Board of Directors approving establishment of the BPAC position on the CAC.

16. **Complete Streets System Program**

Ms. Smith provided a handout entitled “The Road to Completing our Streets.” She provided an introduction VTA’s Complete Streets System Program and noted the goals of the program and potential funding source. Ms. Smith reviewed the five essential elements for a Complete Streets System: Geometrics, Capacity Continuity, Technology, Connectivity and Maintenance.

The Committee expressed support for highlighting the need for maintenance. The Committee had questions about SB 83 implementation; partnership with membership agencies, and suggested creating a task force between VTA and Member Agencies. A member of the Committee noted the need for updates on individual city circulation elements to address bicycle and pedestrian accommodations.

**NOTE:** M/S/F MEANS MOTION SECONDED AND FAILED.
OTHER

18. Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC) Report

Member Wadler reported the CWC held a public hearing to receive public input on the 2000 Measure A Program, program expenditures and reports, and annual independent compliance audit.

On order of Vice Chairperson Meyer and there being no objection, the CAC and CWC reports were received.

19. Local Jurisdiction Project Review Section

Member Bell stated there is a demonstration project along San Fernando Street in San Jose to test out bike strategies that are different from the current standards of the State (i.e. green lanes).

Ms. Smith noted the City of Santa Clara’s General Plan is under review. Member Sullivan noted the possible negative effects of the proposed stadium to bicycle and pedestrian infrastructure.

Member Muniz stated the State Route 152 Improvement project includes updating six turns to improve the blind curves. The Bicycle Commission is developing a recommendation for conditions of approval that will be presented to the Planning Commission.

Member Wadler noted the work on Campbell Avenue and the plans to add treatments to the bridge.

20. BPAC Work Plan

On order of Vice Chairperson Meyer and there being no objection, the BPAC Work plan was reviewed.

21. ANNOUNCEMENTS

Member Wadler announced he is offering a bike class.

22. ADJOURNMENT

On order of Chairperson Simons and there being no objection, the meeting was adjourned at 9:16 p.m.

Respectfully submitted,

Elaine F. Baltao, Board Assistant
Office of the Board Secretary
TECHNICAL ADVISORY COMMITTEE

Thursday, May 13, 2010

MINUTES

CALL TO ORDER

The Regular Meeting of the Technical Advisory Committee (TAC) was called to order at 1:31 p.m. by Chairperson Batra in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Representing</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greg Armendariz</td>
<td>City of Milpitas</td>
<td>Present</td>
</tr>
<tr>
<td>Rajeev Batra, Chairperson</td>
<td>City of Santa Clara</td>
<td>Present</td>
</tr>
<tr>
<td>Julie Caporgno</td>
<td>City of Palo Alto</td>
<td>Absent</td>
</tr>
<tr>
<td>Todd Capurso, Vice Chairperson</td>
<td>Town of Los Gatos</td>
<td>Present</td>
</tr>
<tr>
<td>John Cherbone</td>
<td>City of Saratoga</td>
<td>Present</td>
</tr>
<tr>
<td>Richard Chiu</td>
<td>Town of Los Altos Hills</td>
<td>Absent</td>
</tr>
<tr>
<td>Dan Collen, Alternate</td>
<td>County of Santa Clara</td>
<td>Present</td>
</tr>
<tr>
<td>Kevin Connolly, Alt. Ex-Officio</td>
<td>VTA</td>
<td>Absent</td>
</tr>
<tr>
<td>Don Dey</td>
<td>City of Gilroy</td>
<td>Present</td>
</tr>
<tr>
<td>Sylvia Fung, Alt. Ex-Officio</td>
<td>Dept. of Transportation (Caltrans)</td>
<td>Absent</td>
</tr>
<tr>
<td>Glenn Goepfert</td>
<td>City of Cupertino</td>
<td>Absent</td>
</tr>
<tr>
<td>Bill Helms, Alternate</td>
<td>City of Campbell</td>
<td>Present</td>
</tr>
<tr>
<td>Helen Kim</td>
<td>City of Mountain View</td>
<td>Present</td>
</tr>
<tr>
<td>Larry Lind</td>
<td>City of Los Altos</td>
<td>Present</td>
</tr>
<tr>
<td>Jim Rowe, Alternate</td>
<td>City of Morgan Hill</td>
<td>Present</td>
</tr>
<tr>
<td>Mo Sharma</td>
<td>City of Monte Sereno</td>
<td>Absent</td>
</tr>
<tr>
<td>Ben Tripousis</td>
<td>City of San Jose</td>
<td>Present</td>
</tr>
<tr>
<td>Jack Witthaus</td>
<td>City of Sunnyvale</td>
<td>Present</td>
</tr>
</tbody>
</table>

