

**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, 2010

**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, 2010

*Table of Contents*

	<i>Page(s)</i>
Independent Accountant's Report on Compliance Examination .....	1
Budgetary Comparison Schedule (On a Budgetary Basis) .....	2
Notes to Budgetary Comparison Schedule .....	3 - 9
Program Summaries .....	10 - 29



2000 Measure A Citizens Watchdog Committee  
San Jose, California

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE EXAMINATION**

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, 2010. 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, 2010.

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.

Certified Public Accountants  
Walnut Creek, California

March 15, 2011

**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, 2010**  
**(in thousands)**

	Operating Budget	Actual	Variance
Revenues:			
Sales tax receipts	\$ 142,926	\$ 139,305	\$ (3,621)
Investment earnings	4,769	9,333	4,564
Other income	415	386	(29)
Total revenues	<u>148,110</u>	<u>149,024</u>	<u>914</u>
Non-project expenditures:			
Professional and special services	485	475	10
Operating assistance to VTA Transit (Note B4)	26,380	25,711	669
Contributions to other agencies	150	-	150
Swap payments to Congestion Management & Highway Program (Note C)	32,190	12,922	19,268
Repayment of debt service to VTA Transit (Note D)	12,100	11,275	825
Repayment of debt interest and other bond charges (Note E)	32,160	13,558	18,602
Total non-project expenditures	<u>103,465</u>	<u>63,941</u>	<u>39,524</u>
Total revenues less non-project expenditures	<u>\$ 44,645</u>	<u>\$ 85,083</u>	<u>\$ 40,438</u>
Project expenditures:			
Silicon Valley Rapid Transit Corridor		77,022	
Light Rail Program:			
Light Rail Extension		9,878	
New Light Rail Corridor Development		894	
Commuter Rail Program:			
Dumbarton Rail Corridor		333	
Caltrain Service Upgrades		7,459	
Palo Alto Intermodal Transit Center		1	
Caltrain Track Upgrades		5,999	
Bus program:			
Zero Emission Bus Demonstration and Facility Improvements		396	
Major Corridor Service Improvements		1,541	
San Jose Mineta Airport People Mover		55	
Measure A program-wide (Notes B5 and F)		(2,259)	
Total project expenditures		<u>101,319</u>	
Capital contributions - funding from grants and other sources (Note G)		<u>72,868</u>	
Change in net assets, on a budgetary basis		<u>56,632</u>	
GAAP reconciliation items:			
Unrealized gains on investments		2,496	
Assets contributed to the Enterprise Fund		(966)	
Project expenses capitalized as construction in progress		36,186	
Amortization expense not recorded as non-project expenditures		(786)	
Project expenditures recorded as deferred costs		1,826	
Total GAAP reconciliation items		<u>38,756</u>	
Change in net assets, on a GAAP basis		95,388	
Net assets, beginning of year		<u>670,923</u>	
Net assets, end of year		<u>\$ 766,311</u>	

The notes to 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, 2010**

**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 projects, including the connection of the San Francisco Bay Area Rapid Transit District (BART) to San Jose, 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. VTA has been aggressively moving forward and 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 and the procurement of Low Floor Light Rail Vehicles. VTA has also secured funding under the State's Transportation 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 projects:

- Extending BART from Alameda County to the cities of Milpitas, San Jose and Santa Clara (also known as the Silicon Valley Rapid Transit (SVRT) project).
- 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 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**  
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**Notes to Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2010**

**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 Board of Directors adopted the Valley Transportation Plan (VTP) 2035 in January 2009. VTP 2035 is VTA's 25-year countywide long-range multimodal transportation plan. As part of VTP 2035, the Board of Directors allocated 18.46% of VTA Transit operating costs to the Measure A Program to provide operating assistance for VTA related to increased bus, rail and paratransit services. The allocation percentage is the basis for determining the amount of actual 2000 Measure A Sales Tax revenues that were used by the VTA Transit Fund for operating activities.

***5) Program-wide Expenditures***

VTA has incurred expenditures associated with the preparation of progress and cost reports, financial forecasting, publication of annual financial audits and public hearings conducted by the 2000 Measure A Citizen's Watchdog Committee, and other general tasks that have been identified as part of the Measure A Program, but not allocated to a specific project. 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 for further details.

***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, 2010**

**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 Caltrans through the State Transportation Improvement Program (STIP). The swapped 2000 Measure A Sales Tax revenues will fund a number of non-Measure A transportation projects. In exchange, the anticipated future STIP funds will 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 from Caltrans through the State Transportation Improvement Program (STIP). The swapped 2000 Measure A Sales Tax revenues, known as the Local Program Reserve (LPR), will fund a number of highway improvement projects, as well as local street and county road projects. In exchange, the anticipated future STIP funds will be used to pay the Measure A Program’s obligation for the San Jose Mineta Airport People Mover project.

The Board believes that this swap will accelerate project delivery because it releases the highway and road projects from the administrative burdens imposed by the state. In addition, certain highway projects are part of the Corridor Mobility Improvement Account and must begin construction no later than December 31, 2012 to avoid losing this funding. The swap payments will ensure that the projects meet this deadline.

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. The Santa Clara County share of the 2010 STIP funds is \$107.98 million. VTA has programmed STIP funding for use in the Measure A Program in fiscal years 2011 through 2013.

