

**SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY
2000 Measure A Transit
Improvement Program**
[A Fund of the Santa Clara Valley
Transportation Authority]
Independent Accountant's Report on Compliance
Examination and Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015



Certified
Public
Accountants

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 Measure A Transit Improvement Program
[A Fund of the Santa Clara Valley Transportation Authority]
For the Fiscal Year Ended June 30, 2015

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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE EXAMINATION

2000 Measure A Citizens Watchdog Committee
Santa Clara County, California

We have examined the Santa Clara Valley Transportation Authority’s (VTA) compliance with the requirements of the 2000 Measure A Transit Improvement Program (2000 Measure A Program), an activity of VTA, for the fiscal year ended June 30, 2015. The financial activity of the 2000 Measure A Program is included in the accompanying Budgetary Comparison Schedule and related notes. Management is responsible for VTA’s compliance with those requirements. Our responsibility is to express an opinion on VTA’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about VTA’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of VTA’s compliance with specified requirements.

In our opinion, VTA complied, in all material respects, with the aforementioned requirements that are applicable to the 2000 Measure A Program for the fiscal year ended June 30, 2015.

Our examination was conducted for the purpose of assessing compliance with the 2000 Measure A Program, as reported in the Budgetary Comparison Schedule. The supplementary information is presented for purposes of additional analysis and is not a required part of the Budgetary Comparison Schedule. The supplementary information has not been subjected to the compliance procedures of the 2000 Measure A Program and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the 2000 Measure A Citizens Watchdog Committee and is not intended to be and should not be used by anyone other than this specified party.

Macias Gini & O’Connell LLP
Walnut Creek, California

August 10, 2016

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 Measure A Transit Improvement Program
[A Fund of the Santa Clara Valley Transportation Authority]
Budgetary Comparison Schedule (on a Budgetary Basis)
For the Fiscal Year Ended June 30, 2015
(in thousands)

	Original Operating Budget *	Final Operating Budget	Actual	Variance with Final Budget
Revenues:				
Sales tax receipts	\$ 190,559	\$ 190,559	\$ 199,653	\$ 9,094
Investment earnings	2,490	2,490	5,833	3,343
Federal subsidy for Build America Bonds	9,399	9,399	8,715	(684)
Other income	440	440	367	(73)
Total revenues	<u>202,888</u>	<u>202,888</u>	<u>214,568</u>	<u>11,680</u>
Non-project expenditures:				
Professional, special and other services	550	650	742	(92)
Operating assistance to VTA Transit (Note B4)	35,171	36,780	36,850	(70)
Contributions to other agencies	150	150	165	(15)
Repayment of debt service to VTA Transit (Note D)	11,108	11,108	9,688	1,420
Principal payment, bond interest and other bond charges (Note E)	45,845	44,136	33,014	11,122
Total non-project expenditures	<u>92,824</u>	<u>92,824</u>	<u>80,459</u>	<u>12,365</u>
Total revenues less non-project expenditures	<u>\$ 110,064</u>	<u>110,064</u>	<u>134,109</u>	<u>\$ 24,045</u>
Project expenditures (Note B3):				
Silicon Valley Rapid Transit Corridor (VTA's BART Silicon Valley Program)			383,931	
Light Rail Program			53,923	
Commuter Rail Program			8,354	
Bus Program			62,086	
Capitalized interest & other fees			24,434	
Measure A Program-wide (Note F)			(1)	
Swap payments to Congestion Management & Highway Program (Note C)			6,891	
Total project expenditures			<u>539,618</u>	
Capital contributions (Note G)				
Change in net position, on a budgetary basis			<u>(177,303)</u>	
GAAP reconciliation and unbudgeted items (Note B1):				
Project expenditures capitalized as construction in progress			490,441	
Caltrain Access Fee			(1,281)	
Bad Debt Recovery			250	
Unrealized gain/(loss) on investments			(265)	
Bond principal payment			25,775	
Transfers out			(30,118)	
Total GAAP reconciliation and unbudgeted items			<u>484,802</u>	
Change in net position, on a GAAP basis			307,499	
Net position, beginning of year			<u>1,490,764</u>	
Net position, end of year			<u>\$ 1,798,263</u>	

** The original operating budget's non-project expenditures total differs slightly from the published adopted budget due to minor adjustments made for exactness.*

The notes to the budgetary comparison schedule are an integral part of this schedule.

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

2000 Measure A Transit Improvement Program

[A Fund of the Santa Clara Valley Transportation Authority]

Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

NOTE A – DESCRIPTION OF REPORTING ENTITY

The Santa Clara Valley Transportation Authority's (VTA) 2000 Measure A Transit Improvement Program (the Measure A Program) was created in response to the Measure A ballot approved by the voters of Santa Clara County on November 7, 2000. The Measure A Program is responsible for a number of key capital transit improvement projects, among them the connection of the San Francisco Bay Area Rapid Transit District (BART) to Santa Clara County, increased bus and light rail service, and to provide for related operating expenses.

The Measure A Program is funded by a half-cent sales tax imposed for a period of 30 years, effective April 1, 2006 upon expiration of the County of Santa Clara 1996 Measure B half-cent sales tax on March 31, 2006. Prior to revenue collection, VTA aggressively moved forward, leveraging its capital structure by issuing sales tax revenue bonds to provide funding for part of the Measure A Program, including engineering and design of the Silicon Valley Rapid Transit (SVRT) project (now called VTA's BART Silicon Valley Extension) and the procurement of Low Floor Light Rail Vehicles. VTA also secured funding under the State of California's (State) Traffic Congestion Relief Program (TCRP) and the Federal Transit Administration's (FTA) grant programs to facilitate this effort which are reported as capital contributions on the Budgetary Comparison Schedule (financial schedule).

The Measure A Program provides funding for the following ballot-specified projects:

- Extending BART from Alameda County to the Santa Clara County cities of Milpitas, San Jose and Santa Clara (previously known as the SVRT project and now referred to as VTA's BART - Silicon Valley Extension).
- Providing connections from the Norman Y. Mineta San Jose International Airport to BART, Caltrain and VTA light rail.
- Extending light rail from downtown San Jose to the East Valley.
- Purchasing low-floor light rail vehicles.
- Improving Caltrain by double-tracking to Gilroy and electrifying from Palo Alto to Gilroy.
- Increasing the level of Caltrain service.
- Constructing a new Palo Alto Intermodal Transit Center.
- Improving service in major bus corridors.
- Upgrading the Altamont Commuter Express (ACE) service.
- Improving Highway 17 Express bus service.
- Connecting Caltrain with the Dumbarton Rail Corridor.
- Purchasing zero-emission buses and constructing support facilities.
- Developing new light rail corridors.
- Funding operating and maintenance costs for increased bus, rail and paratransit services.

As provided by the 2000 Measure A ballot, the VTA Board of Directors is responsible for implementation of the 2000 Measure A Program and for all policy-related decisions including the composition, implementation schedule and funding level of projects. The Citizens Watchdog Committee (CWC) is responsible for reviewing 2000 Measure A expenditures to ensure funds are being spent in accordance with the intent of the ballot and for informing the public on how the funds are being spent.

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 Measure A Transit Improvement Program
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Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Presentation

The accompanying financial schedule presents only the financial activities of the Measure A Program on a budgetary basis, and is not intended to present the financial position, changes in financial position and cash flows of the VTA in conformity with accounting principles generally accepted (GAAP) in the United States of America. The reconciliation to GAAP on the accompanying financial schedule is presented to facilitate an understanding of the Measure A Program activities on a GAAP basis.

2) Basis of Accounting

The financial activity of the Measure A Program is accounted for as an enterprise fund. Enterprise funds are used to account for government operations in a manner similar to private business enterprises. Enterprise funds are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. With this measurement focus, all revenues and expenditures associated with the operation of the Measure A Program are included on the accompanying financial schedule. Revenues are recognized when earned, and expenses are recognized when incurred. There are no operating revenues or expenses, as the purpose of the Measure A Program is to collect sales taxes and other grant revenues for carrying out the capital projects and service improvements of Measure A Program. Revenues from capital grants are recognized in the period in which all eligibility requirements imposed by the provider have been satisfied.