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

John Ristow, Chief CMA Officer and Staff Liaison, noted staff recommended that Agenda Item #17. Update of CMP Model – ABAG Projections 2009 Socioeconomic Data, be heard as the first item on the Regular Agenda.
Chairperson Batra noted that Agenda Item #13. Public Meeting – Senate Bill 83–Vehicle Registration Fee, would be heard at 2:00 Time Certain.

On order of Chairperson Batra and there being no objection, the Orders of the Day were accepted.

4. Committee Staff Report

Alternate Member Rowe took his seat at 1:33 p.m.

John Ristow, Chief CMA Officer and Staff Liaison, provided a report, highlighting: 1) Items approved at the May 6, 2010 Board of Directors meeting; and 2) May 19, 2010 California Transportation Foundation (TRANNY) Awards luncheon.

On order of Chairperson Batra and there being no objection, the Committee Staff Report was received.

5. Chairperson’s Report

Member Lind took his seat at 1:35 p.m.

Chairperson Batra reported on the approval of the amendment to the Joint Powers Agreement for the Administration of the Santa Clara County Congestion Management Program. The restructuring of VTA Board of Directors will become effective January 2012, noting creation of new City Grouping consisting of the Cities of Santa Clara, Sunnyvale, and Milpitas.

6. Reports from TAC Working Groups

- **Capital Improvement Program (CIP)**

  There was no report on the Capital Improvement Program (CIP) Working Group.

- **Systems Operations and Management (SOM) Working Group**

  Eugene Maeda, Senior Transportation Planner, reported on the April 28, 2010, Systems Operations and Management (SOM) Working Group meeting, highlighting: 1) Received presentation from the County of Santa Clara on Pedestrian/Bicycle Signal Timing; 2) Reviewed the Traffic Impact Fees White Paper; and 3) Continued working on Deficiency Plan Guidelines update.

On order of Chairperson Batra and there being no objection, the report from the TAC SOM Working Group was received.

7. High Speed Rail/Caltrain Project

Steven Fisher, Senior Transportation Planner, provided a verbal report on the High Speed Rail/Caltrain Project, highlighting: 1) California High Speed Rail Authority (CHSRA) hired new Chief Executive Officer, Roelof van Ark; 2) Letter addressed to CHSRA containing VTA’s comments on the Program Level Environmental Impact Report (EIR); 3) Status of Alternatives Analysis Report for the San Francisco to San Jose segment; 4) May 13, 2010 Technical Working Group (TWG) meeting; 5) Alternatives Analysis
Report anticipated to be available in June 2010 on the southern part of the alignment;
6) High Speed Rail held workshops/open houses in Cities of San Jose and Gilroy;
7) Issues with southern approach to Diridon Station; 8) Issues pertaining to Caltrain, noting its fiscal crisis; and 9) Access policy adopted by Caltrain.

Members of the Committee recommended that VTA staff inform Bob Doty, Director, Peninsula Rail Project, that the City of Gilroy would like to meet with him regarding Caltrain and High Speed Rail.

Members of the Committee requested an item be placed on the June 10, 2010 TAC meeting agenda, so that the Members could share their comments on the southern segment of High Speed Rail.