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 as of June 30, 2010 (in thousands):

Swap funds authorized on February 1, 2007	\$	57,540
Swap funds authorized on December 13, 2007		50,440
Total swap funds authorized	\$	<u>107,980</u>
Cumulative swap payments made as of July 1, 2009	\$	29,471
Swap payments made during the current fiscal year		12,922
Cumulative swap payments made as of June 30, 2010	\$	<u>42,393</u>
Measure A funds available for swap as of June 30, 2010	\$	<u>65,587</u>

**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**  
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**[A Fund of the Santa Clara Valley Transportation Authority]**  
**Notes to Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2010**

**NOTE D – REPAYMENT OF DEBT SERVICE TO VTA TRANSIT**

VTA issued bonds prior to the commencement of Measure A sales taxes to incur project expenditures under the Measure A Program. On an annual basis, the Measure A Program reimburses the VTA Transit Fund for debt expenditures incurred. The reimbursement, which repays debt service payments the VTA Transit Fund has made, 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, 2010, the Measure A Program paid approximately \$11,275,000 in debt service, consisting of approximately \$4,720,000 in principal and approximately \$6,555,000 in interest and other bond charges. The following table presents the aggregate annual amount of principal and interest payments required to repay the outstanding debt as of June 30, 2010:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 4,730,000	\$ 5,524,844
2012	4,670,000	5,308,298
2013	4,760,000	5,157,352
2014	4,555,000	5,004,294
2015	4,570,000	4,857,261
2016	10,165,000	4,694,738
2017	10,465,000	4,365,896
2018	10,775,000	4,027,346
2019	11,095,000	3,678,764
2020	11,425,000	3,319,829
2021	11,760,000	2,974,248
2022	15,115,000	2,825,894
2023	15,605,000	2,072,604
2024	16,110,000	1,567,654
2025	16,635,000	1,046,353
2026	17,175,000	513,007
Total	<u>\$ 169,610,000</u>	<u>\$ 56,938,382</u>

The table above does not include principal and interest payments from 2012 through 2026 on the 2001 Sales Tax Revenue Bonds, as these amounts will be paid with the proceeds of the 2008 Sales Tax Revenue Refunding Bonds. 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.

**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, 2010**

**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 2010 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 Silicon Valley Rapid Transit Corridor project, as most of the bond proceeds were spent on this project.

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, 2010, the Measure A Program recorded approximately \$13,558,000 in interest expense and other bond charges not capitalized as part of project expenditures.

The following table shows the allocation of cumulative capitalized bond interest through June 30, 2009 as well as the allocation of capitalized bond interest for fiscal year 2010 based on the approved allocation methodology (in thousands):

<u>Program Name</u>	<u>Cumulative Through June 30, 2009</u>	<u>Fiscal Year 2010</u>	<u>Cumulative Through June 30, 2010</u>
Silicon Valley Rapid Transit Corridor	\$ 53,266	\$ 8,562	\$ 61,828
Light Rail Program:			
Light Rail Extension	6,237	1,003	7,240
New Light Rail Corridor Development	87	14	101
Commuter Rail Program:			
Dumbarton Rail Corridor	67	11	78
Caltrain Service Upgrades	1,826	293	2,119
Measure A Program-Wide	227	36	263
Total Allocated Capitalized Bond Interest	<u>\$ 61,710</u>	<u>\$ 9,919</u>	<u>\$ 71,629</u>

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**Notes to Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2010**

**NOTE F – ALLOCATION OF PROGRAM-WIDE EXPENDITURES**

VTA has incurred expenditures associated with the preparation of progress and cost reports, financial forecasting, publication of annual financial audits and public hearings conducted by the 2000 Measure A Citizen’s Watchdog Committee, and other general tasks that have been identified as part of the Measure A Program, but not allocated to a specific project. 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. For fiscal years prior to fiscal year 2010, cumulative project expenditures through June 30, 2009 were used to allocate program-wide expenditures incurred through June 30, 2009. For fiscal year 2010, quarterly project expenditures were used to allocate program-wide expenditures on a quarterly basis. Since the basis is allocated retroactively, program-wide expenditures for April through June 2010 have not been allocated but are reported as program-wide expenditures in the Budgetary Comparison Schedule.

The following table adjusts project expenditures as presented in the Budgetary Comparison Schedule to show the allocation of April through June 2010 program-wide expenditures (in thousands):

<u>Program Name</u>	<u>Project Expenditures</u>	<u>Unallocated FY 2010 Program-Wide Expenditures</u>	<u>Adjusted Project Expenditures</u>
Silicon Valley Rapid Transit Corridor	\$ 77,022	\$ 541	\$ 77,563
Light Rail Program:			
Light Rail Extension	9,878	20	9,898
New Light Rail Corridor Development	894	(5)	889
Commuter Rail Program:			
Dumbarton Rail Corridor	333	2	335
Caltrain Service Upgrades	7,459	24	7,483
Palo Alto Intermodal Transit Center	1	-	1
Caltrain Track Upgrades	5,999	61	6,060
Bus Program:			
ZEB Demonstration and Facility Improvements	396	-	396
Major Corridor Service Improvements	1,541	8	1,549
San Jose Mineta Airport People Mover	55	1	56
Measure A Program-Wide	<u>(2,259)</u>	<u>(652)</u>	<u>(2,911)</u>
Total Allocated Program-Wide Expenditures	<u>\$ 101,319</u>	<u>\$ -</u>	<u>\$ 101,319</u>

**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**  
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**Notes to Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2010**

**NOTE G – CAPITAL CONTRIBUTIONS**

The Measure A Program received capital contributions totaling approximately \$72,868,000 during the fiscal year. The composition of these contributions was as follows (in thousands):

<u>Grantor/Funding Source</u>	<u>Program</u>	<u>Amount</u>
Caltrans	Traffic Congestion Relief Program	\$ 59,311
City of Fremont	Lower Berryessa Creek Project	5,597
Santa Clara Valley Water District	Lower Berryessa Creek Project	4,213
Various	Other state and local grants	3,747
	Total Capital Contributions	<u>\$ 72,868</u>

The Measure A Program has received a majority of its funding from the Traffic Congestion Relief Program administered by Caltrans. The Measure A Program has used these funds to assist in the financing of the Silicon Valley Rapid Transit Corridor Project that will extend BART from Fremont to San Jose and capacity improvements on Caltrain in the South County.