3) Budgetary Control

VTA budgets biennially for its enterprise fund operation which includes the Measure A Program. The annual appropriations for the operating budget lapse at the end of the fiscal year to the extent that they have not been expended. Only the operating budget is displayed in the Budgetary Comparison Schedule, as the project budget is a cumulative budget over the length of the project and is not considered a meaningful comparison on an annual basis.

4) Operating Assistance to VTA Transit

The Measure A ballot identified funding for increased bus, rail, and paratransit services. In October 2014, the VTA Board of Directors adopted the Valley Transportation Plan (VTP) 2040, VTA's 25-year countywide long-range multimodal transportation plan. Eighteen and a half percent of Measure A funds is set aside for operating purposes and the remainder is for transit capital projects. In addition, the Plan assumes the renewal of the sales tax in similar terms starting 2036. The remaining \$3.712 billion is available for capital projects between 2013 and 2040.

5) Program-wide Expenditures

VTA has incurred expenditures for general tasks identified as part of the Measure A Program but not allocated to a specific project. These include the preparation of progress and cost reports, financial forecasting, and ballot-required activities of the Citizens Watchdog Committee including independent compliance audits, public hearings, and publication in local newspapers of audit results, public hearing notices and annual reports. VTA developed an allocation methodology for these expenditures during Fiscal Year 2010 that uses the actual amount of direct project expenditures as the base for allocating the program-wide expenditures. (See Note F)

6) Use of Estimates

The preparation of the Budgetary Comparison Schedule in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

NOTE C – SWAP PAYMENTS TO CONGESTION MANAGEMENT & HIGHWAY PROGRAM

On February 1, 2007, the Board of Directors approved a swap of \$57.54 million of 2000 Measure A Sales Tax revenues for anticipated future grant funding from the State Transportation Improvement Program (STIP). The swapped 2000 Measure A Sales Tax revenues would fund a number of non-Measure A transportation projects. In exchange, the anticipated future STIP funds would be used to pay the Measure A Program's obligation for the Capitol Expressway Light Rail Extension Project.

On December 13, 2007, the Board of Directors approved an additional swap of \$50.44 million of 2000 Measure A Sales Tax revenues for anticipated future grant funding through the STIP. The swapped 2000 Measure A Sales Tax revenues would fund a number of highway improvement projects, as well as local street and county road projects. In exchange, the anticipated future STIP funds would be used to pay a portion of the Measure A Program's obligation for concurrent non-project activities related to VTA's BART to Silicon Valley Berryessa extension. The reprogramming of the anticipated STIP funds from a portion of the Measure A Program's obligation for the Mineta San Jose Airport People Mover Project to the BART to Silicon Valley Extension was approved by the Board of Directors on December 9, 2010.

On November 7, 2013, the Board of Directors approved an additional swap of \$14.5 million of 2000 Measure A Sales Tax revenues for anticipated future STIP grant funding. The 2000 Measure A Sales Tax revenues were to fund the Express Lanes Program Fund Exchange related to the BART to Silicon Valley Extension.

The VTA Board of Directors programmed \$57.54 million in STIP funds to the Capitol Expressway light rail extension on June 7, 2007 as part of a Measure A fund exchange. To date, VTA has accessed \$42.88 million to build pedestrian, bus and bicycle facilities on Capitol Expressway, and to reconstruct and expand the Eastridge Transit Center. Approximately \$1.66 million lapsed back to the county share.

The remaining \$13.0 million is programmed for the utility relocations required to construct track, signal and way for the light rail extension on Capitol Expressway. The \$13.0 million had a June 30, 2013 State allocation deadline, and required National Environmental Policy Act (NEPA) clearance. VTA was unable to obtain NEPA clearance from the Federal Transit Administration (FTA) in time to meet the June 30, 2013 allocation deadline, and requested a 20-month one-time maximum-legally-allowable extension from the California Transportation Commission (CTC). CTC granted the extension, which expired February 15, 2015. VTA has been unable to obtain NEPA clearance for the project in that time, and the \$13.0 million STIP grant lapsed back to Santa Clara County's unprogrammed STIP share on February 16, 2015.

VTA will have access to the \$13.0 million during the 2018 STIP cycle. The VTA Board of Directors will prioritize projects for the 2018 STIP in fall 2016. VTA staff will recommend re-programming both the lapsed \$13.0 million and the aforementioned \$1.66 million lapse to a Measure A program project at that time.

The Board believed that these swaps would accelerate project delivery because it releases the highway and road projects from the administrative burdens imposed by the state or federal governments. This would be done by using the swapped 2000 Measure A Sales Tax revenues to fund in part the Local Program Reserve (LPR), a source of funds that the VTA Board programs and therefore does not require going through the lengthy federal or state approval processes. In addition, certain highway projects are part of the Corridor Mobility Improvement Account (CMIA) and had to begin construction no later than December 31, 2012 to avoid losing this funding. The swap payments would help ensure that the projects met this deadline. The anticipated STIP funds would then be used to fully repay the 2000 Measure A program, both principal and prescribed interest.

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For the Fiscal Year Ended June 30, 2015

The source of the STIP funds is the State Highway Account, which itself is funded by state and federal fuel taxes, sales taxes, excise taxes, weight fees and state general obligation bond funds. VTA has programmed STIP funding for use in the Measure A Program in fiscal years 2011 through 2018.

The following table shows the changes in activity related to the swap payments made during the fiscal year as well as the cumulative swap payments made to the Congestion Management & Highway Program Fund as of June 30, 2015 (in thousands):

Swap funds authorized:	
Swap funds authorized on February 1, 2007	\$ 57,540
Swap funds authorized on December 13, 2007	50,440
Swap funds authorized on November 7, 2013	<u>14,500</u>
Total swap funds authorized	<u>\$ 122,480</u>
Swap payments made:	
Cumulative swap payments made as of July 1, 2014	\$ 87,582
Swap payments made during the current fiscal year	<u>6,891</u>
Cumulative swap payments made as of June 30, 2015	<u>\$ 94,473</u>
Swap funds repaid to the Measure A Program:	
Swap funds received as of July 1, 2014	\$ 74,711
Swap funds received during the current fiscal year	<u>69</u>
Cumulative swap funds received as of June 30, 2015	<u>\$ 74,780</u>

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NOTE D – REPAYMENT OF DEBT SERVICE TO VTA TRANSIT

VTA issued bonds prior to the commencement of Measure A sales tax collection, in order to incur project expenditures under the Measure A Program. On an annual basis, the Measure A Program reimburses the VTA Transit Fund for debt principal, interest and related expenditures incurred. The reimbursement will continue until the debt obligations are extinguished. There are no formal reimbursement arrangements or loan terms in place. Accordingly, any reimbursements made by the Measure A Program will be recorded in the period in which they occur. For the fiscal year ended June 30, 2015, the Measure A Program paid \$9,688,307 in debt service, consisting of \$4,570,000 in principal and \$5,118,307 in interest and other bond charges.

The following table presents the projected aggregate annual amount of principal and interest payments required to repay the outstanding debt as of June 30, 2015:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest *</u>
2016	\$ 10,165,000	\$ 4,575,280
2017	10,465,000	4,254,805
2018	10,775,000	3,924,868
2019	11,095,000	3,585,156
2020	11,425,000	3,235,353
2021-2025	75,225,000	9,939,026
2026	17,175,000	495,141
Total	<u>\$ 146,325,000</u>	<u>\$ 30,009,629</u>

* Interest based on the fixed rate of the swap, 3.145%

The 2008 Sales Tax Revenue Refunding Bonds are hedged with a swap agreement whereby VTA pays a fixed rate of 3.145% on the outstanding balances to the counterparties, in return for a variable rate that is tied to the 1-month LIBOR rate. Additional information regarding the swap agreement is presented in the notes of the VTA's basic financial statements.

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For the Fiscal Year Ended June 30, 2015

The following table shows the allocation of cumulative capitalized bond interest through June 30, 2015 as well as the allocation of capitalized bond interest for fiscal year 2015 based on the approved allocation methodology (in thousands). This includes only open projects.