On order of Chairperson Batra and there being no objection, the High Speed Rail/Caltrain Project Report was received.

BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/GENERAL MANAGER

CONSENT AGENDA

8. Minutes of April 8, 2010

M/S/C (Dey/Capurso) to approve the Minutes of April 8, 2010.


REGULAR AGENDA

The Agenda was taken out of order.

17. Update of CMP Model – ABAG Projections 2009 Socioeconomic Data

George Naylor, Principal Transportation Planner, provided an overview of the staff report.

Members of the Committee referenced the formal letter that will be sent to each Member Agency’s planning department, which details VTA’s request to review the land use data, and requested that staff copy the TAC and/or Systems Operations and Management (SOM) Working Group.

On order of Chairperson Batra and there being no objection, the Committee received information on update of CMP Model with ABAG Projections 2009 Data.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
13. Public Meeting – Senate Bill 83 – Vehicle Registration Fee

Chairperson Batra opened the Public Meeting on Senate Bill 83 – Vehicle Registration Fee at 2:00 p.m. Time Certain.

Scott Haywood, Policy and Community Relations Manager, provided an overview of the staff report, highlighting: 1) Background information on Senate Bill 83; 2) Results of electorate polling; 3) Working draft of the proposed Expenditure Plan; and 4) Proposed SB 83 Expenditure Plan “Return to Source” distribution.

John Ristow, Chief CMA Officer and Staff Liaison, reported SB 83 required that the VTA Board of Directors adopt a finding of fact. To support the finding of fact, VTA is working on a Benefit Analysis that will address the relationship of fees paid to benefits received by the payers through the proposed expenditures.

Public Comment

Lee Taubeneck, Caltrans-District 4, commented on elements of the Expenditure Plan and queried about ADA requirements. Mr. Ristow responded ADA is a requirement of any type of project.

Members of the Committee discussed various components of the proposed Expenditure Plan. Members of the Committee queried how the polling results compared with the components, the draft Benefit Analysis document; how distribution of funding will work, and how other Bay Area County Expenditure Plans compared to VTA’s proposal.

Members of the Committee expressed concern that the City Councils were not asked about their position on the ballot measure. Members of the Committee requested that the vote on the recommended actions be taken as two separate votes.

M/S/C (Tripousis/Collen) on a vote of 11 ayes and 1 abstention to recommend the Board of Directors take the following action: 1) Adopt a resolution to place a ballot measure before the voters of Santa Clara County in November 2010 to authorize a $10 increase in the fees of motor vehicle registration for transportation-related projects and programs, containing a finding of fact that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee and the projects or programs are consistent with the Regional Transportation Plan. Alternate Member Rowe abstained.

Members of the Committee referenced Attachment A to the staff report and noted it reflected “Expenditure Program.” Members of the Committee noted it should reflect “Expenditure Plan.” Mr. Ristow noted that the correction had been made to reflect Expenditure Plan.

Members of the Committee expressed concern regarding some of the proposed components of the Expenditure Plan and recommended that VTA staff consider a more
conservative interpretation of expenditure categories to ensure a stronger benefit nexus test. Mr. Ristow responded that the Expenditure Plan is a working draft and all comments are taken as input to a final plan.

**M/S/C (Dey/Tripousis)** on a vote of 11 ayes and 1 noe to recommend the Board of Directors take the following action: 2) Adopt an expenditure plan allocating the revenue to transportation-related programs and projects that have a relationship or benefit to the persons who pay the fee. Member Witthaus opposed.

10. **Proactive CMP Quarterly Report for January – March 2010**

Robert Swierk, Senior Transportation Planner, provided an overview of the staff report.

**On order of Chairperson Batra** and there being no objection, the Committee received a presentation on the Proactive CMP Quarterly Report for January through March 2010.

11. **Bike Share Program Study Final Report**

Aiko Cuenco, Transportation Planner I, referenced the revised staff report, noting the recommended action was to “accept the Bike Sharing Study Final Report.” She provided a presentation on the Bike Sharing Pilot Project: Feasibility Study.