## **PROGRAM SUMMARIES**

## BART TO SANTA CLARA

### Project Expenditures

(In millions)

Period	Amount
<b>Inception-to-FY2009</b>	<b>\$ 548.23</b>
<b>FY2010</b>	<b>37.75</b>
<b>Total Expenditures to date</b>	<b>\$ 585.98</b>

#### Project Description:

The Silicon Valley Rapid Transit Corridor (SVRTC) Project extends BART from Warm Springs, through downtown San Jose to Santa Clara, a distance of 16.1 miles. The project includes construction of a heavy rail rapid transit system, all ancillary requirements and the upgrading of BART system to be fully integrated with the enhanced service of SVRT. Six stations and vehicle storage yard are proposed along the alignment. The construction will be phased with the initial phase extending BART from the Warm Springs Station through the City of Milpitas approximately 10 miles to the Berryessa Station in San Jose.



#### Project Status:

In December 2009, the Federal Transit Administration (FTA) approved VTA's request for entry of the New Starts Project (NSP) within the Silicon Valley Berryessa Extension Project (SVBX)<sup>[1]</sup> into the Preliminary Engineering phase of the Federal New Starts program. Work during the Preliminary Engineering phase has focused on the Federal New Starts application, environmental clearance process, and resolution of design and contract strategy issues in preparation for the next phases of design and construction of the SVBX. Corridor Establishment and Maintenance (CEM) activities are progressing with all component projects moving forward with design and some having progressed into construction.

#### Activity this Fiscal Year:

- The initial draft submittals commenced in April 2010 seeking FTA permission to advance the NSP into New Starts Final Design, with final submittal scheduled for September 2010.
- The FTA published the SVBX Record of Decision (ROD) Notice in the Federal register in April 2010. Final ROD was issued in June 2010.
- The VTA Board of Directors adopted a resolution on May 6, 2010 authorizing the General Manager to proceed with solicitation of design-build contractors for the SVBX project.
- Design of the CEM Mission Warren Truck-Rail Project (MWT), including transportation improvements in the vicinity of Mission Boulevard and Warren Ave, was completed pending Union Pacific Railroad approval.
- Construction of the CEM Lower Berryessa Creek Project (LBC) including improvements to Berryessa Creek, trackway construction for freight rail from north of Kato Road in the City of Fremont to Montague Expressway, seismic retrofit of Abel Street Overhead Bridge, replacement of existing culverts in the vicinity of Kato Road and Abel Street, and relocation of a sanitary sewer near Abel Street Bridge continued to progress and is scheduled for completion by December 2010.
- The CEM Kato Grade Separation Project (KGS) Project, comprised of the activities being conducted by VTA in cooperation with the City of Fremont for the grade separation of Kato Road where it crosses the VTA transportation corridor and adjacent flood control improvements, continued with construction of flood control improvements forecast for completion in July 2010 and issue for review of the 100% design for the grade separation in April 2010.

<sup>[1]</sup> The SVBX is comprised of two parts. The works necessary for the design, procurement, construction, startup, and testing of a basic functioning SVBX are included in the NSP. Works that are in addition to basic functionality that are approved and concurrent with the construction of the NSP are referred to as Concurrent Non-Project Activities (CNPA).

## FREIGHT RAILROAD RELOCATION

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$ 123.24
FY2010	39.27
<b>Total Expenditures to date</b>	<b>\$ 162.51</b>

### Project Description:

The Freight Railroad Relocation spans approximately ten miles of railroad beginning in Fremont at Grimmer Boulevard, passing through Milpitas and ending at approximately 28<sup>th</sup> Street and Williams Street in San Jose. The Santa Clara Valley Transportation Authority acquired the right-of-way in December 2002 from the Union Pacific Railroad securing a vital north/south transit corridor for Santa Clara County. Freight Railroad Relocation activities clear the VTA owned right-of-way of freight railroad facilities to make the corridor available for future transit improvements. These important work activities include relocating and removing UPRR freight tracks, relocating utilities, grade separating several major crossings and enhancing flood control measures at multiple creeks.



### Project Status:

Several Freight Railroad Relocation activities continued to proceed as scheduled. Utility relocations are completed with the exception of the replacement of thin-walled pipeline south of Berryessa Creek. Construction is nearing completion for the Abel Street retrofit and Berryessa Creek box culvert. UPRR track construction throughout the C210 contract area is also nearing completion in preparation of the track shift so that Phase 2 Berryessa Creek and Wrigley Creek box culverts can proceed as planned. Wrigley creek Improvement project is under construction as scheduled. However, the Final Design for C101 continued to be delayed due to UPRR review process for Warren Avenue Grade Separation.