Program Name	Cumulative Through June 30, 2014	Fiscal Year 2015	Cumulative Through June 30, 2015
Silicon Valley Rapid Transit Corridor	\$ 109,059	\$ 11,663	\$ 120,722
Light Rail Program:			
Light Rail Extension	12,189	1,222	13,411
New Light Rail Corridor Development	177	19	196
Commuter Rail Program:			
Dumbarton Rail Corridor	128	-	128
Caltrain Service Upgrades	3,738	400	4,138
Measure A Program-Wide	464	50	514
 Total Allocated Capitalized Bond Interest	 \$ 125,755	 \$ 13,354	 \$ 139,109

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Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

NOTE E – ALLOCATION OF CAPITALIZED BOND INTEREST

VTA has incurred expenditures associated with the issuance of debt used to finance project expenditures for the Measure A Program. VTA developed an allocation methodology for these expenditures that was approved during fiscal year 2011 that uses the amount of bond proceeds spent on a project as a percentage of total bond proceeds spent as the base for allocating the capitalized bond interest. Prior to the approval of the allocation methodology, all capitalized bond interest was recorded as part of the BART Silicon Valley Extension project, as most of the bond proceeds were spent on this project. For the fiscal year ended June 30 2015, the Measure A Program recorded \$40,503,524 in capitalized bond interest and other bond charges, of which \$24,434,059 from 2010 Bond has not been allocated. The portion that was allocated amounts to \$13,353,559. In addition, \$2,715,906 represents interest expenses relating to closed projects.

A portion of the bond proceeds was spent on the Low Floor Light Rail Vehicles project, which was placed into service in June 2003. As such, the cumulative bond interest through June 30, 2009 as well as the fiscal year 2010 bond interest allocated to this project was expensed and reported as repayment of debt interest and other bond charges in the Budgetary Comparison Schedule. For the fiscal year ended June 30, 2015, the Measure A Program recorded \$7,238,647 in interest expense and other bond charges not capitalized as part of project expenditures.

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Notes to Budgetary Comparison Schedule
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NOTE F – ALLOCATION OF PROGRAM-WIDE EXPENDITURES

VTA has incurred expenditures for general tasks that have been identified as part of the Measure A Program, but not allocated to a specific project. These include the preparation of progress and cost reports, financial forecasting, ballot-required activities of the Citizens Watchdog Committee including independent compliance audits, public hearings, and publication in local newspapers of audits results, public hearings notices and annual reports. VTA developed an allocation methodology for these expenditures during fiscal year 2010 that uses the actual amount of direct project expenditures as the base for allocating the program-wide expenditures.

In fiscal year 2010, the allocation of the current quarter’s program-wide expenditures occurred in the following quarter. The methodology was changed in fiscal year 2011 such that current quarter’s program-wide expenditures are allocated in the same quarter.

The following table shows the allocation of program-wide expenditures in fiscal year 2015 (in thousands):

Program	Project Description	Amount
BUS PROGRAM	Downtown East Valley (DTEV) - Alum Rock/ Santa Clara Corridor	\$ 269
	El Camino Real Bus Rapid Transit (BRT)	20
	CE/Environmental for Stevens Creek BRT	14
	Procurement of 40 BRT Articulated Buses	227
	King Road BART BRT	1
	Modification of Chaboya & North Divisions for BRT Buses	12
	COMMUTER RAIL PROGRAM	
	Caltrain Eletrification Invest. Program	80
	Caltrain/UP Blossom Hill Pedestrian Grade Sep	1
	Caltrain Safety Enhancements	1
	SC Station Pedestrian Underpass Extention	1
LIGHT RAIL PROGRAM	Capitol Expressway Light Rail (CELR)	2
	CELR- Eastridge Transit Center	133
	Northern Light Rail Express	209
	Guadalupe Express	2
	Santa Clara Pocket Track	194
TOTAL ALLOCATION OF PROGRAM-WIDE EXPENDITURES		<u>\$ 1,166</u>

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Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

NOTE G – CAPITAL CONTRIBUTIONS

The Measure A Program received capital contributions totaling \$228,206,000 during the fiscal year. The composition of these contributions was as follows (in thousands):

<u>Grant/Funding Source</u>	<u>Program</u>	<u>Amount</u>
Federal	Full Funding Grant Agreement (FFGA)	\$ 135,881
	Federal pass-through & others: ITS, TSGP, Transit, CMAQ, Section 9 and Section 3	11,198
State	Public Transportation Accounts & Clean Air Transportation Improvements Act *	69
	Traffic Congestion Relief Program	27,856
	Public Transportation Modernization Improvement and Services Enhancement Act	41,374
	Highway-Railroad Crossing Safety Account	1,191
Local	Cities of Fremont, Milpitas and San Jose, Santa Clara Valley Water District, Alameda County, County of Santa Clara	10,637
		<u>\$ 228,206</u>

* Swap funds received during the current fiscal year (see Note E).

The Measure A Program has received a majority of its external capital contributions from the Federal government as a result of the Full Funding Grant Agreement. The Measure A Program has used these funds to assist in the financing of: (1) the BART to Silicon Valley Extension Project that will extend BART from Fremont to Santa Clara County; and (2) procurement of Bus Rapid Transit vehicles

NOTE H – SUBSEQUENT EVENTS

Federal Funding Grant Agreement

Relative to VTA’s Silicon Valley Berryessa Extension Project, a \$150 million Federal Section 5309 New Starts grant was awarded in September 2015. Of the \$900 million commitment under the Federal Funding Grant Agreement, \$552.6 million has been awarded to date.

SUPPLEMENTARY INFORMATION
(PROGRAM SUMMARIES)

VTA'S EXTENSION OF BART TO SILICON VALLEY

BART Silicon Valley Berryessa Extension (SVBX)

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$921.20
FY2015	352.14
Total Expenditures through FY2015	\$1,273.34

Project Description:

This project is the first phase of the 16.1 mile Silicon Valley Rapid Transit (SVRT) extension of BART.

The Berryessa Extension (SVBX) is a 10 mile segment that runs from Warm Springs in Fremont to Las Plumas Avenue in San Jose, and includes two stations.

Project Status:

The SVBX project is under construction.



Installation of Steel for the Pedestrian Overcrossing at the Milpitas BART Station

Activity This Fiscal Year:

Line, Track, Stations and Systems (LTSS)

During FY15, the design/build contractor substantially completed Ready-For-Construction drawings for the entire contract and also accomplished the following:

- Attained substantial completion of the Berryessa Aerial Structure, and completed the north and south approaches.
- Completed the concourse deck and erected the structural steel at the Milpitas Station.
- In San Jose, progressed work with the full closure at the Sierra/Lundy intersection, including the completion of the trench invert. Work on shoring and excavation for Hostetter trench, south of the Sierra/Lundy intersection, was also completed.
- In Milpitas, began work on walkways north of the Industrial Lead Bridge. The walls directly adjacent to and under the Montague Expressway bridge deck were completed. At the Capitol Avenue south bridge, the trench invert was completed.

Campus and Parking Garages

The design/build Campus Parking Structures contract (C730) was awarded and progressed through design and into construction.

The Milpitas Campus surface parking lot construction contract (C740) was awarded and construction began.

The Berryessa Station Campus and Roadways construction contract (C742) was advertised for bids.

*P-0728, P-0800, P-0801, P-0861

VTA'S EXTENSION OF BART TO SILICON VALLEY

SVRT Corridor Establishment and Maintenance

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$298.43
FY2015	15.21
Total Expenditures through FY2015	\$313.64

Project Description:

Relocate freight railroad from VTA-purchased right-of-way to existing UPRR right-of-way, between UPRR's Warm Springs Yard and Calaveras Blvd. Build a new railroad overcrossing structure at Mission Boulevard and a new roadway underpass at Warren Avenue and Kato Road, and sever shipper freight service south of Montague Expressway.

Includes flood control improvements at Berryessa, Wrigley, Scott Creeks and Line B, as well as creek improvements and environmental mitigation at Wrigley and Lower Penitencia Creeks.

Montague Expressway will also be widened and flood improvements made near the intersection of South Milpitas Boulevard in conjunction with SVBX.