Members of the Committee complimented VTA staff’s approach to study bike sharing prior to implementation of the program.

**M/S/C (Witthaus/Tripousis)** to accept the Bike Sharing Study Final Report.

12. **FY 2011 CMP Work Program**

John Ristow, Chief CMA Officer and Staff Liaison, provided a report, highlighting: 1) Congestion Management Program and Planning (CMPP) Committee direction to staff to assess options for a fee decrease and adequate reductions in scope of services; 2) Historical background of Member Agency Fees; and 3) Presented options outlining Member Agency fee decreases of 3.5 percent and 10 percent and various work scope reductions.

Members of the Committee expressed support for the staff recommendation to maintain both the Member Agency fees and CMP Work Program at the current level.

Members of the Committee recommended a ten percent reduction in Member Agency fees and elimination of the Proactive Development Review Program.

Members of the Committee commented on their respective cities’ budget issues and noted their dependability on VTA staff to assist with funding, project assistance, and coordination with federal, state, regional agencies.

Members of the Committee directed attention to Page 2 of 3 of the staff report and requested staff clarify that the “deferral” of the fee increase actually means to delete the
increase and that the fee decrease will not be made up by doubling the increase in future years.

Members of the Committee expressed opposition to the staff recommendation.

**M/S/C (Tripousis/Capurso)** on a vote of 11 ayes and 1 noe to recommend the Board of Directors to approve the Fiscal Year 2011 Congestion Management Work Program. Further, TAC requested staff clarify that the “deferral” of the fee increase actually means to delete the increase and that the fee decrease will not be made up by doubling the increase in future years. Member Witthaus opposed.

14. **FY 2010/11 TDA 3 Project Priorities**

Marcella Rensi, Transportation Planning Manager, provided an overview of the staff report.

**M/S/C (Witthaus/Tripousis)** to recommend the Board of Directors to adopt a resolution approving the project priorities for the FY2010/11 Countywide Transportation Development Act Article 3 Program.

15. **Amendments to the Technical Advisory Committee Bylaws**

Stephen Flynn, Senior Management Analyst, provided an overview of the staff report, noting the amendments to Sections 3.1 and 5.5 of the TAC bylaws.

**M/S/C (Witthaus/Capurso)** to approve amending the Technical Advisory Committee bylaws to: (1) delete VTA’s ex-officio membership position on the TAC; and (2) further clarify the responsibilities of alternate members.

16. **Complete Streets System Program**

John Ristow, Chief CMA and Staff Liaison, provided an overview of the staff report, noting the item would be brought back to TAC.

**On order of Chairperson Batra** and there being no objection, the Committee received a presentation on the Complete Streets System Program.

**OTHER**

18. **Metropolitan Transportation Commission (MTC) Activities and Initiatives**

John Ristow, Chief CMA Officer and Staff Liaison, reported the following: 1) He and VTA Board Chairperson Sam Liccardo attended a meeting at the Metropolitan Transportation Commission (MTC) on April 9, 2010, which included all of the Congestion Management Agencies’ Board Chairs; and 2) SB 375 activities.

**On order of Chairperson Batra** and there being no objection, the Committee received an update on MTC Activities and Initiatives.
19. **Technical Advisory Committee (TAC) Subcommittee Report**

Member Armendariz left the meeting at 3:11 p.m.

Chairperson Batra provided a report on the discussions held at the Technical Advisory Committee (TAC) Subcommittee meeting, highlighting: 1) Assembly Bill 1784; and 2) American Recovery and Reinvestment Act (ARRA) funding.

**On order of Chairperson Batra** and there being no objection, the Committee received the TAC Subcommittee Report.

20. **Committee Work Plan**

Members of the Committee requested that an item relating to the Traffic Impact Analysis (TIA) Guidelines and California Environmental Quality Act (CEQA) be placed on a future agenda.