### Activity this Fiscal Year:

- Complete construction close out activities for Abel Street Retrofit, Berryessa Creek culvert and other creek culverts
- Complete Wrigley Creek Improvement activities which include realigning the existing channel to improve the creek's hydrology, plant and wildlife biology, water quality and flood control capability.
- Union Pacific to complete installation of trackwork and signals in the new trackway and structures constructed by VTA in Contract C210.
- Complete Final Design for C101.

# Light Rail Program

## Extension to Vasona Junction

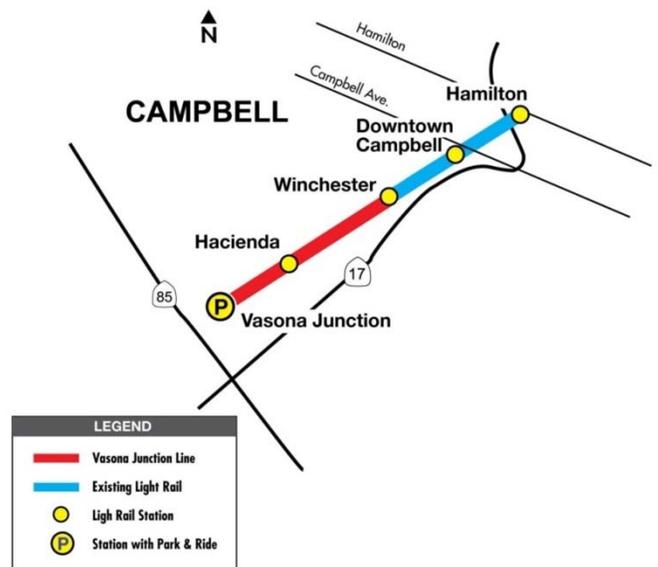
### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$0.00
FY2010	0.26
<b>Total Expenditures to date</b>	<b>\$0.26</b>

### 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:

Environmental Work

### Activity This Fiscal Year:

Additional environmental studies were pursued in FY10 in order to make this project eligible for federal funding. The draft environmental document will be available for public review in mid 2011, with final approval from FTA scheduled in late 2011.



View of Proposed Alignment Looking North from the Route 85 Terminus

# Light Rail Program

## Capitol Expressway Light Rail to Eastridge

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$47.98
FY2010	9.62
<b>Total Expenditures to date</b>	<b>\$57.60</b>

#### Project Description:

2.6 miles of double-track LRT along Capitol Expressway from the existing Capitol LRT to Eastridge Mall with three stations and one Transit Center / Park-and-Ride.

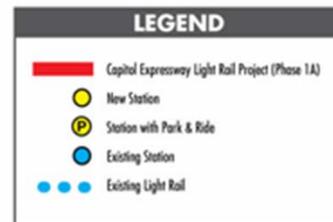
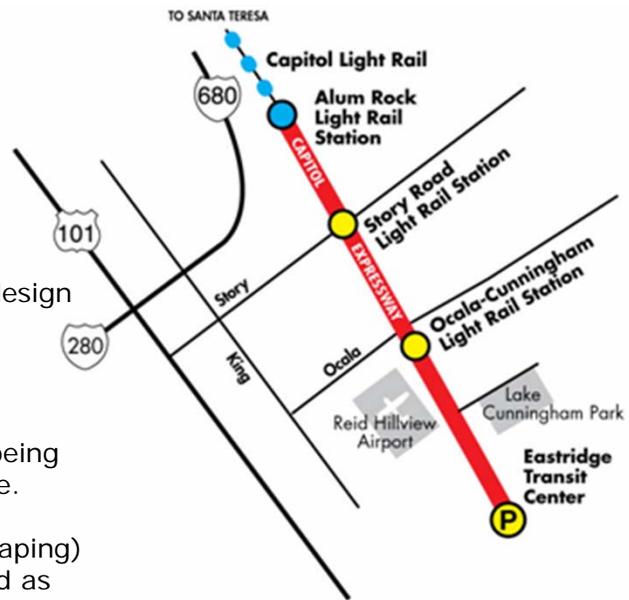
**Project Status:** Environmental work and design

#### Activity This Fiscal Year:

A Federal Environmental Impact Statement is being prepared for the light rail extension to Eastridge.

Pedestrian Improvements (sidewalk and landscaping) and the Eastridge Transit Center were advanced as the initial stage of the light rail project.

Design work was pursued for the pedestrian improvements and Eastridge Transit Center.



Artist's Rendering of Eastridge Mall Station



Photo Simulation of Capitol Expressway at Story Road

P-0375, P-0476

# Light Rail Program

## Other Light Rail Efforts

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$1.43
FY2010	0.90
<b>Total Expenditures to date</b>	<b>\$2.33</b>

#### Project Description:

VTA has recently completed a **Light Rail Systems Analysis** which provides an evaluation of infrastructure and operational deficiencies of the existing light rail system. The study recommends a three-phase improvement plan for immediate action.

The FY10/11 budget allocated \$5 million for **Projects from Light Rail Systems Analysis**.

Phase 1 of the **New Rail Corridors Study** consisted of developing a Transit Sustainability Policy (TSP) and mode-specific Service Design Guidelines (SDG). Phase 2 involves the study of potential new transit corridors using the newly developed TSP.



**Project Status:** Studies and environmental work

#### Activity This Fiscal Year:

The Light Rail Systems Analysis was adopted by the VTA Board in May 2010. The Light Rail Improvement Plan will now serve as an action plan for future implementation and an investment program which identifies capital and operating improvements for the system over the next 20 years.

Phase 1 of the New Rail Corridors Study is complete, and was adopted by the VTA Board of Directors in February 2007. Phase 2 studies will be conducted through 2011.