Construct a shared-use trail, a new traffic signal, and intersection improvements to connect to the Upper Penitencia Creek (UPC) Trail.



Aerial view of Mission Boulevard (left) and Warren Avenue (right)

Project Status:

The Montague Expressway Reconstruction and Upper Penitencia Creek (UPC) Trail Connector projects are in the design phase. All other work is complete or substantially complete.

Activity This Fiscal Year:

On the Mission Boulevard/Warren Avenue Union Pacific Railroad Relocation Construction contract (C101), Warren Avenue was opened to traffic in August 2014. Mission Boulevard was fully opened to traffic in Spring 2015.

The Montague Expressway Reconstruction Project is underway. Right-of-way acquisition is in progress, as well as preparation for utility relocations. The construction contract (C640) was advertised for bids in June 2015.

Environmental and design work on the Upper Penitencia Creek (UPC) Trail Connector has been completed and construction contract (C742) bid opening occurred in June 2015.

*P-3100, P-3121 through P-3129, P-0508, P-0832, P-0890

VTA'S EXTENSION OF BART TO SILICON VALLEY

BART Silicon Valley Project Development

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$548.66
FY2015	41.02
Total Expenditures through FY2015	\$589.68

Project Description:

When work began on the Silicon Valley Rapid Transit (SVRT) extension, environmental clearance and preliminary engineering was performed for the entire 16-mile extension. However, in 2009, this approach was changed to focus on the first 10 miles of the extension, the Silicon Valley Berryessa Extension (SVBX), leading to the execution of a Full Funding Grant Agreement (FFGA) in 2012.

A portion of the initial project development costs have been transferred to the SVBX project and are included in the FFGA budget.

Remaining costs are associated with early work on the six-mile Santa Clara Extension (SVRT Phase II), as well as previously allocated Measure A program-wide and bond costs.



*Warm Springs / South Fremont Station Entry Pavilion
art glass installation*

Ongoing planning and programming efforts are focused on the SVRT Phase II extension.

Also, VTA has assigned TCRP and State Local Partnership Program (SLPP) grants and is contributing 2000 Measure A funds to the BART Warm Springs Extension, which is being constructed by BART.

Project Status:

The SVRT Phase II extension is in the planning and programming phase. The BART Warm Springs Extension is in the construction phase.

Activity This Fiscal Year:

Work progressed in the areas of planning and programming related to SVRT Phase II. VTA conducted numerous public outreach meetings during FY15 in support of the environmental review process.

Additionally, SVRT program management continued along with allocations of Measure A bond costs.

**P-0500 through P-0507, P-0509, P-0732, P-3101*

***Warm Springs Extension cost does not include \$8M in SLPP and \$111.4M in TCRP grant funds designated directly to BART.*

Light Rail Program

Extension to Vasona Junction

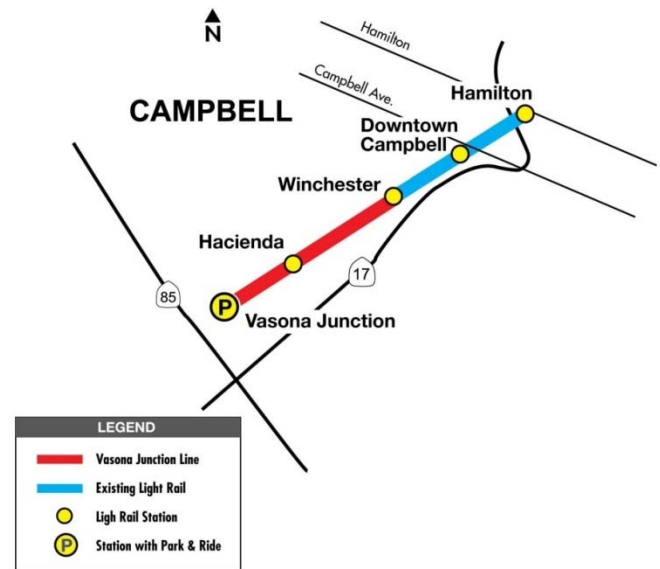
Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$0.88
FY2015	0.00
Total Expenditures through FY2015	\$0.88

Project Description:

The 5.3-mile Vasona Light Rail line (Phase 1) between Downtown San Jose and Campbell was opened in October 2005.

The Phase 2 extension from the end of the line at Winchester Station in Campbell to Vasona Junction (Winchester Boulevard at Route 85) in Los Gatos will add another 1.5 miles, two stations, and a transit center with parking at Vasona Junction.

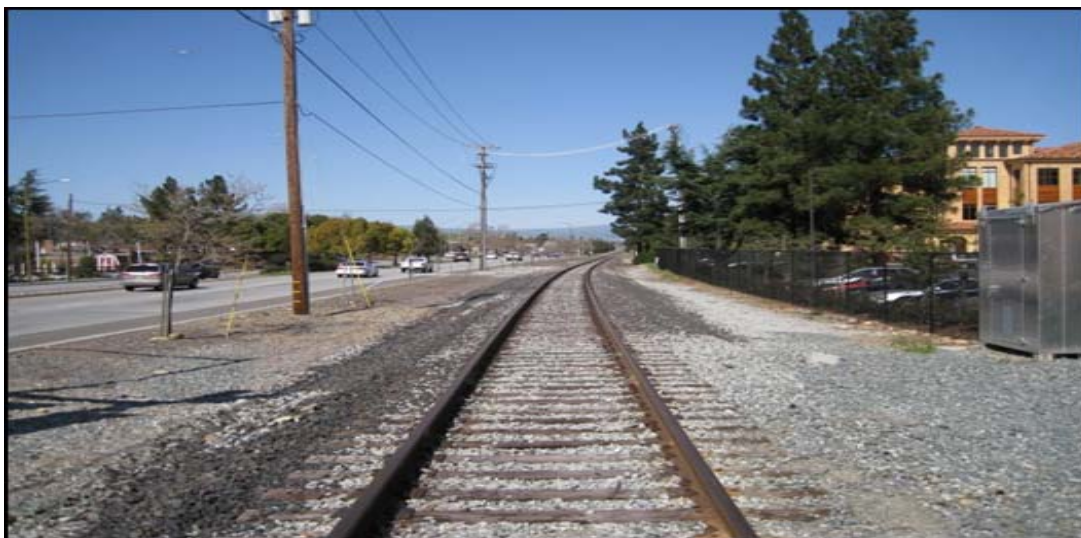


Project Status:

Awaiting funding and policy decision.

Activity This Fiscal Year:

Since 2000, environmental and design conditions have changed; therefore, the extension project was re-evaluated in a Supplemental Environmental Impact Report (SEIR)/Environmental Assessment (EA). The VTA Board of Directors certified the SEIR and approved the project in March 2014. FTA approved the project in August 2014.



Railroad alignment in Los-Gatos-terminus of the Vasona extension

Light Rail Program

Capitol Expressway Light Rail to Eastridge

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$122.50
FY2015	13.65
Total Expenditures through FY2015	\$136.15

Project Description:

This project will transform Capitol Expressway into a multi-modal boulevard offering bus rapid transit (BRT), light rail transit, and safe pathways with connections to the regional trail system.

Phase I includes pedestrian and bus improvements along Capitol Expressway to accommodate pedestrian access and to improve safety. This will introduce a pedestrian multiuse path with landscape buffer and street lighting along the expressway between Capitol Avenue and Tully Road. During this phase, reconstruction of the Eastridge Transit Center will also take place. These improvements will also support subsequent BRT shelters and amenities at Story and Ocala as part of the future Alum Rock – Santa Clara BRT service.

Phase II will extend light rail from the existing Alum Rock Light Rail Station to the Eastridge Transit Center.

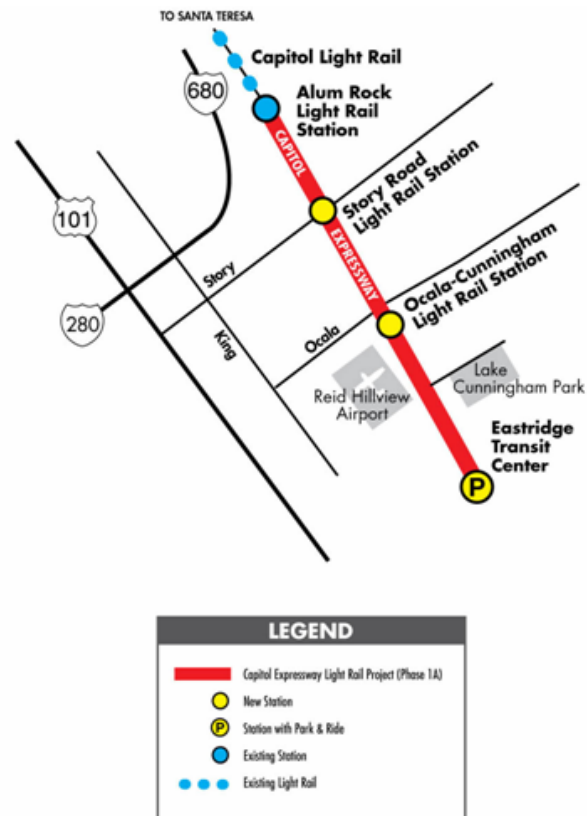
Project Status:

Environmental work and construction.

Activity This Fiscal Year:

Construction of pedestrian improvements along Capitol Expressway was completed in Spring 2013. Construction of the new Eastridge loop road and pump station is complete and was opened to traffic in July 2014. Construction of the Eastridge Transit Center, Bus Operators Facility and Park and Ride lot was completed and opened to public in May 2015.

To make the project eligible for federal funding, VTA is in the process of preparing an Environmental Impact Statement for the Light Rail Alternative.



Completed Bus Shelter and Bus Bay at the Eastridge Transit Center

Light Rail Program

Light Rail System Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$20.82
FY2015	40.27
Total Expenditures through FY2015	\$61.09

Description Of Efforts:

The **Light Rail Systems Analysis** provides an evaluation of infrastructure and operational deficiencies of the existing light rail system along with a three-phase improvement plan for immediate action. The Light Rail Systems Analysis was adopted by the VTA Board in May 2010.

Near-term recommended projects from the Light Rail Systems Analysis are as follows:



Turnout and switch machine installation in progress near Stevens Creek Bridge

Santa Clara Pocket Track. This project will install an additional track and supporting infrastructure to store additional cars on Tasman near the Old Ironsides Station in the City of Santa Clara.

Northern Light Rail Express. This project will implement a series of improvements including double-tracking in Mountain View to establish a new line from Mountain View to Alum Rock to connect with Caltrain and the new Milpitas BART Station, in conjunction with the opening of the BART to Silicon Valley Berryessa Extension.

Southern Light Rail Express. This project will reconfigure the southern half of the light rail system to allow express trains and integrate the Almaden shuttle trains into the larger system.

Project Status: Planning, environmental work, right-of-way acquisition, design and construction.

Activity This Fiscal Year:

Construction on the Tasman Drive Pocket Track was completed in August 2014. Contract closeout is in progress. The Mountain View Double Track Phase 1 was advertised for bids in May 2014 and construction work started in September 2014. Phase 2 construction contract was advertised for bids in September 2014, bids were opened in December and was awarded to the lowest bidder in January 2015. All major construction under both contracts are expected to be complete by end of 2015.

Southern Light Rail Express project has been closed out. Findings from this study will be used for future operating plan analysis. This study did not result in a capital construction project.

Light Rail Program

Low Floor Light Rail Vehicles

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$198.35
FY2015	0.00
Total Expenditures through FY2015	\$198.35

Project Description:

Purchase of 70 low floor light rail vehicles to serve the entire VTA Light Rail system. Low floor vehicles provide enhanced ADA accessibility and improved service by minimizing boarding and exit times for all riders. Low floor light rail vehicles enable VTA to enhance ADA service by eliminating the need for wheelchair lifts and by providing level boarding for all VTA riders, as well as providing additional space for bicycles.



Project Status: Completed.

Activity This Fiscal Year: None.

Project Disposition: Vehicles are VTA Assets.



Low Floor Vehicle at Baypointe Station



Low Floor Vehicles Provide Level Passenger Boarding

Light Rail Program

Capitol Expressway Eastridge to Nieman

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$0
FY2015	0
Total Expenditures through FY2015	\$0

Project Description:

The extension from Eastridge to Nieman includes 0.6 miles of side-running double-track light rail along Capitol Expressway, with grade separations at the entrance to the Eastridge Mall and at Quimby Road. The project also includes a new station at Nieman Boulevard and a light rail storage facility at Quimby Road.

Project Status:

Final design will proceed when funding is secured.

Activity This Fiscal Year:

None.



Aerial View of Project Alignment

Commuter Rail Program

Caltrain Service Upgrades

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$56.75
FY2015	0.67
Total Expenditures through FY2015	\$57.42

Project Description:

Capital improvement projects to the Caltrain system with the goals of improving service, ridership and passenger accessibility.

Project Status:

Project Development, Design and Construction.

Activity This Fiscal Year:

Mountain View Parking – No work on this project in FY15.

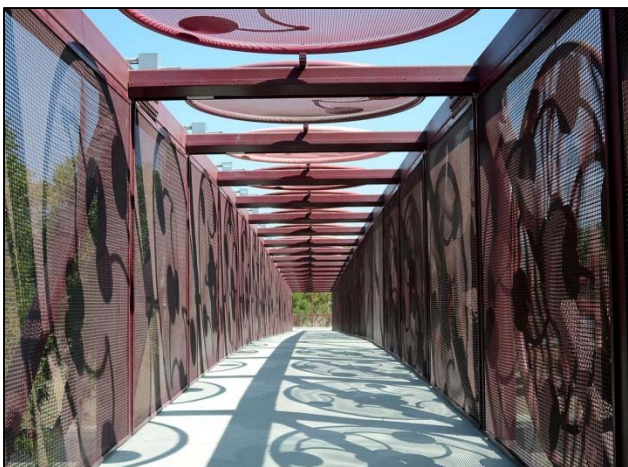
Blossom Hill Pedestrian Grade Separation – Construction was completed and the bridge opened to the public in September 2012.

Safety Enhancements – Construction along the Joint Powers Board segment (San Francisco to the Tamien station) has been completed and design for approximately 15 crossings along the UPRR segment is underway.

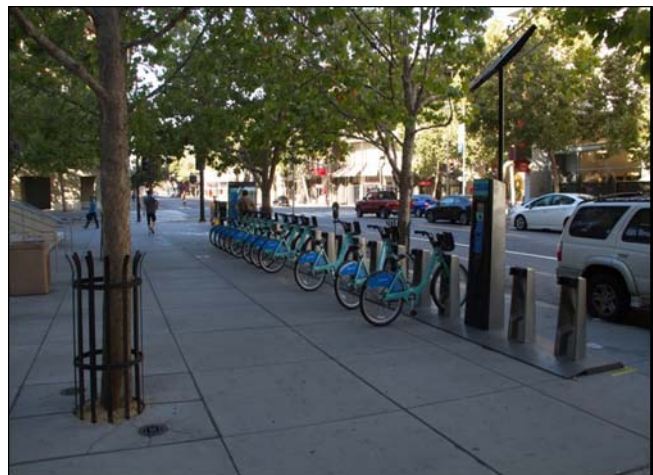
Santa Clara Station Pedestrian Underpass Extension - Project will provide an extended pedestrian tunnel under the UPRR tracks at the Santa Clara Station. Final engineering is in progress.

Santa Clara and Diridon Station Upgrades – Work on these two stations has been consolidated into a single contract, with construction now complete.

Bike Share Pilot Program – The first phase of the pilot program was launched in August 2013.



Blossom Hill Pedestrian Bridge



Bike Share Station at San Fernando and 4th Street

Commuter Rail Program

Caltrain South County

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$17.54
FY2015	0.00
Total Expenditures through FY2015	\$17.54

Project Description:

16.5 miles of double track on the Union Pacific Railroad (UPRR) corridor between the Coyote area of south San Jose and Gilroy. Capacity improvements for storage of additional train sets at Gilroy.

Project Status: Initial work to clear the right-of-way of utilities was completed. On June 11, 2013, California Transportation Commission (CTC) took action to de-allocate remaining funds to Transportation Authority of Monterey County (TAMC). Pursuant to CTC action to transfer funds out of this Project, VTA has closed out the Project.

Activity This Fiscal Year:

None.



Typical South County Crossing



Llagas Creek Bridge

Commuter Rail Program

Caltrain Electrification / High Speed Rail

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$4.23
FY2015	7.68
Total Expenditures through FY2015	\$11.91

Project Description:

Caltrain from San Jose to San Francisco will be upgraded to an electric, fully grade separated system in conjunction with the California High Speed Rail Project. The High Speed Rail Project will also serve south Santa Clara County through Gilroy and Pacheco Pass.

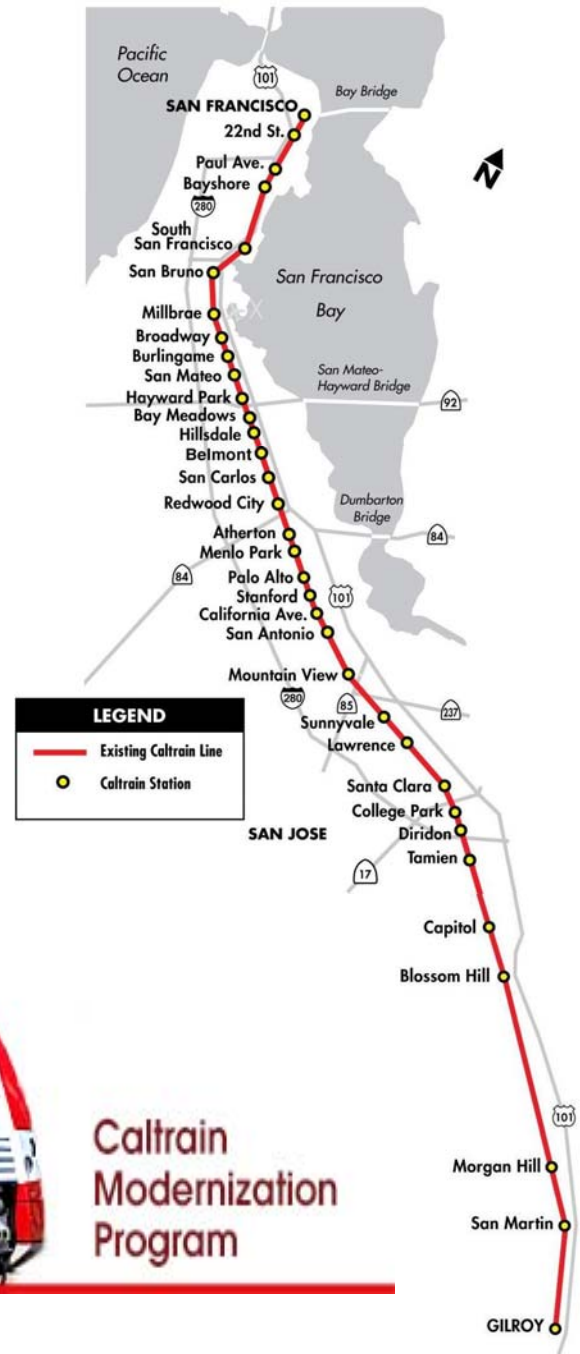
In cooperation with Caltrain and the High Speed Rail Authority, VTA will participate in planning and engineering activities that will ultimately lead to an upgraded Caltrain system.

Project Status: Environmental

Activity This Fiscal Year:

The environmental process for the Peninsula Corridor Electrification Project (electrification and new electric trains) was completed in January 2015. The Joint Powers Board (JPB) prequalified six (6) teams in October 2014 for the Design-Build Electrification contract. The Request for Proposals for the electrification contract was released in February 2015. A pre-proposal meeting and site visit was held in March 2015. The RFP is expected to be awarded in November 2015

JZ1



Caltrain
Modernization
Program

Caltrain Modernization

Commuter Rail Program

Dumbarton Rail Corridor

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$2.25
FY2015	0.00
Total Expenditures through FY2015	\$2.25

Project Description:

This project represents VTA's share of matching funds for a partnership with Alameda and San Mateo counties for the rebuilding of the Dumbarton Rail Corridor.

The project will rehabilitate rail bridges and tracks that span the bay between Redwood City and Newark and make improvements to existing tracks in Union City and Fremont. The project will involve the construction of two new rail stations at Menlo Park and Newark, as well as upgrades to the Fremont Centerville Station and a new intermodal station at the Union City BART station.

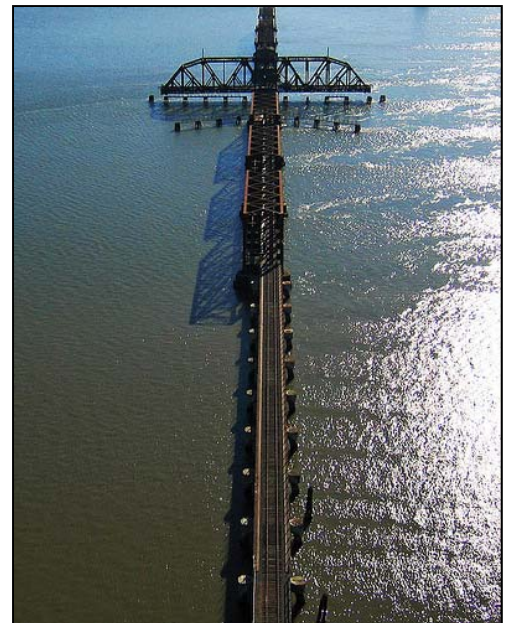
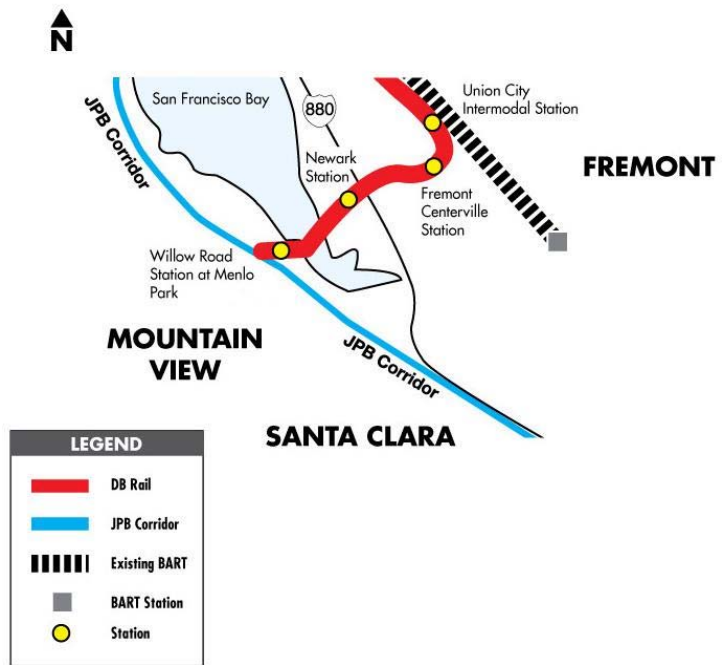
Project Status: This project is inactive.

Based on the detailed cost estimate prepared by the Peninsula Corridor Joint Powers Board (JPB), the project is now projected to cost between \$700 million and \$1 billion. In response, JPB is exploring various strategies to close the funding shortfall and redefine the project.

MTC has also reprioritized \$91 million in Regional Measure 2 funding from the Dumbarton project to the Warm Springs BART extension, with those funds being paid back by the Alameda County Congestion Management Agency. VTA is participating in a partnership of regional transit providers to analyze the cost and benefits of providing additional Express Bus service in the Dumbarton corridor in lieu of rail service

Activity This Fiscal Year:

None.



Aerial view of the existing alignment

Commuter Rail Program

Palo Alto Intermodal Transit Center

Project Expenditures (In millions)

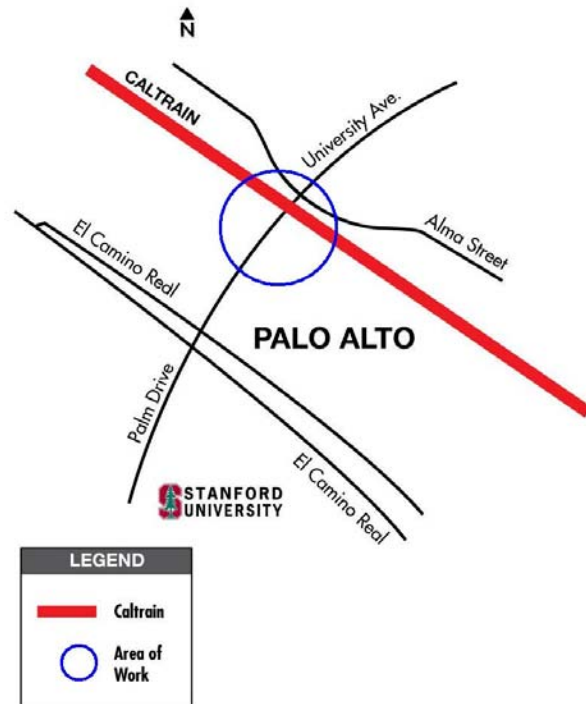
Period	Amount
Inception-to-FY2014	\$0.21
FY2015	0.00
Total Expenditures through FY2015	\$0.21

Project Description:

This project will create an intermodal facility for trains, buses, bicycles, autos and pedestrians, and act as a gateway to both Downtown Palo Alto and Stanford University. The project will expand rail and bus passenger service capacity, realign existing roadways, construct pedestrian and bicycle grade-separated crossings, create an urban park and civic space, install public art and incorporate urban design elements.

Project Status: This project is inactive.

Significant issues related to the High Speed Rail project will need to be resolved before further planning work can proceed for this project.



Activity This Fiscal Year: None.



Architectural Model of One Proposed Scheme for the 4-Track Crossing of University Avenue

Bus Program

Bus Rapid Transit

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$ 6.56
FY2015	32.33
Total Expenditures through FY2015	\$38.89

Project Description:

Bus Rapid Transit (BRT) is an enhanced bus transit service that offers many of the same service attributes as rail transit, such as specialized vehicles, large stations, real-time information, and more frequent and reliable operations. VTA intends to develop an integrated BRT network throughout the County, providing high quality service to areas not served by light rail transit (LRT).

Project Status:

Project Development, design, construction and bus procurement.

Activity This Fiscal Year:

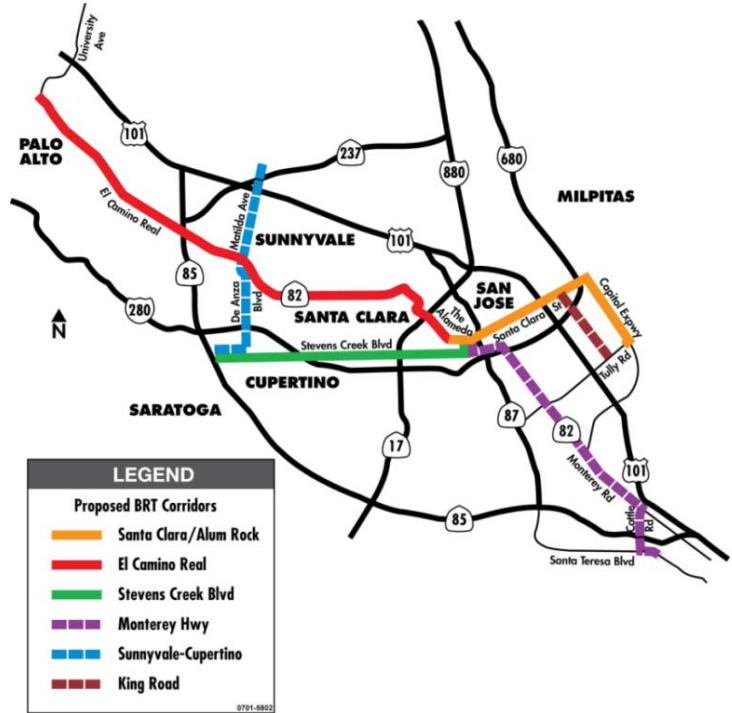
Stevens Creek Rapid 523 Planning work was initiated in early 2015. Project team and City staff are evaluating bus stop placement, shelter options, bike and pedestrian improvements.

De Anza College Transit Center Improvements will design and build a new transit center at De Anza College to accommodate additional buses. Initial planning will start in fall of 2015.

The **King Road Bus Stop Improvement** project will include upgrading the bus stop at King Road/Alum Rock Ave. to accommodate the 523 extension through downtown San Jose.

Procurement of Articulated Buses All buses have been accepted by VTA.

Facility Modifications at North Yard Construction for the first phase of was completed in March 2015.



Specialized BRT Vehicle

Bus Program

Alum Rock – Santa Clara Rapid Transit

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$34.54
FY2015	28.25
Total Expenditures through FY2015	\$62.79

Project Description:

This project will provide a transit enhancement in the county's highest transit ridership corridor.

The first phase will introduce Bus Rapid Transit (BRT) in the corridor with dedicated lanes on the eastern half of the corridor and mixed flow operations in the western segment. This BRT project is being designed in an alignment consistent with light rail stations, enabling a conversion to light rail in the future, if desired.



Project Status:

Construction.

Activity This Fiscal Year:

Field activities began in March 2014. Sanitary sewer relocation on the north side of Alum Rock Ave. is complete. Street widening and pavement reconstruction along the north side of Alum Rock has been significantly completed. Traffic has been shifted to the north side of the roadway to allow construction on the south side to commence.



Roadway construction operations on Alum Rock Avenue



Roadway work in progress on Alum Rock Avenue

Bus Program

El Camino Real BRT

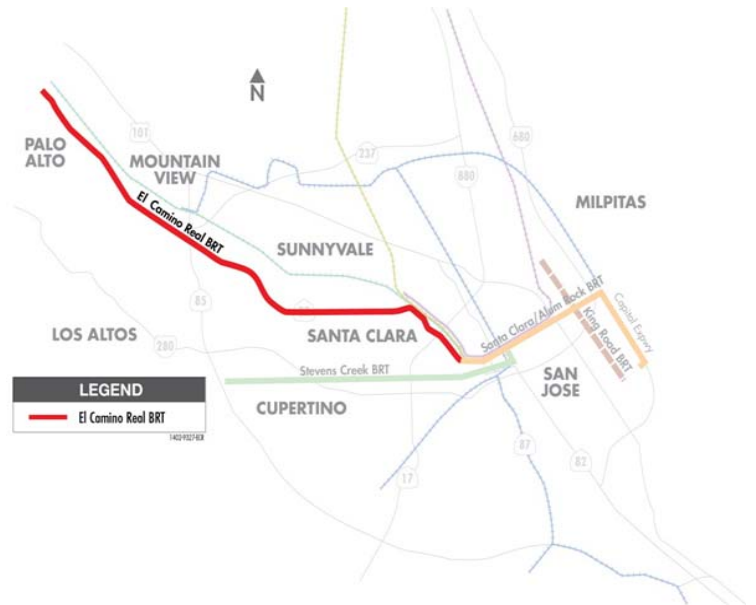
Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$8.30
FY2015	1.51
Total Expenditures through FY2015	\$9.81

Project Description:

The proposed alignment extends 16.6 miles from HP Pavilion in downtown San Jose to the Palo Alto Transit Center and is an extension of the Valley Rapid –Alum Rock/Santa Clara project.

Bus Rapid Transit (BRT) improvements are projected to consist of new exclusive bus lanes, bulb outs, distinct shelters, branded hybrid vehicles, off-board fare collection and other improvements along the corridor. The project is envisioned to include 16 new BRT stations.



Project Status:

Environmental.

Activity This Fiscal Year:

The environmental document was released for public comment in October 2014. The comment period closed in January 2015. The next step is for VTA to select a locally preferred alternative. The Caltrans review process began in February 2013. A Project Study Report was approved by Caltrans in February 2014. FTA has approved the project for Small Starts review to compete for a discretionary grant. VTA has engaged an independent third party review team to ensure that the quality of the transportation analysis in the Draft Environmental Impact Report (DEIR)/Environmental Assessment (EA) is adequate to select a locally preferred alternative.



BRT Photo Simulation at Scott Blvd.

Bus Program

ZEB: Demonstration and Facility Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$19.45
FY2015	0.00
Total Expenditures through FY2015	\$19.45

Project Description:

VTA, in a joint program with the San Mateo County Transit District (SamTrans), implemented a demonstration program to test the viability of zero-emission fuel-cell bus (ZEB) technology.

VTA procured three 40-foot low-floor ZEBs, modified facilities, installed a hydrogen fueling station, and provided training for staff, emergency responders and others. The three ZEBs started revenue service in February 2005.

Project Status:

The VTA Board adopted the strategy of partnering with other Bay Area transit properties and designating Alameda County (AC) Transit as the lead agency for procuring and deploying the Advanced ZEB Demonstration vehicles. VTA's participation will be primarily financial.

Activity This Fiscal Year:

Following the completion of the demonstration requirements, VTA continued operating the three ZEBs in accordance with Federal Transit Administration requirements.

Project Disposition:

The ZEB's are jointly owned by VTA, SamTrans, and the Federal Government, in proportion to their cost participation.



ZEB at Fueling Station



ZEB Engine

Bus Program

Highway 17 Bus Service Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$2.53
FY2015	0.00
Total Expenditures through FY2015	\$2.53

Project Description:

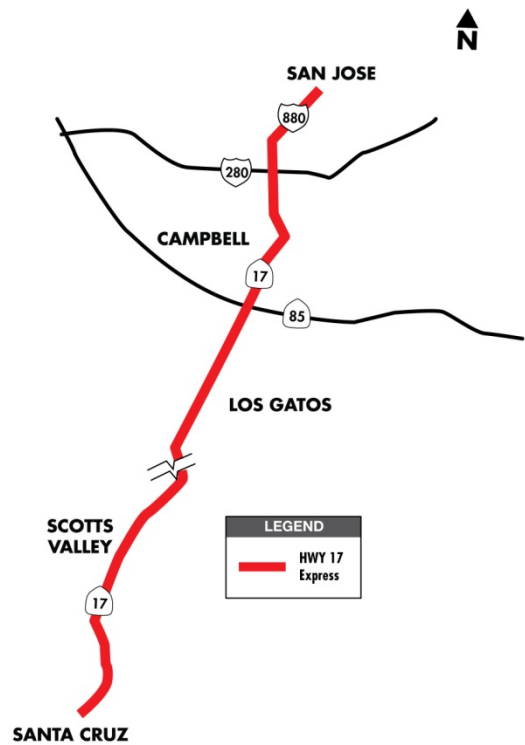
Santa Cruz Metro procured five buses necessary to operate service between Santa Cruz, Scotts Valley, and Downtown San Jose. These buses replaced existing buses that were 20 years old, with an average mileage of 950,000 each.

Project Status:

Completed. The five buses went into service in March/April 2011.

Activity This Fiscal Year:

None.



Highway 17 Express Bus



Highway 17 Express Bus

Mineta San Jose Airport

Mineta San Jose Airport People Mover

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$2.04
FY2015	0.00
Total Expenditures through FY2015	\$2.04

Project Description:

The Airport People Mover Project will provide a dedicated guideway connection from Mineta San Jose International Airport to the Caltrain and future BART stations at the Santa Clara Transit Center, and the VTA Light Rail on North First Street.

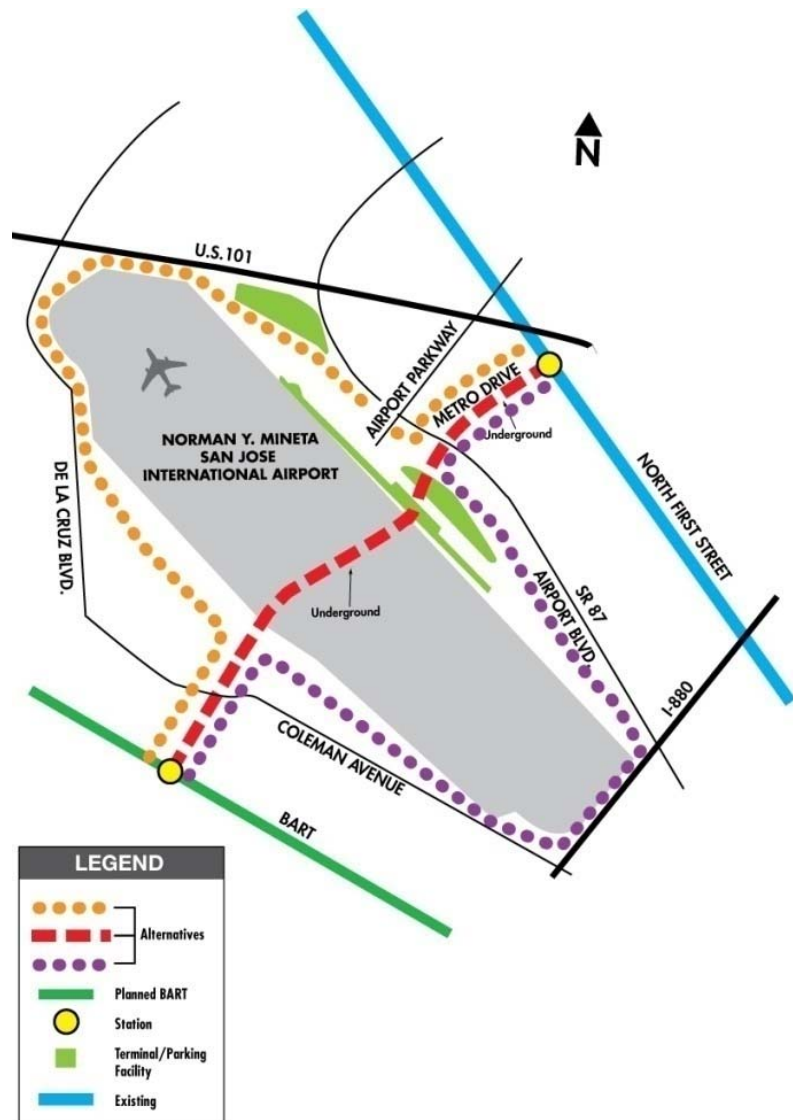
The City of San Jose Department of Transportation currently leads this effort. They envision an automated transit network - similar to a Personal Rapid Transit system - of lightweight, automated computer-controlled vehicles operated on or suspended below an elevated guideway, similar to a horizontal elevator.

Project Status:

Project is inactive.

Activity This Fiscal Year:

The original preferred option, a tunnel under the airport, proved to be cost-prohibitive given both available funds and anticipated ridership. The City of San Jose envisioned a Personal Rapid Transit (PRT) application to meet this need given its reported low cost to construct and operate. They engaged a team of consultants including ARUP to lead planning, and a federally funded research center firm, Aerospace, to assess the viability of PRT technology for Mineta San Jose International Airport People Mover Connection. The study found that PRT technology is not ready for a public application of this scale.



Programwide

Measure A Programwide

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2014	\$0.00
FY2015	0.00
Total Expenditures through FY2015	\$0.00

Project Description:

This project captures costs related to managing the overall 2000 Measure A Transit Improvement Program. Activities include preparation of progress and cost reports, financial forecasting, and other general tasks that are not attributable to individual projects. It also includes costs incurred by the 2000 Measure A Citizens Watchdog Committee (CWC) in fulfillment of its ballot-mandated responsibilities including: annual compliance audit; conducting public hearings; issuing and printing reports; and publishing in local newspapers public notices, announcements, the results of the compliance audit, and the availability of the CWC's annual report.

Project Status: Active.

Activity This Fiscal Year:

VTA continued producing cost and progress reports for the 2000 Measure A Transit Improvement Program. Additionally, the CWC incurred costs on ballot-mandated activities including public notices and announcements, preparation and publication of reports to inform the public, independent compliance auditor services, and public hearings.

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