**On order of Chairperson Batra** and there being no objection, the Committee reviewed the Work Plan.

21. **Announcements**

Chairperson Batra announced the following: 1) Week of May 10, 2010, was “Bike to Work Week”; and 2) High Speed Rail holding meeting on Alternative Analysis in Santa Clara on May 19, 2010.

John Ristow, Chief CMA and Staff Liaison, announced the launch of VTA’s Facebook page.

22. **ADJOURNMENT**

**On order of Chairperson Batra** and there being no objection, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,

Tracene Y. Crenshaw, Board Assistant
VTA Office of the Board Secretary
Policy Advisory Committee

Thursday, May 13, 2010

MINUTES

CALL TO ORDER

The Regular Meeting of the Valley Transportation Authority (VTA) Policy Advisory Committee (PAC) was called to order at 4:06 p.m. by Chairperson Jamie Matthews in Conference Room B-104 Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Griffith</td>
<td>City of Sunnyvale</td>
<td>Present</td>
</tr>
<tr>
<td>David Whittum (Alternate)</td>
<td>City of Sunnyvale</td>
<td>NA</td>
</tr>
<tr>
<td>Howard Miller</td>
<td>City of Saratoga</td>
<td>Present</td>
</tr>
<tr>
<td>Kathleen King (Alt)</td>
<td>City of Saratoga</td>
<td>NA</td>
</tr>
<tr>
<td>Dave Cortese</td>
<td>SCC Board of Supervisors</td>
<td>Absent</td>
</tr>
<tr>
<td>Michael F. Kotowski</td>
<td>City of Campbell</td>
<td>Present</td>
</tr>
<tr>
<td>Jason Baker (Alt)</td>
<td>City of Campbell</td>
<td>NA</td>
</tr>
<tr>
<td>Gilbert Wong</td>
<td>City of Cupertino</td>
<td>Present</td>
</tr>
<tr>
<td>Barry Chang(Alt)</td>
<td>City of Cupertino</td>
<td>NA</td>
</tr>
<tr>
<td>Cat Tucker</td>
<td>City of Gilroy</td>
<td>Present</td>
</tr>
<tr>
<td>TBD(Alt)</td>
<td>City of Gilroy</td>
<td>NA</td>
</tr>
<tr>
<td>Megan Satterlee</td>
<td>City of Los Altos</td>
<td>Present</td>
</tr>
<tr>
<td>Val Carpenter (Alt)</td>
<td>City of Los Altos</td>
<td>NA</td>
</tr>
<tr>
<td>Joe Pirzynski</td>
<td>Town of Los Gatos</td>
<td>Present</td>
</tr>
<tr>
<td>Diane McNutt (Alt)</td>
<td>Town of Los Gatos</td>
<td>NA</td>
</tr>
<tr>
<td>Vacant</td>
<td>City of Milpitas</td>
<td>Absent</td>
</tr>
<tr>
<td>TBD (Alt)</td>
<td>City of Milpitas</td>
<td>NA</td>
</tr>
<tr>
<td>Marshall Anstandig</td>
<td>City of Monte Sereno</td>
<td>NA</td>
</tr>
<tr>
<td>Curtis Wright (Alt)</td>
<td>City of Monte Sereno</td>
<td>Present</td>
</tr>
<tr>
<td>Marby Lee</td>
<td>City of Morgan Hill</td>
<td>Present</td>
</tr>
<tr>
<td>Steve Tate (Alt)</td>
<td>City of Morgan Hill</td>
<td>NA</td>
</tr>
<tr>
<td>John Inks</td>
<td>City of Mountain View</td>
<td>Present</td>
</tr>
<tr>
<td>Jac Siegel (Alt)</td>
<td>City of Mountain View</td>
<td>NA</td>
</tr>
<tr>
<td>Gail Price</td>
<td>City of Palo Alto</td>
<td>Present</td>
</tr>
<tr>
<td>Larry Klein (Alt)</td>
<td>City of Palo Alto</td>
<td>NA</td>
</tr>
<tr>
<td>Kansen Chu</td>
<td>City of San Jose</td>
<td>Absent</td>
</tr>
<tr>
<td>Jamie Matthews</td>
<td>City of Santa Clara</td>
<td>Present</td>
</tr>
<tr>
<td>Jamie McLeod (Alt)</td>
<td>City of Santa Clara</td>
<td>NA</td>
</tr>
<tr>
<td>TBD</td>
<td>Town of Los Altos Hills</td>
<td>Absent</td>
</tr>
</tbody>
</table>