# Light Rail Program

## Low Floor Light Rail Vehicles

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$198.35
FY2010	0.00
<b>Total Expenditures to date</b>	<b>\$198.35</b>

### 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 enhancing access for all VTA riders, as well as providing additional space for bicycles.



**Project Status:** Closed

**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-FY2009	\$0
FY2010	0
<b>Total Expenditures to date</b>	<b>\$0</b>

### 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-FY2009	\$16.80
FY2010	7.46
<b>Total Expenditures to date</b>	<b>\$24.26</b>

#### 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 FY10.

**Blossom Hill Pedestrian Grade Separation** – The design was finalized in FY10, with advertisement for bids taking place in late 2010.

**Safety Enhancements** – The current phase of the project includes engineering and construction for at-grade crossings, with improvements such as pedestrian gates, swing gates, sidewalks, signing and striping, warning bands, and channelization for pedestrians. Construction along the JPB segment started in July 2010 and is scheduled to be completed in June 2011.

**Santa Clara Station Pedestrian Underpass Extension** - Preliminary engineering work was pursued in FY10.

**Santa Clara and Diridon Station Upgrades** - In January 2009 the VTA Board approved an \$11.6 million Measure A contribution to these two station upgrades, which are being implemented by Caltrain. Work has been consolidated into a single construction contract that progressed in FY10.



Concrete placement at Diridon Station

# Commuter Rail Program

## Caltrain South County

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$6.99
FY2010	5.75
<b>Total Expenditures to date</b>	<b>\$12.74</b>

### Project Description:

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

**Project Status:** Utility Relocation

### Activity This Fiscal Year:

Contract award for the grading contract for Phase 1 (8.3 miles) was made in December 2009. Construction is expected to commence after completion of the fiber optic cable relocation in the northerly 5-mile segment, and UPRR approval of the project.



Typical South County Crossing



Llagas Creek Bridge

# Commuter Rail Program

## Caltrain Electrification / High Speed Rail

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$0.00
FY2010	0.25
<b>Total Expenditures to date</b>	<b>\$0.25</b>

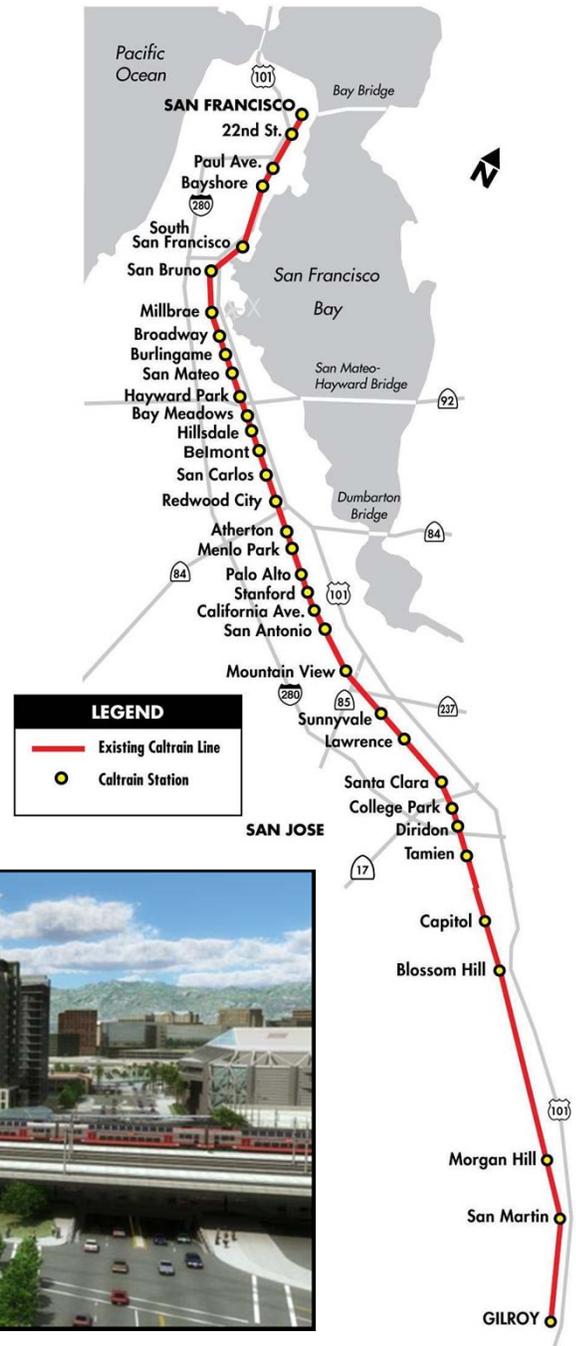
### Project Description:

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 through FY 2011 that will ultimately lead to a fully electric and upgraded Caltrain system through Santa Clara County.

**Project Status:** Project Development

### Activity This Fiscal Year:

In conjunction with Caltrain, which is administering the Caltrain Electrification project, the budget for this project will partially fund planning and engineering activities through FY 2010 and coordination work with Caltrain staff.



High Speed Rail Simulation -Diridon Station

# Commuter Rail Program

## Dumbarton Rail Corridor

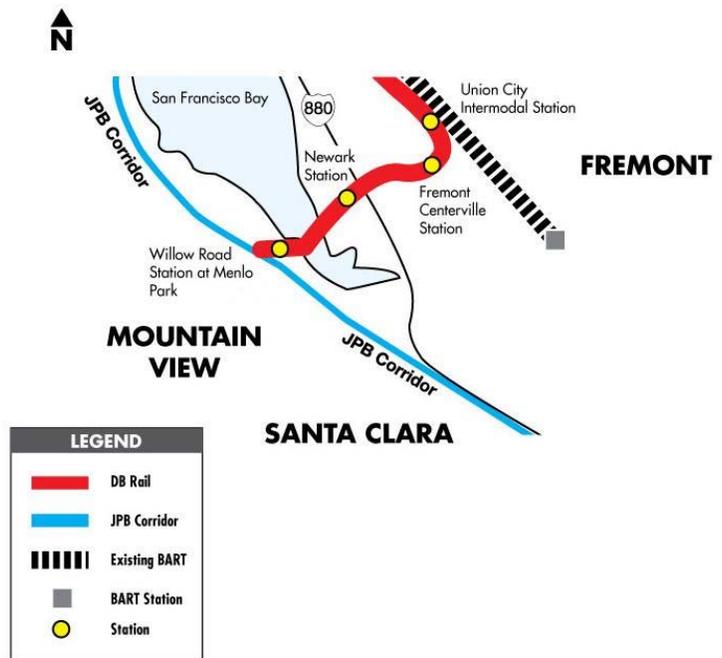
### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$1.45
FY2010	0.33
<b>Total Expenditures to date</b>	<b>\$1.78</b>

### 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.

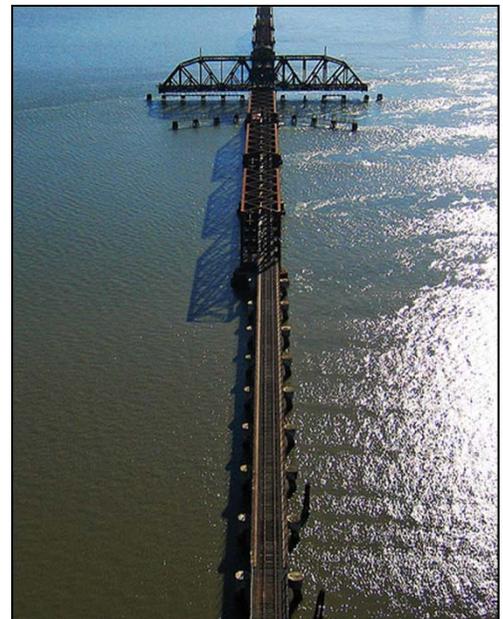


**Project Status:** Project Development

### Activity This Fiscal Year:

Based on the detailed cost estimate prepared by the Peninsula Corridor Joint Powers Board (JPB), the project is now projected to cost approximately \$700 million – more than two times the original cost estimate. In response, JPB is now exploring various strategies to close the funding shortfall.

VTA is participating in a partnership of regional transit providers to analyze the cost and benefits of providing Express Bus service in the Dumbarton corridor.



Aerial view of the existing alignment

# Commuter Rail Program

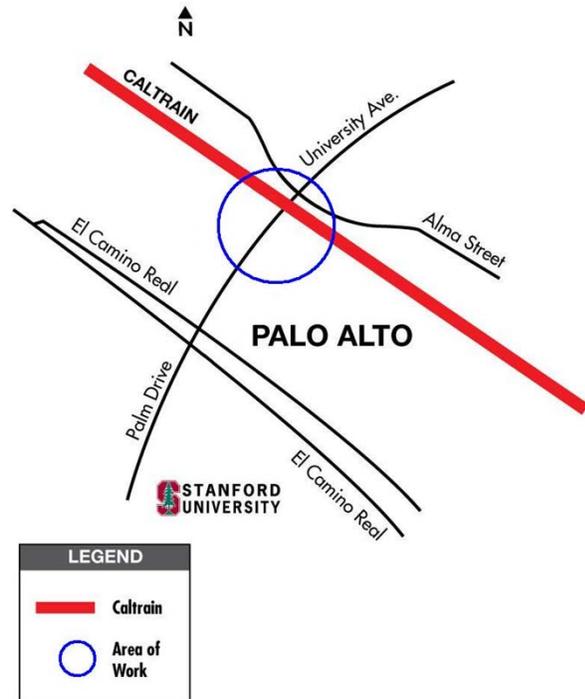
## Palo Alto Intermodal Transit Center

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$0.21
FY2010	0.00
<b>Total Expenditures to date</b>	<b>\$0.21</b>

### 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:** Project Development

### Activity This Fiscal Year:

During FY09, work was suspended on this project, with only a small effort towards preliminary engineering occurring in FY09.

California Proposition 1A, a \$9.95 billion bond measure for High Speed Rail (HSR), passed in November 2008. Significant issues related to the HSR project will need to be resolved before further planning work can proceed for this project.



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

# Commuter Rail Program

## ACE Upgrades

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$0
FY2010	0
<b>Total Expenditures to date</b>	<b>\$0</b>

### Project Description:

The current ACE service provides weekday commute service with four trains in each direction between Stockton and San Jose. ACE serves three stations in Santa Clara County: Great America, Santa Clara and Downtown San Jose.

This program will upgrade service by providing funds for rolling stock and track improvements.



**Project Status:** Project Development

### Activity This Fiscal Year:

VTA staff will work with San Joaquin Regional Rail Commission staff to implement this program. On January 8, 2009 the VTA Board approved a \$10 million Measure A contribution to the \$26 million Santa Clara Station project, and this appropriation is included in the Caltrain Service Upgrades project.



ACE Locomotive

# Bus Program

## Santa Clara Alum Rock Transit Improvements

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$0.64
FY2010	0.75
<b>Total Expenditures to date</b>	<b>\$1.39</b>

### Project Description:

This project foresees a transit enhancement in the county's highest ridership transit 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 to light rail standards, enabling a conversion to light rail in the future if desired.

### Project Status:

Project Development and Design

### Activity This Fiscal Year:

Project environmental review was completed in December 2008. A Project Agreement between VTA and the City of San Jose was adopted by both parties in early 2010.

Preliminary Engineering began in April 2010.

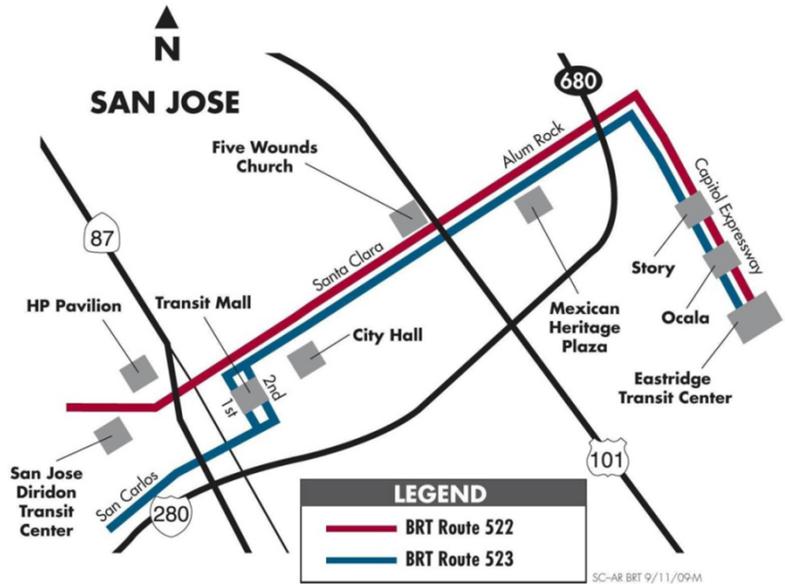


Photo Simulation – Alum Rock at King Road



Photo Simulation – Alum Rock at McCreery

# Bus Program

## Bus Rapid Transit

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$1.12
FY2010	0.61
<b>Total Expenditures to date</b>	<b>\$1.73</b>

### Project Description:

Bus Rapid Transit (BRT) is an enhanced bus 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).

The Highway-Based BRT Alternative Analysis project studies the potential for expansion, enhancements, or efficiency improvements to the highway-based bus network. It could result in finding ways to increase revenue or reduce cost.

### Project Status:

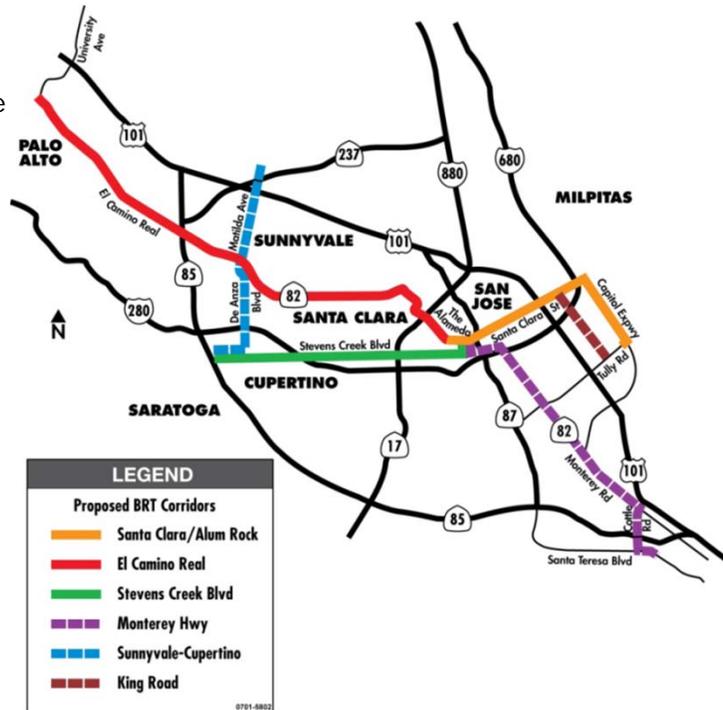
Project Development

### Activity This Fiscal Year:

The VTA Board of Directors adopted the **Bus Rapid Transit** (BRT) Strategic Plan in May 2009. Based on the criteria established in the Transit Sustainability Policy, the BRT strategic plan recommends moving forward with BRT deployment in the

**Santa Clara/Alum Rock** corridor, and continuing conceptual engineering, environmental and other work for the El Camino Real and Stevens Creek/West San Carlos corridors. The broad BRT corridors project was de-obligated and funding re-assigned to specific projects.

Studies under **Highway-Based BRT Alternative Analysis** have been underway since February 2009. Completion is anticipated in FY2011.



Specialized BRT Vehicle

# Bus Program

## ZEB: Demonstration and Facility Improvements

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$19.05
FY2010	0.40
<b>Total Expenditures to date</b>	<b>\$19.45</b>

### Project Description:

VTA, in a joint program with 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 has adopted a strategy of partnering with other Bay Area transit properties and designating AC Transit as the lead agency for procuring and deploying the Advanced ZEB Demonstration vehicles. VTA's participation will be primarily financial.

\$6.248 million in VTA Enterprise funds were allocated to this effort

In FY10, VTA made financial contributions to AC Transit.

### 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-FY2009	\$0
FY2010	0
<b>Total Expenditures to date</b>	<b>\$0</b>

### Project Description:

The current Highway 17 Express Bus Service provides service between downtown Santa Cruz, Scotts Valley, and Downtown San Jose, including San Jose State University. Service is offered 7 days a week. Almost 1,000 passengers use the service each weekday, with about 600 passengers riding Saturday and Sunday.

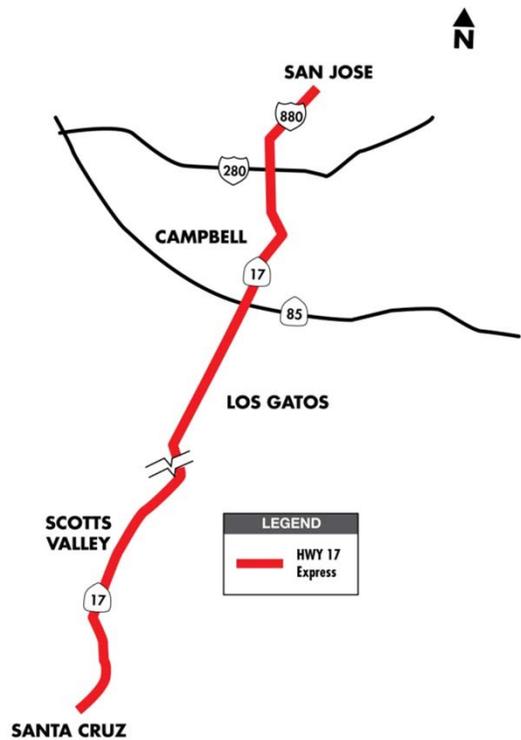
This project will improve the service by providing funds for the partnership with Santa Cruz Metropolitan Transit District for additional buses and service upgrades.

### Project Status:

VTA will procure five buses necessary to operate service between Santa Cruz, Scotts Valley, and Downtown San Jose. These buses would replace existing buses that are 20 years old, with an average of 950,000 miles each.

### Activity This Fiscal Year:

No VTA activity in FY10.



Highway 17 Express Bus



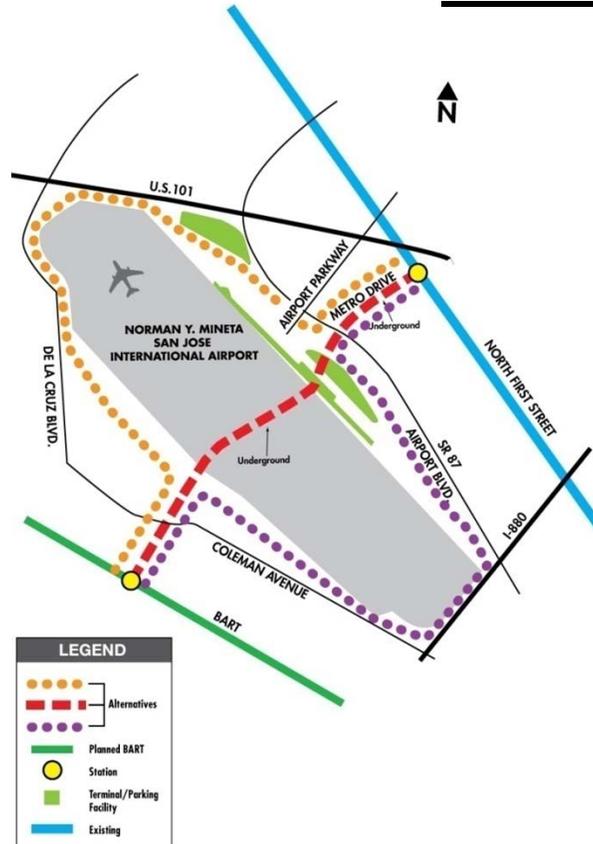
Highway 17 Express Bus

# San Jose Mineta Airport

## San Jose Mineta Airport People Mover

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$0.07
FY2010	0.05
<b>Total Expenditures to date</b>	<b>\$0.12</b>



### Project Description:

The Airport People Mover Project will provide a rail connection from the 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 currently leads this effort. They envision an automated transit network -- similar to a Personal Rapid Transit system -- of lightweight, computer-controlled vehicles operated on or suspended below an elevated guideway, similar to a horizontal elevator.

However, VTA funds are specific to the Airport Transit Connection and not any pre-determined technology.

### Project Status:

Project Development

### Activity This Fiscal Year:

The City of San Jose released a pair of Requests for Proposals seeking a transportation consultant and a federal research facility to study the feasibility of the automated transit network concept. Scope negotiations are currently underway. This followed a Request for Expressions of Interest process completed in 2009.

# Programwide

## Measure A Programwide

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2009	\$ 2.90
FY2010	(2.26)
<b>Total Expenditures to date</b>	<b>\$ 0.64</b>

#### 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; public hearings; issuing and printing reports; and publishing in local newspapers public notices and announcements and the results of the compliance audit and annual report.

**Project Status:** Active

#### Activity This Fiscal Year:

VTA and consultant staff continued producing cost and progress reports for the 2000 Measure A Transit Improvement Program. Additionally, the CWC incurred costs on mandated activities including public notices and announcements, preparation and publication of reports to inform the public, independent compliance auditor services, and public hearings. In addition, cumulative costs were allocated to related projects which resulted in negative net costs for FY 2010 activities.