

**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, 2011



**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, 2011

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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, 2011. 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 on 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, 2011.

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 applied to the examination 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 & Connell LLP*

Walnut Creek, California

March 20, 2012

**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, 2011**  
**(in thousands)**

	Operating Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Sales tax receipts	\$ 138,638	\$ 138,638	\$ 152,855	\$ 14,217
Investment earnings	7,154	7,154	10,879	3,725
Federal subsidy for Build America Bonds	-	-	5,848	5,848
Other income	372	372	390	18
<b>Total revenues</b>	<b>146,164</b>	<b>146,164</b>	<b>169,972</b>	<b>23,808</b>
Non-project expenditures:				
Professional, special and other services	493	493	481	12
Operating assistance to VTA Transit (Note B4)	25,588	29,588	28,213	1,375
Contributions to other agencies	150	150	-	150
Repayment of debt service to VTA Transit (Note D)	12,000	12,000	11,278	722
Repayment of debt-principal, interest and other bond charges (Note E)	21,046	21,046	17,772	3,274
<b>Total non-project expenditures</b>	<b>59,277</b>	<b>63,277</b>	<b>57,744</b>	<b>5,533</b>
<b>Total revenues less non-project expenditures</b>	<b>\$ 86,887</b>	<b>\$ 82,887</b>	<b>112,228</b>	<b>\$ 29,341</b>
Project expenditures (Note B3):				
Silicon Valley Rapid Transit Corridor			99,714	
Light Rail Program			6,200	
Commuter Rail Program			18,474	
Bus Program			10,942	
San Jose Mineta Airport People Mover			1,054	
Measure A program-wide (Notes B5 and F)			(652)	
Swap payments to Congestion Management & Highway Program (Note C)			17,088	
<b>Total project expenditures</b>			<b>152,820</b>	
Capital contributions (Note G)				
Change in net assets, on a budgetary basis			43,117	
GAAP reconciliation and unbudgeted items (Note B1):				
Assets transferred to VTA Transit Fund			(3)	
Project expenditures capitalized as construction in progress			90,640	
Unrealized gain/(loss) on investments			(3,062)	
Settlement -Work Breakdown Structure to expense			(433)	
Expenses not recorded as non-project expenditures			(1,466)	
<b>Total GAAP reconciliation and unbudgeted items</b>			<b>85,676</b>	
Change in net assets, on a GAAP basis			128,793	
Net assets, beginning of year			766,311	
Net assets, end of year			<b>\$ 895,104</b>	

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

**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**  
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**[A Fund of the Santa Clara Valley Transportation Authority]**  
**Notes to the Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2011**

**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 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. 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 2000 Measure A 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 the Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2011**

**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 Budgetary Comparison 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 Budgetary Comparison 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 the 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, ballot-required activities of the 2000 Measure A Citizens Watchdog Committee including independent audits, conducting public hearings, publication of annual financial audits, public meeting notices and annual reports in local newspapers, 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 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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**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 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 a portion of the Measure A Program’s obligation concurrent non-project activities related to the BART to Berryessa extension. The reprogramming of the anticipated STIP funds to pay a portion of the Measure A Program’s obligation for the San Jose Mineta Airport People Mover Project to the Silicon Valley Rapid Transit Project – Berryessa Extension was approved by the Board of Directors on December 9, 2010.

The Board believes that these swaps will accelerate project delivery because it releases the highway and road projects from the administrative burdens imposed by the state or federal governments. This is done by using the swapped 2000 Measure A Sales Tax revenues to create 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 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 anticipated future STIP funds will be used to fully repay the 2000 Measure A Program, both principal and prescribed interest.

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 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, 2011 (in thousands):

Swap funds authorized:	
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>
Swap payments made:	
Cumulative swap payments made as of July 1, 2010	\$ 42,393
Swap payments made during the current fiscal year	17,088
Cumulative swap payments made as of June 30, 2011	<u>\$ 59,481</u>
Swap funds received:	
Swap funds received as of June 30, 2011	<u>\$ -</u>

**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**  
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**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 service expenditures paid. 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, 2011, the Measure A Program paid approximately \$11,278,000 in debt service, consisting of approximately \$4,730,000 in principal and approximately \$6,548,000 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, 2011:

Year Ending June 30,	Principal	Interest <sup>1</sup>
2012	\$ 4,670,000	\$ 5,173,237
2013	4,760,000	5,026,129
2014	4,555,000	4,876,965
2015	4,570,000	4,733,671
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	11,760,000	2,901,367
2022	15,115,000	2,784,806
2023	15,605,000	2,019,863
2024	16,110,000	1,527,762
2025	16,635,000	1,019,727
2026	17,175,000	495,141
Total	<u>\$ 164,880,000</u>	<u>\$ 50,134,130</u>

<sup>1</sup> 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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**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 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 were 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, 2011, the Measure A Program recorded approximately \$17,772,000 in bond principal payment and 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, 2010 as well as the allocation of capitalized bond interest for fiscal year 2011 based on the approved allocation methodology (in thousands):

<u>Program Name</u>	<u>Cumulative Through June 30, 2010</u>	<u>Fiscal Year 2011</u>	<u>Cumulative Through June 30, 2011</u>
Silicon Valley Rapid Transit Corridor	\$ 61,828	\$ 14,344	\$ 76,172
Light Rail Program:			
Light Rail Extension	7,240	1,503	8,743
New Light Rail Corridor Development	101	23	124
Commuter Rail Program:			
Dumbarton Rail Corridor	78	18	96
Caltrain Service Upgrades	2,119	492	2,611
Measure A Program-Wide	263	61	324
Total Allocated Capitalized Bond Interest	<u>\$ 71,629</u>	<u>\$ 16,441</u>	<u>\$ 88,070</u>

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

VTA has incurred expenditures associated with the preparation of progress and cost reports, financial forecasting, ballot-required activities of the 2000 Measure A Citizens Watchdog Committee including independent audits, conducting public hearings, publication of annual financial audits, public meeting notices and annual reports in local newspapers, 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 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 fourth quarter's program-wide expenditures (April – June 2010) occurred in the following quarter, creating a current year allocation of \$652,000 related to prior year amounts. 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 2011 (in thousands):

<u>Program</u>	<u>Project Description</u>	<u>Amount</u>
1. SVRT	SVRTP - Programwide	\$ 2,144
2. Light Rail Program	DTEV - CELR to Eastridge	3
	LRT Extension to Vasona Junction	9
	Light Rail System Analysis	3
	Env. Impact Studies/Prelim Proj. Work	(8)
	CELR - Pedestrian Improvements	60
	CELR - Eastridge Transit Center	29
3. Commuter Rail Program	Dumbarton Rail Corridor	4
	Caltrain Service Upgrades	5
	Caltrain South County Capacity Improv.	143
	Caltrain Electrification:SF to Tamein	5
	Bike Sharing Pilot Project	2
	Caltrain/UP Blossom Hill Ped. Grade Sep	35
	Caltrain Safety Enhancements	183
	SC Sta. Pedestrian underpass Extension	7
	Santa Clara Station Upgrade	44
4. Bus Program	DTEV-Santa Clara/Alum Rock Corridor	99
	BRT-Line 22, Monterey & Stevens Creek	1
	Hwy 17 Bus Service Improvements	35
	El Camino Real BRT	43
5. San Jose Mineta Airport	Highway Based BRT Alternative Analysis	10
	San Jose Mineta APM	19
Total allocation of program-wide expenditures		<u>\$ 2,875</u>

**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**  
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**Notes to the Budgetary Comparison Schedule**  
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**NOTE G – CAPITAL CONTRIBUTIONS**

The Measure A Program received external capital contributions totaling approximately \$83,709,000 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	\$ 68,387
Public Transportation Modernization Improvement Service Enhancement Act (PTMISEA)	Santa Clara/Alum Rock Corridor	5,168
Santa Clara Valley Water District	Lower Berryessa Creek Project	3,240
City of Fremont	Lower Berryessa Creek Project	2,382
Various	Other state and local grants	4,532
	<b>Total Capital Contributions</b>	<b>\$ 83,709</b>

The Measure A Program has received a majority of its external capital contributions 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 Santa Clara County and capacity improvements on Caltrain in the South County.

## Measure A Project Summaries

The following summaries of individual 2000 Measure A Transportation Improvement Program projects provide the reader with an overview of each project, the progress made and major accomplishments during the reporting period of FY 2011 (July 1, 2010 – June 30, 2011), and the project's status at the end of FY 2011.

Since significant additional progress has been made on many of the projects since the close of FY 2011, for the most current information on each project please see the latest edition of the Measure A Semi-Annual Progress Report on VTA's website at:

[http://pcstportal/products/prog\\_report/default\\_progress\\_reports.ASP](http://pcstportal/products/prog_report/default_progress_reports.ASP)

In addition, for current detailed information on the BART Silicon Valley Program and its component projects, please visit VTA's website at:

<http://www.vta.org/bart/index.html>

For detailed current information on the Bus Rapid Transit Program (BRT) and its component projects, please visit VTA's website at <http://www.vta.org/brt/index.html>.

# SILICON VALLEY RAPID TRANSIT

## BART SILICON VALLEY

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$585.98
FY2011	72.49
<b>Total Expenditures through FY2011</b>	<b>\$658.47</b>

### Project Description:

The Silicon Valley Rapid Transit (SVRT) Project extends BART from Warm Springs, through Milpitas and downtown San Jose to Santa Clara, a distance of 16.1 miles.

The first phase, the Berryessa Extension Project, is under implementation for 10 miles from Warm Springs to San Plumas Avenue in San Jose including two stations, and is expected to be completed in 2018.



*Artist's Rendering of Berryessa Station*

### Project Status:

**Environmental:** On June 24, 2010, FTA issued the Record of Decision (ROD) for the Berryessa Extension. The VTA Board adopted the Second Supplemental Environmental Impact Report in March 2011.

**Design:** The New Starts Preliminary Engineering phase started on January 4, 2010 and FTA's approval of VTA's request to enter Final Design was received in April 2011. Agreements with utility companies for transverse utility relocation design are being developed and executed. Right-of-way engineering is in progress for additional support facilities and remaining utility and construction easements.

VTA has appropriated funds for a \$16 million contribution to the Warm Springs BART Extension. These 2000 Measure A / State-Local Partnership funds will be used for Warm Springs project elements that have a shared benefit with the SVRT project, including tail tracks that allow for construction, testing, and start-up of the SVRT extension.

**Construction:** Longitudinal utilities along the railroad right-of-way are largely designed and relocated as part of the original purchase agreement. The design-build Request for Proposals for the "Line, Track, Systems and Stations" contract was issued in April 2011.

## Activity This Fiscal Year:

The first phase of the BART Silicon Valley Project, the 10-mile Berryessa Extension, advanced into the Federal Transit Administration's (FTA) New Starts Program Final Design phase on April 4, 2011. Final Design is the last step in the federal program required to qualify for funding. VTA is requesting \$900 million in FTA New Starts funding. In February 2011, the project was included in the President's budget with a recommendation for a Full Funding Grant Agreement (FFGA), and for \$130 million in Federal New Starts funding for Federal Fiscal Year 2012.

On March 25, 2011, VTA issued a Request for Proposals (RFP) to four engineering and contractor teams prequalified to develop proposals on the first major contract to complete design and begin construction (Design-Build contract) on the BART Silicon Valley Berryessa Extension Project. This Design-Build contract is estimated at \$800 million and includes the line, track, stations, and systems (LTSS) for the 10-mile Berryessa Extension, the first phase of the 16-mile BART Extension into Santa Clara County.

At its May 2011 meeting, the VTA Board of Directors authorized the General Manager to execute a \$7.26 million contract with Con Quest Constructors, Inc., for the construction of Agua Fria, Toroges and Agua Caliente Creek Improvements. The construction will be part of the effort to prepare the corridor for BART Silicon Valley's Berryessa Extension. The contract is funded by 2000 Measure A, the City of Fremont and Alameda County Flood Control District.

## Freight Railroad Relocation

### Project Expenditures (In millions)

Period	Amount
<b>Inception-to-FY2010</b>	<b>\$162.51</b>
<b>FY2011</b>	<b>27.22</b>
<b>Total Expenditures through FY2011</b>	<b>\$189.73</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.



*Replacement of existing Dixon Landing Road grade crossing of UPRR Main Track 1*

### Project Status:

The Chevron petroleum pipelines relocation, SFPP/Kinder-Morgan petroleum pipeline relocation, and Verizon/MCI fiber optic relocation have been completed. Construction of the Wrigley Creek Improvements is complete and the Plant Establishment Period has begun.

### Activity This Fiscal Year:

In September 2010, the California Transportation Commission (CTC) announced \$19.6 million in state funding for two railroad grade separation projects at Warren Avenue and Kato Road in Fremont. The funding will come from the 2010 Highway-Railroad Crossing Safety Account, included in the Proposition 1B transportation bonds passed by voters in 2006.

The Berryessa Creek crossing, Abel Street Seismic Retrofit, and Railroad Relocation contract was substantially completed in December 2010. 100% Design has been submitted to UPRR for Mission/Warren Truck Rail and Kato Road, and right-of-way acquisition for the Mission/Warren Truck-Rail is underway.

Kato Road Grade Separation (C222) has been advertised, and VTA awarded a construction contract for early creek improvements in May 2011.

# Light Rail Program

## Extension to Vasona Junction

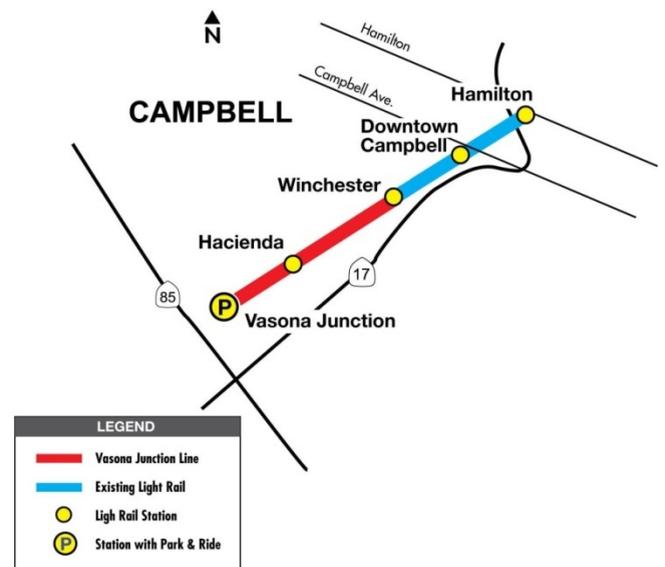
### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$0.26
FY2011	0.25
<b>Total Expenditures through FY2011</b>	<b>\$0.51</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 FY11 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 early 2012.



*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-FY2010	\$57.60
FY2011	5.91
<b>Total Expenditures through FY2011</b>	<b>\$63.51</b>

### 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 rail system.

### Project Status:

Environmental work, design, and construction

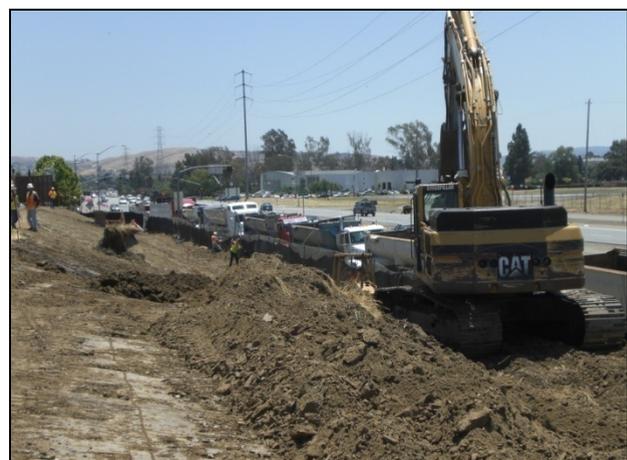
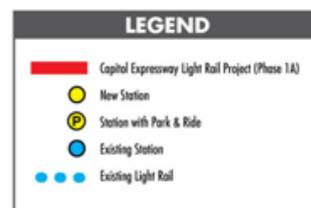
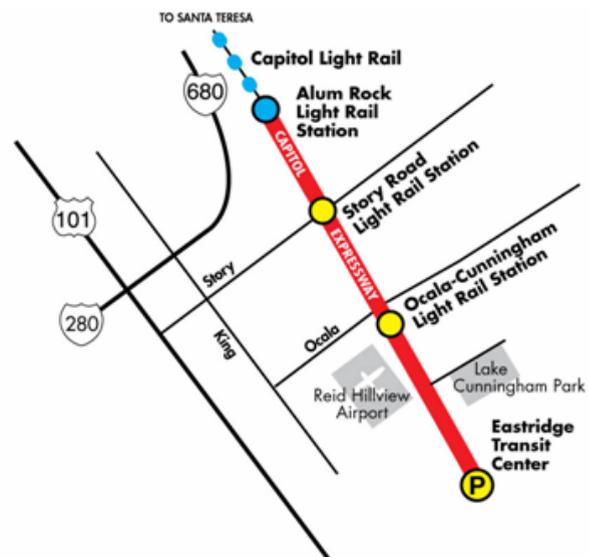
### Activity This Fiscal Year:

In September 2010, the CTC approved VTA's \$24.3 million funding request for transit improvements along the Capitol Expressway corridor in East San Jose. Improvements to the Capitol Expressway corridor will be funded by the 2010 State Transportation Improvement Program (STIP).

To accommodate existing and planned transit services, \$16.0 million was allocated for pedestrian and bus improvements along Capitol Expressway and at the Eastridge Transit Center. Another \$8.3 million will be used to purchase right-of-way needed to construct improvements to the Eastridge Transit Center.

VTA began construction of pedestrian improvements along Capitol Expressway in spring 2011. This work, the first phase of Capitol Expressway Light Rail Project, will introduce a pedestrian multiuse path with landscape buffer and street lighting along the expressway between Capitol Avenue and Tully Road.

Property acquisition and final design for the transit center and bus stops are underway.



*Excavation at Capitol Expressway*

# Light Rail Program

## Light Rail System Improvements

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$2.33
FY2011	0.04
<b>Total Expenditures through FY2011</b>	<b>\$2.37</b>

#### 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.

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



**Guadalupe Express.** The top priority recommendation from the Systems Analysis will reconfigure the southern half of the Light Rail System to allow express trains and integrate the Almaden shuttle trains into the larger system. This project will require planning and design of a storage track in the Downtown-Civic Center area of San Jose.

**North First Street Speed Improvements.** The Systems Analysis recommended speeding up travel times throughout the system but especially on North First Street between Metro Airport and Tasman stations. Among the specific project recommendations are fencing the trackway to allow for 45 mph operation, grade separations, signal retiming and crossover track.

**Long T Conceptual Engineering.** The Phase II recommendation from the Systems Analysis developed a series of improvements to the Tasman corridor to allow for express trains and more frequent service to serve the future BART station connection at Montague. This project will begin Conceptual Engineering for the Long T Improvement.

**LRT Crossovers.** The Systems Analysis identified up to 12 locations where new crossovers will improve operational flexibility and safety throughout the system. This project would begin design and construction on the highest priority locations.

**Project Status:** Studies and environmental work

#### Activity This Fiscal Year:

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.

The initial projects recommended from the Systems Analysis will begin planning, design and construction later in 2011.

# Light Rail Program

## Low Floor Light Rail Vehicles

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$198.35
FY2011	0.00
<b>Total Expenditures through FY2011</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-FY2010	\$0
FY2011	0
<b>Total Expenditures through FY2011</b>	<b>\$0</b>

### Project Description:

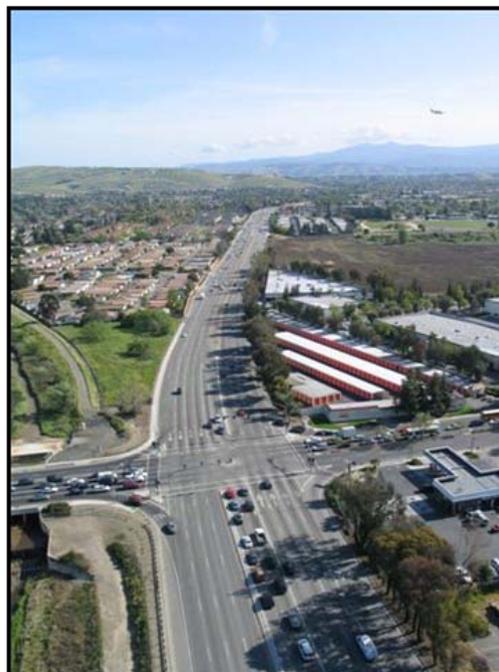
The extension from Eastridge to Nieman includes 0.6 miles of side-running double-track light rail along Capitol Expressway, with grade separations at the entrance to the Eastridge Mall and at Quimby Road. The project also includes a new station at Nieman Boulevard and a light rail storage facility at 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-FY2010	\$24.26
FY2011	14.22
<b>Total Expenditures through FY2011</b>	<b>\$38.48</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 FY11.

**Blossom Hill Pedestrian Grade Separation** – Construction is underway and scheduled for completion in late 2011.

**Safety Enhancements** – Construction along the JPB segment is substantially completed and design for approximately 15 crossings along the UPRR segment is schedule to restart in late summer 2011.

**Santa Clara Station Pedestrian Underpass Extension** - This project will provide an extended pedestrian tunnel under the UPRR tracks at the Santa Clara Station. Preliminary engineering work was completed in early 2011 and final engineering has begun.

**Santa Clara and Diridon Station Upgrades** – Work on these two stations has been consolidated into a single contract, with construction completion scheduled for late 2011.

Work has begun on the **Bike Share Pilot Program**, which would initially provide approximately 100 bikes and 10-12 bike share stations at one or more Caltrain stations and supporting pod locations.



*Blossom Hill West Ramp*



*Blossom Hill Cast In Drilled Hole (CIDH) Foundation for Bridge Bent 2*

# Commuter Rail Program

## Caltrain South County

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$12.74
FY2011	3.95
<b>Total Expenditures through FY2011</b>	<b>\$16.69</b>

#### Project Description:

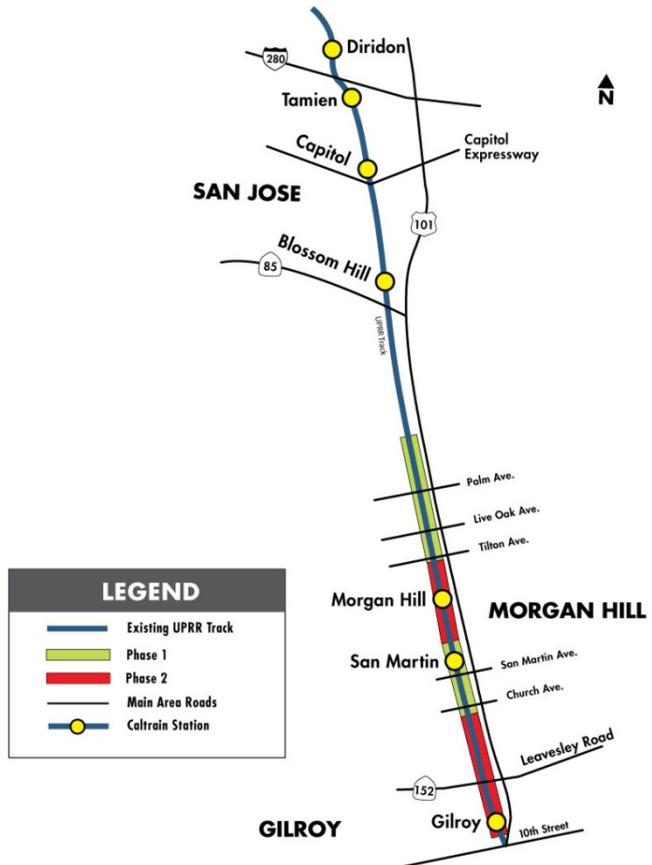
16.5 miles of double track on the Union Pacific Railroad (UPRR) corridor between the Coyote area and Gilroy. Capacity improvements for storage of additional train sets at Gilroy.

**Project Status:** Utility Relocation

#### Activity This Fiscal Year:

Fiber optic cable relocation in the northerly 5-mile segment was completed.

The grading contract for Phase 1 (8.3 miles) has been placed on temporary suspension while the scope is being reviewed in consideration of the recent uncertainties in the Caltrain program and the upcoming release of the High Speed Train (HST) environmental document, now scheduled for end of 2011.



Typical South County Crossing



Llagas Creek Bridge

# Commuter Rail Program

## Caltrain Electrification / High Speed Rail

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$0.25
FY2011	0.17
<b>Total Expenditures through FY2011</b>	<b>\$0.42</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 that will ultimately lead to an upgraded Caltrain system.

**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 2013 and coordination work with Caltrain staff.



*High Speed Rail Simulation - Diridon Station*

# Commuter Rail Program

## Dumbarton Rail Corridor

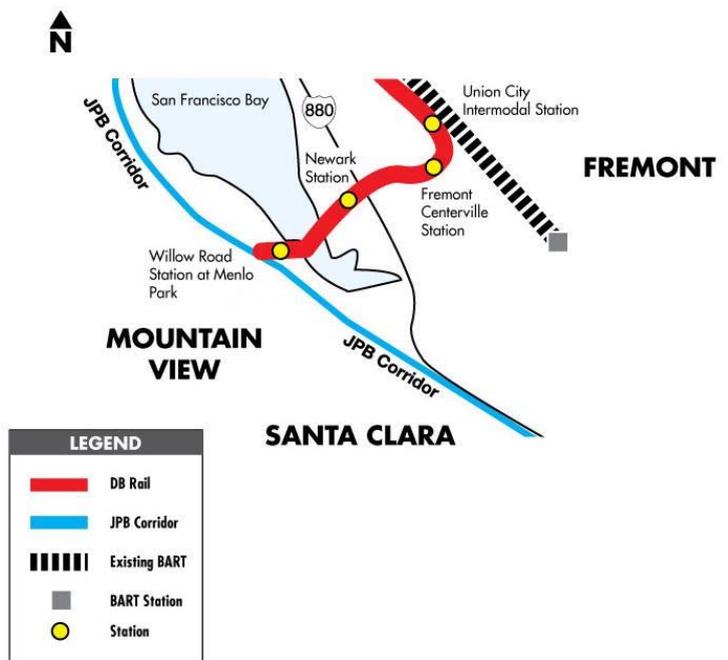
### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$1.78
FY2011	0.13
<b>Total Expenditures through FY2011</b>	<b>\$1.91</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.



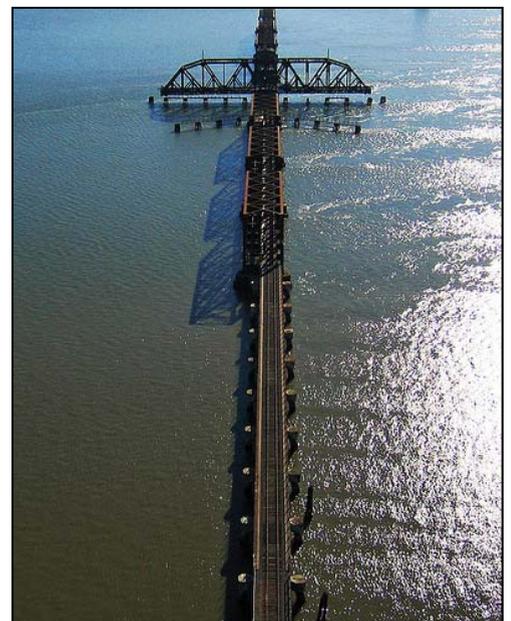
**Project Status:** Project Development

### 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 between \$700 million and \$1 billion. In response, JPB is exploring various strategies to close the funding shortfall and redefine the project by adding more service in an effort to increase ridership.

The project is expected to complete a Federal Environmental Document in mid 2012. No operating funding or an operator has been identified for the proposed service.

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 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)

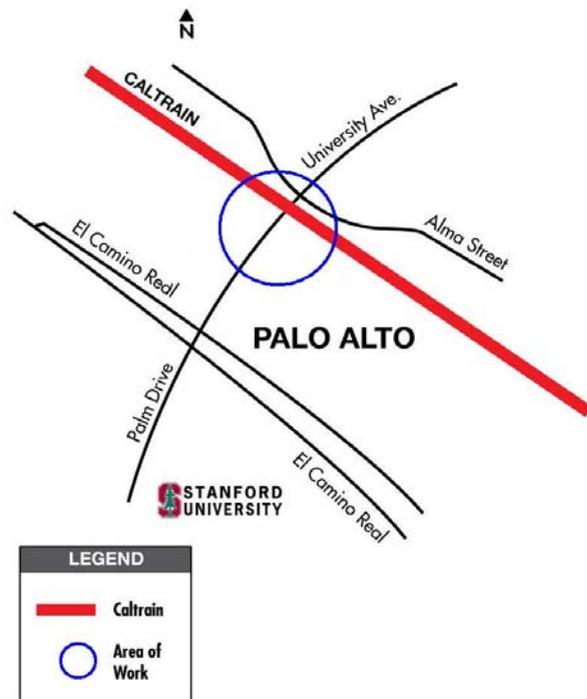
Period	Amount
Inception-to-FY2010	\$0.21
FY2011	0.00
<b>Total Expenditures through FY2011</b>	<b>\$0.21</b>

### 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:** 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*

# Commuter Rail Program

## ACE Upgrades

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$0
FY2011	0
<b>Total Expenditures through FY2011</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.

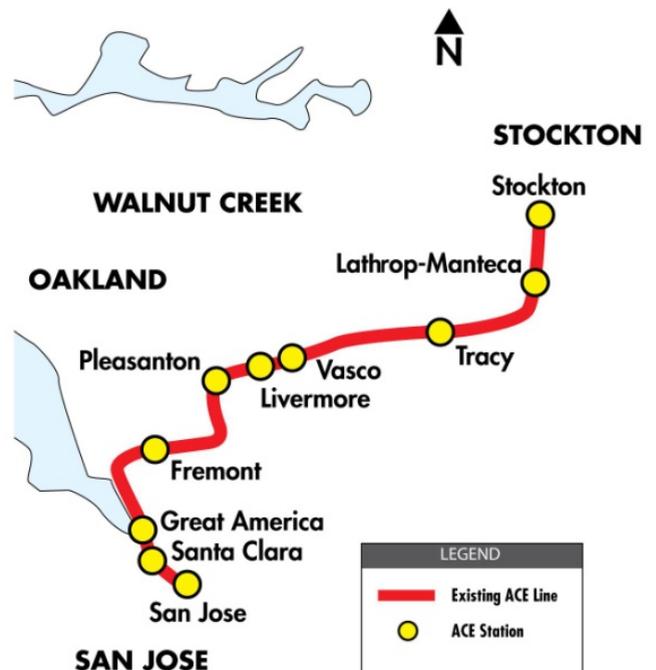
This program will upgrade service by providing funds for rolling stock and track improvements.

**Project Status:** Project Development

### Activity This Fiscal Year:

The improvements to the Santa Clara Station that will allow ACE trains to stop at the station, are described in the Caltrain Service Upgrades project. Work is expected to be complete in 2012 which will allow ACE trains to resume service to Santa Clara Station.

No activity for this project.



ACE Locomotive

# Bus Program

## Valley Rapid -Santa Clara / Alum Rock

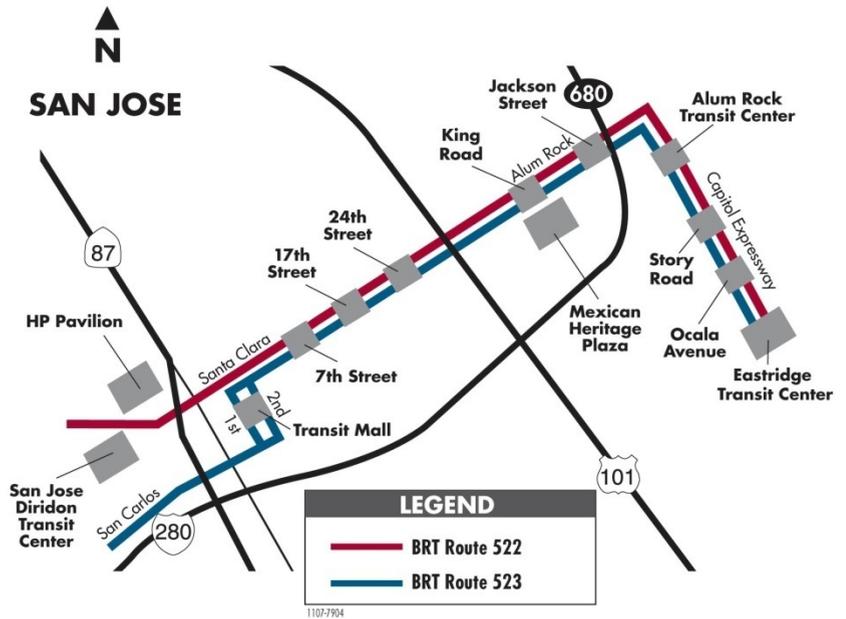
### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$1.39
FY2011	5.55
<b>Total Expenditures through FY2011</b>	<b>\$6.94</b>

### Project Description:

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

The first phase will introduce Rapid Transit (RT) in the corridor with dedicated lanes on the eastern half of the corridor and mixed flow operations in the western segment. This RT project is being designed to light rail standards, enabling a conversion to light rail in the future after SVRT is constructed, if desired.



### Project Status:

Project Development and Design

### Activity This Fiscal Year:

Preliminary Engineering began in April 2010 and is scheduled to end in September 2011. Right-of-way efforts began in 2010 and are scheduled to run through 2012.



Photo Simulation – Alum Rock at King Road



Photo Simulation – Alum Rock at McCreery

# Bus Program

## Valley Rapid - El Camino Real

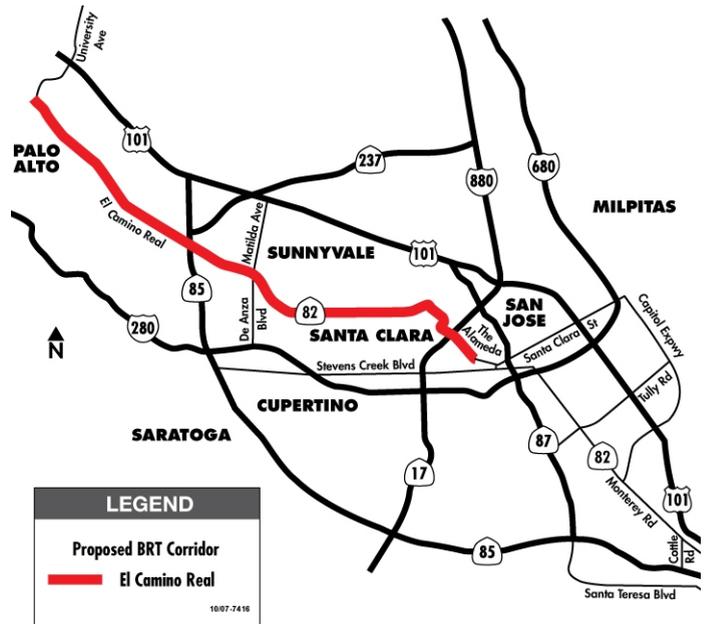
### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$0.18
FY2011	2.40
<b>Total Expenditures through FY2011</b>	<b>\$2.58</b>

### 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 – Santa Clara/Alum Rock project.

Bus Rapid Transit (BRT) improvements will 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:

Conceptual Engineering

### Activity This Fiscal Year:

Conceptual Engineering began in May 2010 with a project environmental review planned to commence in 2011.

Different cross-sections have been analyzed and preliminary ridership and traffic projections have been developed. VTA is working with cities to determine sections of the Corridor where BRT can use dedicated lanes.



BRT Photo Simulation

# Bus Program

## Bus Rapid Transit

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$1.73
FY2011	0.45
<b>Total Expenditures through FY2011</b>	<b>\$2.18</b>

### 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

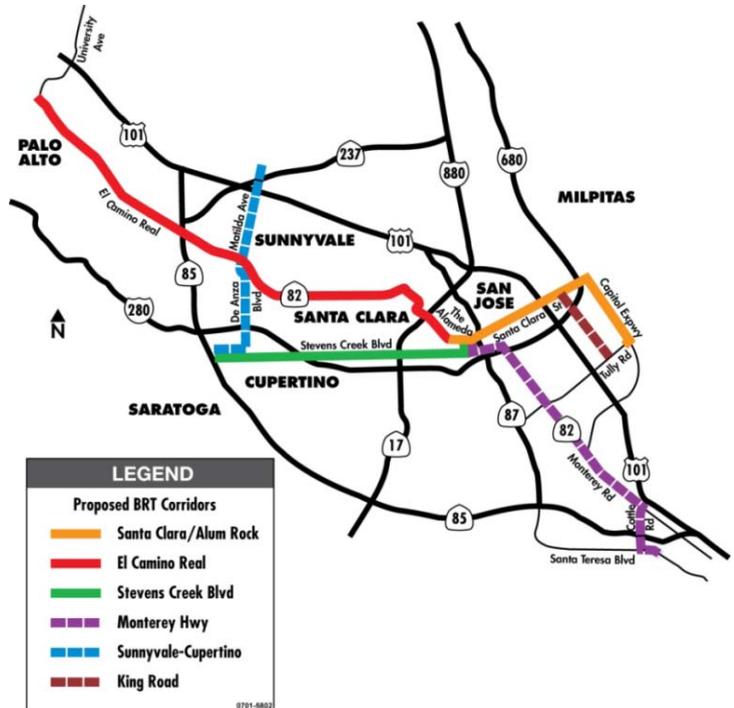
### Activity This Fiscal Year:

Planning work continued on the **Stevens Creek Blvd** corridor stations.

**King Road** was identified in the BRT Strategic Plan for future development. However, because the BART extension is being delivered in phases, the King Road BRT project will likely be revised as a feeder and distributor for BART patrons using the Berryessa Station.

**Procurement of Articulated Buses** required for 2013 service on the Santa Clara Alum Rock and El Camino corridors will be initiated in Fiscal Year 2012.

Funds were included in the adopted FY12/13 Measure A Transit Improvement Program for **Facility Modifications at the Chaboya and North Divisions** required in order to accommodate BRT buses.



Specialized BRT Vehicle

# Bus Program

## ZEB: Demonstration and Facility Improvements

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$19.45
FY2011	0.00
<b>Total Expenditures through FY2011</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

### 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-FY2010	\$0.00
FY2011	2.53
<b>Total Expenditures through FY2011</b>	<b>\$2.53</b>

### Project Description:

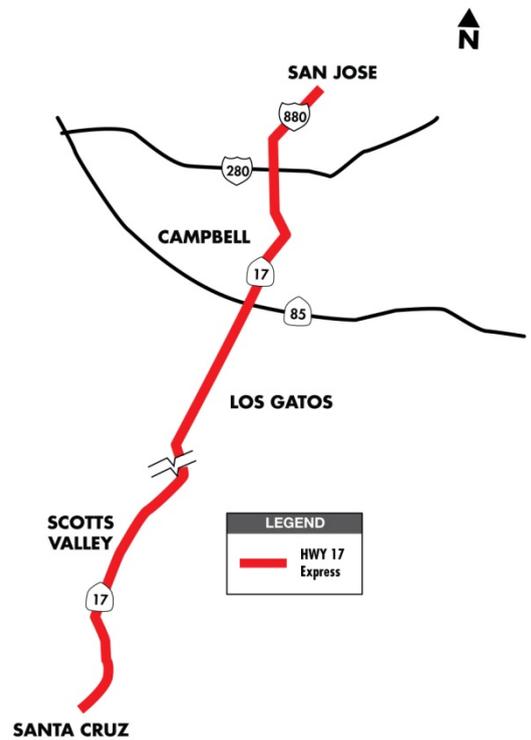
Santa Cruz Metro has procured five buses necessary to operate service between Santa Cruz, Scotts Valley, and Downtown San Jose. These buses replaced existing buses that are 20 years old, with an average of 950,000 miles each.

### Project Status:

The five buses went into service in March/April 2011. This project is now closed.

### Activity This Fiscal Year:

VTA reimbursed Santa Cruz Metro for the \$2.5 million purchase price.



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-FY2010	\$0.12
FY2011	1.05
<b>Total Expenditures through FY2011</b>	<b>\$1.17</b>

### Project Description:

The Airport People Mover Project will provide a dedicated guideway 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 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.

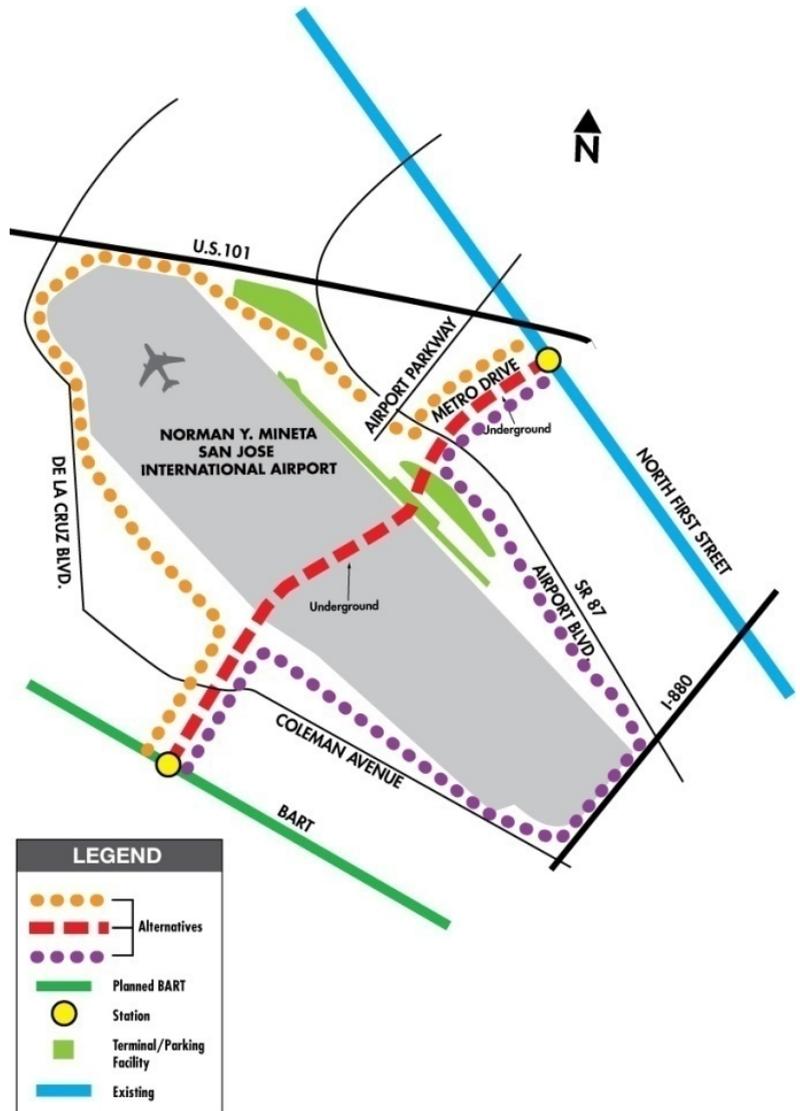
VTA funds are specific to a connection between the Airport terminals and Caltrain/BART and Light Rail, and not any pre-determined technology.

### Project Status:

Project Development

### Activity This Fiscal Year:

The City of San Jose engaged a team of consultants including ARUP to lead planning, and a federally funded research center firm, Aerospace, to assess the viability of Personal Rapid Transit (PRT) technology for San Jose Mineta International Airport.



# Programwide

## Measure A Programwide

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2010	\$0.64
FY2011	(0.64)
<b>Total Expenditures through FY2011</b>	<b>\$0.00</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 2011 activities.