A quorum was present.
2. ORDERS OF THE DAY
Chairperson Matthews noted the Committee’s request to move the following agenda items from the Consent Agenda to the Regular Agenda: Agenda Item #6 - Approve the Minutes of April 8, 2010; and Agenda Item #7 – Recommend the Board of Directors approve the Fiscal Year 2011 Congestion Management Work Program.

Chairperson Matthews noted the Committee’s request to move to the beginning of the Regular Agenda Item #12 - Recommend the Board of Directors take the following actions: 1) Adopt a resolution to place a ballot measure before the voters of Santa Clara County November 2010 to authorize a $10 increase in the fees of motor vehicle registration for transportation-related projects and programs, containing a finding of fact that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee and the projects or programs are consistent with the Regional Transportation Plan; and 2) Adopt an expenditure plan allocating the revenue to transportation-related programs and projects that have a relationship or benefit to the persons who pay the fee.

M/S/C (Kotowski/Wong) to accept the Orders of the Day

3. PUBLIC PRESENTATIONS
There were no Public Presentations.

4. Committee Staff Report
Jim Lawson, Senior Policy Advisor, provided an overview of the Board of Director’s May 6, 2010 meeting, noting the Board approved all items on the Agenda including: 1) adopting a resolution finding that use of the design-build process for the Silicon Valley Berryessa Extension (SVBX) Project will reduce project costs and expedite the project’s completion and authorize the General Manager to proceed with the solicitation of design-build contractors for the SVBX project; and 2) adopting the Light Rail System Analysis Improvement Plan with a consideration of a modified “T” version.

Mr. Lawson announced that VTA launched a “Facebook” page on the internet. The page provides a dynamic interactive forum for sharing information and obtaining feedback on upcoming projects, studies, and services.

Joe Pirzynski, PAC Committee Member and Ad-Hoc Committee Stakeholder, provided an overview of the April 28, 2010 Ad-Hoc meeting. He reported, “Ideas for Consideration,” listed on the Potential Savings Matrix were discussed at the meeting. Some of the proposed scenarios include transitioning away from the ECO Pass program, consideration of a ballot measure to eliminate the 30-year sunset for Measure A, consider transit as a recipient of some SB 83 funds, across the board layoffs, across the board wage cuts, health benefit modifications, the reductions of advertising, marketing costs, and the reduction of contribution levels to regional partners (Caltrain, ACE, Dumbarton Express, Highway 17 Express, and the Monterey – San Jose Express.
Member Pirzynski announced the next Ad-Hoc Financial Recovery Committee is scheduled to meet Wednesday, May 26, 2010, at 3:00 p.m. in the VTA River Oaks Auditorium.

5. **Chairperson’s Report**

Chairperson Matthews recommended a Committee tour of the Closed Circuit TV and Security System at the River Oaks Campus. He also noted at the June meeting the Committee will discuss if the scheduled meeting in July will be cancelled.

**BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/ GENERAL MANAGER**

**CONSENT AGENDA**

6. *(Removed from the Consent Agenda and Placed on the Regular Agenda)*

   Approve the Minutes of April 8, 2010.

7. *(Removed from the Consent Agenda and Placed on the Regular Agenda)*

   FY2011 CMP Work Program

8. **Amendments to the Policy Advisory Committee Bylaws**

   Stephen Flynn, Senior Management Analyst, provided an overview of the staff report.

   The Committee considered the proposed changes to the bylaws and unanimously recommended that the Board of Directors approve the staff recommendation. A question was also raised on Section 5.4 of the bylaws, which was not under consideration.

   **M/S/C (Satterlee/Lee)** to approve a minor amendment to the Policy Advisory Committee bylaws clarifying the role and responsibilities of alternate members.

9. **Programmed Project Monitoring – Quarterly Report**

   **On order of Chairperson Matthews** and there being no objection, the Committee reviewed the Programmed Project Monitoring – Quarterly Report.
The Agenda was taken out of order.

REGULAR

12. **Senate Bill 83 – Vehicle Registration Fee**

Scott Haywood, Policy and Communications Manager, provided an overview of the staff report. Mr. Haywood reported Senate Bill 83 (Hancock) was signed into law in 2009. He provided the results of electorate polling.

The Committee discussed the issue of establishing a fee in perpetuity versus temporary, categories of the proposed plan which were questionable from a benefit connection standpoint including pedestrian and bicycle improvements and transit access and efficiency.

The Committee discussed whether HOV/HOT Lanes was appropriate to include into the proposed plan. They commented that other Federal/State funding may be available to fund those highway projects.

The Committee discussed the “return to source” formula and the concerns expressed by members from the Cities of Sunnyvale and Mountain View.

**M/S/C (Satterlee/Pirzynski)** on a vote of 10 Ayes to 2 Noes, to recommend the Board of Directors take the following actions: 1) Adopt a resolution to place a ballot measure before the voters of Santa Clara County in November 2010 to authorize a $10 increase in the fees of motor vehicle registration for transportation-related projects and programs, containing a finding of fact that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee and the projects or programs are consistent with the Regional Transportation Plan; and 2) Adopt an expenditure plan allocating the revenue to transportation-related programs and projects that have a relationship or benefit to the persons who pay the fee. Furthermore, the Committee recommended the Board of Directors remove the HOV/HOT Lane from the list of eligible projects in the expenditure plan and consider a ten year sunset versus perpetuity. Members Griffith and Inks opposed.

Member Lee left the meeting at 5:00 p.m.

10. **FY2010/11 TDA3 Project Priorities**

Bill Hough, Transportation Planner III, provided an overview of the staff report.

**M/S/C (Pirzynski/Wong)** on a vote of 10 Ayes to 1 Noe, to recommend the Board of Directors adopt a resolution approving the project priorities for the FY2010/11 TDA3 Project Priorities. Member Griffith opposed.
11. **Proactive CMP Quarterly Report for January-March 2010**
   (Deferred)

6. **Minutes of April 8, 2010**

   M/S/C (Pirzynski/Wong) on a of 10 Ayes to 1 Noe, to approve the Minutes of April 8, 2010, to reflect discussion by Member Griffith regarding agenda Item #7 Light Rail Transit Systems Analysis - Final Plan Adoption. Member Griffith requested the record reflect the consideration of a long “T” option in Mountain View. He stated if the cost to construct double tracking at the end of the long “T” extension in Mountain View is prohibitive to consider extending the option along the length where double tracks currently exist for the Light Rail System Analysis. Alternate Member Wright abstained.

7. **FY2011 CMP Work Program**

   The Committee discussed the program guidelines regarding impact fees. A member expressed concern VTA only perform activities required by statute.

   M/S/C (Pirzynski/Kotowski) on a vote of 10 Ayes to 1 Noe to recommend the Board of Directors approve the Fiscal Year 2011 Congestion Management Work Program. Member Griffith opposed.

**OTHER**

13. **Committee Work Plan**

   The Committee reviewed the Work Plan.

   **On order of Chairperson Matthews** and there being no objection, the Committee reviewed the Work Plan.

14. **Announcements**

   There were no Announcements.

15. **ADJOURNMENT**

   **On order of Chairperson Matthews** and there being no objection, the meeting was adjourned at 5:25 p.m.

   Respectfully submitted,

   Jacqueline Golzio, Board Assistant
   Office of the Board Secretary

**NOTE:** M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY