

## **BOARD OF DIRECTORS MEETING**

Friday, September 17, 2021

9:00 a.m.

**\*VIDEO AND TELECONFERENCE MEETING ONLY\***

### **ADDENDUM TO AGENDA**

**4.1.A.X** Threat to Public Services or Facilities  
[Government Code Section 54957(a)]

Consultation with Richard Bertalan, Chief Information Technology Officer

**4.1.A.XX** Conference with Legal Counsel - Existing Litigation  
[Government Code Section 54956.9(d)(1)]

Name of Case: Romo v. Santa Clara Valley Transportation Authority (Workers Compensation Appeals Board, ADJ 14745130)

**4.1.A.XXX** Conference with Legal Counsel - Existing Litigation  
[Government Code Section 54956.9(d)(1)]

Name of Case: Balleza v. Santa Clara Valley Transportation Authority (Workers Compensation Appeals Board, ADJ1 4897666)

**4.1.A.XXXX** Conference with Legal Counsel - Anticipated Litigation  
[Government Code Section 54956.9(d)(2)]

Significant Exposure to Litigation

No. of Cases: 8 from primary surviving dependents of the May 26, 2021, event at Guadalupe Light Rail Facility

## BOARD OF DIRECTORS MEETING

Friday, September 17, 2021

9:00 AM

### **\*TELECONFERENCE AND VIDEO CONFERENCE MEETING ONLY\***

Until further notice and pursuant to California Governor Gavin Newsom's Executive Order N-08-21, the VTA Board of Directors will convene a teleconference and video conference meeting only.

The meeting will be streamed through VTA's YouTube channel:

<https://www.youtube.com/watch?v=ZVg4U5Udx0w> and through: <https://us02web.zoom.us/j/82327379246>

Call in: (one-tap): US: +16692192599,,82327379246# or +16699009128,,82327379246#

Call in: (telephone): US: +1 669 219 2599 or +1 669 900 9128 Webinar ID: 823 2737 9246

Technology limitations may limit the ability to receive verbal public comments during the meeting. We request the public to submit their comments by 3:00 p.m. on September 16, 2021 to [board.secretary@vta.org](mailto:board.secretary@vta.org). Instructions for participating in the teleconference will be posted on [VTAs website](#).

### **WORKSHOP AGENDA**

To help you better understand, follow, and participate in the meeting, the following information is provided:

- Persons wishing to address the Board of Directors on any item on the agenda are requested to submit their written comments by 3:00 p.m. on September 16, 2021 to [board.secretary@vta.org](mailto:board.secretary@vta.org).
- Persons who wish to address the Board of Directors during the teleconference meeting are encouraged to visit VTA's website, [bit.ly/vta-board-agendas](http://bit.ly/vta-board-agendas) for instructions. Speakers are asked to limit their comments to 1 minute. ***The amount of time allocated to speakers may vary at the Chairperson's discretion depending on the number of speakers and length of the agenda.***

In accordance with the Americans with Disabilities Act (ADA) and Title VI of the Civil Rights Act of 1964, VTA will make reasonable arrangements to ensure meaningful access to its meetings for persons who have disabilities and for persons with limited English proficiency who need translation and interpretation services. Individuals requiring ADA accommodations should notify the Board Secretary's Office at least 48-hours prior to the meeting. Individuals requiring language assistance should notify the Board Secretary's Office at least 72-hours prior to the meeting. The Board Secretary may be contacted at (408) 321-5680 or \*e-mail: [board.secretary@vta.org](mailto:board.secretary@vta.org) or (408) 321-2330 (TTY only). VTA's home page is on the web at: [www.vta.org](http://www.vta.org) or visit us on  Facebook at: [www.facebook.com/scvta](http://www.facebook.com/scvta). (408) 321-2300: 中文 / Español / 日本語 / 한국어 / tiếng Việt / Tagalog.

There will be no physical location for the September 17, 2021 VTA Board of Directors' Workshop Meeting. All reports for items on the open meeting agenda are available on VTA's Website: [www.vta.org](http://www.vta.org).

You can use this link to access the meeting: <https://us02web.zoom.us/j/82327379246>.

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**1. CALL TO ORDER AND ROLL CALL**

- 1.1. Roll Call

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**2. WORKSHOP ITEMS**

- 2.1. INFORMATION ITEM - Receive presentation from staff on zero-emission bus transition scenarios.
- 2.2. INFORMATION ITEM - Receive the FY 2017 - FY 2019 and FY 2020 2016 Measure B Annual Reports.

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**3. OTHER ITEMS**

- 3.1. ANNOUNCEMENTS

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**4. CLOSED SESSION**

- 4.1. Recess to Closed Session
- A. Conference with Legal Counsel – Anticipated Litigation  
[Government Code Section 54956.9(d)(2)]
- Significant Exposure to Litigation
- No. of Cases: 1
- 4.2. Reconvene to Open Session
- 4.3. Closed Session Report

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**5. ADJOURN**

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Date: September 9, 2021  
 Current Meeting: September 17, 2021  
 Board Meeting: N/A

## **BOARD MEMORANDUM**

**TO:** Santa Clara Valley Transportation Authority  
 Board of Directors

**THROUGH:** General Manager/CEO, Carolyn M. Gonot

**FROM:** Chief Planning and Programming Officer, Deborah Dagang

**SUBJECT:** Zero-Emission Bus Strategy

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### **FOR INFORMATION ONLY**

#### **EXECUTIVE SUMMARY:**

- Per California Air Resources Board regulation, the Santa Clara Valley Transportation Authority (VTA) must transition to a fully zero-emission bus fleet by 2040 and the transition must begin in 2023.
- All zero-emission technologies present new costs, risks and service impacts to VTA.
- Staff has developed six zero-emission bus scenarios with projected impacts to transit service, capital costs and operating costs.
- Staff is seeking input to develop a consensus around a specific zero-emission technology strategy.
- Staff has outlined an approach to purchase battery-electric buses in the near term for shorter service blocks while a decision on which technology is best for long service blocks would be made in the mid/late 2020s when more information will be known.

#### **STRATEGIC PLAN/GOALS:**

VTA's Strategic Plan prioritizes delivering fast, frequent and reliable transit service as well as transitioning toward more environmentally sustainable operations. In order to achieve these goals, VTA will need to develop a zero-emission bus strategy that maintains or improves our service operations while ensuring VTA's source energy reduces pollution.

#### **BACKGROUND:**

In 2018, the California Air Resources Board (CARB) passed the Innovative Clean Transit Regulation requiring transit operators in the state to transition to fully zero-emission bus fleets by 2040. The regulation has two goals: (1) to improve air quality and (2) to spur investment in zero-

emission technologies by heavy vehicle manufacturers that can spread to other industries, like commercial trucking.

The regulation sets escalating purchasing targets for buses that begin in 2023. In 2023, twenty-five percent of any buses purchased that year must be zero-emission. That target grows to one hundred percent in 2029, making 2028 the last year a transit operator could purchase a non-zero-emission bus. Buses purchased in 2028 are expected to have reached the end of their useful life and be retired by 2040.

Two technologies (battery-electric bus and hydrogen fuel cell bus) have been approved by CARB. Both technologies carry new costs, new risks and new impacts to VTA's service delivery model.

Below is a brief primer on the two approved technologies and their challenges.

### Zero-Emission Bus Background

#### *Battery-Electric Bus Basics*

Battery-electric buses store their energy in onboard batteries and are charged over several hours at bus depots, a process known as depot-charging. Depot-charging has its limitations, as standard battery-electric buses can only store enough energy to travel approximately 150 miles per charge. Some VTA hybrid-diesel buses currently travel more than 300 miles in a day. Depot-charging can be augmented by on-route charging, a strategy where the bus visits in-the-field fast chargers, partially replenishing the battery throughout the day.

Battery technology has improved in recent years, but it is unclear how much room for technology advancement remains. Improvements in the energy density (electrical charge held per pound of battery) appear to have plateaued while opportunities for small efficiency improvements in temperature management and battery architecture may be possible.

The cost of battery production has decreased, and manufacturers are now achieving range increases by putting more batteries onboard buses, but that strategy has limitations. Battery-laden buses are pushing up against vehicle weight limits, resulting in decreased passenger capacities and less efficient energy use since they must carry a heavy battery on board the bus.

As a pilot program to test battery-electric technology, VTA currently operates a fleet of five depot-charged battery-electric buses that will grow to 10 soon.

#### *Hydrogen Fuel Cell Bus Basics*

Hydrogen fuel cell buses are electric buses, but instead of storing their energy in a battery, it is stored in the form of compressed hydrogen in onboard tanks. The hydrogen is converted to electricity as the bus travels, powering the bus. Fueling for hydrogen is quick, like diesel fueling, and hydrogen buses can travel about 300 miles per fueling. Hydrogen fueling stations are run on electrical power.

VTA operated a hydrogen fuel-cell bus pilot project in the mid-2000s that identified many issues. Shortcomings of the pilot included high costs, short travel ranges, fueling inefficiency and low durability of hydrogen fuel-cell components. Since then, hydrogen fuel-cell technology has improved considerably, and hydrogen fuel-cell buses are growing in use.

### *Zero-Emission Bus Challenges*

Neither technology can match the low-cost, operational convenience, or mileage range of diesel bus operations. Both technologies will introduce new costs, complexities, and risks to VTA's transit service delivery, potentially resulting in a less reliable service or fewer hours of service offered to the public. However, these technologies are evolving and the market for vehicles, infrastructure and energy are likely to change as manufacturers realize economies of scale, markets for zero-emission technology grow and the nation's transition to greener energy continues.

Transit agencies across California and the nation are doing their best to navigate this shifting and uncertain terrain. Some transit agencies are employing pilots of different technologies to find the right fit while other transit agencies warn of committing to new technologies too early, which could result in an agency finding itself saddled with obsolete technology and an inability to order replacement parts. The industry consensus favors taking a cautious approach and making decisions based on the most current information while accepting some sunken costs.

To date, VTA has pledged to meet the 2040 goal and has explored how the two technologies could be implemented but has not committed to a specific strategy. Both technologies are new and evolving and it is uncertain where travel ranges, capital costs and operating costs will eventually land. However, with 2023 nearing, VTA will soon need to choose a course of action, at least for near-term implementation.

### **DISCUSSION:**

In December 2020, VTA's Board of Directors adopted the Zero-Emission Bus Rollout Plan. The plan, which was required by CARB, stated VTA's commitment to meet the 2040 goal, identified how each technology could be applied to reach that goal and provided partial capital cost estimates. It did not commit VTA to any specific technology strategy or expense, but it set the stage for making those decisions.

Since the adoption of the Bus Rollout Plan, staff has undertaken a more detailed evaluation on potential service impacts and cost analysis of each technology. The goal of this work is to develop a handful of specific technology/infrastructure scenarios.

In May and June, staff sought input from VTA committees regarding how to prioritize the potential impacts of transitioning to zero-emission buses. Three scenarios were presented: (1) depot-charged battery-electric bus, (2) on-route-charged battery-electric bus and (3) hydrogen fuel cell bus. Committees were asked how to prioritize (a) minimizing costs, (b) risks and service impacts, (c) whether VTA should prefer higher near-term costs for overall cost savings and (d)

how much resiliency infrastructure to incorporate in the scenarios.

VTA committees did not express a collective preference regarding prioritization of the issues, cost-savings versus cost-deferral nor resiliency. However, they provided two valuable insights that informed the development of future scenarios:

- Rather than trying to determine a plan for 2023 through 2040, can VTA approach this decision in smaller blocks of time and develop just a near-term strategy?
- Can VTA evaluate blended technology strategies instead of applying just one technology?

Following committee input, staff simplified the approach to developing scenarios, focusing only on the technologies and setting infrastructure scale and implementation considerations aside for later discussion.

### Zero-Emission Bus Scenarios

Staff has developed six zero-emission bus scenarios. Additionally, a scenario that envisions continued hybrid-diesel operation has been developed to be used as a point of comparison. The scenarios are described below.

- 1) Hybrid-Diesel Scenario - VTA continues operating hybrid-diesel service. This is not a viable scenario but serves as a point of comparison.
- 2) 150-Mile Depot-Charged Battery-Electric Bus Scenario - Presently, VTA's battery-electric bus fleet can reliably achieve around 150 miles per charging. This scenario assumes that the range does not improve over time.
- 3) 220-Mile Depot-Charged Battery-Electric Bus Scenario - Assumes that battery technology advances to make 220-mile ranges realistic.
- 4) 270-Mile Depot-Charged Battery-Electric Bus Scenario - This range is achieved by storing more batteries onboard the bus. It features several drawbacks such as heavy vehicle weight, limited passenger capacity and inefficient energy use.
- 5) Battery-Electric Bus with On-Route Charging Scenario - This scenario envisions augmenting depot-charged battery-electric buses with on-route charging to support longer service blocks.
- 6) Combination Battery-Electric Bus and Hydrogen Fuel Cell Bus Scenario - This scenario assumes depot-charged battery-electric buses would operate VTA's shorter service blocks and hydrogen fuel cell buses operate the longer service blocks.
- 7) Hydrogen Fuel Cell Bus Scenario - This scenario assumes a 100% hydrogen fuel-cell bus fleet.

### Service Impact Considerations

Below is VTA's initial analysis on the impact each scenario would have on VTA's service.

#### *Travel Ranges and Fleet Size*

VTA's service delivery model employs many long service blocks, which makes travel range a leading concern with zero-emission bus technologies. A service block is the distance a bus travels between leaving the bus depot and returning to the bus depot. About 50 percent of VTA service blocks (accounting for about 75 percent of the miles VTA buses operate) are longer than the 150-mile limit that VTA's depot-charged battery-electric buses currently achieve. Some VTA service blocks exceed 300 miles.

These range limitations have implications for the size of VTA's bus fleet. For example, if VTA pursues a fleetwide depot-charged battery-electric bus strategy and travel ranges do not improve above 150 miles, VTA will need to buy two battery-electric buses for each hybrid-diesel bus it retires for long service blocks. That would increase the fleet size from around 400 buses to around 600 buses, resulting in increased vehicle costs and requiring new bus storage. It would also introduce a complexity to operations as buses would need to swap in and out of service throughout the day to recharge. Missteps in managing bus charging could result in missed or delayed pullouts, hurting service reliability. Time spent traveling to/from the bus depot to retrieve a fully-charged bus would come at the expense of revenue service, effectively a small service cut to riders.

To assess the impacts of travel ranges on the size of the fleet needed, VTA scheduled its pre-pandemic service within the range constraints of each technology. The outcomes are shown in the table below. In some cases, scheduling adjustments were able to bring longer service blocks under 270 miles, allowing for 1 to 1 bus replacement ratios.

Table: Travel Ranges, Fleet Sizes and Service Quantity

Scenario	Range Limit	Bus Replacement Ratio	Fleet Size	Revenue Hours (% of Current)
1) Hybrid-Diesel	400 miles	1 to 1	400	100%
2) 150-Mile DC BEB	150 miles	1.5 to 1	600	98%
3) 220-Mile DC BEB	220 miles	1.12 to 1	450	99%
4) 270-Mile DC BEB	270 miles	1 to 1	400	100%
5) DC BEB + On-Route Charging	No limit	1 to 1	400	100%
6) DC BEB + Hydrogen Fuel Cell	300 miles	1 to 1	400	100%
7) Hydrogen Fuel Cell	300 miles	1 to 1	400	100%

### Operating Complexity and Service Impacts

Simple operations are preferred to complex operations because there are fewer variables that can go wrong and result in negative service impacts. Hybrid-diesel bus operation is relatively simple because it uses a proven technology, the buses have no travel range concerns, several days of fuel are in reserve and the buses can be fueled quickly inside the bus depot. None of the zero-emission bus technologies are as proven as diesel and many carry new complexities like swapping buses in and out of service, requiring real-time fleetwide charging management, being dependent on in-the-field charging infrastructure and having no backup energy storage.

The table below provides a high-level assessment of the operating complexity and risk to service reliability of each scenario.

**Table: Operational Impacts**

Scenario	Operating Complexity	Service Reliability Risk
1) Hybrid-Diesel	very low	very low
2) 150-Mile DC BEB	high	high
3) 220-Mile DC BEB	medium	medium
4) 270-Mile DC BEB	low	low
5) DC BEB + On-Route Charging	medium	medium
6) DC BEB + Hydrogen Fuel Cell	medium	low
7) Hydrogen Fuel Cell	low	medium

### Cost Considerations

#### *17-Year Cost Estimates*

Staff developed 17-year cost estimates for each of the scenarios, which are shown in the table below. Capital cost inputs are based on CARB-recommended cost estimates for vehicles and infrastructure as well as costs extrapolated from VTA's initial battery-electric bus efforts. Operational cost inputs are based on a recent report from AC Transit that compared the costs of their different zero-emission bus technology pilots. The estimates should be viewed as high-level estimates as the cost of vehicles, infrastructure, fuel and fuel delivery are subject to change over the next two decades.

**Table: 2023 - 2040 Cost Estimates (\$2021)**

Scenario	Buses	Infrastructure	Fuel	Total Cost
1) Hybrid-Diesel	\$490 M	-	\$120 M	\$610 M
2) 150-Mile DC BEB	\$910 M	\$190 M	\$110 M	\$1,210 M
3) 220-Mile DC BEB	\$690 M	\$90 M	\$110 M	\$880 M
4) 270-Mile DC BEB	\$610 M	\$80 M	\$110 M	\$790 M
5) DC BEB + On-Route Charging	\$610 M	\$100 M	\$110 M	\$810 M
6) DC BEB + Hydrogen Fuel Cell	\$650 M	\$60 M	\$140 M	\$860 M
7) Hydrogen Fuel Cell	\$720 M	\$30 M	\$200 M	\$940 M

#### *Funding Outlook*

The six zero-emission bus scenarios represent increases in cost of \$200 million to \$600 million compared to continuing hybrid-diesel bus operation over the 17-year estimate period. Presently, state grants and credits earned through CARB's low carbon fuel standards program (VTA receives revenue from carbon offset purchased by polluters) are envisioned as primary sources of funding for these new costs but may not cover them entirely. The availability of future grants is difficult to project, and the low carbon fuel standards credits are not intended to be a permanent source of revenue.

Several additional considerations that are relevant to zero-emission bus transition such as source energy, utility support, battery production and recycling, on-site energy generation, resiliency

and disaster response are discussed in Attachment A.

### Staff's Suggested Approach for Zero-Emission Bus Transition

Staff favors developing a near-term implementation plan covering approximately five years to grow the depot-charged battery-electric bus fleet and install charging infrastructure at each of VTA's bus depots. Those buses would be deployed on VTA's shorter service blocks where travel range limits are not a concern. VTA would also pursue grant opportunities to fund on-site energy generation and backup energy storage solutions as they become available.

During this time, VTA will monitor and analyze the progress of zero-emission buses technology and the experience of other operators. In the mid/late 2020s, VTA would make a subsequent decision for which technology is best for longer service blocks. This approach has several benefits:

#### *Flexibility*

Except for the hydrogen fuel cell bus scenario (#7), the first few years of the zero-emission bus scenarios presented in this memo are identical. In scenarios #2, #3, #4, #5 and #6, VTA would purchase battery-electric buses that use a depot-charging strategy and deploy them on shorter service blocks in the near-term. This gives VTA time to become more familiar with battery-electric bus operations while retaining the option to adjust our strategy should technological advancement, changes in cost or operating experience dictate so.

#### *Lower Costs and Risks*

Battery-electric buses are less expensive than hydrogen fuel cell buses and the supporting charging infrastructure can be added incrementally so there is no risk of installing infrastructure that will not be fully used. In comparison, hydrogen fueling stations come in 50 or 100-bus scales. The cost per mile of electricity is about half that of hydrogen and the market for electricity is much larger and more stable than hydrogen. That provides a degree of price certainty, especially if VTA can lock into an agreement with an electrical utility. Lastly, VTA staff is already familiar with battery-electric bus operations and can build on its existing knowledge base rather than invest time and resources in learning a new technology.

Table: 5-Year Cost Estimates (\$2021)

Scenario	Buses	Infrastructure	Fuel	Total Cost
1) Hybrid-Diesel	\$170 M	-	\$35 M	\$205 M
2) 150-Mile DC BEB	\$170 M	\$35 M	\$30 M	\$235 M
3) 220-Mile DC BEB	\$170 M	\$35 M	\$30 M	\$235 M
4) 270-Mile DC BEB	\$170 M	\$35 M	\$30 M	\$235 M
5) DC BEB + On-Route Charging	\$170 M	\$35 M	\$30 M	\$235 M
6) DC BEB + Hydrogen Fuel Cell	\$170 M	\$35 M	\$30 M	\$235 M
7) Hydrogen Fuel Cell	\$205 M	\$15 M	\$60 M	\$280 M

Table: 5-Year Operational Impacts

Scenario	Operating Complexity	Service Reliability Risk
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1) Hybrid-Diesel	Very Low	Very Low
2) 150-Mile DC BEB	Low	Low
3) 220-Mile DC BEB	Low	Low
4) 270-Mile DC BEB	Low	Low
5) DC BEB + On-Route Charging	Low	Low
6) DC BEB + Hydrogen Fuel Cell	Low	Low
7) Hydrogen Fuel Cell	Low	Medium

*No Change to Transit Service Quantity*

Deploying depot-charged battery-electric buses on VTA’s shorter service blocks will not require any additional deadheading (time spent traveling to/from the bus depot while not serving the public) and will therefore not result in any reduction in service to the riding public.

Table: 5-Year Fleet Size and Service Impact Estimates

Scenario	Range Limit	Bus Replacement Ratio	Fleet Size	Revenue Hours (% of Current)
1) Hybrid-Diesel	400 Miles	1 to 1	400	100%
2) 150-Mile DC BEB	150 Miles	1 to 1	400	100%
3) 220-Mile DC BEB	220 Miles	1 to 1	400	100%
4) 270-Mile DC BEB	270 Miles	1 to 1	400	100%
5) DC BEB + On-Route Charging	No limit	1 to 1	400	100%
6) DC BEB + Hydrogen Fuel Cell	300 Miles	1 to 1	400	100%
7) Hydrogen Fuel Cell	300 Miles	1 to 1	400	100%

**CLIMATE IMPACT:**

The transition to a zero-emission bus fleet has the potential to improve air quality by removing diesel vehicles from the road. However, the climate impact of transitioning to a zero-emission bus fleet should be evaluated within the context of the entire energy supply chain. Ultimately, to assess the climate impact, VTA will need to determine if the electricity and/or hydrogen used to power the fleet derives from renewable sources like wind, water and solar or non-renewable sources like oil, gas and coal. The decision about the cleanliness of VTA’s source energy is independent to the decision about which zero-emission technology strategy is best for VTA.

**COMMITTEE COMMENTS:**

The Technical Advisory Committee received this presentation on September 8, 2021 and asked clarifying questions about the lifespan of buses and cost projections. The Committee offered general statements of support for the strategic approach draft proposal to pursue a 5-year depot-charged battery-electric bus plan.

The Citizens Advisory Committee received this presentation on September 8, 2021 and asked clarifying questions about bus lifespans, the margin of error in the cost projections, the relationship between zero-emission technologies and service planning and the potential for

sharing access to hydrogen facilities with other entities. The Committee supported the strategic approach draft proposal and encouraged VTA to move toward using greener sources of energy, noting the mutual connection with improving air quality and decreasing environmental harm.

The Committee for Transit Mobility and Accessibility received this presentation on September 9, 2021 and asked clarifying questions about battery lifespans, hydrogen safety, bus storage capacity at bus depots, electrical infrastructure upgrades, funding opportunities for zero-emission transition (grants) and battery-electric bus designs and onboard battery storage. In addition, the Committee requested that staff prepare a list of zero-emission bus manufacturers and photos of battery-electric batteries and provide it to the Committee. The Committee was supportive of the strategic approach draft proposal and encouraged staff to report back on zero-emission bus transition progress in the future.

The Policy Advisory Committee received this presentation on September 9, 2021 and asked clarifying questions about opportunities to partner with municipalities or private entities that operate private bus fleets, the greenness of hydrogen, where on-route chargers might be located in the future and the lifespan and disposal of batteries. The Committee strongly emphasized the importance of thinking beyond just meeting the zero-emission goal and of making sure the energy that VTA consumes becomes greener. The greenness of VTA's energy is independent of the zero-emission bus transition planning effort but is a relevant concern that the Board may address through separate policy decisions. The Committee also requested that future analysis evaluate the cradle-to-grave environmental impact of the bus and bus components.

Prepared By: Adam Burger  
Memo No. 7899

## Additional Considerations

In addition to service impacts, there are many additional considerations that transit agencies need to analyze. These issues range from source energy to utility considerations to resiliency.

### *Source Energy*

The CARB regulation focuses on vehicle emissions but does not address the source of energy used to power the bus, which could be renewable (wind, water or solar) or non-renewable (oil, coal or gas). VTA's 2020 Sustainability Plan identifies reducing the consumption of natural resources, reducing the creation of greenhouse gases and reducing the generation of pollution from transit operations as main goals. Independent of the zero-emission bus effort, VTA will need to make decisions regarding the balance of renewable/non-renewable energy it consumes in the future.

### *Utility Support*

If VTA pursues a strategy that includes battery-electric buses, the agency's electricity needs would increase considerably and require capacity upgrades to the electrical grid at/near VTA bus depots. PG&E would fund and maintain the upgrades but would require that VTA purchase a minimum amount of electricity to recoup the upgrade cost. While utility capacity upgrades can be done incrementally, having a clear sense for the scale and timing of VTA's electrical needs at each bus depot can help both parties develop a mutually beneficial agreement.

### *Battery Production and Recycling*

Battery production and recycling have environmental and humanitarian concerns. Earth metals used to make batteries - particularly cobalt - have been traced to unsafe mining, exploitative labor practices and environmentally-harmful processing in some countries. Verifying that battery components only come from ethical sources is difficult.

Battery recycling consists of grinding up old batteries then using chemical treatments to extract reusable materials. Battery recycling for private automobiles is a growing industry but one that is not expected to keep pace with demand. Battery recycling for buses has not yet developed a profitable market as the amount of recyclable components relative to material processed is worse than car batteries. Some amount of subsidy will be needed to make bus battery recycling viable but it is unclear who will pay for it. European regulations require the manufacturer to cover the cost of recycling, effectively rolling it into the vehicle cost, but no such requirement exists for American buses at this time.

### *On-Site Energy Generation*

Multiple options exist for generating energy at VTA bus yards. These strategies can lower the amount of external energy VTA must purchase as well as provide some level of resiliency in case of a loss of energy supply. They would complement the zero-emission bus transition but have not been included in the scenarios.

For electrical generation, solar panels with on-site battery storage are a promising option. This infrastructure can be funded by VTA or through a public-private partnership where the partner builds and maintains the infrastructure and VTA purchases electricity from them at a below-market rate.

Hydrogen can be generated from other forms of energy and two options, steam methane reformation and electrolysis, are used by some transit agencies. Both options extract hydrogen as a byproduct from expending energy, but the hydrogen they produce is only as green as the source energy.

### *Resiliency*

VTA may want to plan for ways to continue operating transit service if access to energy is temporarily lost. Losing access to energy will affect each technology differently.

For depot-charged buses to be charged during a power outage, VTA would need to draw electricity from on-site backup batteries. These systems, known as microgrids, can be installed at different scales depending on the amount of energy storage desired.

For on-route-charged battery-electric buses, there is not a good backup solution. The buses are dependent on in-the-field chargers and it is not cost-effective to build in backup systems at each location.

For hydrogen fuel-cell buses, the hydrogen is stored on-site in a multi-day reserve, but the hydrogen fueling stations require electricity to operate. Backup energy storage in the form of a microgrid or diesel-powered generator may be appropriate to keep fueling working.

### *Disaster Response*

In the event of a widespread or prolonged emergency, VTA may be called upon to provide buses for emergency shelter, transportation, or other situations, potentially well-outside of Santa Clara County. In such instances, longer travel ranges and fueling compatibility with transit services at/near the emergency site are preferable.

# Zero-Emission Bus Strategy

## Board of Directors Workshop

September 2021

# Zero-Emission Bus Planning Milestones

2018	CARB Innovative Clean Transit Regulation
Dec 2020	VTA Bus Rollout Plan
May 2021	VTA Committee Priorities Input
Sept 2021	VTA Committee Scenario Input
<b>Sept 2021</b>	<b>Board Workshop Scenario Input</b>
End 2021	Board Action Item
2022-2023	Implementation Planning

# Hybrid-Diesel Bus (Current Fleet)



Diesel Fuel/Electric Motor

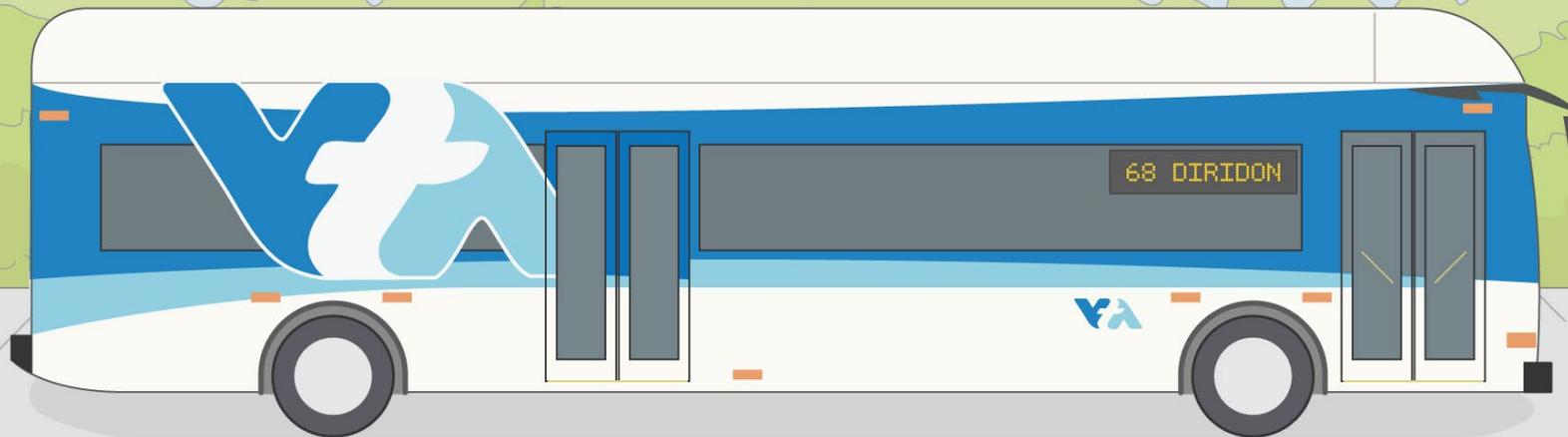
Emits Tailpipe Pollution

Simple Operations

Noisy

400-Mile Range

\$800K/Bus



# Battery-Electric Bus (BEB)



Uses Battery Power

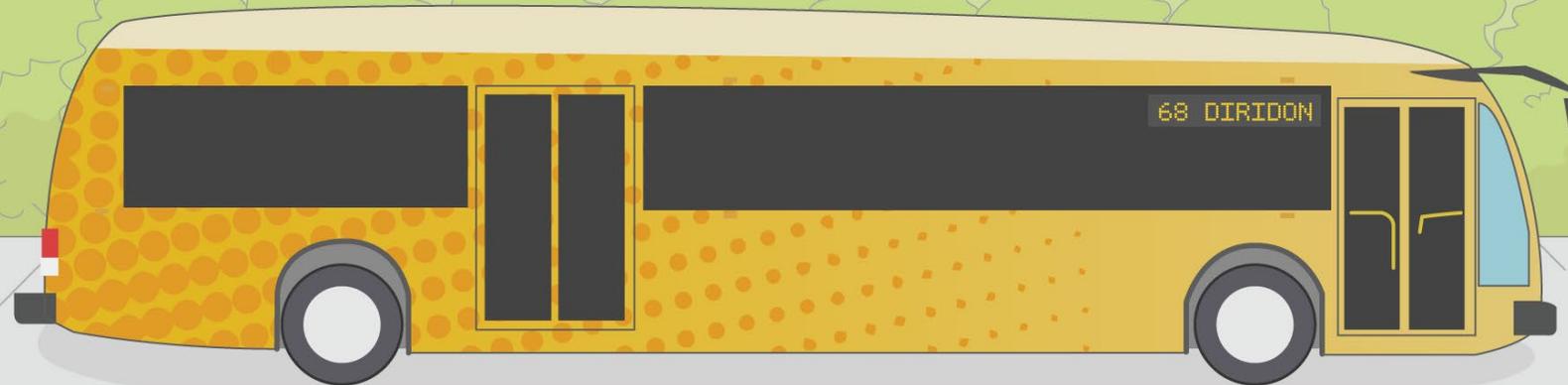
Zero-Emission

On-Route Charging Option

Quiet

150-Mile Depot-Charged Range

\$1M/Bus





# Hydrogen Fuel Cell Bus

Uses Hydrogen

Zero-Emission

Simple Operations

Quiet

300-Mile Range

\$1.2M/Bus



# Zero-Emission Bus Scenarios



1) Hybrid-Diesel Bus



2) 150-Mile Battery-Electric Bus



3) 220-Mile Battery-Electric Bus



4) 270-Mile Battery-Electric Bus

} Depot-Charged

# Zero-Emission Bus Scenarios



5) Battery-Electric Bus + On-Route Charging



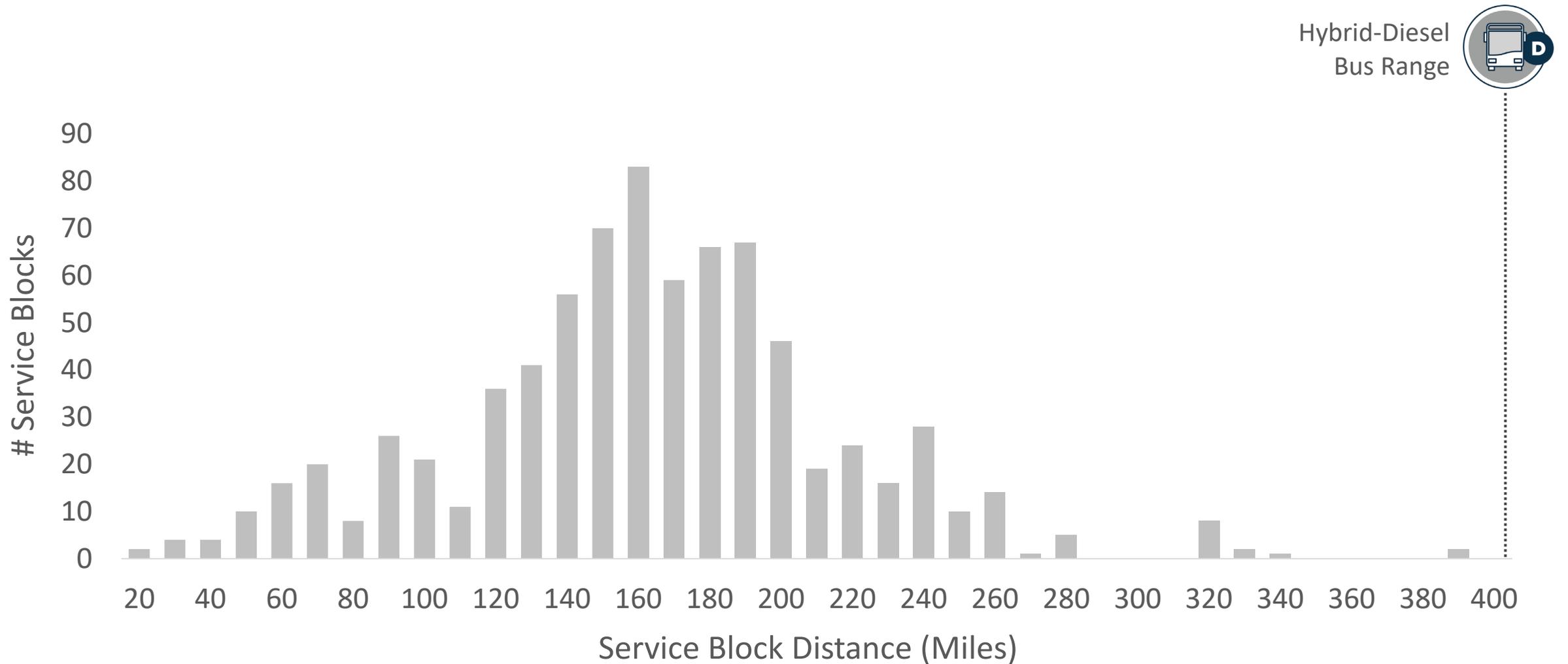
6) Battery-Electric Bus + Hydrogen Fuel Cell Bus



7) Hydrogen Fuel Cell Bus

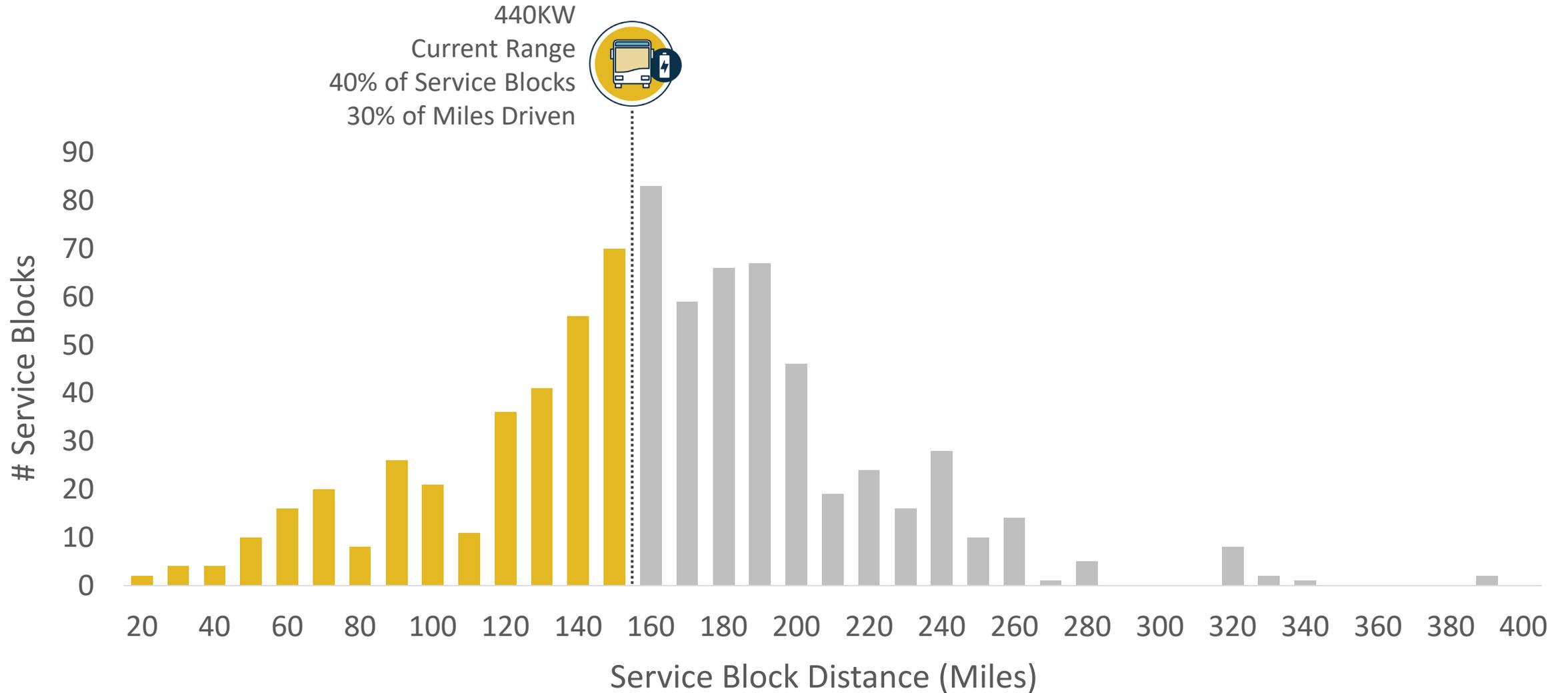
# 1) Hybrid-Diesel Scenario

PRE-PANDEMIC SERVICE, SERVICE BLOCK = DISTANCE A BUS TRAVELS BETWEEN LEAVING AND RETURNING TO DEPOT



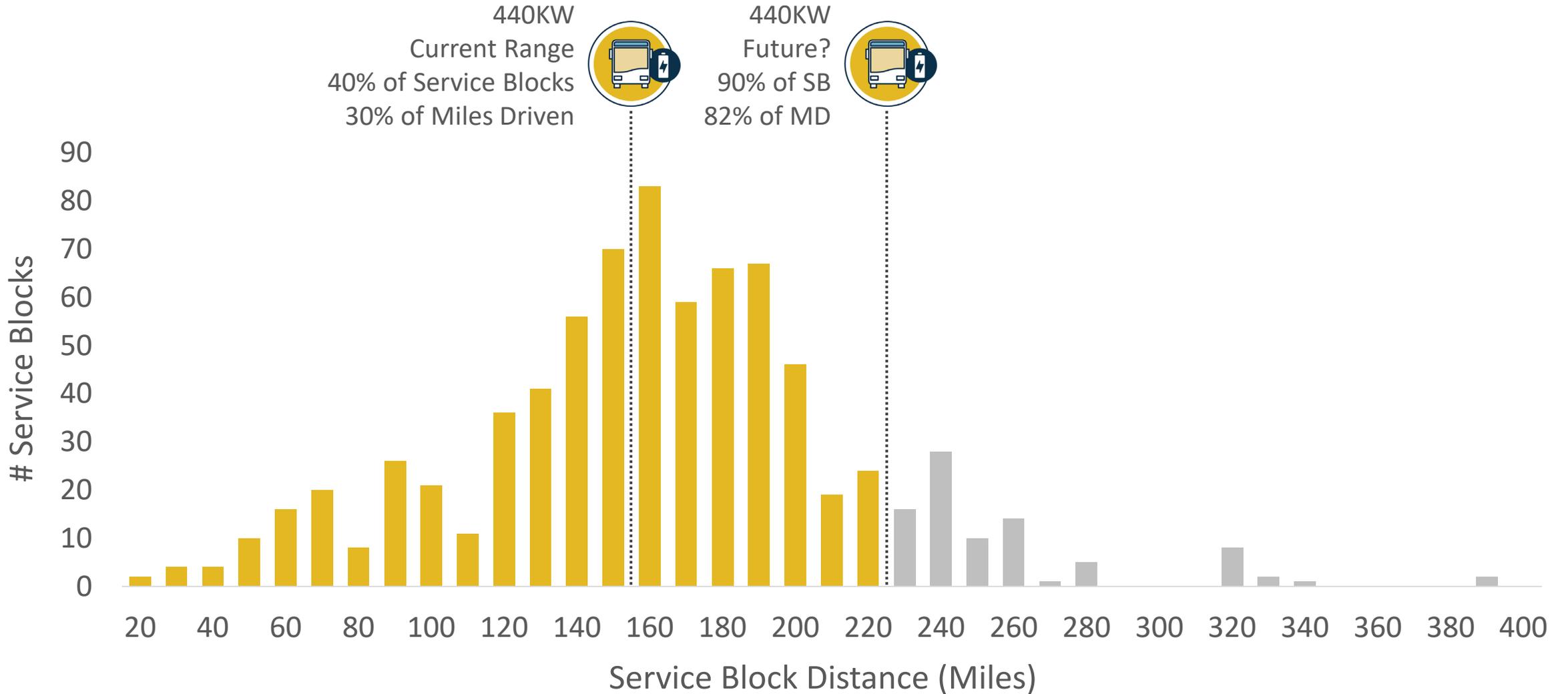
# 2) 150-Mile DC BEB Scenario

BATTERY-ELECTRIC BUSES USING DEPOT-CHARGING



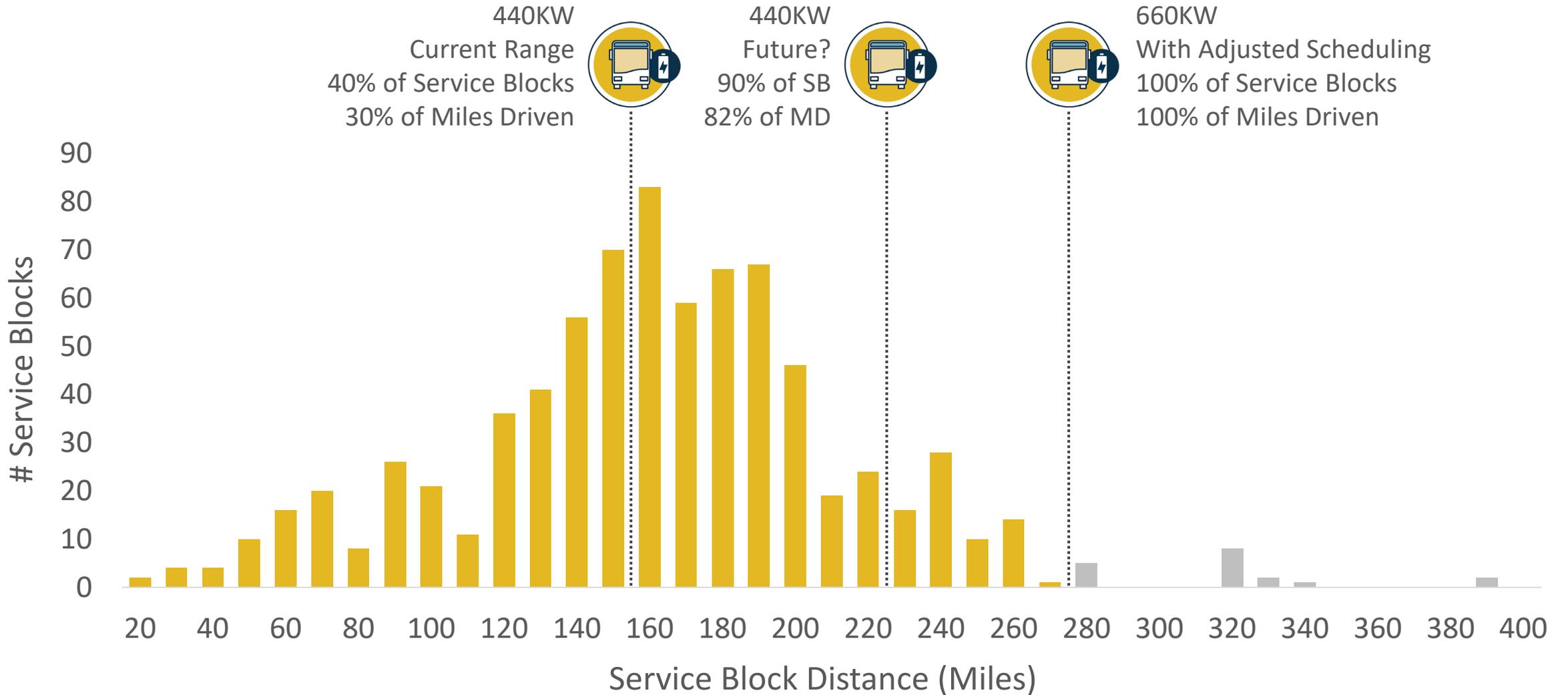
# 3) 220-Mile DC BEB Scenario

BATTERY-ELECTRIC BUSES USING DEPOT-CHARGING



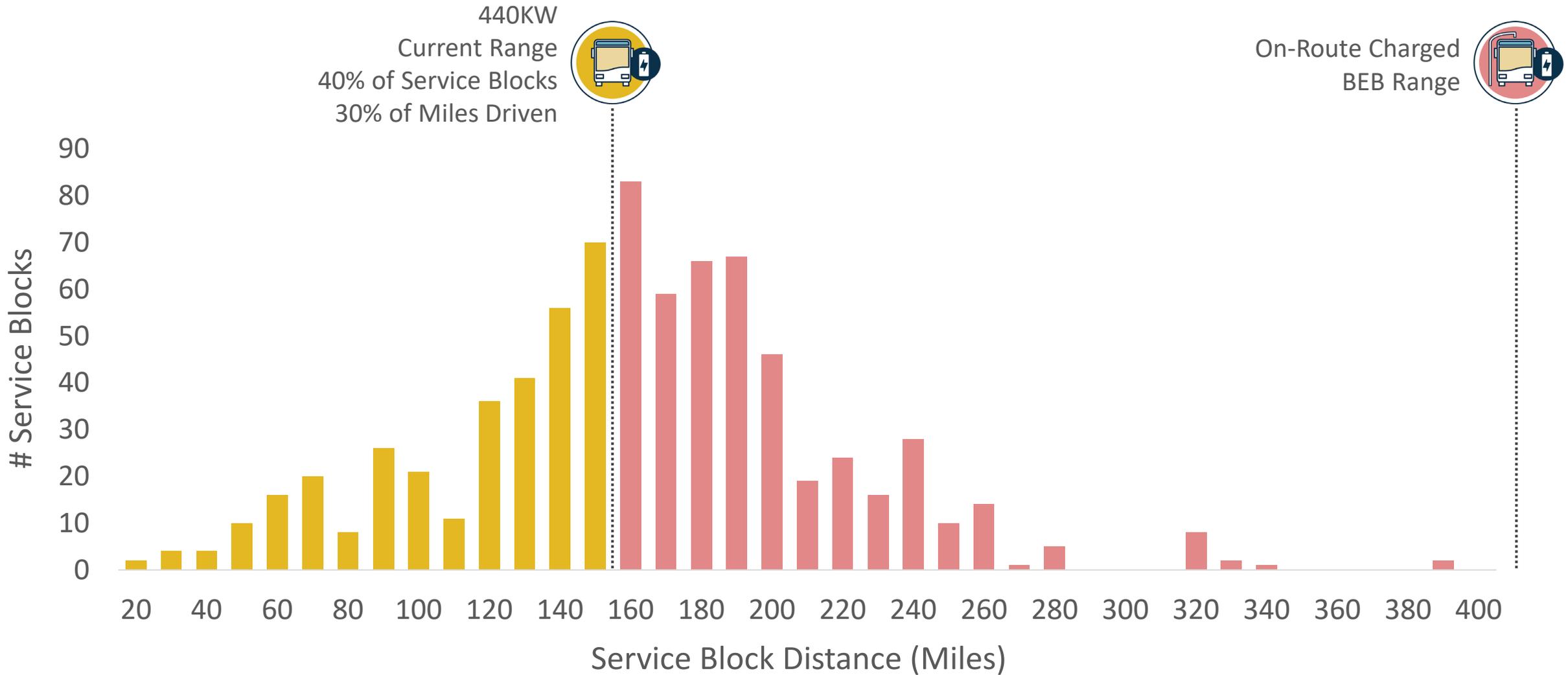
# 4) 270-Mile DC BEB Scenario

BATTERY-ELECTRIC BUSES USING DEPOT-CHARGING



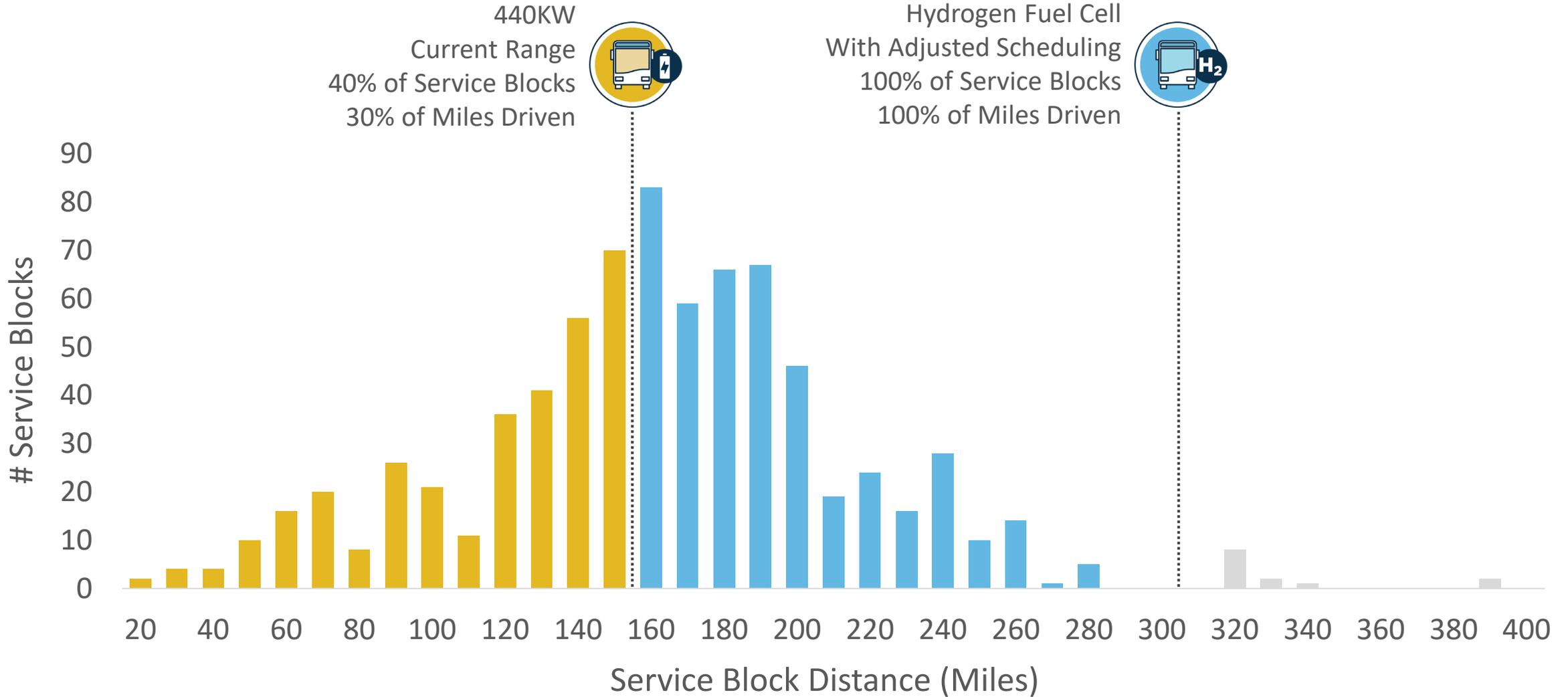
# 5) DC BEB + On-Route Charging Scenario

SHORT SERVICE BLOCKS USE DEPOT-CHARGING ONLY, LONG SERVICE BLOCKS USE DEPOT CHARGING AND ON-ROUTE CHARGING



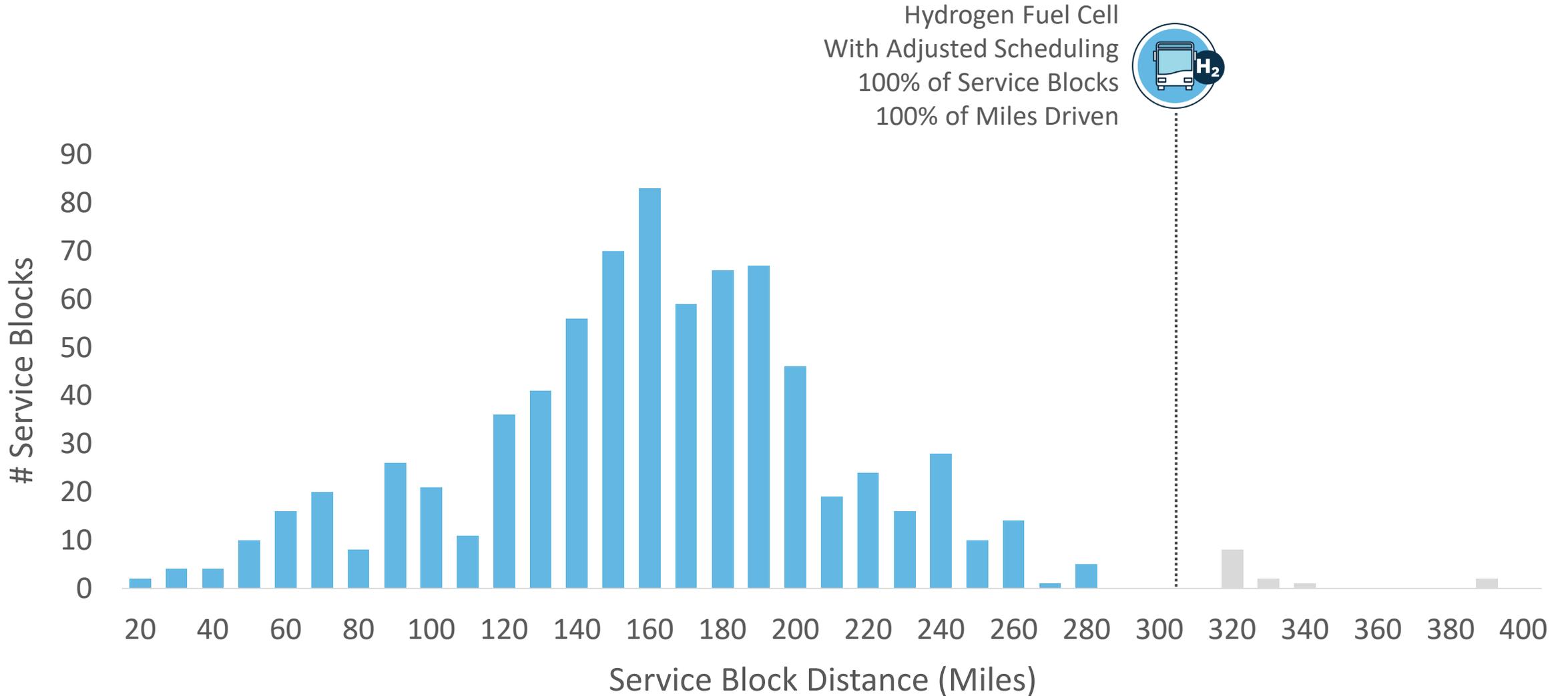
# 6) DC BEB + Hydrogen Fuel Cell Bus Scenario

SHORT SERVICE BLOCKS USE DEPOT-CHARGED BATTERY-ELECTRIC BUSES, LONG SERVICE BLOCKS USE HYDROGEN FUEL CELL BUSES



# 7) Hydrogen Fuel Cell Bus Scenario

HYDROGEN FUEL CELL BUSES USED ON ALL SERVICE BLOCKS



# Fleetwide Application: Service Impacts

Scenario	Range Limit	Bus Replacement Ratio	Fleet Size
1) Hybrid-Diesel	400 Miles	1 to 1	400
2) 150-Mile Battery-Electric Bus	150 Miles	1.5 to 1	600
3) 220-Mile Battery-Electric Bus	220 Miles	1.12 to 1	450
4) 270-Mile Battery-Electric Bus	270 Miles	1 to 1	400
5) BEB + On-Route Charging	Infinite	1 to 1	400
6) BEB + Hydrogen Fuel Cell	300 Miles	1 to 1	400
7) Hydrogen Fuel Cell	300 Miles	1 to 1	400

# Fleetwide Application: Operating Complexity

Scenario	Operating Complexity	Service Reliability Risk
1) Hybrid-Diesel	Very Low	Very Low
2) 150-Mile Battery-Electric Bus	High	High
3) 220-Mile Battery-Electric Bus	Medium	Medium
4) 270-Mile Battery-Electric Bus	Low	Low
5) BEB + On-Route Charging	Medium	Medium
6) BEB + Hydrogen Fuel Cell	Medium	Low
7) Hydrogen Fuel Cell	Low	Medium

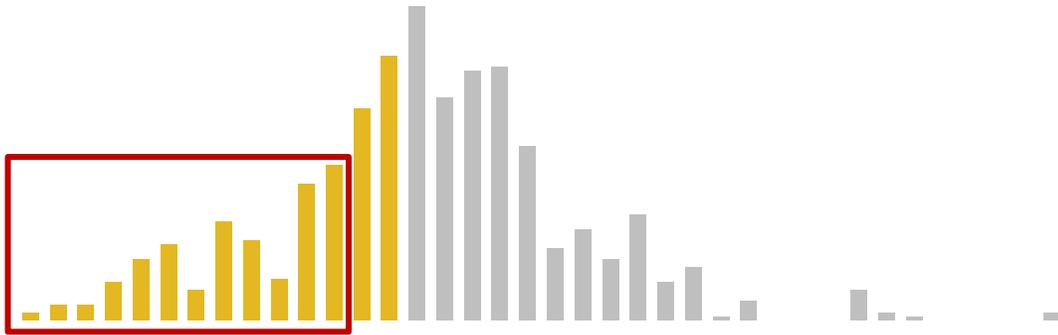
# Fleetwide Application: 2023-2040 Cost Estimates

(2021 MILLIONS \$)

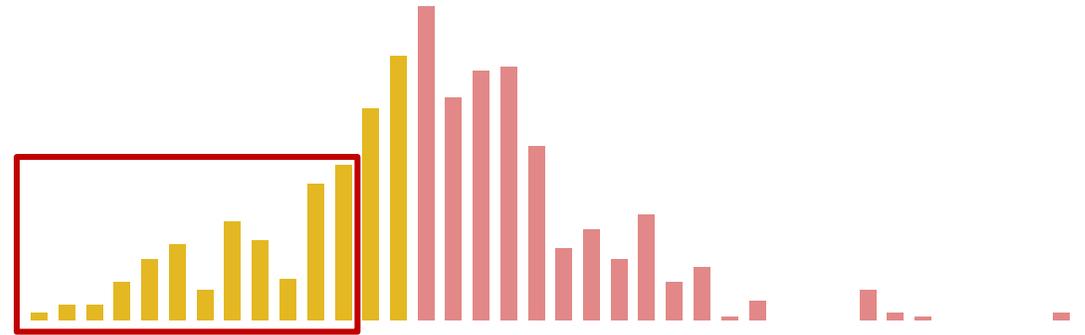
Scenario	Buses	Charging/ Fueling Infrastructure	Fuel	Total Cost
1) Hybrid-Diesel	\$490	-	\$120	<b>\$610</b>
2) 150-Mile Battery-Electric Bus	\$910	\$190	\$110	<b>\$1,210</b>
3) 220-Mile Battery-Electric Bus	\$690	\$90	\$110	<b>\$880</b>
4) 270-Mile Battery-Electric Bus	\$610	\$80	\$110	<b>\$790</b>
5) BEB + On-Route Charging	\$610	\$100	\$110	<b>\$810</b>
6) BEB + Hydrogen Fuel Cell	\$650	\$60	\$140	<b>\$860</b>
7) Hydrogen Fuel Cell	\$720	\$30	\$200	<b>\$940</b>

# First 5 Years of ZEB Scenarios

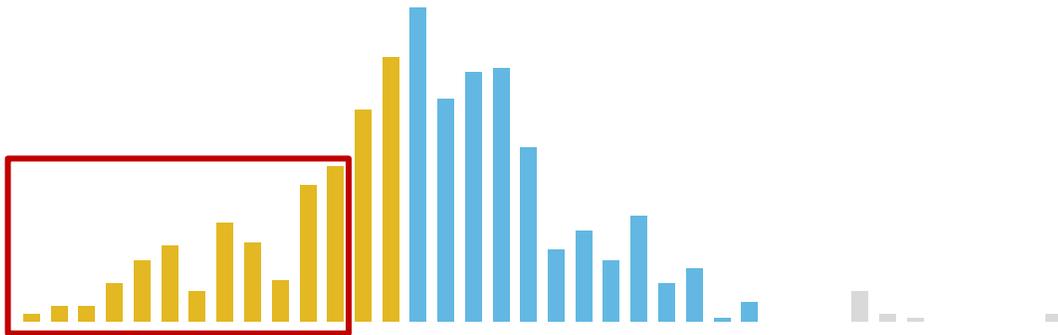
BATTERY-ELECTRIC BUS SCENARIOS (#2, #3, #4)



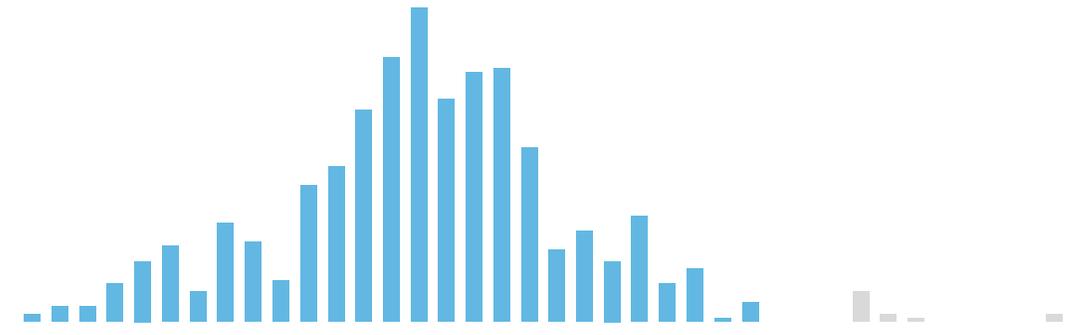
BATTERY-ELECTRIC BUS + ON-ROUTE CHARGING SCENARIO (#5)



BATTERY-ELECTRIC BUS + HYDROGEN SCENARIO (#6)



HYDROGEN SCENARIO (#7)



# 5-Year Projections: Service Impacts

Scenario	Range Limit	Bus Replacement Ratio	Fleet Size
1) Hybrid-Diesel	400 Miles	1 to 1	400
2) 150-Mile Battery-Electric Bus	150 Miles	1 to 1	400
3) 220-Mile Battery-Electric Bus	220 Miles	1 to 1	400
4) 270-Mile Battery-Electric Bus	270 Miles	1 to 1	400
5) BEB + On-Route Charging	Infinite	1 to 1	400
6) BEB + Hydrogen Fuel Cell	300 Miles	1 to 1	400
7) Hydrogen Fuel Cell	300 Miles	1 to 1	400

# 5-Year Projections: Operating Complexity

Scenario	Operating Complexity	Service Reliability Risk
1) Hybrid-Diesel	Very Low	Very Low
2) 150-Mile Battery-Electric Bus	Low	Low
3) 220-Mile Battery-Electric Bus	Low	Low
4) 270-Mile Battery-Electric Bus	Low	Low
5) BEB + On-Route Charging	Low	Low
6) BEB + Hydrogen Fuel Cell	Low	Low
7) Hydrogen Fuel Cell	Low	Medium

# 5-Year Projections: Cost Estimates

(2021 MILLIONS \$)

Scenario	Buses	Charging/ Fueling Infrastructure	Fuel	Total Cost
1) Hybrid-Diesel	\$170	-	\$35	<b>\$205</b>
2) 150-Mile Battery-Electric Bus	\$170	\$35	\$30	<b>\$235</b>
3) 220-Mile Battery-Electric Bus	\$170	\$35	\$30	<b>\$235</b>
4) 270-Mile Battery-Electric Bus	\$170	\$35	\$30	<b>\$235</b>
5) BEB + On-Route Charging	\$170	\$35	\$30	<b>\$235</b>
6) BEB + Hydrogen Fuel Cell	\$170	\$35	\$30	<b>\$235</b>
7) Hydrogen Fuel Cell	\$205	\$15	\$60	<b>\$280</b>

# 5-Year Strategic Approach – Draft Proposal

## Near-Term Depot-Charged Battery Electric Bus Plan

- Initial Deployment on Short Service Blocks
- Make Long Service Block Decision in Mid/Late 2020s
- Flexibility to adapt approach
- Lower costs and risks for initial implementation
- No change in transit service

# Future Considerations

Funding Strategy

Source Energy

On-Site Energy Generation

Resiliency and Disaster Response

Utility Support

Battery Production and Recycling

Capacity at Bus Yards

Training

Facility Planning

# Advisory Committee Comments

## Supportive of 5-Year Strategic Approach

Minimize environmental impact of transit operations.

- Purchase green/renewable energy.
- Understand cradle-to-grave environmental impacts of bus manufacturing, battery manufacturing and recycling.
- Incorporate this analysis in implementation planning.

# Zero-Emission Bus Planning Milestones

2018	CARB Innovative Clean Transit Regulation
Dec 2020	VTA Bus Rollout Plan
May 2021	VTA Committee Priorities Input
Sept 2021	VTA Committee Scenario Input
<b>Sept 2021</b>	<b>Board Workshop Scenario Input</b>
End 2021	Board Action Item
2022-2023	Implementation Planning

- Clarifying questions
- Input on 5-year strategic approach



Date: September 9, 2021  
 Current Meeting: September 17, 2021  
 Board Meeting: October 7, 2021

## **BOARD MEMORANDUM**

**TO:** Santa Clara Valley Transportation Authority  
 Board of Directors

**THROUGH:** General Manager/CEO, Carolyn M. Gonot

**FROM:** Interim Chief Financial Officer, Kathleen Kelly

**SUBJECT:** 2016 Measure B FY 2017 - FY 2019 and FY 2020 Annual Reports

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### **FOR INFORMATION ONLY**

#### **EXECUTIVE SUMMARY:**

- The 2016 Measure B FY 2017 - FY 2019 and FY 2020 Annual Reports summarize the progress of 2016 Measure B projects and programs within a specific fiscal year, including an overview on the revenue, expenses and program highlights during the fiscal year.
- With an exception to the first annual report summarizing three fiscal years into a single report, the 2016 Measure B Annual Report will be issued annually moving forward.

#### **STRATEGIC PLAN/GOALS:**

The 2016 Measure B Program (Program) supports VTA's strategic business line to deliver projects and programs to address the existing, evolving multimodal needs of Silicon Valley. 2016 Measure B provides funding for nine transportation categories that assist in addressing "the current and evolving multimodal needs of Silicon Valley" as stated in the Strategic Plan.

#### **BACKGROUND:**

On November 8, 2016, the voters of Santa Clara County approved, with over two-thirds vote, Measure B, a 30-year, 1/2 cent sales tax measure supporting transportation projects and services. Nine program categories of transportation projects are funded by 2016 Measure B. These program categories are as follows:

- Local Streets & Roads
- BART Phase II

- Bicycle/Pedestrian
- Caltrain Grade Separations
- Caltrain Corridor Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor
- Transit Operations

VTA provides regular updates to our stakeholders and, more importantly, the public through the 2016 Measure B transparency website and monthly summary reports to the VTA Board and committees. These provide information on development of the Program and the spending of Program funds. To provide a more comprehensive and detailed report of the Program activities throughout a fiscal year, the 2016 Measure B Program office provides annual reports to the public. The annual reports summarize the activities and financial information of the Program for a fiscal year (FY) (July 1<sup>st</sup> to June 30<sup>th</sup>). The first report covers FY 2017 through FY 2019, as Program activities were limited due to a lawsuit. Beginning with FY20, subsequent reports cover one fiscal year.

### **DISCUSSION:**

The annual reports provide an overview of the Program history, components, and revenues and expenditures for FY 2017 through FY 2019 and FY 2020, respectively.

Each annual report incorporates the findings of the 2016 Measure B Performance Audit, conducted independently by Moss Adams LLP for each fiscal year. The performance audits for the reporting periods were accepted by the 2016 Measure B Citizens' Oversight Committee at their March 24, 2021, meeting.

The annual reports are accessible to the public on both the 2016 Measure B transparency website and the 2016 Measure B webpage on VTA's website. Both reports are in the process of being translated to Spanish, Vietnamese, Korean, Chinese (Traditional), and Russian and will be made available once completed.

Key highlights from FY 2017 - FY 2019 are:

- The Board of Directors approved the FY 2018 and FY 2019 Biennial Budget and the 2016 Measure B Complete Streets reporting requirements.
- The 2016 Measure B Citizens' Oversight Committee was formed, member appointments approved and the first meeting convened on December 5, 2017.
- Local Streets & Roads Program Category:
  - Developed and executed Master Agreements with Member Agencies.

- Bicycle & Pedestrian:
  - Began development of competitive grant criteria for Capital and Planning Projects.
  - Developed and executed Master Agreements with Member Agencies for Education & Encouragement activities.
- Caltrain Grade Separation:
  - Work on the Implementation Plan began.
- Caltrain Corridor Capacity Improvements:
  - Board approved FY 2018 and FY 2019 budget increase of \$4.3M to repurpose six MP-36 Caltrain locomotives to support increased service to Morgan Hill and Gilroy.
- Highway Interchanges:
  - Allocated funding for 20 projects in various stages of development.
- County Expressways:
  - County began developing an implementation plan and prioritization of projects. Development of funding agreements began.
- SR 85 Corridor:
  - Completion of the Transit Guideway Study.
  - Initial planning and feasibility analysis for results of the Transit Guideway Study began.
- Transit Operations:
  - Draft framework for the Innovative Transit Service Models competitive grant program approved.

Key highlights from FY 2020 are:

- 2016 Measure B Citizens' Oversight Committee Compliance Auditor Services contract awarded.
- Began development of the 10-year Program.
- Launched 2016 Measure B transparency website.
- Local Streets & Roads Program Category:
  - Executed Master Funding Agreements.
  - Received and reviewed FY 2020 annual documentation from Member Agencies.

- Bicycle & Pedestrian:
  - Board of Directors approved the 10-year priority project list for capital projects; Execution of funding agreements with project sponsors begins.
  - Began reviewing proposed Program of Projects for Education and Encouragement activities.
- Caltrain Grade Separation:
  - Board authorized agreement execution with City of Mountain View and Peninsula Corridor Joint Powers Board to deliver the Castro Street Grade Separation Project.
  - Work continued on Implementation Plan.
- Caltrain Corridor Capacity Improvements:
  - Board approved the program allocation increase by \$4.3M for the Diridon Station Integrated Concept Plan Phase II and Caltrain Corridor-wide Grade Crossing Policy efforts.
  - Work continued on Diridon Integrated Station Concept Plan Phase I.
- Highway Interchanges:
  - Began development of the Noise Abatement program.
  - Work began on US 101/Blossom Hill Road Interchange project and Calaveras Blvd Near-Team Improvement and Mathilda Ave Landscaping project.
- County Expressways
  - Execution of cooperative agreement with County of Santa Clara for County Expressway Program Category funds.
  - Execution of funding agreement with City of Morgan Hill for the Santa Teresa-Hale Corridor Road and Trail between Dewitt and Main (Phase I) project.
- Transit Operations:
  - Board approved Innovative Transit Service Models Competitive Grant Program criteria.

Prepared By: Triana Crighton  
Memo No. 7904



# Annual Report

FY 2017-  
FY 2019



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# 1. Executive Summary

True to VTA's mission, *"Solutions that move you"*, the **2016 Measure B Program** provides funding opportunities for transportation planning, infrastructure, and education and outreach activities throughout Santa Clara County. With nine different categories, 2016 Measure B works with cities and the County of Santa Clara to create solutions for diverse local transportation concerns – from walking and biking to innovative transit connectivity. The 2016 Measure B Program aids in the delivery of voter-supported projects and initiatives through both competitive and non-competitive funding pools.

This annual report details the progress of the 2016 Measure B Program from April 1, 2017 – when the sales tax was first collected, to June 30, 2019 – the end of the fiscal year 2019, detailing the measure's inception, developed programs, and funding allocations and expenditures. Additionally, it highlights Program achievements – such as the creation and adoption of the Program Category Guidelines and explains certain technical processes – such as the allocation to payment process.

VTA looks forward to continued collaboration with the community and our partners to deliver 2016 Measure B eligible programs and projects throughout Santa Clara County.

## 2. Introduction: What is 2016 Measure B?

Santa Clara County voters approved **2016 Measure B**, a 30-year, half-cent countywide sales tax to enhance transit, highways, expressways, and active transportation (bicycles, pedestrians, and Complete Streets) in November 2016. The measure passed by nearly 72%, the highest level of support for any Santa Clara County transportation sales tax. 2016 Measure B Program funds are available to Member Agencies – local jurisdictions that are signatories of the Congestion Management Agency (VTA)'s Joint Powers Agreement. This includes all cities within the county, Santa Clara County, and the Santa Clara Valley Transportation Authority. Program funds are divided into nine different Program Categories, as introduced to voters in the ballot language. These nine Program Categories are:

- Local Streets & Roads
- BART Phase II
- Bicycle & Pedestrian
- Caltrain Grade Separation
- Caltrain Corridor Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor
- Transit Operations

Member Agencies may access 2016 Measure B Program funds for projects that fit within the Program Category guidelines – which are detailed in Section 5.1 of this report.

At the time of 2016 Measure B's passage, it was anticipated to generate \$6.3 billion in 2017 dollars over the next 30 years. The actual revenues to be received over the 30-year life of the tax will be affected by various economic factors, such as inflation and economic growth or decline. Collection of the tax began on April 1, 2017.

## 2.1 History

- **Poll Results**

After the VTA Board of Directors adopted a resolution to place the measure on the ballots on June 24, 2016, it was successfully placed on the November 8, 2016 General Election ballot. The measure garnered 487,539 "YES" votes out of a total of 679,596 votes – resulting in a 72% approval rate (see Appendix 10.1 for ballot language).

- **Lawsuit**

Following the election, an individual challenged the validity of the 2016 Measure B Sales Tax – a hurdle that would last nearly two years, causing delays in implementation and distribution of funds. On October 18, 2018, the California 6th District Court of Appeal decided to throw out the lawsuit. The decision was appealed to the State Supreme Court, where the appeal was rejected on January 23, 2019.

## 2.2 Citizens' Oversight Committee

The 2016 Measure B ballot measure language specified that the revenues and expenditures of the Program would be reviewed by an independent citizens' oversight committee appointed by the VTA. The purpose of the committee is to ensure that the funds are being expended consistent with the approved Program. The 2016 Measure B Citizens' Oversight Committee (2016 MBCOC) is comprised of eight members appointed from defined areas of expertise and that possess required experience – the VTA Board of Directors' approved the appointment process for the 2016 MBCOC at the March 2, 2017 meeting.

The ballot requires the committee to have annually have an audit conducted by an independent auditor that reviews the receipt of revenue and expenditure of funds. In May 2020, the 2016 MBCOC approved awarding a contract to Moss Adams LLP to provide compliance/performance auditor services to the committee.

Due to substantial delay in program implementation resulting from the court challenges, at its July 2020 meeting the 2016 MBCOC approved the recommendation that the first audit be a combined process covering the first three fiscal years: FY 2017 (April 1 - June 30, 2017), FY 2018 (July 1, 2017 - June 30, 2018), and FY 2019 (July 1, 2018 - June 30, 2019). The 2016 MBCOC accepted the FY 2017 – FY 2019 Performance Audit Report at their March 24, 2021 meeting. The FY 2017 – 2019 Performance Audit Report may be accessed [here](#) on [vta.org](http://vta.org). More details regarding the 2016 MBCOC can be found in Appendix 10.3. In addition to the audit, the MBCOC is responsible for holding an annual public hearing to inform residents on how Program funds are being spent, as well as issue their own annual report. The MBCOC's annual report may be accessed at [vta.org](http://vta.org) under the ["Citizens Oversight Committee" section](#) or on the 2016 Measure B Transparency Website, under ["Administration"](#).

### 3. Program Tax Revenues

Tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management, are referred to as **Program Tax Revenues**.

Using the dollar amounts identified for each Program Category in the ballot, ratios for each Program Category were calculated – which are then used to calculate future allocations and to determine the appropriate distribution of 2016 Measure B funds to each Program Category over the life of the measure.

The nine Program Categories ratios are calculated by dividing the identified amount of the Program Category on the measure with the total projected 2016 Measure B Program Tax Revenues.

**Program Category ratio = Program Category amount ÷ Total projected 2016 Measure B Program Tax Revenue amount**

Example:

1. Total projected 2016 Measure B Program Tax Revenue: \$6.3 Billion in 2017 dollars
2. Local Streets & Roads (LSR) Program Category amount: \$1.2 Billion in 2017 dollars
3. LSR ratio = \$1.2 Billion ÷ \$6.3 Billion
4. LSR percentage share of total 2016 Measure B Program Tax Revenues = 19.05%

**Percentage Share of Program Tax Revenues by Program Category**

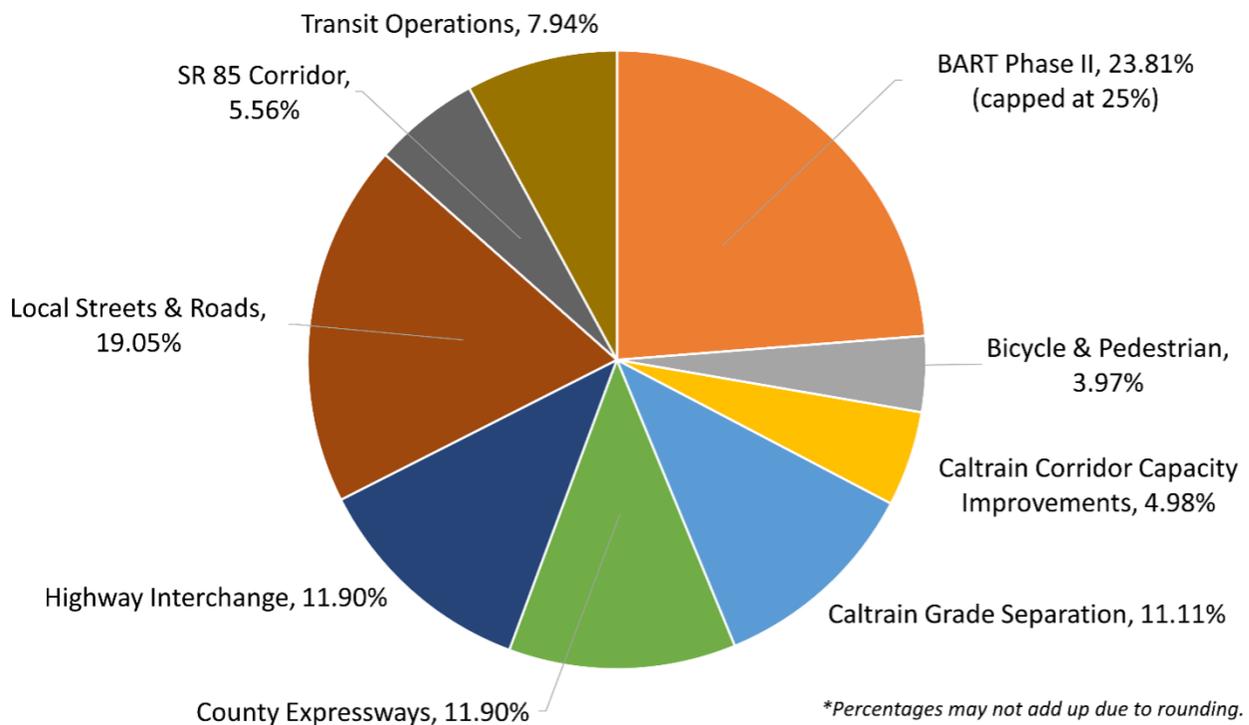


Figure 3.1 – Figure shows a breakdown of Program Tax Revenues by Program Category.

## 4. Program Revenues Received through FY 2019

2016 Measure B revenues include net receipts from sales in Santa Clara County collected by the California Department of Tax and Fee Administration (CDTFA) and any income earned on the receipts.

Sales tax revenue collection for 2016 Measure B started on April 1, 2017, and the measure will continue collecting revenue through March 31, 2047. VTA's fiscal year (FY) begins on July 1 and ends on June 30 of the following calendar year, and is referred to by the year the period ends (for example, FY 2019 is July 1, 2018 to June 30, 2019).

### 4.1 Total Receipts through June 30, 2019

2016 Measure B Sales Tax Revenues by Fiscal Year	
Fiscal Year	Net Receipts
FY 2017*	\$50,126,395
FY 2018	\$205,963,666
FY 2019	\$236,663,888
<b>Total</b>	<b>\$492,753,949</b>

\*April 1, 2017 to June 30, 2017 only.

### 4.2 Total Income Earned through June 30, 2019

2016 Measure B Sales Tax Revenues by Fiscal Year	
Fiscal Year	Net Receipts
FY 2017*	\$0
FY 2018	\$0
FY 2019	\$4,970,762
<b>Total</b>	<b>\$4,970,762</b>

Income earned is "interest income, unrealized gains/losses, and trading gains/losses...[and] derived from three primary sources: short, mid, and long-term investment portfolios." (VTA CAFR 2019).

### 4.3 Program Tax Revenues through FY 2019

Program Tax Revenues through FY 2020				
	FY 2017	FY 2018	FY 2019	Total
Revenue Earned	\$50,126,395	\$205,963,666	\$236,663,888	\$492,753,949
Income Earned	\$0	\$0	\$4,970,762	\$4,970,762
<b>Sub-total</b>	<b>\$50,126,395</b>	<b>\$205,963,666</b>	<b>\$241,634,650</b>	<b>\$497,724,711</b>
Administration Expenditures	-\$0	-\$1,663,020	-\$744,124	-\$2,407,144
<b>Program Tax Revenue Total</b>	<b>\$50,126,395</b>	<b>\$204,300,646</b>	<b>\$240,890,526</b>	<b>\$495,317,567</b>

The table on the following page highlights the Program Category allocations as their ballot-established ratio of the Program Tax Revenues and as a percentage of Program Tax Revenues

through the end of the fiscal year. It is important to note that the ballot-established ratios are based on the 30-year life of the Measure, and the Program Category allocation ratios shown at the end of a fiscal year are a snapshot in time. Program Category allocations will fluctuate over the 30 years, and this will be reflected in the ratios that are shown at the end of a fiscal year.

Program Category Allocations as Percentage Share of Program Tax Revenues			
Program Category	Allocation through FY2019	% of Program Tax Revenues through FY 2019*	% of Program Tax Revenues (Ballot Measure Language)**
Local Streets & Roads	\$90,000,000	18.17%	19.05%
BART Phase II	\$0	0%	23.81%
Bicycle & Pedestrian	\$16,600,000	3.36%	3.97%
Caltrain Grade Separation	\$7,000,000	1.41%	11.11%
Caltrain Corridor Capacity Improvements	\$6,300,000	1.27%	4.98%
Highway Interchanges	\$87,000,000	17.56%	11.9%
County Expressways	\$50,000,000	10.09%	11.9%
SR 85 Corridor	\$12,000,000	2.42%	5.56%
Transit Operations	\$33,300,000	6.72%	7.94%

\* Calculated by taking the total allocation through FY 2019 and dividing it by the total Program Tax Revenue through FY 2019.

\*\* Note: The 2016 Measure B ballot measure language identifies Program Tax Revenue ratios for the life of the measure, not by fiscal year. See Section 3 for details.

## 5. Program Categories

There are nine Program Categories within the 2016 Measure B Program – three of which include subcategories. Figure 5.1 presents an overall summary of 2016 Measure B Program Categories, differentiated by allocation types. Allocation types are formula-based and need/capacity-based, which are differentiated below. Three of the Program Categories – Local Streets & Roads, Bicycle & Pedestrian, and Transit Operations – have sub-categories whose funds are distributed either through a formula process, competitive application process, or a need/capacity-based selection process.

VTA's budget encompasses two fiscal years. The Biennial Budget for FY 2018 and FY 2019 was adopted by the Board of Directors in June 2017. The Board of Directors approved a \$4.3 million increase in the Caltrain Corridor Capacity Improvement program category budget for FY 2018 and FY 2019 at their June 2018 meeting. The approved budget for fiscal years 2018 and 2019 is shown below – some Program Categories and sub-categories have budgets that span the two fiscal years while others have budgets per fiscal year. These budgets are available at the beginning of the first

fiscal year in the biennial budget. Similar to a capital budget, appropriation for the program will not expire at the end of the fiscal year and will be carried forward until the 2016 Measure B Program is completed.

		FY2018	FY 2019
<b>Administrative Costs</b>		\$3.30M	\$3.30M
<b>Program Category</b>			
<b>Formula-Based</b>	<b>Local Streets &amp; Roads</b>	\$50.00M	\$40.00M
	<b>Transit Operations</b>		
	Enhance Core Network	\$12.00M	\$12.00M
	Innovative Transit Models	\$3.00M	
	Expand Mobility & Affordable Fares	\$2.50M	
	Improve Amenities	\$1.30M	
	<b>Bicycle &amp; Pedestrian</b>		
	Education/Encouragement	\$2.50M	
	Capital Projects	\$13.33M	
	Planning Studies	\$0.83M	
<b>Need/Capacity-Based</b>	<b>BART Phase II</b>	\$0.00M	
	<b>Caltrain Grade Separation</b>	\$7.00M	
	<b>Caltrain Corridor Capacity Improvements</b>	\$6.30M	
	<b>SR 85 Corridor</b>	\$12.00M	
	<b>County Expressways</b>	\$50.00M	
	<b>Highway Interchanges</b>	\$87.00M	
<b>Total:</b>		<b>\$308.86M</b>	

## 5.1 Program Category Guidelines

In order to administer each of the nine Program Categories, VTA established guidelines that outline the distribution (or allocation) of funds for each Program Category (and its subsequent sub-categories if applicable), implementation steps, and project and program criteria and requirements. The VTA Board of Directors adopted the nine Program Categories in fall 2017 and can modify the Program Category Guidelines as needed.

The Program Category Guidelines establish two types of distribution of 2016 Measure B funds: formula-based and need/capacity-based. Formula-based distribution means funds are distributed each fiscal year, as best as possible, by multiplying the program category's ballot-established ratio and the projected Program Tax Revenue of that fiscal year. Need/capacity-based distribution means the projects are allocated funding based on 2016 Measure B funding capacity, project readiness, and timing of project funding need.

## 2016 Measure B Program Categories

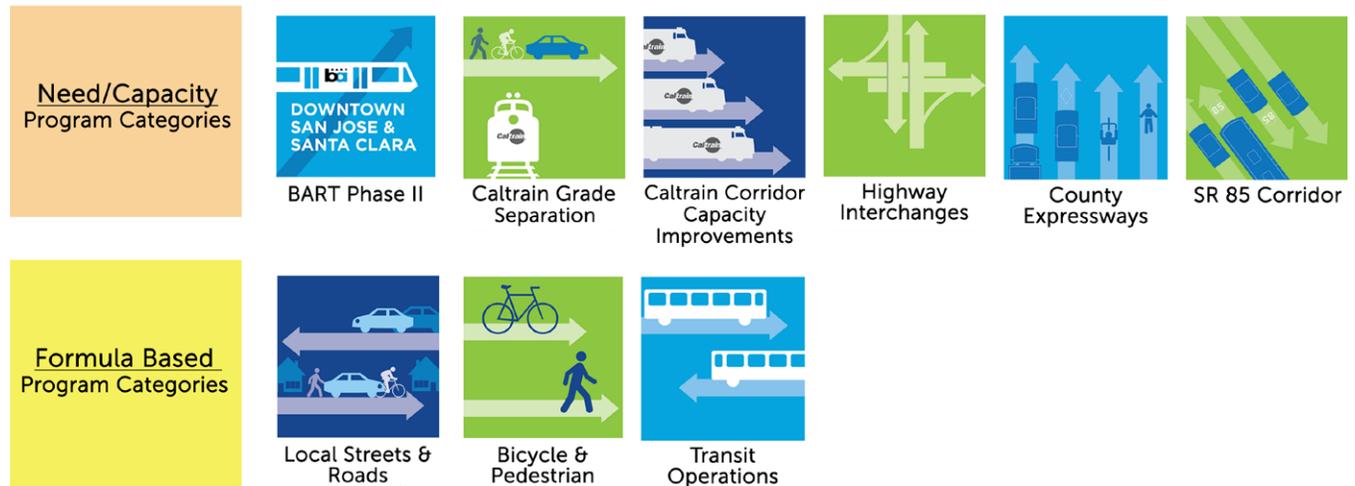


Figure 5.1 – 2016 Measure B Program Categories.

See Appendix 10.2 for Program Category Guidelines for details such as project eligibility.

The nine Program Categories eligible for 2016 Measure B funds and their ratios of the Program Tax Revenues are:



### Local Streets and Roads: 19.05%

This category distributes funds according to a population-based formula and Santa Clara County's road and expressway lane mileage. This category dedicates funds to be used for repair and maintenance of street systems; it also requires agencies to apply Complete Streets best practices – therefore improving bicycle and pedestrian elements of their street system. Individual cities and the County may use their share of funds for either pavement rehabilitation or congestion relief if they have a Pavement Condition Index of 70 or higher.



### BART Silicon Valley Phase II: 23.81%\*

This category dedicates funding to the planning, engineering, construction, and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th Street, downtown San Jose, San Jose Diridon Station, and Santa Clara.

\*capped at a maximum of 25% of Program Tax Revenues



### **Bicycle and Pedestrian: 3.97%**

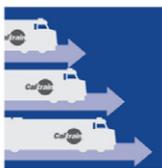
This category helps to fund priority bicycle and pedestrian projects of countywide significance, as identified by the cities, County, and VTA. The funds will prioritize projects that: connect to schools, transit, and employment centers; fill gaps in the existing bike and pedestrian networks; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. This also includes educational programs such as Safe Routes to Schools. Eligible projects are identified in Attachment A of 2016 Measure B. (See Appendix 10.1)

- *Sub-category Grant Program: Education and Encouragement*
  - This program allows member agencies to fund projects and programs that will encourage the use of bicycling and walking and/or provide education regarding these modes. These include, but are not limited to, Safe Routes to School, walk audits, open streets events, and bicycle/pedestrian safety campaigns. Funds for this program are distributed to each Member Agency via a population-based formula.
- *Sub-category Grant Program: Capital Projects*
  - This competitive grant program will provide funds to awarded applicants for activities leading to/including: Environmental Clearance; Design; Right of Way; and Construction for bicycle and pedestrian projects currently identified in 2016 Measure B.
- *Sub-category Grant Program: Planning Studies*
  - This competitive grant program will allow the cities, County and VTA to apply for funds that allows them to advance planning studies that support capital project development for bicycle and pedestrian projects of countywide significance.



### **Caltrain Grade Separation: 11.11%**

This category will help to fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians and also reduce congestion at the intersections.



### **Caltrain Corridor Capacity Improvements: 4.98%**

This category will help to fund Caltrain corridor capacity improvements and increase service in Santa Clara County in order to ease highway congestion, including: increase service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms and service enhancements.



### Highway Interchanges: 11.90%

This category will help to fund highway projects across Santa Clara County to provide: congestion relief, improve highway operations and freeway access, noise abatement, roadway connection overcrossings, and to deploy advanced technology through Intelligent Transportation Systems (ITS). Eligible projects are identified in Attachment B of 2016 Measure B. (See Appendix 10.1)



### County Expressways: 11.90%

This category will help to fund Tier 1 improvement projects in the County's Expressway Plan to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Eligible projects are identified in Attachment C of 2016 Measure B. (See Appendix 10.1)



### State Route 85 Corridor: 5.56%

This category will fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. It will also fund noise abatement along SR 85 and provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps, Light Rail Transit, and other future transportation technologies.



### Transit Operations: 7.94%

The goals of this category are to increase ridership, improve efficiency, enhance mobility services for seniors and individuals with disabilities, and improve affordability for the underserved and vulnerable populations in the County. Funds may be used to maintain and expand core bus route service frequencies, extend hours of operations to early mornings, evenings, and weekends to improve mobility, safe access, and affordability to residents that rely on bus service for critical transportation mobility needs – specifically for vulnerable, underserved, and transit dependent populations throughout the county. Sub-categories for eligible Transit Operations efforts are identified in Attachment D of 2016 Measure B. (See Appendix 10.1)

- *Sub-category Grant Program: Frequent Core Bus Network*
  - This sub-category will directly fund VTA's core bus network of services increasing core bus route service frequencies, and expanding or adding evening, late night, and weekend service.
- *Sub-category Grant Program: Innovative Transit Service Models*
  - This competitive grant program seeks to support affordable new innovative transit service models to address first/last mile connections including FLEX type services, dynamic on-demand subscription shuttles and partnerships with other demand responsive services providers serving vulnerable, underserved and transit-dependent populations.

- *Sub-category Grant Program: Expand Mobility & Affordable Fares*
  - Funds to expand mobility services and affordable fare programs for seniors, disabled, students, and low-income riders.
- *Sub-category Grant Program: Improve Amenities*
  - Funds to improve amenities at VTA bus stops to increase safety, security and access, as well as on-going maintenance.

Figure 5.2 below details the sub-categories of the Local Streets & Roads, Bicycle & Pedestrian, and Transit Operations categories.

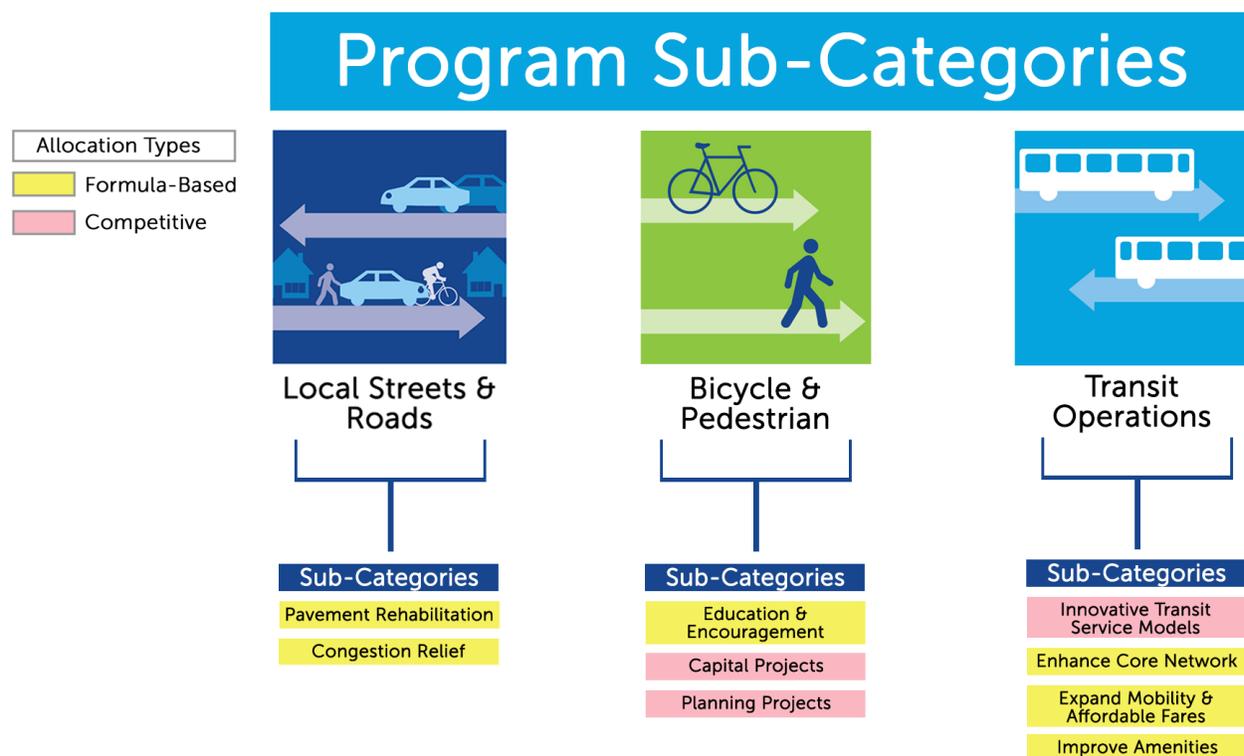


Figure 5.2 – 2016 Measure B Program sub-categories and allocation types.

## 6. Allocations and Expenditures through FY 2019

An allocation is the VTA Board-approved amount of 2016 Measure B funds available for a specified project or program. The 2016 Measure B Program budget and allocations are approved by the VTA Board of Directors every two years in conjunction with the approval of the VTA biennial budget. Program Category allocations do not expire at the end of a fiscal year. The unspent amount rolls over and is available for use in future fiscal years.

An expenditure is VTA's reimbursement of 2016 Measure B funds to a grantee (e.g. a city, the County, or Caltrain).

## 6.1 Allocation to Expenditure Process



Figure 6.1 – 2016 Measure B allocation to expenditure process.

Figure 6.1 illustrates the general three-step distribution process of 2016 Measure B funds, from allocation to expenditure. The process begins with the VTA Board of Directors' approval of the Program Category allocations – this part of the process is done on a biennial basis, or every two years, in conjunction with VTA's budget cycle. Formula-based programs such as Local Streets and Roads and Bicycle & Pedestrian Education Encouragement, will have allocations that are further broken down to the 15 cities and the County. For example, the Local Streets and Road Program Category allocation is disbursed to each city using a population-based formula and to the County based on the County's road and expressway lane mileage.

Following the allocation(s) of 2016 Measure B funds, funding agreements must be executed for grantees to access the funds. Grantees are agencies that receive 2016 Measure B funds for projects. They include 15 cities, Santa Clara County, Caltrain and VTA. After the successful execution of the agreements, Grantees may begin invoicing VTA for work completed on 2016 Measure B projects – VTA will then reimburse the Grantee for eligible costs, resulting in an expenditure.

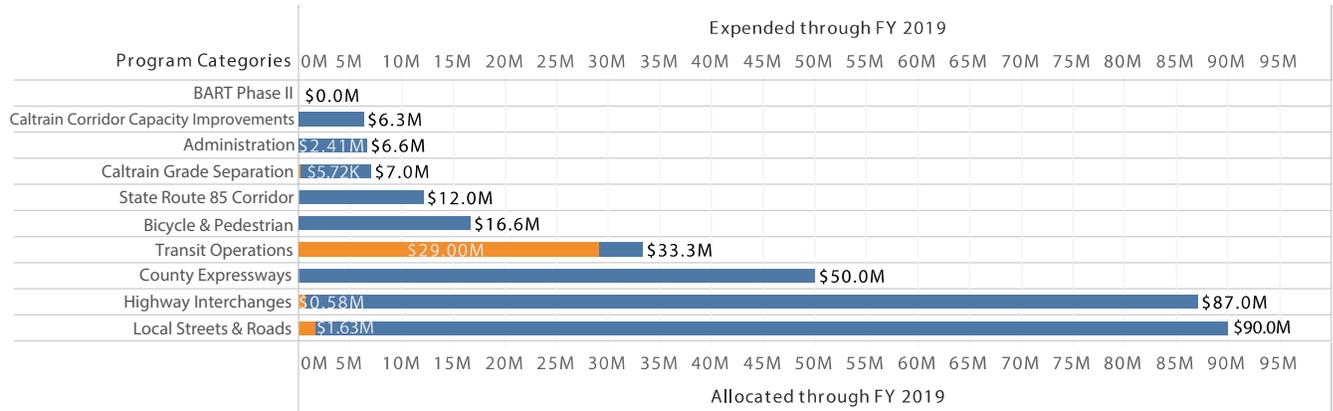
## 6.2 Allocation and Expenditure by Program Category

FY 2018 & FY 2019 Total Program allocation*	\$308.86M
Total Program Expenditure through FY 2019	-\$33.63M
Remaining	\$275.23M

\*Total Program allocation includes the allocation to administration.

Figure 6.2 below shows the allocation and expenditure through FY 2019 for each of nine Program Categories and administration.

### 2016 Measure B Allocation and Expenditure through FY 2019 by Program Category



This chart shows Allocation and Expenditure through FY 2019 for each Program Category.

#### Legend

- Allocated through FY 2019
- Expended through FY 2019

Figure 6.2 – 2016 Measure B allocation and expenditures through FY 2019 by Program Category.

## 7. Program Oversight Procedures

As the 2016 Measure B Program is new, formal program oversight procedures needed to be developed to establish VTA's role and responsibilities over projects and programs within the 2016 Measure B Program. Figure 7.1 displays how VTA determines the level of oversight needed for a specific project as well as the tasks to be carried out by VTA to ensure proper project delivery and compliance.

Oversight duties by VTA typically include review and approval of required annual documentation such as Complete Streets checklists, program of projects, and progress reports. Invoices submitted by project sponsors are also thoroughly reviewed. The Program office also presents and publishes monthly 2016 Measure B Program updates to VTA committees – giving an opportunity to VTA staff to answer any questions regarding the Program and its progress.

Figure 7.1, on the next page, shows the general project type and requirements for each oversight level.

## 2016 Measure B Program Oversight Requirements

Project Cost or Complexity	← HIGH — MEDIUM — LOW →			Programmatic Categories
	HIGH	MEDIUM	LOW	
Project Type	<ul style="list-style-type: none"> <li>Projects costing more than \$100M and with \$10M or more in 2016 Measure B funding; or</li> <li>Projects with significant complexity, as determined by VTA staff.</li> </ul>	<ul style="list-style-type: none"> <li>Projects costing between \$10M and \$100M; and/or</li> <li>Projects with \$10M or more in 2016 Measure B funding; and/or</li> <li>Projects with medium complexity, as determined by VTA staff.</li> </ul>	<ul style="list-style-type: none"> <li>Projects costing less than \$10M; or</li> <li>Projects with less than \$10M in 2016 Measure B funding.</li> </ul>	<ul style="list-style-type: none"> <li>Local Streets &amp; Roads Pavement program</li> <li>Bicycle &amp; Pedestrian Education &amp; Encouragement program</li> </ul>
Executed Agreement*	Required per phase	Required per phase	Required per phase	Only Master Funding Agreement required
Complete Streets Checklist	Required per phase	Required per phase	Required per phase	Required annually
Project Management Plan	Must be developed with VTA and include: Staffing Plan, Schedule, Contracting Plan, and Risk Assessments	Must include: Staffing Plan, Schedule, Contracting Plan, and Risk Assessments	Must include: Staffing Plan, Schedule, Contracting Plan, and Risk Assessments	N/A
Funding Plan	Required	Required	Required	N/A
Project Team Meetings	Monthly	Quarterly, at minimum	Semi-annually, at minimum	Semi-annually, at minimum
Written Progress Reports	Quarterly	Quarterly	Quarterly	Annually
Invoice Submittals	Monthly	Quarterly, at minimum	Semi-annually, at minimum	Annually, at minimum
Annual Program of Projects	N/A	N/A	N/A	Required
Present at VTA Committees as Needs	Yes	Yes	Yes	N/A

\*As required, VTA-led projects do not need to have executed agreements but must meet requirements for funds to be released.  
 Exceptions from MEDIUM and HIGH categories include but are not limited to:  
 • BART Phase II, which already has an independent oversight program with FTA; Projects that are currently at the final design or construction stages; and large pavement management/road rehabilitation programs.

Figure 7.1 – 2016 Measure B Proposed Program Oversight Requirement Chart.

## 8. Program Category Highlights

Though distribution of funds was delayed by the lawsuit, development of the 2016 Measure B Program and Program Category processes continued as best as possible. The highlights below in Figure 8.1 capture Program activities from July 1, 2017 to June 31, 2019.

### Overall 2016 Measure B Program



- **June 1, 2017**  
 The Board of Directors approved the FY 2018 and FY 2019 Biennial Budget and the 2016 Measure B Complete Streets reporting requirements.
- **September 7, 2017**  
 2016 Measure B Citizens' Oversight Committee was formed, and memberships were approved.
- **October 5, 2017**  
 VTA Board of Directors adopted a resolution to establish the 2016 Measure B Program and adopted the Program Category Guidelines.
- **June 6, 2019**  
 The Board of Directors approved FY 2020 and FY 2021 Program Funding Proposals on April 4, 2019, then adopted them alongside the FY 2020 and FY 2021 Biennial Budget in June.

## Program Categories

### Local Streets & Roads



- Authorized Board of Directors to execute Master Agreements with Member Agencies for formula funds on May 3, 2018.

### Bicycle & Pedestrian



- Authorized Board of Directors to execute Master Agreements with Member Agencies for formula funds on May 3, 2018.
- Began development for competitive grant criteria for Capital and Planning Projects.

### Caltrain Corridor Capacity Improvements



- FY 2018 and FY 2019 budget increased by \$4.3M, approved by the Board of Directors on June 7, 2018 to repurpose six MP-36 Caltrain locomotives to "like new" condition.
- Funding for San Jose Diridon Station Plan and South County Rail Study.

### County Expressways



- County began developing an implementation plan and prioritization of projects.
- Funding agreements began development.

### Transit Operations



- A draft framework for the Innovative Transit Service Modes competitive grant program was approved by the Board of Directors on March 7, 2019.

### BART Phase II



- No 2016 Measure B activities.

### Caltrain Grade Separation



- Work on Implementation Plan began.
- Funds to advance project activities.
- Regular meetings with stakeholder staff.

### Highway Interchanges



- Began development on the Noise Abatement Program.
- Most projects in early development stages.

### SR 85 Corridor



- 2016 Measure B SR 85 Corridor Program Category Guidelines were adopted by the Board of Directors on November 2, 2017.
- Completion of the Transit Guideway Study.
- Initial planning and feasibility analysis for results of Transit Guideway Study.

Figure 8.1 – 2016 Measure B Program highlights.

## 9. Glossary

Below are terms frequently used in this report and related 2016 Measure B documentation.

An **allocation** is the VTA Board-approved amount of 2016 Measure B funds available for a specified project or program.

An **award** shows that VTA and a grantee have executed an agreement to fund an eligible project.

An **expenditure** is VTA's reimbursement of 2016 Measure B funds to a grantee (e.g. a city, the County, or Caltrain).

**Fiscal Year** refers to the 12-month accounting period that starts on July 1 and ends on June 30. Fiscal year is often abbreviated FY, and the year referenced is the end of that period. For example, FY 2020 covers from July 1, 2019 to June 30, 2020.

**Grantees** are agencies that receive 2016 Measure B funds for projects. They include 15 cities within the county, Santa Clara County, Caltrain and VTA.

A **Member Agency** is a local jurisdiction that is a signatory of the Santa Clara County Congestion Management Agency's Joint Powers Agreement. This includes all cities within the county, Santa Clara County, and the Santa Clara Valley Transportation Authority.

The 2016 Measure B ballot language specified nine **Program Categories**, with allocations specified for each: Local Streets & Roads, BART Silicon Valley Phase II, Bicycle and Pedestrian, Caltrain Grade Separation, Caltrain Capacity Improvements, Highway Interchanges, County Expressways, State Route 85 Corridor, and Transit Operations.

**Program Tax Revenues** are tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management.

**Revenue** collected is the net receipt of 2016 Measure B sales tax revenue, excluding interests earned.

# 10. Appendix

2016 Measure B FY 2017 – FY 2019 Annual Report

Appendix

## Appendix 10.1 – 2016 Measure B Ballot Language

MEASURE B	COMPLETE TEXT OF MEASURE B
<b>COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE B</b>	
<p>California law permits the Santa Clara Valley Transportation Authority (VTA) to impose a retail transactions and use tax (commonly called a "sales tax") in the territory of the VTA, which includes both the unincorporated territory and all the cities within Santa Clara County. Such a tax must first be approved by two-thirds of the voters voting in an election.</p> <p>Measure B was placed on the Ballot by the VTA Board of Directors (Board). Measure B proposes enactment of a .5% (one-half cent) sales tax. The Board anticipates that the sales tax would be operative on April 1, 2017. The authority to levy the sales tax will expire thirty years later.</p> <p>Under California law, all local governments within each county cannot enact a total sales tax rate of more than 2% in any territory. Approval of this Measure would result in the territory within the cities of Campbell and San Jose reaching that 2% cap during 2017 and until the expiration of an existing tax. The State also imposes a sales tax, some of which is distributed to local governments. The State sales tax rate is scheduled to be 7.25% as of January 1, 2017. Approval of this Measure is anticipated to result in a total 9.25% sales tax in the cities of Campbell and San Jose, and a 9.0% sales tax elsewhere in Santa Clara County, as of the date the sales tax is anticipated to begin. Because existing sales taxes may expire, or other sales taxes may be enacted, overall tax rates may vary during the thirty-year period of this tax.</p> <p>State law requires the VTA to state the specific purposes for which the sales tax proceeds will be used, and the VTA must spend the proceeds of the tax only for these purposes. The stated purposes of the proposed sales tax are to: repair potholes and fix local streets; finish the BART extension through downtown San Jose and to Santa Clara; improve bicycle and pedestrian safety; increase Caltrain capacity, in order to ease highway congestion, and improve safety at crossings; relieve traffic on the expressways and key highway interchanges; and enhance transit for seniors, students, low-income, and disabled individuals. The Measure states that the VTA will establish a program and develop program guidelines to administer tax revenues received from the measure.</p> <p>Measure B provides for the establishment of an independent citizens' oversight committee for ensuring that proceeds of the tax are expended consistent with the program established by the VTA. The committee would hold public hearings, issue reports on at least an annual basis, and arrange for an annual independent audit of expenditures.</p> <p>A "yes" vote is a vote to authorize a special sales tax of one-half cent (.5%) operative for 30 years, expected to expire on March 31, 2047.</p> <p>A "no" vote is a vote not to authorize the special sales tax.</p> <p>James R. Williams Acting County Counsel</p> <p>By: /s/ Danielle L. Goldstein Deputy County Counsel</p>	<p>To repair potholes and fix local streets; finish the BART extension through downtown San Jose and to Santa Clara; improve bicycle and pedestrian safety; increase Caltrain capacity, in order to ease highway congestion, and improve safety at crossings; relieve traffic on the expressways and key highway interchanges; and enhance transit for seniors, students, low-income, and disabled, shall the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) enact a retail transactions and use tax ordinance, Ordinance No. 2016.01, imposing (a) a tax for the privilege of selling tangible personal property at retail upon every retailer in Santa Clara County, the territory of VTA, such tax to be at the rate of one-half of one percent of the gross receipts of the retailer from the sale of tangible personal property sold by him/her at retail in the territory of VTA; and (b) a complementary tax upon the storage, use, or other consumption in Santa Clara County, the territory of VTA, such tax to be at the rate of one-half of one percent of the sales price of the property whose storage, use, or other consumption is subject to the tax; collection of such tax to be limited to thirty years?</p> <p>VTA shall be the administrator of the tax, shall establish a program and develop program guidelines to administer the tax revenues received from the enactment of this measure (the "Program"). Tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management, shall be referred to herein as "Program Tax Revenues."</p> <p>VTA shall allocate the Program Tax Revenues to the following categories of transportation projects: Local Streets and Roads; BART Phase II; Bicycle and Pedestrian; Caltrain Grade Separation; Caltrain Capacity Improvements; Highway Interchanges; County Expressways; SR 85 Corridor; and Transit Operations.</p> <p>The present value (i.e., present day purchasing power) of the Program Tax Revenues, as of April 2017, is forecasted to be approximately \$6.3 Billion. The actual revenues to be received over the 30-year life of the tax will be affected by various economic factors, such as inflation and economic growth or decline. The estimated amounts for each category reflect the allocation of approximately \$6.3 Billion. The estimated amounts for each category, divided by \$6.3 Billion, establishes ratios for the allocation among the categories. The VTA Board of Directors may modify those allocation amounts following the program amendment process outlined in this resolution.</p> <ul style="list-style-type: none"> <li> <b><u>Local Streets and Roads—Estimated at \$1.2 Billion of the Program Tax Revenues in 2017 dollars.</u></b> <p>To be returned to cities and the County on a formula basis to be used to repair and maintain the street system. The allocation would be based on the population of the cities and the County of Santa Clara's road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace their current investments for road system maintenance and repair. The program would also require that cities and the County apply Complete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index score of at least 70, it may use the funds for other congestion relief projects.</p> </li> </ul>

### COMPLETE TEXT OF MEASURE B-Continued

- **BART Phase II—Estimated at \$1.5 Billion of Program Tax Revenues in 2017 dollars (capped at a maximum of 25% of Program Tax Revenues).**  
To fund the planning, engineering, construction, and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28<sup>th</sup> Street, downtown San Jose, San Jose Diridon Station, and Santa Clara.
- **Bicycle/Pedestrian—Estimated at \$250 Million of Program Tax Revenues in 2017 dollars.**  
To fund bicycle and pedestrian projects of countywide significance identified by the cities, County, and VTA. The program will give priority to those projects that connect to schools, transit, and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Bicycle and pedestrian educational programs, such as Safe Routes to Schools, will be eligible for funding. Candidate Projects are set forth in Attachment A.
- **Caltrain Grade Separation—Estimated at \$700 Million of Program Tax Revenues in 2017 dollars.**  
To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians and also reduce congestion at the intersections.
- **Caltrain Corridor Capacity Improvements—Estimated at \$314 Million of Program Tax Revenues in 2017 dollars.**  
To fund Caltrain corridor capacity improvements and increased service in Santa Clara County in order to ease highway congestion, including: increased service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms, and service enhancements.
- **Highway Interchanges—Estimated at \$750 Million of Program Tax Revenues in 2017 dollars.**  
To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.
- **County Expressways—Estimated at \$750 Million of Program Tax Revenues in 2017 dollars.**  
To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.
- **State Route 85 Corridor—Estimated at \$350 Million of Program Tax Revenues in 2017 dollars.**  
To fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure

### COMPLETE TEXT OF MEASURE B-Continued

such as stations and access ramps, Light Rail Transit, and future transportation technologies that may be applicable.

- **Transit Operations—Estimated at \$500 Million of Program Tax Revenues in 2017 dollars.**  
The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early mornings, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

The Program Categories will be administered in accordance with program guidelines and policies to be developed and approved by the VTA Board of Directors.

An independent citizen's oversight committee shall be appointed to ensure that the funds are being expended consistent with the approved Program. Annually, the committee shall have an audit conducted by an independent auditor. The audit shall review the receipt of revenue and expenditure of funds. The committee shall hold public hearings, and issue a report annually to inform the Santa Clara County residents how the funds are being spent. The hearings will be public meetings subject to the Brown Act.

To support and advance the delivery of projects in the Program, VTA may issue or enter into financial obligations secured by the tax revenues received from the State Board of Equalization (SBOE), including but not limited to, bonds, notes, commercial paper, leases, loans and other financial obligations and agreements (collectively, "Financing Obligations"), and may engage in any other transactions allowed by law. Notwithstanding anything to the contrary, to obtain the strongest credit ratings and lowest financing costs, VTA may pledge up to the full amount of tax revenues received from the SBOE as security for any Financing Obligations of the Program and may contract with the SBOE to have pledged amounts transferred directly to a fiduciary, such as a bond trustee, to secure Financing Obligations to fund any project in the Program. Any Financing Obligation shall be fully paid prior to the expiration of this tax measure.

If approved by a 3/4 majority of the VTA Board of Directors, and only after a noticed public meeting in which the County of Santa Clara Board of Supervisors, and the city council of each city in Santa Clara County have been notified at least 30 days prior to the meeting, VTA may modify the Program for any prudent purpose, including to account for the results of any environmental review required under the California Environmental Quality Act of the individual specific projects in the Program; to account for increases or decreases in federal, state, and local funds, including revenues received from this tax measure; to account for unexpected increase or decrease in revenues; to add or delete a project from the Program in order to carry out the overall purpose of the Program; to maintain consistency with the Santa Clara Valley Transportation Plan; to

**COMPLETE TEXT OF MEASURE B-Continued**

shift funding between project categories; or to take into consideration new innovations or unforeseen circumstances.

**ATTACHMENT A  
ENVISION SILICON VALLEY BICYCLE AND PEDESTRIAN  
CANDIDATE LIST**

**Project**

Implementation of Santa Clara Countywide Bicycle Plan\*  
Trails in Expressway Rights-of-Way  
Alum Rock Trail  
Coyote Creek Trail Completion  
Lions Creek Trail  
Lower Silver Creek Trail  
Miramonte Avenue Bikeways  
Fremont Road Pathway  
Los Gatos Creek Trail Connector to SR 9  
Berryessa Creek Trail  
West Llagas Creek Trail  
Guadalupe River Trail-Extension to Almaden  
Three Creeks Trail East from Guadalupe River to Coyote Creek Trail  
Five Wounds Trail from William Street to Mabury Road/Berryessa  
Hwy. 237 Bicycle Trail: Great America Parkway to Zanker (Class I, II, and IV)  
Lower Guadalupe River Access Ramps  
Los Gatos Creek Trail Gap Closure  
Calabazas Creek Trail  
San Tomas Aquino Trail Extension to South & Campbell Portion  
Union Pacific Railroad Trail  
Stevens Creek Trail Extension  
Hamilton Avenue/Highway 17 Bicycle Overcrossing  
Pedestrian/Bicycle Bridge over SR 17 from Railway/Sunnyside to Campbell Technology Parkway  
Mary Avenue Complete Streets Conversion  
UPRR Bicycle/Pedestrian Bridge Crossing: Stevens Creek Boulevard to Snyder Hammond House/Rancho San Antonio Park  
Montague Expressway Bicycle/Pedestrian Overcrossing at Milpitas BART Station  
Shoreline/101 Bicycle/Pedestrian Bridge  
Mayfield Tunnel Pedestrian/Bicycle under Central Expressway connecting to San Antonio Caltrain Station  
South Palo Alto Caltrain Bicycle/Pedestrian Crossing  
Matadero Creek Trail Undercrossing  
Caltrain Capitol Undercrossing  
Phelan Avenue Pedestrian/Bicycle Bridge over Coyote Creek  
Newhall Street Bicycle/Pedestrian Overcrossing over Caltrain Tracks  
Kiely Bicycle/Pedestrian Overcrossing  
Winchester Bicycle/Pedestrian Overcrossing  
Bernardo Caltrain Undercrossing  
San Tomas Aquino Creek Trail Underpass at 49er Stadium  
Latimer Avenue Bicycle/Pedestrian Overcrossing

**COMPLETE TEXT OF MEASURE B-Continued**

Bicycle/Pedestrian safety education at approximately 200 schools  
Implementation of Pedestrian Access to Transit Plan (VTA)\*  
Bike amenities at transit stops and on transit vehicles  
Countywide Vision Zero Program (VTA)\*  
Highway 9 Pedestrian Safety Improvements

\*These plans are currently being developed/updated and projects are being identified.

**ATTACHMENT B  
ENVISION HIGHWAY PROGRAM CANDIDATE LIST**

**Project**

US 101 Improvements in the cities of Palo Alto and Mountain View to address regional connectivity and circulation between San Antonio Road and Charleston Road at the US 101/San Antonio Road, US 101/Rengstorff/Charleston Road and US 101/Shoreline Boulevard interchanges.

SR 85/SR 237 Area Improvements in Mountain View to address mainline congestion and regional connectivity through the SR 85/SR 237 connector, SR 85/El Camino Real interchange, and the SR 237/El Camino/Grant Road interchange.

SR 237/US 101/Mathilda Avenue Area Improvements in Sunnyvale to address local roadway congestion.

SR 237 Corridor Improvements in the cities of San Jose, Santa Clara and Milpitas to address mainline congestion and regional connectivity by addition of SR 237 westbound/eastbound auxiliary lanes between Zanker Road and North First Street, improvements at the SR 237/Great America Parkway westbound off-ramp, and replacement/widening of the Calaveras Boulevard structures over the UPRR tracks.

West County Improvements along I-280 in Cupertino, Los Altos, Los Altos Hills and Sunnyvale to address mainline congestion with mainline and interchange improvements from Magdalena Avenue to the San Mateo County line.

SR 85/I-280 Area Improvements in Cupertino, Los Altos, and Sunnyvale to address regional connectivity through a northbound I-280 braided ramp between SR 85 and Foothill Boulevard and improvements at the northbound I-280 off-ramp to Foothill Boulevard.

US 101/Trimble Road/De La Cruz Boulevard to Zanker Road Area Improvements to address local roadway connectivity and mainline congestion in San Jose and Santa Clara with US 101/Trimble Road/De La Cruz Boulevard interchange improvements, southbound US 101/SB 87 connector improvements, and a new US 101/Zanker Road interchange.

US 101/Old Oakland Road Improvements in San Jose to address local roadway congestion, access and connectivity.

A new interchange at US 101/Mabury Road in San Jose to address regional access.

I-680 Corridor Improvements in San Jose to address mainline congestion and regional connectivity by improving the I-680/Alum Rock Avenue and I-680/McKee Road interchanges.

I-280/Lawrence Expressway/Stevens Creek Boulevard Interchange Improvements to address mainline and local roadway congestion.

**COMPLETE TEXT OF MEASURE B-Continued**

I-280/Saratoga Avenue Interchange Improvements to address local circulation and mainline congestion.

I-280/Winchester Boulevard Area Improvements in Santa Clara and San Jose to address regional connectivity and local circulation.

SR 87 Corridor Technology-based Improvements in San Jose to address mainline congestion and system reliability through the implementation of technology-based operational improvements to the freeway.

Highway 17 Corridor Congestion Relief: Upgrade Highway 17/9 interchange to improve pedestrian and bicycle safety, mobility, and roadway operations; deploy advanced transportation technology to reduce freeway cut through traffic in Los Gatos, including traffic signal control system upgrades in Los Gatos, Traveler Information System, advanced ramp metering systems; support Multi-Modal Congestion Relief Solutions, including enhanced Highway 17 Express Bus service, implementing local bus system improvements that reduce auto trips to schools, work, and commercial areas in Los Gatos; and develop park and ride lots to serve as transit hubs for express bus, shuttles, local bus system connections.

SR 17 Southbound/Hamilton Avenue Off-ramp Widening Improvements in Campbell to address mainline congestion and local circulation.

SR 17/San Tomas Expressway Improvements in Campbell to address mainline congestion and local circulation.

US 101/Blossom Hill Boulevard Improvements in San Jose to address local roadway congestion and connectivity, including for bicyclists and pedestrians.

US 101 Improvements in Gilroy to address mainline congestion and regional connectivity with a new US 101/Buena Vista Avenue interchange and US 101/SR 152 10th Street ramp and intersection improvements.

SR 152 Corridor Improvements in Gilroy including US 101/SR 25 interchange improvements to address regional connectivity and goods movement network improvements.

I-280/Wolfe Road Interchange Improvements in Cupertino to address mainline congestion and improve local traffic circulation.

I-880/Charcot Avenue Overcrossing in San Jose to address local relief circulation and adjacent I-880 interchanges congestion relief.

Noise Abatement Projects in Santa Clara County to implement treatments to address existing freeway noise levels throughout the county.

Intelligent Transportation Systems (ITS) Projects in Santa Clara County such as integrated corridor management systems, traffic operations systems, ramp metering, managed lanes, and local traffic signal control systems to address freeway mainline congestion and local roadway congestion caused by cut-through traffic.

**COMPLETE TEXT OF MEASURE B-Continued**

**ATTACHMENT C  
SANTA CLARA COUNTY EXPRESSWAY IMPROVEMENTS  
(TIER 1)**

**Project**

Almaden Expressway at SR-85-Interim Improvements  
Almaden Expressway at Branham Lane Intersection Improvements  
Almaden Expressway at Camden Ave Intersection Improvements  
Capitol Expressway Widening and Interchange Modifications between I-680 and Capitol Avenue  
Central Expressway at Thompson Intersection Improvements  
Foothill Expressway Auxiliary Lanes between El Monte and San Antonio  
Lawrence Expressway at Homestead Road Interim Improvements  
Lawrence Expressway at Homestead Road Grade Separation  
Lawrence Expressway from Reed/Monroe to Arques Grade Separation  
Montague Expressway Complete 8-lane Widening including HOV lanes and Auxiliary Lanes between Great Mall and McCarthy/O'Toole  
Oregon-Page Mill Widening (possible HOV lanes) and Trail between I-280 and Foothill Expressway  
Oregon-Page Mill Intersection Improvements between Porter and Hansen  
Oregon-Page Mill/El Camino Real Intersection Improvements  
San Tomas Expressway Widening and Trail between Homestead and Stevens Creek  
Santa Teresa-Hale Corridor Road and Trail between Dewitt and Main  
Santa Teresa-Hale Corridor Widening and Trail between Long Meadow and Fitzgerald  
SR 17/San Tomas Expressway Interim Improvements  
I-280/Foothill Expressway Interchange Modifications and Auxiliary Lane to Homestead  
I-280/Oregon-Page Mill Road Interchange Reconfiguration  
Expressway ITS/Signal System Countywide

**ATTACHMENT D  
TRANSIT OPERATIONS CANDIDATE PROJECTS AND  
PROGRAMS LIST**

- Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders.

This project would provide funds to develop and expand senior and disabled transportation mobility programs and services. The proposed program would provide mobility options such as coordinated eligibility services and enhanced mobility options provided in a secure and safe manner for the most vulnerable and underserved residents in the County, such as seniors and persons with disabilities. It would support mobility options including maintaining the paratransit service coverage area and service expansion by extending hours of operation and weekend service. The funds would also establish permanent and augment discount fare programs to increase transit access for low-income, underserved and vulnerable populations unable to afford standard fares.

**COMPLETE TEXT OF MEASURE B-Continued**

- Enhance Frequent Core Bus Network.

The project would upgrade service frequency on VTA's top core network routes to 15-minutes or faster. Some specific examples include expanding the number of high frequency core routes and expanding the schedule of existing services. This may also include enhancing frequency of services during early mornings, evenings and weekends in order to improve convenience, reliability, connectivity, ridership, farebox recovery and support local land use plans. The upgrade would improve the quality of service for vulnerable, underserved and transit dependent populations as well as existing riders and attract new riders which would decrease vehicle miles traveled, traffic congestion and pollution.

- Improve amenities at bus stops to increase safety, security and access.

The project would provide funds for system wide improvements to bus stops, transit centers and stations including new and replacement shelters, lighting, access improvements including safe sidewalk connections, passenger information signs and security.

- Support new innovative transit service models to address first/last mile connections.

The project would support affordable new innovative transit service models to address first/last mile connections including FLEX type services, dynamic on-demand subscription shuttles and partnerships with other demand responsive service providers serving vulnerable, underserved and transit dependent populations.

**ARGUMENT IN FAVOR OF MEASURE B**

Uncommon allies united for a common goal: Relieve Traffic; Repair our Roads. That's why the League of Women Voters, San Jose Silicon Valley Chamber of Commerce, League of Conservation Voters, former U.S. Transportation Secretary Norman Mineta and Senator Dianne Feinstein are championing Measure B to provide vital local funding to fill potholes, maintain roads and reduce traffic throughout Santa Clara County.

We are fortunate to enjoy a special quality of life here. Unfortunately, many of Santa Clara County's roads are in dire need of repair and we're spending too much time trapped in traffic. We need meaningful countywide congestion relief.

Measure B will:

- Finish the BART extension to downtown San Jose and Santa Clara
- Relieve traffic congestion on all 10 Expressways (Almaden, Capitol, Central, Foothill, Lawrence, Montague, Page Mill, San Tomas, Santa Teresa, Hale) and key highway interchanges
- Protect and enhance transit options for seniors, the disabled, students and the poor
- Repair roads and fix potholes in all 15 cities
- Improve bicycle and pedestrian safety, especially near schools
- Increase Caltrain capacity, easing highway congestion and improving safety at grade crossings
- Connect BART/Caltrain in downtown San Jose and Santa Clara, with platform-to-platform connections, to finally provide rapid rail around the entire Bay Area

Voting YES on Measure B provides Santa Clara County with a source of locally controlled funding to repair and maintain our roads and improve safety. Measure B helps Santa Clara County secure state and federal matching funds, otherwise lost to other regions.

The state or federal government cannot take away Measure B funds. We need to act now; the longer we wait, the more expensive these improvements become.

Measure B mandates strong taxpayer safeguards, including independent financial audits with citizen oversight. Elected leaders will be held accountable to spend funds as promised.

Measure B repairs our roads and contributes to a better quality of life throughout Santa Clara County. Join us in supporting Measure B.

**ARGUMENT IN FAVOR OF MEASURE B-Continued**

www.YesMeasureB.com

/s/ Roberta Hollimon  
Chair, Council of the Leagues of Women Voters of Santa Clara County

/s/ Matthew Mahood  
President & CEO, San Jose Silicon Valley Chamber of Commerce

/s/ Rod Diridon, Sr.  
Chair Emeritus, League of Conservation Voters of Santa Clara County

/s/ Michael E. Engh  
President, Santa Clara University

/s/ Darryl Von Raesfeld  
Fire Chief, City of San Jose (Retired)

**REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE B**

Has your commute improved since Measure A in 2000? One thing is abundantly clear: If VTA actually could deliver "meaningful countywide congestion relief" they would have done it by now. This is a promise they can't deliver on.

Measure B would add a big increase to an already hefty transportation sales tax. What confidence do you have that you will ever benefit from it?

Look at the performance of Measure A from 2000. VTA's Capital Program Dashboard shows that no Measure A projects have been completed. The most expensive project, BART to Santa Clara, was cut in half. Why trust that Measure B will be any different? Voters deserve to see projects delivered before being asked to pay more taxes!

We've seen all this before: traffic keeps getting worse. The billions spent from existing taxes are not making our lives better. Clearly, the strategy doesn't work. Doing more of the same will continue to produce unacceptable results.

Measure B is a recipe for failure. We need a new direction. For example, voters need to consider whether major employers should pay more to reduce the congestion impacts of their employees' commutes.

Voting NO on Measure B sends a strong message: Find a new direction for our county--one that is good for the environment, good for the economy, and good for our health.

Please vote NO on Measure B. After the "bait and switch" of 2000's Measure A, let's not give VTA a \$6.3 billion blank check.

/s/ Michael J. Ferreira  
Executive Committee Chair, Loma Prieta Chapter, Sierra Club

/s/ Mark W.A. Hinkle  
President of the Silicon Valley Taxpayers Association

/s/ John M. Inks  
Mountain View City Councilmember

/s/ Elizabeth C. Brierly  
Santa Clara County Homeowner and Lifelong Resident

### ARGUMENT AGAINST MEASURE B

Each year you are stuck in worse congestion. The 1% sales tax you've paid for the past thirty years to "relieve traffic" hasn't worked. Will raising the tax by 44% really "relieve traffic"?

Santa Clara County has tremendously congested roadways and one of the very worst performing light rail systems in the nation. Bus service is unusable and scheduled to get worse.

Population has increased since 2001, while transit ridership has declined 23 percent. If allowed to continue, the whole county will end up in gridlock.

Let's not put even more money into a failed strategy!

Here is the actual list of projects promised by Measure A in 2000, and what happened since then:

- Connect BART to Milpitas, San Jose, Santa Clara (project was cut in half and is still not complete)
- Build rail connection from San Jose Airport to BART, Caltrain, light rail (project canceled)
- New vehicles for disabled access, senior safety, clean air buses (completed)
- New light rail throughout Santa Clara County (one corridor changed into a bus lane project; other corridors canceled)
- Expand, electrify Caltrain (project is delayed more than 15 years)
- Increase rail, bus service (2015 service was 13% below 2001 levels)

The County Civil Grand Jury determined in 2004 that "The VTA Board has proceeded with a transit capital improvement plan that cannot accomplish all that was promised in Measure A." That certainly turned out to be the case.

Why vote for another bait-and-switch?

This election will be close. Your vote can help defeat this tax increase and send a message that new thinking is needed. Air quality and climate change demand new solutions.

For short and long-term traffic relief, please vote No.

Demand a new direction!

### ARGUMENT AGAINST MEASURE B-Continued

For more information: [www.No2VTAMeasureB.org](http://www.No2VTAMeasureB.org)  
 Twitter: #No2VTAMeasureB  
 Phone: 408-604-0932

/s/ Gladwyn d' Souza  
 Regional Chair, Loma Prieta Chapter, Sierra Club

/s/ Mark W.A. Hinkle  
 President: Silicon Valley Taxpayers Association

/s/ John M. Inks  
 Mountain View City Councilmember

/s/ Andy Chow  
 President, BayRail Alliance

/s/ Elizabeth C. Brierly  
 San Jose Homeowner & Lifelong Santa Clara County Resident

### REBUTTAL TO ARGUMENT AGAINST MEASURE B

When reading the argument against Measure B, please consider the sources and review the facts for yourself. The opponents offer no solutions to the traffic congestion we face every day.

Some of the organizations signing the argument against Measure B have histories of opposing absolutely everything, including measures to support our schools, parks and public safety.

The text of their argument is even less credible.

#### Here are the facts:

\*The first segment of the BART extension is running \$75 million under budget and a year ahead of schedule, with passenger service beginning in fall 2017.

\*Thanks to major investments, electrification of Caltrain will begin in 2020, which helps nearly double ridership capacity from 65,000 daily trips to 110,000.

**Why is Measure B important?** Please review the official ballot question for yourself. Measure B will accomplish the following while also mandating annual audits by an independent citizens watchdog committee to ensure accountability:

- Repair streets and fix potholes in all 15 cities & towns
- Finish the BART extension to downtown San Jose and Santa Clara
- Improve bicycle/pedestrian safety, especially near schools
- Increase Caltrain capacity, ease highway congestion and improve safety at crossings
- Relieve traffic on all 10 expressways and key highway interchanges
- Enhance transit for seniors, students, low-income citizens and the disabled

**All of us are Santa Clara County taxpayers and residents (the signers of the argument against cannot say the same thing). Please join community leaders and organizations**

**from across Santa Clara County in supporting Measure B for better commutes and better roads.**

### REBUTTAL TO ARGUMENT AGAINST MEASURE B-Continued

[www.YesMeasureB.com](http://www.YesMeasureB.com)

/s/ Yoriko Kishimoto  
Friends of Caltrain Chair and Board President of the Midpeninsula Regional Open Space District

/s/ Glenn M. Grigg  
Traffic Engineer, City of Cupertino (Ret.)

/s/ Mark Turner  
President/CEO, Gilroy Chamber of Commerce

/s/ Tony Siress  
President/CEO Mountain View Chamber of Commerce

/s/ Teresa Alvarado  
San Jose Director, SPUR

## Appendix 10.2 – 2016 Measure B Program Category Guidelines

### **Approval by the Board of Directors**

The VTA Board of Directors approved the 2016 Measure B Program Category Guidelines for all nine programs at the October 5, 2017 meeting – the process of development starting back in January 2017. At their November 2, 2017 meeting, the Board of Directors approved a revised version of the SR 85 Program Category Guidelines.

### **Program Category Types and Sub-Category Allocations**

These guidelines also define the type of program for each of the nine programs (formula-based, project-based or competitive) and set forth the guidelines and distributions for Program sub-categories for the Board of Directors' approval. For example, for the Bicycle & Pedestrian Program Category, the sub-categories are described along with a funding distribution – Education & Encouragement is maximum 15%, Planning Projects is maximum 5%, and Capital Projects is minimum 80%.

(see next page for 2016 Measure B Program Category Guidelines document)

## Local Streets & Roads Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To be returned to the cities and the County on a formula basis to be used to repair and maintain the street system. The allocation would be based on the population of the cities and the County of Santa Clara's road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace their current investments for road system maintenance and repair. The program would also require that cities and the County apply Compete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index score of at least 70, it may use the funds for other congestion relief projects

### **Total Funding**

- \$1.2 billion in 2017 dollars.

### **Distribution**

- Formula-based distribution to Cities and County (agencies) as contained in 2016 Measure B.
- Agencies will be informed of allocation amount for a two-year period.
- VTA anticipates that allocations will be programmed based upon the total allocation for Local Streets & Roads contained in 2016 Measure B divided by the number of years in the measure.
- Future allocations will vary depending on the amount of sales tax revenue collected.
- After a one-time advance, no sooner than October 1, 2017, funds will be available on a reimbursement basis.

### **Implementation**

- VTA and individual agencies will enter into funding agreements.
- Agencies are required to submit an annual program of projects. For agencies with a Pavement Condition Index (PCI) of 70 or higher, the program of projects may also include congestion relief projects and programs. For agencies with a PCI of 69 or lower, the program of projects is limited to projects that repair and maintain the street system.
- VTA will review the program of projects to ensure that all projects are eligible for funding.
- If an agency with a PCI of 70 or higher should have their PCI fall below 70, the agency must redirect all funding to repair and maintenance of the street system in the following cycle.
- A one-time advance, no sooner than October 1, 2017, equivalent to the percentage of the local agency's allocation of the Local Streets and Roads Program Area's percentage share of Program Tax Revenues collections from April 2017 to June 2017 will be distributed to individual agencies upon:

- Execution of the Master Funding Agreement between VTA and the Agency
- Submittal of annual program of projects
- Maintenance of Effort certification
- Complete Streets Checklist reporting requirements
- Remaining funds will be available on a reimbursable basis.
- Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.

### **Requirements**

- Individual agencies must certify and submit on an annual basis, a Maintenance of Effort report to maintain a level of expenditures on 2016 Measure B Local Streets & Roads eligible activities equivalent to the average expenditures on roadway and related maintenance activities from the agency's general fund during FY10 to FY12. This certification will be submitted with their Annual Program of Projects.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.
- Agencies will submit project updates to VTA on a regular basis. The information will be placed on the 2016 Measure B website to keep the public informed on 2016 Measure B spending.
- Agencies may also be requested to present updates to the 2016 Measure B Citizen's Oversight Committee.

## BART Phase II Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund the planning, engineering, construction and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28<sup>th</sup> Street, downtown San Jose, San Jose Diridon Station and Santa Clara.

### **Total Funding**

- \$1.5 billion in 2017 dollars – capped at a maximum of 25% of Program Tax Revenues.

### **Distribution**

- VTA will program funding to complete project.
- Debt financing costs (if any) will be covered by tax revenues as described in the 2016 Measure B Resolution.

### **Requirements**

- All collateral material will be required to display a 2016 Measure B logo.
- Project must comply with VTA's Complete Streets Reporting Requirements.
- Project requires a 10% non-2016 Measure B contribution.

## Bicycle & Pedestrian Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund bicycle and pedestrian projects of countywide significance identified by the cities, County and VTA. The program will give priority to those projects that connect to schools, transit and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Bicycle and pedestrian educational programs such as Safe Routes to Schools, will be eligible for funding.

### **Total Funding**

- \$250 million in 2017 dollars.

### **Distribution**

- Board of Directors will allocate funding schedule and amount for program through the budget cycle.
- VTA anticipates that allocations will be programmed based upon the total allocation for the Bicycle & Pedestrian Program contained in 2016 Measure B divided by the number of years in the measure.
- Future allocations will vary depending on the amount of sales tax revenue collected.
- Funds will be distributed on a 2-year cycle. The program will consist of three categories: education & encouragement programs, planning studies, and capital projects.
- A total of 15% of available program area funds will be set aside for the education & encouragement category. The funds will be allocated as follows:
  - \$250,000 for countywide (including targeting unincorporated areas) education & encouragement programs
  - Remaining funds allocated by city population formula with a \$10,000 annual minimum allocation per city
- A maximum of 5% of available program area funds will be allocated to planning studies grants category.
- If the planning studies grants category is not fully awarded, the remaining funds will roll into the capital category.
- If a cycle's funds are not fully awarded, the balance will roll into the next cycle's budget.
- Example of breakdown of grant program funding: If Bicycle/Pedestrian Program Area is programmed at \$8.3 million/year:
  - Capital - \$6.6 million (minimum)
  - Planning - \$415,000 (maximum)
  - Education & Encouragement - \$1.25 million (maximum)

## **Implementation**

### **Education & Encouragement (Formula Distribution)**

- VTA and individual agencies will enter into a Master Agreement for Education & Encouragement funds.
- VTA will notify agency of estimated allocation for two-year cycle.
- Agency will submit annual education & encouragement work program.
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.
- Education & Encouragement funds may be banked for a maximum of three years with explanation of banking purposes.
- VTA will conduct an assessment regarding the effectiveness of the program.

### **Grant Program (Competitive)**

- Only a public agency can serve as a project sponsor. Other entities must partner with a public agency to apply for a grant.
- The grant program will contain two categories:
  - Capital projects
    - Activities leading to/including:
      - Environmental Clearance
      - Design
      - Right of Way
      - Construction
    - Construction grant requests must include cost estimates supported by 30% to 35% design.
  - Planning studies
    - Includes planning studies to support capital project development for those projects currently listed on Attachment A of 2016 Measure B. It does not include general/master planning efforts.
- The minimum grant award is \$50,000.
- The maximum grant award per sponsoring agency can be no more than 50% of the total available funds per call for projects per cycle, unless the cycle is undersubscribed.
- Project criteria will be developed in conjunction with the VTA Technical Advisory Committee (TAC) Capital Improvement Program Working Group, and brought to the TAC and Bicycle & Pedestrian Advisory Committee (BPAC) for input.
- Scoring committee for the grant program will be comprised of three BPAC members, three Member Agency staff, and one VTA staff person.

### **Criteria**

- Only projects currently listed on Attachment A of 2016 Measure B are eligible.
- Capital Projects will be scored on criteria that supports the language in 2016 Measure B.
  - Countywide significance
  - Connection to/serves schools, transit, or employment centers
  - Fills gaps in bicycle/pedestrian network
  - Provides safer crossings of barriers
  - Makes walking or biking safer
  - Makes walking or biking more convenient
  - Other criteria to consider:
    - Safety benefits
    - Increase in bicycle and pedestrian usage
    - Community support
    - Project readiness
    - Projects serve Communities of Concern

### **Requirements**

- Competitive grant projects require a 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project funding.
- All applications must include a delivery schedule.
- Funds will be available on a reimbursement basis.
- VTA Complete Streets reporting requirements will be required for Planning and Capital projects.
- All collateral material will be required to display a 2016 Measure B logo.

## Caltrain Grade Separation Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists and pedestrians and also reduce congestion at the intersections.

### **Total Funding**

- \$700 million in 2017 dollars.

### **Distribution**

- As candidate projects move forward in readiness (ability to expend Measure funds), the project sponsor will submit request for funding.
- Funds will be allocated to projects that most cost-effectively utilize 2016 Measure B funding.
- Funds will be distributed on a reimbursement basis.

### **Implementation**

- VTA will work with the cities and other partners to develop an implementation plan for delivering the eight grade separation projects eligible for 2016 Measure B funds.
- There will be two program categories for funds:
  - Planning
  - Capital projects

### **Criteria**

- All project sponsors must apply to the State §190 Grade Separation Program.

### **Requirements**

- Reporting requirements regarding project progress will be detailed in agreements executed with VTA for project funding.
- Each project will require a 10% non-2016 Measure B contribution.
- All projects must be in compliance with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

## Caltrain Corridor Capacity Improvements Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund Caltrain corridor capacity improvements and increased service in Santa Clara County in order to ease highway congestion, including: increased service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms and service enhancements.

### **Total Funding**

- \$314 million in 2017 dollars.

### **Distribution**

- Funds for increased service to Morgan Hill and Gilroy will be distributed on a regular basis.
- Funds for Caltrain Modernization 2.0 will be distributed to Caltrain as Santa Clara County's contribution for costs associated with station improvements, level boarding, extended platforms and service enhancements.

### **Implementation**

- VTA and Caltrain staff will determine operating and capital costs associated with increased service to Morgan Hill and Gilroy.
- Improvement projects will be identified by VTA and Caltrain staff after completion of Peninsula Corridor Electrification Project (PCEP) and CA High Speed Rail blended service operations and maintenance needs/issues have been identified and remedies finalized.
- Should projects (including station improvements) arise prior to the completion of the PCEP that VTA believes should move forward, VTA will work with Caltrain to develop and recommend an early implementation schedule to the VTA Board of Directors.

### **Criteria**

- Current service schedule to Morgan Hill and Gilroy will be reevaluated prior to addition of increased service.

### **Requirements**

- Partner JPB contributions for station improvements, level boarding, extended platforms and service enhancements for Caltrain Modernization 2.0 must be secured prior to allocation of Santa Clara County's contribution.
- VTA Compete Streets reporting requirements will be required for capital projects.
- All collateral material will be required to display a 2016 Measure B logo.

## Highway Interchanges Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.

### **Total Funding**

- \$750 million in 2017 dollars.

### **Distribution**

- VTA Board of Directors will allocate funding on a 2-year cycle.
- Funds will be distributed through two programs: capital projects and noise abatement.
- Funds will be available on a reimbursement basis.

### **Implementation**

- VTA staff will work with local agency staff to identify and prioritize projects in the Highway Interchange Program Candidate List on 2016 Measure B Attachment B. The following criteria will be considered:
  - Project Readiness
  - Level of local contribution
  - Geographic consideration
- VTA staff will work with member agency staff to advance projects.
- Noise Abatement projects will be a separate category within the Highway Interchange Program.
  - Projects identified in the 2011 VTA Soundwall Study will receive higher consideration during Call for Projects.
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.
- The cost of each phase of a proposed Highway Interchanges project will be finalized with execution of agreements with VTA for project funding.

### **Criteria**

- Only VTA, Caltrans and Member Agencies can serve as an implementing agency.
- Only projects and programs currently listed on 2016 Measure B Attachment B are eligible.

### **Requirements**

- Projects require a minimum 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project

funding.

- All applications must include a delivery schedule.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

## County Expressways Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.

### **Total Funding**

- \$750 million in 2017 dollars.

### **Distribution**

- VTA Board of Directors will allocate funding on a 2-year cycle.
- As candidate projects move forward in readiness (ability to expend Measure funds), the County of Santa Clara will submit request for funding.
- Funds will be available on a reimbursement basis.

### **Implementation**

- VTA and the County of Santa Clara will execute a Master Agreement for the administration of the 2016 Measure B County Expressways Program.
- VTA staff will work with the County of Santa Clara to advance projects and maintain an implementation plan.
- County Expressway Policy Advisory Board (PAB) will recommend the prioritization of projects.
- Projects will be distributed into three categories:
  - Conventional – Up to \$10M
  - Major – \$10-\$50M
  - Lawrence Grade Separations
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis.

### **Criteria**

- Only projects and programs currently listed on 2016 Measure B Attachment C are eligible.
- Project timelines will be developed based on the County Expressway PAB adopted criteria, which includes the following:
  - Project readiness
  - Complexity
  - Geographic balance and public impact
  - Timing of other funding sources
  - Additional factors
    - Safety
    - Public support

- Gap closures

### **Requirements**

- Program requires a 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

## State Route 85 Corridor Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps. Light Rail Transit, and future transportation technologies that may be applicable.

### **Total Funding**

- \$350 million in 2017 dollars.

### **Distribution**

- Revenues will be programmed on a 2-year cycle towards projects identified in SR 85 Corridor-related studies.

### **Implementation**

- VTA staff is launching the SR 85 Transit Guideway Study (TG Study) to identify the most effective transit and congestion relief projects on SR 85.
- Projects identified by the TG Study will be candidates for funding.
- The five pilot projects as identified in the SR 85 Noise Abatement Study will be funded in FY18/FY19 assuming 2016 Measure B funding is available by that time. Additional projects may be funded prior to the completion of the TG Study.
- Upon completion of the TG Study, an implementation plan for SR 85 Corridor projects will be developed in consultation with the VTA Technical Advisory Committee.
- SR 85 Policy Advisory Board will forward recommended projects to the VTA Board of Directors to be funded in the 2-year budget process.
- VTA will serve as implementing agency for all program projects.
- Any activity on the portion of SR 85 that would preclude the implementation of a lane for transit purposes shall be suspended until the TG Study has been received by the VTA Board of Directors.

### **Requirements**

- Capital projects require a 10% non-2016 Measure B contribution.
- VTA's Complete Streets reporting requirements will be required for all capital projects.
- All collateral material will be required to display a 2016 Measure B logo.

## Transit Operations Program Guidelines

### **Definition from Resolution No. 2016.06.17**

The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early morning, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

### **Total Funding**

- \$500 million in 2017 dollars.

### **Distribution**

- VTA anticipates that allocations will be programmed based upon the total allocation for the Transit Operations Program contained in 2016 Measure B divided by the number of years in the measure.
- Future allocations will vary depending upon the amount of sales tax revenue collected.
- The Transit Operations Program Area funding will be allocated for the following four programs identified in 2016 Measure B Attachment D:
  - Enhance Frequent Core Bus Network by increasing core bus route service frequencies, and expanding or adding additional evening, late night and weekend service.
  - Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders.
  - Support new/innovative transit service models to address first/last mile connections and transit services for the transit dependent, vulnerable populations and paratransit users that is safe and accountable.
  - Improve amenities at bus stops to increase safety, security and access with lighting and access improvements.

The proposed allocations for the four categories are as follows:

<b>2016 Measure B Transit Operations Program Area</b>	
<b>Area</b>	<b>Funding Allocation (Proposed)</b>
Frequent Core Bus Network	73%
Innovative Mobility Models & Programs	8%
Fare Programs	15%
Bus Stop Amenities	4%

### **Implementation**

For FY18 & FY19 Budget Allocation:

- The Enhanced Frequent Core Bus Network will directly fund VTA's core bus network of services increasing core bus route service frequencies, and expanding or adding evening, late night and weekend service.
- The Fare Programs will fund the Transit Assistance Program (TAP) and reduced fares for youth.
- The Innovative Transit Models Program will support goals to address first/last mile connections. Strategies may include competitive grant programs to help fund services operated by local jurisdictions, utilize excess paratransit capacity, and other programs that encourage investments in local service.
- The Bus Stop Amenities Program will directly fund improvements at VTA's bus stops. The bus stop improvements will be prioritized based on VTA's Transit Passenger Environment Plan and ongoing maintenance needs.

Six to 12 months into the implementation of the Next Network, staff will have ridership data available to evaluate potential increases to the ridership hours where we see higher demand for service. To meet our commitment as expressed in 2016 Measure B and in collaboration with the public, VTA will make increased investments in service hours in the system focusing on those areas where we see the greatest demand by transit dependent populations.

VTA will consider the potential for further reducing the fares for seniors and youth with a requested goal of free rides.

### **Criteria**

- Only projects and programs currently listed on 2016 Measure B Attachment D are eligible.

### **Requirements**

- For potential competitive grants for the Innovative Transit Models Program:
  - Reporting requirements will be detailed in agreements executed with VTA for project funding.

- All applications must include a delivery schedule.
  - Funds will be available on a reimbursement basis.
- VTA Complete Streets reporting requirements will be required for all capital improvements projects.
- All collateral material will be required to display a 2016 Measure B logo.

### Appendix 10.3 – 2016 Measure B Citizens’ Oversight Committee

The 2016 Measure B Citizens’ Oversight Committee is defined as an “independent body that derives authority from the ballot measure”. The mission of the committee is to validate and report on whether 2016 Measure B funds are being expended in ways that are consistent with the ballot. The Committee’s duration will reflect the term of the sales tax (April 2017 – March 2047). At its September 2017 meeting, the VTA Board of Directors appointed seven individuals to serve on the 2016 Measure B Citizens’ Oversight Committee. Memberships, meetings/schedule, and more information can be found [here](#). The following document shows the VTA Board’s approval for the appointment process for the 2016 Measure B Citizens’ Oversight Committee.



Santa Clara Valley  
Transportation  
Authority

Date: February 23, 2017  
Current Meeting: March 2, 2017  
Board Meeting: March 2, 2017

## BOARD MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**THROUGH:** General Manager, Nuria I. Fernandez

**FROM:** Director of Government & Public Relations, Jim Lawson

**SUBJECT:** Appointment Process for the 2016 Measure B Citizens' Oversight Committee

APPROVED ACCEPTED ADOPTED AMENDED DEFERRED REVIEWED  
Santa Clara Valley Transportation Authority  
Board of Directors

Elaine F. Baltao, Board Secretary

BY: 

DATE: 3/2/17

Policy-Related Action: No

Government Code Section 84308 Applies: No

## ACTION ITEM

### RECOMMENDATION:

Approve the process for appointments to the 2016 Measure B Citizens' Oversight Committee.

### BACKGROUND:

On November 8, 2016 the voters of Santa Clara County overwhelmingly approved Measure B that enacted a thirty year ½ cent sales tax for transit and transportation improvements. Nine categories of projects and programs were proposed as part of the measure:

- Local Streets & Roads Repair
- BART Phase II
- Bicycle & Pedestrian Projects
- Caltrain Grade Separations
- Caltrain Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor
- Transit Operations

The ballot measure specified that the revenues and expenditures would be reviewed by an independent citizens' oversight committee appointed by the Santa Clara Valley Transportation Authority (VTA):

\* See Page 3X of 3X for motion approved by the VTA Board of Directors at the March 2, 2017, Regular Meeting.

“An independent citizens’ oversight committee shall be appointed to ensure that the funds are being expended consistent with the approved Program. Annually, the committee shall have an audit conducted by an independent auditor. The audit shall review the receipt of revenue and expenditure of funds. The committee shall hold public hearings, and issue a report annually to inform the Santa Clara County residents how the funds are being spent. The hearings will be public meetings subject to the Brown Act.”

### **DISCUSSION:**

With the passage of the ballot measure, it is necessary to appoint a Citizens’ Oversight Committee. Staff reviewed the appointment process of several California jurisdictions having similar ballot measures with some form of oversight. The current VTA experience with our 2000 Measure A Citizens Watchdog Committee also helped form the recommendations.

The recommendation is the formation of an independent committee consisting of seven (7) members who are registered voters in Santa Clara County. There will be an open application process with the intent to allow qualified citizens the opportunity to participate.

In the application process we will actively seek individuals who bring important relevant experience to the committee. Staff recommends that the committee should consist of persons who fulfill the following criteria:

- A retired federal or state judge or administrative law judge or an individual with experience as a mediator or arbitrator.
- A professional from the field of municipal/public finance with a minimum of four years relevant experience.
- A professional with a minimum of four years of experience in management and administration of financial policies, performance measurement and reviews.
- A professional with demonstrated experience of four years or more in the management of large scale construction projects.
- A regional community or business organization representative with at least one year of decision making experience.
- A professional with four years of experience in organized labor.
- A professional with a minimum of four years of experience in educational administration at the high school or college level.

The intent is to have one member representing each of the specified areas of expertise. If after a good faith effort, this is not achieved then no more than two members from one of the other areas of expertise may be selected.

This should provide a range of expertise to assist the committee in its task of evaluating the revenues and project expenditures as we begin implementing the commitments to the voters in 2016 Measure B.

The committee will be staffed by the Auditor General to assure the relevant level of expertise and professional advice.

To assure independence, no elected officials, employees of VTA or appointees to VTA committees are eligible while they hold those positions or appointments. Further, employees of the County of Santa Clara or the cities within Santa Clara will also be ineligible. Since 2016 Measure B was structured to assist the County and the cities in the delivery of their projects, their appointment would not be in keeping with the spirit of independence that the measure calls for.

The members of the committee will be subject to VTA's Conflict of Interest policies. Members are prohibited from acting in any commercial activity directly or indirectly involving VTA, such as being a consultant to VTA or to any party with pending legal actions against VTA during their tenure. Members shall not have direct commercial interest or employment with any public or private entity which receives sales tax funds authorized by this Measure.

Each committee member shall serve for a term of four years except initial appointments will be staggered to assure continuity. Members will be limited to two consecutive terms.

Attachment A describes the committee role and responsibilities along with the appointment process and the high level approach to the projected meetings.

#### **ALTERNATIVES:**

In order to meet the intention of 2016 Measure B an oversight committee must be appointed. The Board may direct a different method for selecting the committee or change any of the requirements or restrictions the Board desires.

#### **FISCAL IMPACT:**

There is no fiscal impact with approving this appointment process.

#### **STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Governance & Audit Committee considered this item at its February 2, 2017 meeting as part of its Regular Agenda.

Committee members expressed strong support for the staff proposal, commenting that it was well thought out. Committee members requested the inclusion of the following items in the appointment or committee administration processes: 1) an aspirational goal of balancing, where feasible, appointments to balance the geographic regions of the county; and 2) offer committee members training on bond oversight and other relevant topics.

The committee unanimously recommended Board approval of the staff recommendation with inclusion of the minor additions indicated and that this item be placed on the Board's Consent Agenda.

Prepared by: Jim Lawson, Director of Public Affairs & Executive Policy Advisor  
Memo No. 5992

#### **ATTACHMENTS:**

- A--2016 Measure B COC Appointment Process Overview (PDF)

**6.2. Appointment Process for the 2016 Measure B Citizens' Oversight Committee**

**M/S/C (Chavez/Liccardo)** to approve, as amended the process for appointments to the 2016 Measure B Citizens' Oversight Committee. Further: 1) add the aspirational goal of geographic representation across Santa Clara County; 2) split the regional community and business organization categories, making the total number of committee membership to eight (8); and 3) provide bond oversight and other relevant training to members.

## Citizens Oversight Committee

**Role:** To fulfill the commitment of 2016 Measure B to have an independent oversight committee audit and report on the performance of VTA and the various project sponsors to ensure the funds are being expended consistent with the approved programs.

**Membership:** Seven citizens of Santa Clara County who are eligible voters.

- A retired federal or state judge or administrative law judge or an individual with experience as a mediator or arbitrator.
- A professional from the field of municipal/public finance with a minimum of four years relevant experience.
- A professional with a minimum of four years of experience in management and administration of financial policies, performance measurement and reviews.
- A professional with demonstrated experience of four years or more in the management of large scale construction projects.
- A regional community or business organization representative with at least one year of decision making experience.
- A professional with four years of experience in organized labor.
- A professional with a minimum of four years of experience in educational administration at the high school or college level.

**Application:** Application period will be posted and applicants will apply on line.

**Terms:** 4 years. First appointees to be randomly selected (or volunteer) for either two or four year terms (three [3] for two years and four [4] for four years). Membership will be limited to two consecutive terms only.

**Appointment:** The application period will be posted. Applications will be submitted on line at a dedicated site. Applications will be forwarded to an Evaluation Subcommittee of the Board of Directors appointed by the Chair. The Subcommittee will submit eligible candidates to the Governance & Audit Committee. G&A will recommend finalist candidates to the Chair for appointment with ratification by the full Board of Directors.

**Responsibilities:** Provide independent verification that the tax revenue collected under 2016 Measure B is expended appropriately to deliver the projects and programs described in the ballot measure.

Establish the scope and work plan for the independent audit. Hire a qualified, independent professional audit firm to conduct an audit of the revenues and expenditures on an annual basis.

Conduct a Public Hearing to inform the general public that based upon the independent audit that the public's money is expended for the purposes as described in the ballot measure or adjusted as circumstances warrant through the required approval process.

Publish a report indicating the results of the Independent Audit, Public Hearing and any additional findings the Committee may have.

### Citizens Oversight Committee

Request from time to time a report and/or presentation from project sponsors charged with delivering the various projects under this measure on their progress and expenditures.

**Meetings:** Meetings will be held on a quarterly basis. All meeting will be publicly noticed and conducted under the requirements of the Brown Act. The first meeting is targeted to 2<sup>nd</sup> Quarter FY2018.

## Appendix 10.4 – 2016 Measure B Program Allocations by Program Category

### Local Streets and Roads - \$90M total

Member Agency	One-time Advance	FY 2017 Allocation	FY 2018 Allocation	FY 2019 Allocation	Total Allocation thru FY 2019	
Campbell	\$189,906	\$0	\$796,707	\$796,707	\$1,783,320	
Cupertino	\$271,115		\$1,137,397	\$1,137,397	\$2,545,909	
Gilroy	\$240,462		\$1,008,804	\$1,008,804	\$2,258,070	
Los Altos	\$136,274		\$571,706	\$571,706	\$1,279,686	
Los Altos Hills	\$37,843		\$158,763	\$158,763	\$355,369	
Los Gatos	\$138,402		\$580,633	\$580,633	\$1,299,668	
Milpitas	\$329,415		\$1,381,985	\$1,381,985	\$3,093,385	
Monte Sereno	\$15,657		\$65,686	\$65,686	\$147,029	
Morgan Hill	\$189,552		\$795,223	\$795,223	\$1,779,998	
Mountain View	\$353,498		\$1,483,017	\$1,483,017	\$3,319,532	
Palo Alto	\$303,672		\$1,273,986	\$1,273,986	\$2,851,644	
San Jose	\$4,611,793		\$19,347,691	\$19,347,691	\$43,307,175	
Santa Clara	\$548,858		\$2,302,604	\$2,302,604	\$5,154,066	
Saratoga	\$139,736		\$586,229	\$586,229	\$1,312,194	
Sunnyvale	\$671,607		\$2,817,569	\$2,817,569	\$6,306,745	
Santa Clara County	\$1,356,768		\$5,692,000	\$5,692,000	\$12,740,768	
<b>Total</b>	<b>\$9,534,558</b>			<b>\$40,000,000</b>	<b>\$40,000,000</b>	<b>\$89,534,558</b>

### BART Phase II - \$0 total

No funds were allocated for the BART Phase II Program Category through FY 2019.

**Bicycle and Pedestrian - \$16.6M total***Education and Encouragement Sub-category*

Member Agency	FY 2017 Allocation	FY 2018 Allocation	FY 2019 Allocation	Total Allocation thru FY 2019
Campbell	\$0	\$29,797	\$29,797	\$59,594
Cupertino		\$37,049	\$37,049	\$74,098
Gilroy		\$35,648	\$35,648	\$71,296
Los Altos		\$24,576	\$24,576	\$49,152
Los Altos Hills		\$10,000	\$10,000	\$20,000
Los Gatos		\$24,576	\$24,576	\$49,152
Milpitas		\$45,109	\$45,109	\$90,218
Monte Sereno		\$10,000	\$10,000	\$20,000
Morgan Hill		\$30,290	\$30,290	\$60,580
Mountain View		\$46,226	\$46,226	\$92,452
Palo Alto		\$41,709	\$41,709	\$83,418
San Jose		\$494,456	\$494,456	\$988,912
Santa Clara		\$67,531	\$67,531	\$135,062
Saratoga		\$24,048	\$24,048	\$48,096
Sunnyvale		\$78,976	\$78,976	\$157,952
Countywide/VTA		\$250,000	\$250,000	\$500,000
<b>Total</b>			<b>\$1,250,000</b>	<b>\$1,250,000</b>

*Capital Projects Sub-category*

Total	\$13.33M
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*Planning Studies Sub-category*

Total	\$830,000
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**Caltrain Grade Separation - \$7M total**

Total	\$7M
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**Caltrain Corridor Capacity Improvements- \$6.3M total**

Total	\$6.3M
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**Highway Interchanges- \$87M total**

Project	Total Allocation thru FY 2019
SR 17 Southbound/Hamilton Ave. Off-Ramp Widening	\$1M
SR 17/San Tomas Expressway Interim Improvements	\$1M
Hwy. Transportation Operations System/Freeway Performance Initiative Phase 1 & 2	\$1M
Noise Abatement Program (Countywide)	\$4M
I-280/Wolfe Rd. Interchange Improvements	\$6M
I-280 Northbound: Second Exit Lane to Foothill Expressway	\$3.5M
US 101/SR 25 Interchange (ENV/PS&E)	\$2M
US 101/Buena Vista Ave. Interchange Improvements	\$1M
Calaveras Boulevard Widening - Near-term Improvements	\$1M
US 101 Interchanges Improvements: San Antonio Rd. to Charleston Rd./Rengstorff Ave.	\$1M
US 101 Southbound/Trimble Rd./De La Cruz Blvd./Central Expwy. Interchange Improvements	\$4M
Double Lane Southbound US 101 off-ramp to Southbound SR 87	\$1.5M
US 101/Mabury Rd./Taylor St. Interchange Construction	\$2M
I-280/Winchester Blvd. Interchange Improvements	\$3M
SR 87 Technology-based Corridor Improvements - (SR 87 Charcot On-ramp HOV Bypass)	\$1M
US 101/Zanker Rd./Skyport Dr./Fourth St. Interchange Improvements	\$3M
US 101/Old Oakland Rd. Interchange Improvements	\$1M
US 101/Blossom Hill Rd. Interchange Improvements	\$4M
Charcot Overcrossing	\$12M
SR 237/Mathilda Ave. and US 101/Mathilda Ave. Interchange Improvement + follow-up Landscaping	\$34M
<b>Total</b>	<b>\$87M</b>

**County Expressways - \$50M total**

<b>Total thru FY 2019</b>	<b>\$50M</b>
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**SR 85 Corridor - \$12M total**

	Total Allocation thru FY 2019
SR85 Noise Reduction Pilot Project Phase II	\$10.6
SR85 Transit Guideway Study	\$1.4
<b>Total</b>	<b>\$12M</b>

**Transit Operations - \$33.3M total**

Sub-Category	FY 2018 Allocation	FY 2019 Allocation	Total Allocation thru FY 2019
Enhance Core Network	\$12M	\$12M	\$24M
Expand Mobility & Affordable Fares	\$2.5M	\$2.5M	\$5M
Innovative Transit	\$1.5M	\$1.5M	\$3M
Improve Amenities	\$0	\$1.3M	\$1.3M
<b>Total</b>	<b>\$16M</b>	<b>\$17.3M</b>	<b>\$33.3M</b>

**Administration - \$6.6M total**

FY 2018 Allocation	\$3.3M
FY 2019 Allocation	\$3.3M
<b>Total</b>	<b>\$6.6M</b>

2016  
MEASURE B



# Annual Report

FY 2020



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# 1. Executive Summary

True to VTA's mission, "*Solutions that move you*", the **2016 Measure B Program** provides funding opportunities for transportation planning, infrastructure, and education and outreach activities throughout Santa Clara County. With nine different categories, 2016 Measure B works with cities and the County of Santa Clara to create solutions for diverse local transportation concerns – from walking and biking to innovative transit connectivity. The 2016 Measure B Program aids in the delivery of voter-supported projects and initiatives through both competitive and non-competitive funding pools.

This annual report focuses on Fiscal Year 2020, starting July 1, 2019 to June 30, 2020 – detailing the measure's continued development and growth, and funding allocations and expenditures. Additionally, it highlights Program achievements – such as the creation and adoption of the Program Category Guidelines and explains certain technical processes – such as the allocation to payment process.

VTA looks forward to continued collaboration with the community and our partners to deliver 2016 Measure B eligible programs and projects throughout Santa Clara County.

## 2. Introduction: What is 2016 Measure B?

Santa Clara County voters approved **2016 Measure B**, a 30-year, half-cent countywide sales tax to enhance transit, highways, expressways, and active transportation (bicycles, pedestrians, and Complete Streets) in November 2016. The measure passed by nearly 72%, the highest level of support for any Santa Clara County transportation sales tax. 2016 Measure B Program funds are available to Member Agencies – local jurisdictions that are signatories of the Congestion Management Agency (VTA)'s Joint Powers Agreement. This includes all cities within the county, Santa Clara County, and the Santa Clara Valley Transportation Authority. Program funds are divided into nine different Program Categories, as introduced to voters in the ballot language. These nine Program Categories are:

- Local Streets & Roads
- BART Phase II
- Bicycle & Pedestrian
- Caltrain Grade Separation
- Caltrain Corridor Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor
- Transit Operations

Member Agencies may access 2016 Measure B Program funds for projects that fit within the Program Category guidelines – which are detailed in Section 5.1 of this report.

At the time of 2016 Measure B's passage, it was anticipated to generate \$6.3 billion in 2017 dollars over the next 30 years. The actual revenues to be received over the 30-year life of the tax will be

affected by various economic factors, such as inflation and economic growth or decline. Collection of the tax began on April 1, 2017.

## 2.1 History

- **Poll Results**

After the VTA Board of Directors adopted a resolution to place the measure on the ballots on June 24, 2016, it was successfully placed on the November 8, 2016 General Election ballot. The measure garnered 487,539 “YES” votes out of a total of 679,596 votes – resulting in a 72% approval rate (see Appendix 10.1 for ballot language).

- **Lawsuit**

Following the election, an individual challenged the validity of the 2016 Measure B Sales Tax – a hurdle that would last nearly two years, causing delays in implementation and distribution of funds. On October 18, 2018, the California 6th District Court of Appeal decided to throw out the lawsuit. The decision was appealed to the State Supreme Court, where the appeal was rejected on January 23, 2019.

## 2.2 Citizens’ Oversight Committee

The 2016 Measure B ballot measure language specified that the revenues and expenditures of the Program would be reviewed by an independent citizens’ oversight committee appointed by the VTA. The purpose of the committee is to ensure that the funds are being expended consistent with the approved Program. The 2016 Measure B Citizens’ Oversight Committee (2016 MBCOC) is comprised of eight members appointed from defined areas of expertise and that possess required experience – the VTA Board of Directors’ approved the appointment process for the 2016 MBCOC at the March 2, 2017 meeting.

The ballot requires the committee to have annually have an audit conducted by an independent auditor that reviews the receipt of revenue and expenditure of funds. In May 2020, the 2016 MBCOC approved awarding a contract to Moss Adams LLP to provide compliance/performance auditor services to the committee.

Due to substantial delay in program implementation resulting from the court challenges, at its July 2020 meeting the 2016 MBCOC approved the recommendation that the first audit be a combined process covering the first three fiscal years: FY 2017 (April 1 - June 30, 2017), FY 2018 (July 1, 2017 - June 30, 2018), and FY 2019 (July 1, 2018 - June 30, 2019).. The 2016 MBCOC accepted the FY 2020 Performance Audit Report at their March 24, 2021 meeting. The FY 2020 Performance Audit Report may be accessed [here](#) on [vta.org](http://vta.org). More details regarding the 2016 MBCOC can be found in Appendix 10.3. In addition to the audit, the 2016 MBCOC is responsible for holding an annual public hearing to inform residents on how Program funds are being spent, as well as issue their own annual report. The MBCOC’s annual report may be accessed at [vta.org](http://vta.org) under the [“Citizens Oversight Committee” section](#) or on the 2016 Measure B Transparency Website, under [“Administration”](#).

### 3. Program Tax Revenues

Tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management, are referred to as **Program Tax Revenues**.

Using the dollar amounts identified for each Program Category in the ballot, ratios for each Program Category were calculated – which are then used to calculate future allocations and to determine the appropriate distribution of 2016 Measure B funds to each Program Category over the life of the measure.

The nine Program Categories ratios are calculated by dividing the identified amount of the Program Category on the measure with the total projected 2016 Measure B Program Tax Revenues.

$$\text{Program Category ratio} = \text{Program Category amount} \div \text{Total projected 2016 Measure B Program Tax Revenue amount}$$

Example:

1. Total projected 2016 Measure B Program Tax Revenue: \$6.3 Billion in 2017 dollars
2. Local Streets & Roads (LSR) Program Category amount: \$1.2 Billion in 2017 dollars
3. LSR ratio = \$1.2 Billion ÷ \$6.3 Billion
4. LSR percentage share of total 2016 Measure B Program Tax Revenues = 19.05%

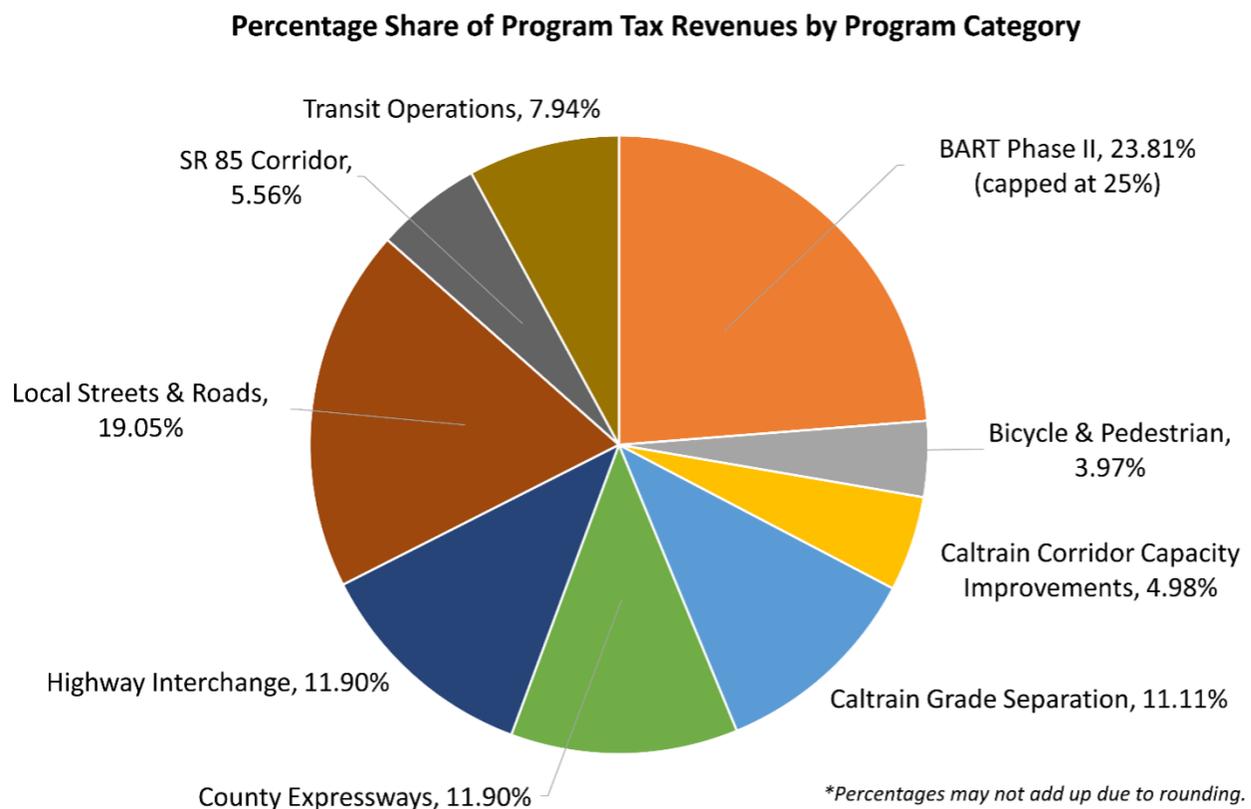


Figure 3.1 – Figure shows a breakdown of Program Tax Revenues by Program Category.

## 4. Program Revenues Received through FY 2020

2016 Measure B revenues include net receipts from sales in Santa Clara County collected by the California Department of Tax and Fee Administration (CDTFA) and any income earned on the receipts.

Sales tax revenue collection for 2016 Measure B started on April 1, 2017, and the measure will continue collecting revenue through March 31, 2047. VTA's fiscal year (FY) begins on July 1 and ends on June 30 of the following calendar year, and is referred to by the year the period ends (for example, FY 2019 is July 1, 2018 to June 30, 2019).

### 4.1 Total Receipts for FY 2020

2016 Measure B Sales Tax Revenues by Fiscal Year	
Fiscal Year	Net Receipts
FY 2020	\$209,324,347
<b>Total Since Inception</b>	<b>\$702,078,296</b>

### 4.2 Total Income Earned for FY 2020

2016 Measure B Income Earned by Fiscal Year	
Fiscal Year	Income Earned
FY 2020	\$22,799,991
<b>Total Since Inception</b>	<b>\$27,770,754</b>

Income earned is "interest income, unrealized gains/losses, and trading gains/losses...[and] derived from three primary sources: short, mid, and long-term investment portfolios." (VTA CAFR 2019).

### 4.3 Program Revenue and Income Earned through FY 2020

Program Tax Revenues through FY 2020		
	FY2020	Total Since Inception (FY 2017 – FY 2020)
Revenue Earned	\$209,324,347	\$702,078,296
Income Earned	\$22,799,991	\$27,770,754
<b>Sub-total</b>	<b>\$232,124,338</b>	<b>\$729,849,050</b>
Administration Expenditures	<b>-\$1,297,889</b>	<b>-\$3,705,033</b>
<b>Program Tax Revenue Total</b>	<b>\$230,826,449</b>	<b>\$726,144,017</b>

The table on the next page highlights the Program Category allocations as their ballot-established ratios of the Program Tax Revenues and as a percentage of Program Tax Revenues through the end of the fiscal year. It is important to note that that the ballot-established ratios are based on the

30-year life of the Measure, and the Program Category allocation ratios shown at the end of a fiscal year are a snapshot in time. Program Category allocations will fluctuate over the 30 years, and this will be reflected in the ratios that are shown at the end of a fiscal year.

Program Category Allocations as Percentage Share of Program Tax Revenues			
Program Category	Allocation through FY2020	% of Program Tax Revenues through FY 2020 <sup>(2)</sup>	% of Program Tax Revenues (Ballot Measure Language) <sup>(3)</sup>
<b>Formula-Based</b>			
Local Streets & Roads	\$130,000,000	17.90%	19.05%
<b>Transit Operations</b>			
Enhance Core Network	\$39,000,000	6.97%	7.94%
Innovative Transit Models	\$4,500,000		
Expand Mobility & Affordable Fares	\$7,500,000		
Improve Amenities	\$2,600,000		
<b>Bicycle &amp; Pedestrian</b>			
Education/Encouragement	\$3,750,000	4.59%	3.97%
Capital Projects <sup>(1), (2)</sup>	\$26,600,000		
Planning Studies <sup>(1), (2)</sup>	\$1,660,000		
<b>Need/Capacity-Based <sup>(1), (2)</sup></b>			
BART Phase II	\$150,000,000	20.66%	23.81%
Caltrain Grade Separation	\$38,000,000	5.23%	11.11%
Caltrain Corridor Capacity Improvements	\$13,100,000	1.80%	4.98%
Highway Interchanges	\$206,900,000	28.49%	11.9%
County Expressways	\$50,000,000	6.89%	11.9%
SR 85 Corridor	\$14,500,000	2.00%	5.56%

<sup>(1)</sup> Includes allocations through FY 2021. These allocations are available to the program category or subcategory at the beginning of the first fiscal year of the Biennial Budget. They are not distributed on a fiscal year basis.

<sup>(2)</sup> % of Program Tax Revenue includes allocations through FY 2021.

<sup>(3)</sup> The 2016 Measure B ballot measure language identifies Program Tax Revenue ratios for the life of the measure, not by fiscal year. See Section 3 for details.

## 5. Program Categories

There are nine Program Categories within the 2016 Measure B Program – three of which include subcategories. Figure 5.1 presents an overall summary of 2016 Measure B Program Categories, differentiated by allocation types. Allocation types are formula-based and need/capacity-based, which are differentiated below. Three of the Program Categories – Local Streets & Roads, Bicycle & Pedestrian, and Transit Operations – have sub-categories whose funds are distributed either through a formula process, competitive application process, or a need/capacity-based selection process.

VTA's budget encompasses two fiscal years. The Biennial Budget for FY 2020 and FY 2021 was adopted by the Board of Directors in June 2019. The Board of Directors approved a \$4.3 million increase in the Caltrain Corridor Capacity Improvement program category budget for FY 2020 and

FY 2021 at their December 2019 meeting. The approved budget for fiscal years 2020 and 2021 is shown below – some Program Categories and sub-categories have budgets that span the two fiscal years while others have budgets per fiscal year. These budgets are available at the beginning of the first fiscal year in the biennial budget. Similar to a capital budget, appropriation for the program will not expire at the end of the fiscal year and will be carried forward until the 2016 Measure B Program is completed.

		FY2020	FY 2021
<b>Administrative Costs</b>		\$3.30M	\$3.30M
<b>Program Category</b>			
<b>Formula-Based</b>	<b>Local Streets &amp; Roads</b>	\$40.00M	\$40.00M
	<b>Transit Operations</b>		
	Enhance Core Network	\$12.00M	\$12.00M
	Innovative Transit Models	\$1.50M	\$1.50M
	Expand Mobility & Affordable Fares	\$2.50M	\$2.50M
	Improve Amenities	\$1.30M	
	<b>Bicycle &amp; Pedestrian</b>		
	Education/Encouragement	\$2.50M	
	Capital Projects	\$13.3M	
	Planning Studies	\$0.83M	
<b>Need/Capacity-Based</b>	<b>BART Phase II</b>	\$150M	
	<b>Caltrain Grade Separation</b>	\$31.00M	
	<b>Caltrain Corridor Capacity Improvements</b>	\$6.80M	
	<b>SR 85 Corridor</b>	\$2.50M	
	<b>County Expressways</b>	\$0.00M	
	<b>Highway Interchanges</b>	\$119.90M	
<b>Total:</b>		<b>\$446.76M</b>	

## 5.1 Program Category Guidelines

In order to administer each of the nine Program Categories, VTA established guidelines that outline the distribution (or allocation) of funds for each Program Category (and its subsequent sub-categories if applicable), implementation steps, and project and program criteria and requirements. The VTA Board of Directors adopted the nine Program Categories in fall 2017 and can modify the Program Category Guidelines as needed.

The Program Category Guidelines establish two types of distribution of 2016 Measure B funds: formula-based and need/capacity-based. Formula-based distribution means funds are distributed each fiscal year, as best as possible, by multiplying the program category's ballot-established ratio and the projected Program Tax Revenue of that fiscal year. Need/capacity-based distribution means the projects are allocated funding based on 2016 Measure B funding capacity, project readiness, and timing of project funding need.

## 2016 Measure B Program Categories

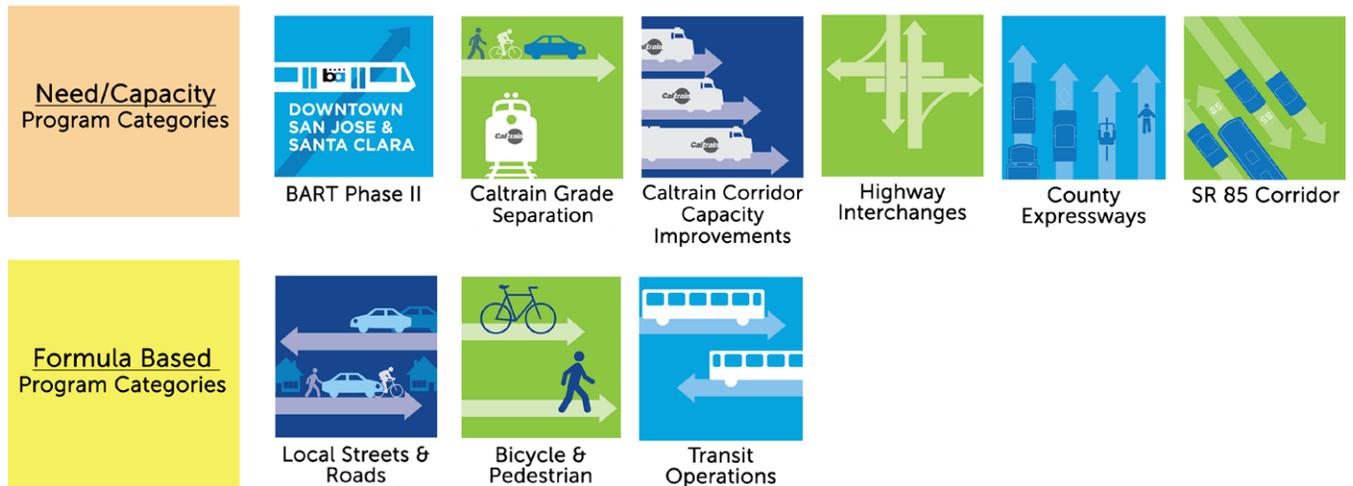


Figure 5.1 – 2016 Measure B Program Categories.

See Appendix 10.2 for Program Category Guidelines for details such as project eligibility.

The nine Program Categories eligible for 2016 Measure B funds and their ratios of the Program Tax Revenues are:



### Local Streets and Roads: 19.05%

This category distributes funds according to a population-based formula and Santa Clara County's road and expressway lane mileage. This category dedicates funds to be used for repair and maintenance of street systems; it also requires agencies to apply Complete Streets best practices – therefore improving bicycle and pedestrian elements of their street system. Individual cities and the County may use their share of funds for either pavement rehabilitation or congestion relief if they have a Pavement Condition Index of 70 or higher.



### BART Silicon Valley Phase II: 23.81%\*

This category dedicates funding to the planning, engineering, construction, and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th Street, downtown San Jose, San Jose Diridon Station, and Santa Clara.

\*capped at a maximum of 25% of Program Tax Revenues



### **Bicycle and Pedestrian: 3.97%**

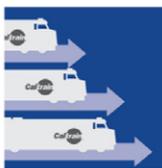
This category helps to fund priority bicycle and pedestrian projects of countywide significance, as identified by the cities, County, and VTA. The funds will prioritize projects that: connect to schools, transit, and employment centers; fill gaps in the existing bike and pedestrian networks; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. This also includes educational programs such as Safe Routes to Schools. Eligible projects are identified in Attachment A of 2016 Measure B. (See Appendix 10.1)

- *Sub-category Grant Program: Education and Encouragement*
  - This program allows member agencies to fund projects and programs that will encourage the use of bicycling and walking and/or provide education regarding these modes. These include, but are not limited to, Safe Routes to School, walk audits, open streets events, and bicycle/pedestrian safety campaigns. Funds for this program are distributed to each Member Agency via a population-based formula.
- *Sub-category Grant Program: Capital Projects*
  - This competitive grant program will provide funds to awarded applicants for activities leading to/including: Environmental Clearance; Design; Right of Way; and Construction for bicycle and pedestrian projects currently identified in 2016 Measure B.
- *Sub-category Grant Program: Planning Studies*
  - This competitive grant program will allow the cities, County and VTA to apply for funds that allows them to advance planning studies that support capital project development for bicycle and pedestrian projects of countywide significance.



### **Caltrain Grade Separation: 11.11%**

This category will help to fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians and also reduce congestion at the intersections.



### **Caltrain Corridor Capacity Improvements: 4.98%**

This category will help to fund Caltrain corridor capacity improvements and increase service in Santa Clara County in order to ease highway congestion, including: increase service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms and service enhancements.



### Highway Interchanges: 11.90%

This category will help to fund highway projects across Santa Clara County to provide: congestion relief, improve highway operations and freeway access, noise abatement, roadway connection overcrossings, and to deploy advanced technology through Intelligent Transportation Systems (ITS). Eligible projects are identified in Attachment B of 2016 Measure B. (See Appendix 10.1)



### County Expressways: 11.90%

This category will help to fund Tier 1 improvement projects in the County's Expressway Plan to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Eligible projects are identified in Attachment C of 2016 Measure B. (See Appendix 10.1)



### State Route 85 Corridor: 5.56%

This category will fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. It will also fund noise abatement along SR 85 and provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps, Light Rail Transit, and other future transportation technologies.



### Transit Operations: 7.94%

The goals of this category are to increase ridership, improve efficiency, enhance mobility services for seniors and individuals with disabilities, and improve affordability for the underserved and vulnerable populations in the County. Funds may be used to maintain and expand core bus route service frequencies, extend hours of operations to early mornings, evenings, and weekends to improve mobility, safe access, and affordability to residents that rely on bus service for critical transportation mobility needs – specifically for vulnerable, underserved, and transit dependent populations throughout the county. Sub-categories for eligible Transit Operations efforts are identified in Attachment D of 2016 Measure B. (See Appendix 10.1)

- *Sub-category Grant Program: Frequent Core Bus Network*
  - This sub-category will directly fund VTA's core bus network of services increasing core bus route service frequencies, and expanding or adding evening, late night, and weekend service.
- *Sub-category Grant Program: Innovative Transit Service Models*
  - This competitive grant program seeks to support affordable new innovative transit service models to address first/last mile connections including FLEX type services, dynamic on-demand subscription shuttles and partnerships with other demand responsive services providers serving vulnerable, underserved and transit-dependent populations.

- *Sub-category Grant Program: Expand Mobility & Affordable Fares*
  - Funds to expand mobility services and affordable fare programs for seniors, disabled, students, and low-income riders.
- *Sub-category Grant Program: Improve Amenities*
  - Funds to improve amenities at VTA bus stops to increase safety, security and access, as well as on-going maintenance.

Figure 5.2 below details the sub-categories of the Local Streets & Roads, Bicycle & Pedestrian, and Transit Operations categories.

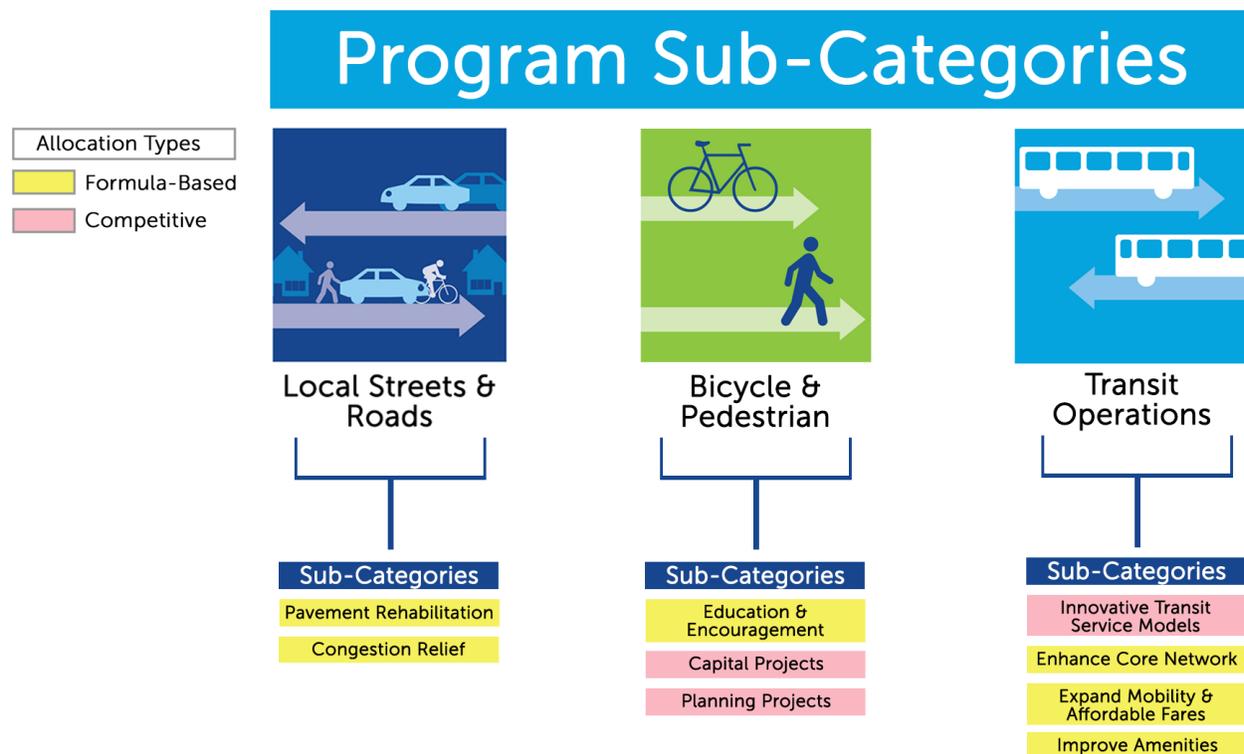


Figure 5.2 – 2016 Measure B Program sub-categories and allocation types.

## 6. Allocations and Expenditures for FY 2020

An allocation is the VTA Board-approved amount of 2016 Measure B funds available for a specified project or program. The 2016 Measure B Program budget and allocations are approved by the VTA Board of Directors every two years in conjunction with the approval of the VTA biennial budget. Program Category allocations do not expire at the end of a fiscal year. The unspent amount rolls over and is available for use in future fiscal years.

An expenditure is VTA's reimbursement of 2016 Measure B funds to a grantee (e.g. a city, the County, or Caltrain).

## 6.1 Allocation to Expenditure Process



Figure 6.1 – 2016 Measure B allocation to expenditure process.

Figure 6.1 illustrates the general three-step distribution process of 2016 Measure B funds, from allocation to expenditure. The process begins with the VTA Board of Directors' approval of the Program Category allocations – this part of the process is done on a biennial basis, or every two years, in conjunction with VTA's budget cycle. Formula-based programs such as Local Streets and Roads and Bicycle & Pedestrian Education Encouragement, will have allocations that are further broken down to the 15 cities and the County. For example, the Local Streets and Road Program Category allocation is disbursed to each city using a population-based formula and to the County based on the County's road and expressway lane mileage.

Following the allocation(s) of 2016 Measure B funds, funding agreements must be executed for grantees to access the funds. Grantees are agencies that receive 2016 Measure B funds for projects. They include 15 cities, Santa Clara County, Caltrain and VTA. After the successful execution of the agreements, Grantees may begin invoicing VTA for work completed on 2016 Measure B projects – VTA will then reimburse the Grantee for eligible costs, resulting in an expenditure.

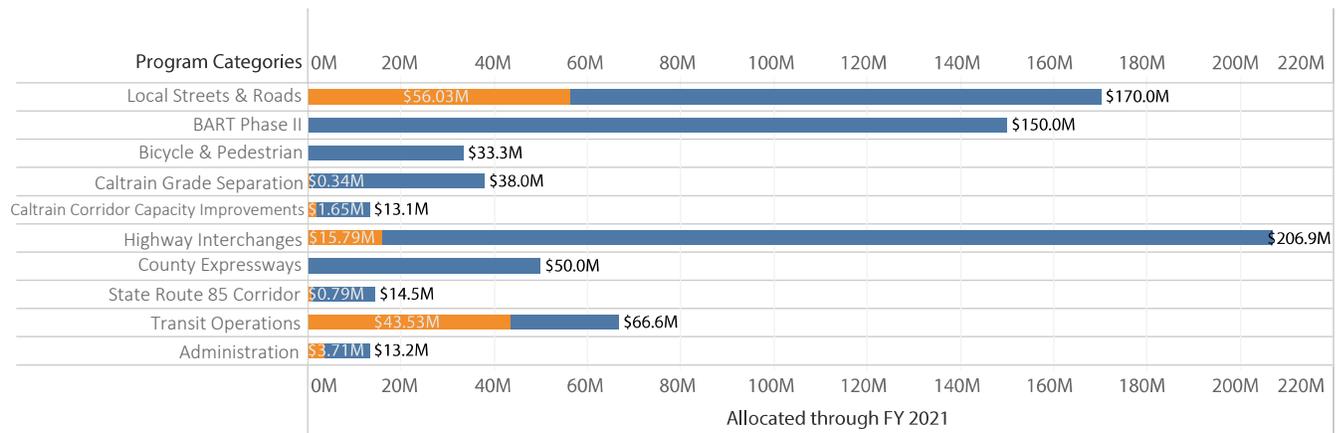
## 6.2 Allocation and Expenditure by Program Category

FY 2020 & FY 2021 Total Program allocation*	\$446.76M
Total Program Expenditure for FY 2020	-\$95.45M
Remaining	\$351.31M

\*Total Program allocation includes the allocation to administration.

Figure 6.2 below shows the allocation and expenditure through FY 2020 for each of nine Program Categories and administration.

### 2016 Measure B Expenditure through FY 2020 by Program Category



This chart shows allocation through FY 2021 and expenditure through FY 2020 for each Program Category.

#### Legend

- Allocated through FY 2021
- Expended through FY 2020

Figure 6.2 – 2016 Measure B allocation and expenditures through FY 2020 by Program Category.

## 7. Program Oversight Procedures

As the 2016 Measure B Program is new, formal program oversight procedures needed to be developed to establish VTA's role and responsibilities over projects and programs within the 2016 Measure B Program. Figure 7.1 displays how VTA determines the level of oversight needed for a specific project as well as the tasks to be carried out by VTA to ensure proper project delivery and compliance.

Oversight duties by VTA typically include review and approval of required annual documentation such as Complete Streets checklists, program of projects, and progress reports. Invoices submitted by project sponsors are also thoroughly reviewed. The Program office also presents and publishes monthly 2016 Measure B Program updates to VTA committees – giving an opportunity to VTA staff to answer any questions regarding the Program and its progress.

Figure 7.1, on the next page, shows the general project type and requirements for each oversight level.

## 2016 Measure B Program Oversight Requirements

Project Cost or Complexity	← HIGH — MEDIUM — LOW →			Programmatic Categories
	HIGH	MEDIUM	LOW	
Project Type	<ul style="list-style-type: none"> <li>Projects costing more than \$100M and with \$10M or more in 2016 Measure B funding; or</li> <li>Projects with significant complexity, as determined by VTA staff.</li> </ul>	<ul style="list-style-type: none"> <li>Projects costing between \$10M and \$100M; and/or</li> <li>Projects with \$10M or more in 2016 Measure B funding; and/or</li> <li>Projects with medium complexity, as determined by VTA staff.</li> </ul>	<ul style="list-style-type: none"> <li>Projects costing less than \$10M; or</li> <li>Projects with less than \$10M in 2016 Measure B funding.</li> </ul>	<ul style="list-style-type: none"> <li>Local Streets &amp; Roads Pavement program</li> <li>Bicycle &amp; Pedestrian Education &amp; Encouragement program</li> </ul>
Executed Agreement*	Required per phase	Required per phase	Required per phase	Only Master Funding Agreement required
Complete Streets Checklist	Required per phase	Required per phase	Required per phase	Required annually
Project Management Plan	Must be developed with VTA and include: Staffing Plan, Schedule, Contracting Plan, and Risk Assessments	Must include: Staffing Plan, Schedule, Contracting Plan, and Risk Assessments	Must include: Staffing Plan, Schedule, Contracting Plan, and Risk Assessments	N/A
Funding Plan	Required	Required	Required	N/A
Project Team Meetings	Monthly	Quarterly, at minimum	Semi-annually, at minimum	Semi-annually, at minimum
Written Progress Reports	Quarterly	Quarterly	Quarterly	Annually
Invoice Submittals	Monthly	Quarterly, at minimum	Semi-annually, at minimum	Annually, at minimum
Annual Program of Projects	N/A	N/A	N/A	Required
Present at VTA Committees as Needs	Yes	Yes	Yes	N/A

\*As required, VTA-led projects do not need to have executed agreements but must meet requirements for funds to be released.  
Exceptions from MEDIUM and HIGH categories include but are not limited to:  
 • BART Phase II, which already has an independent oversight program with FTA; Projects that are currently at the final design or construction stages; and large pavement management/road rehabilitation programs.

Figure 7.1 – 2016 Measure B Proposed Program Oversight Requirement Chart.

## 8. Program Category Highlights

Though distribution of funds was delayed by the lawsuit, development of the 2016 Measure B Program and Program Category processes continued as best as possible. The highlights below in Figure 8.1 capture Program activities from July 1, 2019 to June 31, 2020.

### Overall 2016 Measure B Program



- Awarded contract for 2016 Measure B Citizens' Oversight Committee Compliance Auditor Services.
- Launched 2016 Measure B transparency website.

## Program Categories

### Local Streets & Roads



- Executed LSR Master Funding Agreements.
- Received FY 2020 Annual Documentation from Member Agencies.

### Bicycle & Pedestrian



- VTA Board approved 10-year priority project list for Capital Projects subcategory.
- VTA Board authorized agreement execution for Capital Projects subcategory projects.
- Began developing grant criteria for Planning Studies grant sub-category.
- Began reviewing proposed Program of Projects for Education and Encouragement sub-category.

### Caltrain Corridor Capacity Improvements



- VTA Board approved the program allocation increase by \$4.3M for the Diridon Station Integrated Concept Plan Phase II and Caltrain Corridor-wide Grade Crossing Policy.
- Work continuing on Diridon Integrated Station Concept Plan Phase I.

### County Expressways



- Execution of cooperative agreement with County of Santa Clara for County Expressway Program Category funds.
- Execution of funding agreement with City of Morgan Hill for the Santa Teresa-Hale Corridor Road and Trail between Dewitt and Main (Phase 1) project.

### BART Phase II



- No 2016 Measure B activities.

### Caltrain Grade Separation



- VTA Board authorized agreement execution with City of Mountain View and Peninsula Corridor Joint Powers Board to deliver the Castro Street Grade Separation Project.
- Work continuing on Implementation Plan.

### Highway Interchanges



- Work began on US 101/Blossom Hill Rd Interchange project and Calaveras Blvd Near-Term Improvement and Mathilda Ave Landscaping project.

### SR 85 Corridor



- Work continued on Transit Guideway Study.

### Transit Operations



- VTA Board approved Innovative Transit Service Models Competitive Grant Program criteria.

Figure 8.1 – 2016 Measure B Program highlights.

## 9. Glossary

Below are terms frequently used in this report and related 2016 Measure B documentation.

An **allocation** is the VTA Board-approved amount of 2016 Measure B funds available for a specified project or program.

An **award** shows that VTA and a grantee have executed an agreement to fund an eligible project.

An **expenditure** is VTA's reimbursement of 2016 Measure B funds to a grantee (e.g. a city, the County, or Caltrain).

**Fiscal Year** refers to the 12-month accounting period that starts on July 1 and ends on June 30. Fiscal year is often abbreviated FY, and the year referenced is the end of that period. For example, FY 2020 covers from July 1, 2019 to June 30, 2020.

**Grantees** are agencies that receive 2016 Measure B funds for projects. They include 15 cities within the county, Santa Clara County, Caltrain and VTA.

A **Member Agency** is a local jurisdiction that is a signatory of the Santa Clara County Congestion Management Agency's Joint Powers Agreement. This includes all cities within the county, Santa Clara County, and the Santa Clara Valley Transportation Authority.

The 2016 Measure B ballot language specified nine **Program Categories**, with allocations specified for each: Local Streets & Roads, BART Silicon Valley Phase II, Bicycle and Pedestrian, Caltrain Grade Separation, Caltrain Capacity Improvements, Highway Interchanges, County Expressways, State Route 85 Corridor, and Transit Operations.

**Program Tax Revenues** are tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management.

**Revenue** collected is the net receipt of 2016 Measure B sales tax revenue, excluding interests earned.

# 10. Appendix

2016 Measure B FY 20 Annual Report

Appendix

## Appendix 10.1 –2016 Measure B Ballot Language

### MEASURE B

#### COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE B

California law permits the Santa Clara Valley Transportation Authority (VTA) to impose a retail transactions and use tax (commonly called a "sales tax") in the territory of the VTA, which includes both the unincorporated territory and all the cities within Santa Clara County. Such a tax must first be approved by two-thirds of the voters voting in an election.

Measure B was placed on the Ballot by the VTA Board of Directors (Board). Measure B proposes enactment of a .5% (one-half cent) sales tax. The Board anticipates that the sales tax would be operative on April 1, 2017. The authority to levy the sales tax will expire thirty years later.

Under California law, all local governments within each county cannot enact a total sales tax rate of more than 2% in any territory. Approval of this Measure would result in the territory within the cities of Campbell and San Jose reaching that 2% cap during 2017 and until the expiration of an existing tax. The State also imposes a sales tax, some of which is distributed to local governments. The State sales tax rate is scheduled to be 7.25% as of January 1, 2017. Approval of this Measure is anticipated to result in a total 9.25% sales tax in the cities of Campbell and San Jose, and a 9.0% sales tax elsewhere in Santa Clara County, as of the date the sales tax is anticipated to begin. Because existing sales taxes may expire, or other sales taxes may be enacted, overall tax rates may vary during the thirty-year period of this tax.

State law requires the VTA to state the specific purposes for which the sales tax proceeds will be used, and the VTA must spend the proceeds of the tax only for these purposes. The stated purposes of the proposed sales tax are to: repair potholes and fix local streets; finish the BART extension through downtown San Jose and to Santa Clara; improve bicycle and pedestrian safety; increase Caltrain capacity, in order to ease highway congestion, and improve safety at crossings; relieve traffic on the expressways and key highway interchanges; and enhance transit for seniors, students, low-income, and disabled individuals. The Measure states that the VTA will establish a program and develop program guidelines to administer tax revenues received from the measure.

Measure B provides for the establishment of an independent citizens' oversight committee for ensuring that proceeds of the tax are expended consistent with the program established by the VTA. The committee would hold public hearings, issue reports on at least an annual basis, and arrange for an annual independent audit of expenditures.

A "yes" vote is a vote to authorize a special sales tax of one-half cent (.5%) operative for 30 years, expected to expire on March 31, 2047.

A "no" vote is a vote not to authorize the special sales tax.

James R. Williams  
Acting County Counsel

By: /s/ Danielle L. Goldstein  
Deputy County Counsel

### COMPLETE TEXT OF MEASURE B

To repair potholes and fix local streets; finish the BART extension through downtown San Jose and to Santa Clara; improve bicycle and pedestrian safety; increase Caltrain capacity, in order to ease highway congestion, and improve safety at crossings; relieve traffic on the expressways and key highway interchanges; and enhance transit for seniors, students, low-income, and disabled, shall the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) enact a retail transactions and use tax ordinance, Ordinance No. 2016.01, imposing (a) a tax for the privilege of selling tangible personal property at retail upon every retailer in Santa Clara County, the territory of VTA, such tax to be at the rate of one-half of one percent of the gross receipts of the retailer from the sale of tangible personal property sold by him/her at retail in the territory of VTA; and (b) a complementary tax upon the storage, use, or other consumption in Santa Clara County, the territory of VTA, such tax to be at the rate of one-half of one percent of the sales price of the property whose storage, use, or other consumption is subject to the tax; collection of such tax to be limited to thirty years?

VTA shall be the administrator of the tax, shall establish a program and develop program guidelines to administer the tax revenues received from the enactment of this measure (the "Program"). Tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management, shall be referred to herein as "Program Tax Revenues."

VTA shall allocate the Program Tax Revenues to the following categories of transportation projects: Local Streets and Roads; BART Phase II; Bicycle and Pedestrian; Caltrain Grade Separation; Caltrain Capacity Improvements; Highway Interchanges; County Expressways; SR 85 Corridor; and Transit Operations.

The present value (i.e., present day purchasing power) of the Program Tax Revenues, as of April 2017, is forecasted to be approximately \$6.3 Billion. The actual revenues to be received over the 30-year life of the tax will be affected by various economic factors, such as inflation and economic growth or decline. The estimated amounts for each category reflect the allocation of approximately \$6.3 Billion. The estimated amounts for each category, divided by \$6.3 Billion, establishes ratios for the allocation among the categories. The VTA Board of Directors may modify those allocation amounts following the program amendment process outlined in this resolution.

- **Local Streets and Roads—Estimated at \$1.2 Billion of the Program Tax Revenues in 2017 dollars.**

To be returned to cities and the County on a formula basis to be used to repair and maintain the street system. The allocation would be based on the population of the cities and the County of Santa Clara's road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace their current investments for road system maintenance and repair. The program would also require that cities and the County apply Complete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index score of at least 70, it may use the funds for other congestion relief projects.

### COMPLETE TEXT OF MEASURE B-Continued

- **BART Phase II—Estimated at \$1.5 Billion of Program Tax Revenues in 2017 dollars (capped at a maximum of 25% of Program Tax Revenues).**  
To fund the planning, engineering, construction, and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28<sup>th</sup> Street, downtown San Jose, San Jose Diridon Station, and Santa Clara.
- **Bicycle/Pedestrian—Estimated at \$250 Million of Program Tax Revenues in 2017 dollars.**  
To fund bicycle and pedestrian projects of countywide significance identified by the cities, County, and VTA. The program will give priority to those projects that connect to schools, transit, and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Bicycle and pedestrian educational programs, such as Safe Routes to Schools, will be eligible for funding. Candidate Projects are set forth in Attachment A.
- **Caltrain Grade Separation—Estimated at \$700 Million of Program Tax Revenues in 2017 dollars.**  
To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians and also reduce congestion at the intersections.
- **Caltrain Corridor Capacity Improvements—Estimated at \$314 Million of Program Tax Revenues in 2017 dollars.**  
To fund Caltrain corridor capacity improvements and increased service in Santa Clara County in order to ease highway congestion, including: increased service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms, and service enhancements.
- **Highway Interchanges—Estimated at \$750 Million of Program Tax Revenues in 2017 dollars.**  
To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.
- **County Expressways—Estimated at \$750 Million of Program Tax Revenues in 2017 dollars.**  
To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.
- **State Route 85 Corridor—Estimated at \$350 Million of Program Tax Revenues in 2017 dollars.**  
To fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure

### COMPLETE TEXT OF MEASURE B-Continued

such as stations and access ramps, Light Rail Transit, and future transportation technologies that may be applicable.

- **Transit Operations—Estimated at \$500 Million of Program Tax Revenues in 2017 dollars.**  
The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early mornings, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

The Program Categories will be administered in accordance with program guidelines and policies to be developed and approved by the VTA Board of Directors.

An independent citizen's oversight committee shall be appointed to ensure that the funds are being expended consistent with the approved Program. Annually, the committee shall have an audit conducted by an independent auditor. The audit shall review the receipt of revenue and expenditure of funds. The committee shall hold public hearings, and issue a report annually to inform the Santa Clara County residents how the funds are being spent. The hearings will be public meetings subject to the Brown Act.

To support and advance the delivery of projects in the Program, VTA may issue or enter into financial obligations secured by the tax revenues received from the State Board of Equalization (SBOE), including but not limited to, bonds, notes, commercial paper, leases, loans and other financial obligations and agreements (collectively, "Financing Obligations"), and may engage in any other transactions allowed by law. Notwithstanding anything to the contrary, to obtain the strongest credit ratings and lowest financing costs, VTA may pledge up to the full amount of tax revenues received from the SBOE as security for any Financing Obligations of the Program and may contract with the SBOE to have pledged amounts transferred directly to a fiduciary, such as a bond trustee, to secure Financing Obligations to fund any project in the Program. Any Financing Obligation shall be fully paid prior to the expiration of this tax measure.

If approved by a 3/4 majority of the VTA Board of Directors, and only after a noticed public meeting in which the County of Santa Clara Board of Supervisors, and the city council of each city in Santa Clara County have been notified at least 30 days prior to the meeting, VTA may modify the Program for any prudent purpose, including to account for the results of any environmental review required under the California Environmental Quality Act of the individual specific projects in the Program; to account for increases or decreases in federal, state, and local funds, including revenues received from this tax measure; to account for unexpected increase or decrease in revenues; to add or delete a project from the Program in order to carry out the overall purpose of the Program; to maintain consistency with the Santa Clara Valley Transportation Plan; to

**COMPLETE TEXT OF MEASURE B-Continued**

shift funding between project categories; or to take into consideration new innovations or unforeseen circumstances.

**ATTACHMENT A  
ENVISION SILICON VALLEY BICYCLE AND PEDESTRIAN  
CANDIDATE LIST**

**Project**

Implementation of Santa Clara Countywide Bicycle Plan\*  
Trails in Expressway Rights-of-Way  
Alum Rock Trail  
Coyote Creek Trail Completion  
Lions Creek Trail  
Lower Silver Creek Trail  
Miramonte Avenue Bikeways  
Fremont Road Pathway  
Los Gatos Creek Trail Connector to SR 9  
Berryessa Creek Trail  
West Llagas Creek Trail  
Guadalupe River Trail-Extension to Almaden  
Three Creeks Trail East from Guadalupe River to Coyote Creek Trail  
Five Wounds Trail from William Street to Mabury Road/Berryessa  
Hwy. 237 Bicycle Trail: Great America Parkway to Zanker (Class I, II, and IV)  
Lower Guadalupe River Access Ramps  
Los Gatos Creek Trail Gap Closure  
Calabazas Creek Trail  
San Tomas Aquino Trail Extension to South & Campbell Portion  
Union Pacific Railroad Trail  
Stevens Creek Trail Extension  
Hamilton Avenue/Highway 17 Bicycle Overcrossing  
Pedestrian/Bicycle Bridge over SR 17 from Railway/Sunnyside to Campbell Technology Parkway  
Mary Avenue Complete Streets Conversion  
UPRR Bicycle/Pedestrian Bridge Crossing: Stevens Creek Boulevard to Snyder Hammond House/Rancho San Antonio Park  
Montague Expressway Bicycle/Pedestrian Overcrossing at Milpitas BART Station  
Shoreline/101 Bicycle/Pedestrian Bridge  
Mayfield Tunnel Pedestrian/Bicycle under Central Expressway connecting to San Antonio Caltrain Station  
South Palo Alto Caltrain Bicycle/Pedestrian Crossing  
Matadero Creek Trail Undercrossing  
Caltrain Capitol Undercrossing  
Phelan Avenue Pedestrian/Bicycle Bridge over Coyote Creek  
Newhall Street Bicycle/Pedestrian Overcrossing over Caltrain Tracks  
Kiely Bicycle/Pedestrian Overcrossing  
Winchester Bicycle/Pedestrian Overcrossing  
Bernardo Caltrain Undercrossing  
San Tomas Aquino Creek Trail Underpass at 49er Stadium  
Latimer Avenue Bicycle/Pedestrian Overcrossing

**COMPLETE TEXT OF MEASURE B-Continued**

Bicycle/Pedestrian safety education at approximately 200 schools  
Implementation of Pedestrian Access to Transit Plan (VTA)\*  
Bike amenities at transit stops and on transit vehicles  
Countywide Vision Zero Program (VTA)\*  
Highway 9 Pedestrian Safety Improvements

\*These plans are currently being developed/updated and projects are being identified.

**ATTACHMENT B  
ENVISION HIGHWAY PROGRAM CANDIDATE LIST**

**Project**

US 101 Improvements in the cities of Palo Alto and Mountain View to address regional connectivity and circulation between San Antonio Road and Charleston Road at the US 101/San Antonio Road, US 101/Rengstorff/Charleston Road and US 101/Shoreline Boulevard interchanges.

SR 85/SR 237 Area Improvements in Mountain View to address mainline congestion and regional connectivity through the SR 85/SR 237 connector, SR 85/El Camino Real interchange, and the SR 237/El Camino/Grant Road interchange.

SR 237/US 101/Mathilda Avenue Area Improvements in Sunnyvale to address local roadway congestion.

SR 237 Corridor Improvements in the cities of San Jose, Santa Clara and Milpitas to address mainline congestion and regional connectivity by addition of SR 237 westbound/eastbound auxiliary lanes between Zanker Road and North First Street, improvements at the SR 237/Great America Parkway westbound off-ramp, and replacement/widening of the Calaveras Boulevard structures over the UPRR tracks.

West County Improvements along I-280 in Cupertino, Los Altos, Los Altos Hills and Sunnyvale to address mainline congestion with mainline and interchange improvements from Magdalena Avenue to the San Mateo County line.

SR 85/I-280 Area Improvements in Cupertino, Los Altos, and Sunnyvale to address regional connectivity through a northbound I-280 braided ramp between SR 85 and Foothill Boulevard and improvements at the northbound I-280 off-ramp to Foothill Boulevard.

US 101/Trimble Road/De La Cruz Boulevard to Zanker Road Area Improvements to address local roadway connectivity and mainline congestion in San Jose and Santa Clara with US 101/Trimble Road/De La Cruz Boulevard interchange improvements, southbound US 101/SB 87 connector improvements, and a new US 101/Zanker Road interchange.

US 101/Old Oakland Road Improvements in San Jose to address local roadway congestion, access and connectivity.

A new interchange at US 101/Mabury Road in San Jose to address regional access.

I-680 Corridor Improvements in San Jose to address mainline congestion and regional connectivity by improving the I-680/Alum Rock Avenue and I-680/McKee Road interchanges.

I-280/Lawrence Expressway/Stevens Creek Boulevard Interchange Improvements to address mainline and local roadway congestion.

**COMPLETE TEXT OF MEASURE B-Continued**

I-280/Saratoga Avenue Interchange Improvements to address local circulation and mainline congestion.

I-280/Winchester Boulevard Area Improvements in Santa Clara and San Jose to address regional connectivity and local circulation.

SR 87 Corridor Technology-based Improvements in San Jose to address mainline congestion and system reliability through the implementation of technology-based operational improvements to the freeway.

Highway 17 Corridor Congestion Relief: Upgrade Highway 17/9 interchange to improve pedestrian and bicycle safety, mobility, and roadway operations; deploy advanced transportation technology to reduce freeway cut through traffic in Los Gatos, including traffic signal control system upgrades in Los Gatos, Traveler Information System, advanced ramp metering systems; support Multi-Modal Congestion Relief Solutions, including enhanced Highway 17 Express Bus service, implementing local bus system improvements that reduce auto trips to schools, work, and commercial areas in Los Gatos; and develop park and ride lots to serve as transit hubs for express bus, shuttles, local bus system connections.

SR 17 Southbound/Hamilton Avenue Off-ramp Widening Improvements in Campbell to address mainline congestion and local circulation.

SR 17/San Tomas Expressway Improvements in Campbell to address mainline congestion and local circulation.

US 101/Blossom Hill Boulevard Improvements in San Jose to address local roadway congestion and connectivity, including for bicyclists and pedestrians.

US 101 Improvements in Gilroy to address mainline congestion and regional connectivity with a new US 101/Buena Vista Avenue interchange and US 101/SR 152 10th Street ramp and intersection improvements.

SR 152 Corridor Improvements in Gilroy including US 101/SR 25 interchange improvements to address regional connectivity and goods movement network improvements.

I-280/Wolfe Road Interchange Improvements in Cupertino to address mainline congestion and improve local traffic circulation.

I-880/Charcot Avenue Overcrossing in San Jose to address local relief circulation and adjacent I-880 interchanges congestion relief.

Noise Abatement Projects in Santa Clara County to implement treatments to address existing freeway noise levels throughout the county.

Intelligent Transportation Systems (ITS) Projects in Santa Clara County such as integrated corridor management systems, traffic operations systems, ramp metering, managed lanes, and local traffic signal control systems to address freeway mainline congestion and local roadway congestion caused by cut-through traffic.

**COMPLETE TEXT OF MEASURE B-Continued**

**ATTACHMENT C  
SANTA CLARA COUNTY EXPRESSWAY IMPROVEMENTS  
(TIER 1)**

**Project**

Almaden Expressway at SR-85-Interim Improvements

Almaden Expressway at Branham Lane Intersection Improvements

Almaden Expressway at Camden Ave Intersection Improvements

Capitol Expressway Widening and Interchange Modifications between I-680 and Capitol Avenue

Central Expressway at Thompson Intersection Improvements

Foothill Expressway Auxiliary Lanes between El Monte and San Antonio

Lawrence Expressway at Homestead Road Interim Improvements

Lawrence Expressway at Homestead Road Grade Separation

Lawrence Expressway from Reed/Monroe to Arques Grade Separation

Montague Expressway Complete 8-lane Widening including HOV lanes and Auxiliary Lanes between Great Mall and McCarthy/O'Toole

Oregon-Page Mill Widening (possible HOV lanes) and Trail between I-280 and Foothill Expressway

Oregon-Page Mill Intersection Improvements between Porter and Hansen

Oregon-Page Mill/El Camino Real Intersection Improvements

San Tomas Expressway Widening and Trail between Homestead and Stevens Creek

Santa Teresa-Hale Corridor Road and Trail between Dewitt and Main

Santa Teresa-Hale Corridor Widening and Trail between Long Meadow and Fitzgerald

SR 17/San Tomas Expressway Interim Improvements

I-280/Foothill Expressway Interchange Modifications and Auxiliary Lane to Homestead

I-280/Oregon-Page Mill Road Interchange Reconfiguration

Expressway ITS/Signal System Countywide

**ATTACHMENT D  
TRANSIT OPERATIONS CANDIDATE PROJECTS AND  
PROGRAMS LIST**

- Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders.

This project would provide funds to develop and expand senior and disabled transportation mobility programs and services. The proposed program would provide mobility options such as coordinated eligibility services and enhanced mobility options provided in a secure and safe manner for the most vulnerable and underserved residents in the County, such as seniors and persons with disabilities. It would support mobility options including maintaining the paratransit service coverage area and service expansion by extending hours of operation and weekend service. The funds would also establish permanent and augment discount fare programs to increase transit access for low-income, underserved and vulnerable populations unable to afford standard fares.

**COMPLETE TEXT OF MEASURE B-Continued**

- Enhance Frequent Core Bus Network.

The project would upgrade service frequency on VTA's top core network routes to 15-minutes or faster. Some specific examples include expanding the number of high frequency core routes and expanding the schedule of existing services. This may also include enhancing frequency of services during early mornings, evenings and weekends in order to improve convenience, reliability, connectivity, ridership, farebox recovery and support local land use plans. The upgrade would improve the quality of service for vulnerable, underserved and transit dependent populations as well as existing riders and attract new riders which would decrease vehicle miles traveled, traffic congestion and pollution.

- Improve amenities at bus stops to increase safety, security and access.

The project would provide funds for system wide improvements to bus stops, transit centers and stations including new and replacement shelters, lighting, access improvements including safe sidewalk connections, passenger information signs and security.

- Support new innovative transit service models to address first/last mile connections.

The project would support affordable new innovative transit service models to address first/last mile connections including FLEX type services, dynamic on-demand subscription shuttles and partnerships with other demand responsive service providers serving vulnerable, underserved and transit dependent populations.

**ARGUMENT IN FAVOR OF MEASURE B**

Uncommon allies united for a common goal: Relieve Traffic; Repair our Roads. That's why the League of Women Voters, San Jose Silicon Valley Chamber of Commerce, League of Conservation Voters, former U.S. Transportation Secretary Norman Mineta and Senator Dianne Feinstein are championing Measure B to provide vital local funding to fill potholes, maintain roads and reduce traffic throughout Santa Clara County.

We are fortunate to enjoy a special quality of life here. Unfortunately, many of Santa Clara County's roads are in dire need of repair and we're spending too much time trapped in traffic. We need meaningful countywide congestion relief.

Measure B will:

- Finish the BART extension to downtown San Jose and Santa Clara
- Relieve traffic congestion on all 10 Expressways (Almaden, Capitol, Central, Foothill, Lawrence, Montague, Page Mill, San Tomas, Santa Teresa, Hale) and key highway interchanges
- Protect and enhance transit options for seniors, the disabled, students and the poor
- Repair roads and fix potholes in all 15 cities
- Improve bicycle and pedestrian safety, especially near schools
- Increase Caltrain capacity, easing highway congestion and improving safety at grade crossings
- Connect BART/Caltrain in downtown San Jose and Santa Clara, with platform-to-platform connections, to finally provide rapid rail around the entire Bay Area

Voting YES on Measure B provides Santa Clara County with a source of locally controlled funding to repair and maintain our roads and improve safety. Measure B helps Santa Clara County secure state and federal matching funds, otherwise lost to other regions.

The state or federal government cannot take away Measure B funds. We need to act now; the longer we wait, the more expensive these improvements become.

Measure B mandates strong taxpayer safeguards, including independent financial audits with citizen oversight. Elected leaders will be held accountable to spend funds as promised.

Measure B repairs our roads and contributes to a better quality of life throughout Santa Clara County. Join us in supporting Measure B.

**ARGUMENT IN FAVOR OF MEASURE B-Continued**

www.YesMeasureB.com

/s/ Roberta Hollimon  
Chair, Council of the Leagues of Women Voters of Santa Clara County

/s/ Matthew Mahood  
President & CEO, San Jose Silicon Valley Chamber of Commerce

/s/ Rod Diridon, Sr.  
Chair Emeritus, League of Conservation Voters of Santa Clara County

/s/ Michael E. Engh  
President, Santa Clara University

/s/ Darryl Von Raesfeld  
Fire Chief, City of San Jose (Retired)

**REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE B**

Has your commute improved since Measure A in 2000? One thing is abundantly clear: If VTA actually could deliver "meaningful countywide congestion relief" they would have done it by now. This is a promise they can't deliver on.

Measure B would add a big increase to an already hefty transportation sales tax. What confidence do you have that you will ever benefit from it?

Look at the performance of Measure A from 2000. VTA's Capital Program Dashboard shows that no Measure A projects have been completed. The most expensive project, BART to Santa Clara, was cut in half. Why trust that Measure B will be any different? Voters deserve to see projects delivered before being asked to pay more taxes!

We've seen all this before: traffic keeps getting worse. The billions spent from existing taxes are not making our lives better. Clearly, the strategy doesn't work. Doing more of the same will continue to produce unacceptable results.

Measure B is a recipe for failure. We need a new direction. For example, voters need to consider whether major employers should pay more to reduce the congestion impacts of their employees' commutes.

Voting NO on Measure B sends a strong message: Find a new direction for our county--one that is good for the environment, good for the economy, and good for our health.

Please vote NO on Measure B. After the "bait and switch" of 2000's Measure A, let's not give VTA a \$6.3 billion blank check.

/s/ Michael J. Ferreira  
Executive Committee Chair, Loma Prieta Chapter, Sierra Club

/s/ Mark W.A. Hinkle  
President of the Silicon Valley Taxpayers Association

/s/ John M. Inks  
Mountain View City Councilmember

/s/ Elizabeth C. Brierly  
Santa Clara County Homeowner and Lifelong Resident

### ARGUMENT AGAINST MEASURE B

Each year you are stuck in worse congestion. The 1% sales tax you've paid for the past thirty years to "relieve traffic" hasn't worked. Will raising the tax by 44% really "relieve traffic"?

Santa Clara County has tremendously congested roadways and one of the very worst performing light rail systems in the nation. Bus service is unusable and scheduled to get worse.

Population has increased since 2001, while transit ridership has declined 23 percent. If allowed to continue, the whole county will end up in gridlock.

Let's not put even more money into a failed strategy!

Here is the actual list of projects promised by Measure A in 2000, and what happened since then:

- Connect BART to Milpitas, San Jose, Santa Clara (project was cut in half and is still not complete)
- Build rail connection from San Jose Airport to BART, Caltrain, light rail (project canceled)
- New vehicles for disabled access, senior safety, clean air buses (completed)
- New light rail throughout Santa Clara County (one corridor changed into a bus lane project; other corridors canceled)
- Expand, electrify Caltrain (project is delayed more than 15 years)
- Increase rail, bus service (2015 service was 13% below 2001 levels)

The County Civil Grand Jury determined in 2004 that "The VTA Board has proceeded with a transit capital improvement plan that cannot accomplish all that was promised in Measure A." That certainly turned out to be the case.

Why vote for another bait-and-switch?

This election will be close. Your vote can help defeat this tax increase and send a message that new thinking is needed. Air quality and climate change demand new solutions.

For short and long-term traffic relief, please vote No.

Demand a new direction!

### ARGUMENT AGAINST MEASURE B-Continued

For more information: [www.No2VTAMeasureB.org](http://www.No2VTAMeasureB.org)  
 Twitter: #No2VTAMeasureB  
 Phone: 408-604-0932

/s/ Gladwyn d' Souza  
 Regional Chair, Loma Prieta Chapter, Sierra Club

/s/ Mark W.A. Hinkle  
 President: Silicon Valley Taxpayers Association

/s/ John M. Inks  
 Mountain View City Councilmember

/s/ Andy Chow  
 President, BayRail Alliance

/s/ Elizabeth C. Brierly  
 San Jose Homeowner & Lifelong Santa Clara County Resident

### REBUTTAL TO ARGUMENT AGAINST MEASURE B

When reading the argument against Measure B, please consider the sources and review the facts for yourself. The opponents offer no solutions to the traffic congestion we face every day.

Some of the organizations signing the argument against Measure B have histories of opposing absolutely everything, including measures to support our schools, parks and public safety.

The text of their argument is even less credible.

#### Here are the facts:

\*The first segment of the BART extension is running \$75 million under budget and a year ahead of schedule, with passenger service beginning in fall 2017.

\*Thanks to major investments, electrification of Caltrain will begin in 2020, which helps nearly double ridership capacity from 65,000 daily trips to 110,000.

**Why is Measure B important?** Please review the official ballot question for yourself. Measure B will accomplish the following while also mandating annual audits by an independent citizens watchdog committee to ensure accountability:

- Repair streets and fix potholes in all 15 cities & towns
- Finish the BART extension to downtown San Jose and Santa Clara
- Improve bicycle/pedestrian safety, especially near schools
- Increase Caltrain capacity, ease highway congestion and improve safety at crossings
- Relieve traffic on all 10 expressways and key highway interchanges
- Enhance transit for seniors, students, low-income citizens and the disabled

**All of us are Santa Clara County taxpayers and residents (the signers of the argument against cannot say the same thing). Please join community leaders and organizations**

**from across Santa Clara County in supporting Measure B for better commutes and better roads.**

### REBUTTAL TO ARGUMENT AGAINST MEASURE B-Continued

[www.YesMeasureB.com](http://www.YesMeasureB.com)

/s/ Yoriko Kishimoto  
Friends of Caltrain Chair and Board President of the Midpeninsula Regional Open Space District

/s/ Glenn M. Grigg  
Traffic Engineer, City of Cupertino (Ret.)

/s/ Mark Turner  
President/CEO, Gilroy Chamber of Commerce

/s/ Tony Siress  
President/CEO Mountain View Chamber of Commerce

/s/ Teresa Alvarado  
San Jose Director, SPUR

## Appendix 10.2 – 2016 Measure B Program Category Guidelines

### **Approval by the Board of Directors**

The VTA Board of Directors approved the 2016 Measure B Program Category Guidelines for all nine programs at the October 5, 2017 meeting – the process of development starting back in January 2017. At their November 2, 2017 meeting, the Board of Directors approved a revised version of the SR 85 Program Category Guidelines.

### **Program Category Types and Sub-Category Allocations**

These guidelines also define the type of program for each of the nine programs (formula-based, project-based or competitive) and set forth the guidelines and distributions for Program sub-categories for the Board of Directors' approval. For example, for the Bicycle & Pedestrian Program Category, the sub-categories are described along with a funding distribution – Education & Encouragement is maximum 15%, Planning Projects is maximum 5%, and Capital Projects is minimum 80%.

(see next page for 2016 Measure B Program Category Guidelines document)

## Local Streets & Roads Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To be returned to the cities and the County on a formula basis to be used to repair and maintain the street system. The allocation would be based on the population of the cities and the County of Santa Clara's road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace their current investments for road system maintenance and repair. The program would also require that cities and the County apply Compete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index score of at least 70, it may use the funds for other congestion relief projects

### **Total Funding**

- \$1.2 billion in 2017 dollars.

### **Distribution**

- Formula-based distribution to Cities and County (agencies) as contained in 2016 Measure B.
- Agencies will be informed of allocation amount for a two-year period.
- VTA anticipates that allocations will be programmed based upon the total allocation for Local Streets & Roads contained in 2016 Measure B divided by the number of years in the measure.
- Future allocations will vary depending on the amount of sales tax revenue collected.
- After a one-time advance, no sooner than October 1, 2017, funds will be available on a reimbursement basis.

### **Implementation**

- VTA and individual agencies will enter into funding agreements.
- Agencies are required to submit an annual program of projects. For agencies with a Pavement Condition Index (PCI) of 70 or higher, the program of projects may also include congestion relief projects and programs. For agencies with a PCI of 69 or lower, the program of projects is limited to projects that repair and maintain the street system.
- VTA will review the program of projects to ensure that all projects are eligible for funding.
- If an agency with a PCI of 70 or higher should have their PCI fall below 70, the agency must redirect all funding to repair and maintenance of the street system in the following cycle.
- A one-time advance, no sooner than October 1, 2017, equivalent to the percentage of the local agency's allocation of the Local Streets and Roads Program Area's percentage share of Program Tax Revenues collections from April 2017 to June 2017 will be distributed to individual agencies upon:

- Execution of the Master Funding Agreement between VTA and the Agency
- Submittal of annual program of projects
- Maintenance of Effort certification
- Complete Streets Checklist reporting requirements
- Remaining funds will be available on a reimbursable basis.
- Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.

### **Requirements**

- Individual agencies must certify and submit on an annual basis, a Maintenance of Effort report to maintain a level of expenditures on 2016 Measure B Local Streets & Roads eligible activities equivalent to the average expenditures on roadway and related maintenance activities from the agency's general fund during FY10 to FY12. This certification will be submitted with their Annual Program of Projects.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.
- Agencies will submit project updates to VTA on a regular basis. The information will be placed on the 2016 Measure B website to keep the public informed on 2016 Measure B spending.
- Agencies may also be requested to present updates to the 2016 Measure B Citizen's Oversight Committee.

## BART Phase II Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund the planning, engineering, construction and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28<sup>th</sup> Street, downtown San Jose, San Jose Diridon Station and Santa Clara.

### **Total Funding**

- \$1.5 billion in 2017 dollars – capped at a maximum of 25% of Program Tax Revenues.

### **Distribution**

- VTA will program funding to complete project.
- Debt financing costs (if any) will be covered by tax revenues as described in the 2016 Measure B Resolution.

### **Requirements**

- All collateral material will be required to display a 2016 Measure B logo.
- Project must comply with VTA's Complete Streets Reporting Requirements.
- Project requires a 10% non-2016 Measure B contribution.

## Bicycle & Pedestrian Program Guidelines

### Definition from Resolution No. 2016.06.17

To fund bicycle and pedestrian projects of countywide significance identified by the cities, County and VTA. The program will give priority to those projects that connect to schools, transit and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Bicycle and pedestrian educational programs such as Safe Routes to Schools, will be eligible for funding.

### Total Funding

- \$250 million in 2017 dollars.

### Distribution

- Board of Directors will allocate funding schedule and amount for program through the budget cycle.
- VTA anticipates that allocations will be programmed based upon the total allocation for the Bicycle & Pedestrian Program contained in 2016 Measure B divided by the number of years in the measure.
- Future allocations will vary depending on the amount of sales tax revenue collected.
- Funds will be distributed on a 2-year cycle. The program will consist of three categories: education & encouragement programs, planning studies, and capital projects.
- A total of 15% of available program area funds will be set aside for the education & encouragement category. The funds will be allocated as follows:
  - \$250,000 for countywide (including targeting unincorporated areas) education & encouragement programs
  - Remaining funds allocated by city population formula with a \$10,000 annual minimum allocation per city
- A maximum of 5% of available program area funds will be allocated to planning studies grants category.
- If the planning studies grants category is not fully awarded, the remaining funds will roll into the capital category.
- If a cycle's funds are not fully awarded, the balance will roll into the next cycle's budget.
- Example of breakdown of grant program funding: If Bicycle/Pedestrian Program Area is programmed at \$8.3 million/year:
  - Capital - \$6.6 million (minimum)
  - Planning - \$415,000 (maximum)
  - Education & Encouragement - \$1.25 million (maximum)

## **Implementation**

### **Education & Encouragement (Formula Distribution)**

- VTA and individual agencies will enter into a Master Agreement for Education & Encouragement funds.
- VTA will notify agency of estimated allocation for two-year cycle.
- Agency will submit annual education & encouragement work program.
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.
- Education & Encouragement funds may be banked for a maximum of three years with explanation of banking purposes.
- VTA will conduct an assessment regarding the effectiveness of the program.

### **Grant Program (Competitive)**

- Only a public agency can serve as a project sponsor. Other entities must partner with a public agency to apply for a grant.
- The grant program will contain two categories:
  - Capital projects
    - Activities leading to/including:
      - Environmental Clearance
      - Design
      - Right of Way
      - Construction
    - Construction grant requests must include cost estimates supported by 30% to 35% design.
  - Planning studies
    - Includes planning studies to support capital project development for those projects currently listed on Attachment A of 2016 Measure B. It does not include general/master planning efforts.
- The minimum grant award is \$50,000.
- The maximum grant award per sponsoring agency can be no more than 50% of the total available funds per call for projects per cycle, unless the cycle is undersubscribed.
- Project criteria will be developed in conjunction with the VTA Technical Advisory Committee (TAC) Capital Improvement Program Working Group, and brought to the TAC and Bicycle & Pedestrian Advisory Committee (BPAC) for input.
- Scoring committee for the grant program will be comprised of three BPAC members, three Member Agency staff, and one VTA staff person.

**Criteria**

- Only projects currently listed on Attachment A of 2016 Measure B are eligible.
- Capital Projects will be scored on criteria that supports the language in 2016 Measure B.
  - Countywide significance
  - Connection to/serves schools, transit, or employment centers
  - Fills gaps in bicycle/pedestrian network
  - Provides safer crossings of barriers
  - Makes walking or biking safer
  - Makes walking or biking more convenient
  - Other criteria to consider:
    - Safety benefits
    - Increase in bicycle and pedestrian usage
    - Community support
    - Project readiness
    - Projects serve Communities of Concern

**Requirements**

- Competitive grant projects require a 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project funding.
- All applications must include a delivery schedule.
- Funds will be available on a reimbursement basis.
- VTA Complete Streets reporting requirements will be required for Planning and Capital projects.
- All collateral material will be required to display a 2016 Measure B logo.

## Caltrain Grade Separation Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists and pedestrians and also reduce congestion at the intersections.

### **Total Funding**

- \$700 million in 2017 dollars.

### **Distribution**

- As candidate projects move forward in readiness (ability to expend Measure funds), the project sponsor will submit request for funding.
- Funds will be allocated to projects that most cost-effectively utilize 2016 Measure B funding.
- Funds will be distributed on a reimbursement basis.

### **Implementation**

- VTA will work with the cities and other partners to develop an implementation plan for delivering the eight grade separation projects eligible for 2016 Measure B funds.
- There will be two program categories for funds:
  - Planning
  - Capital projects

### **Criteria**

- All project sponsors must apply to the State 190 Grade Separation Program.

### **Requirements**

- Reporting requirements regarding project progress will be detailed in agreements executed with VTA for project funding.
- Each project will require a 10% non-2016 Measure B contribution.
- All projects must be in compliance with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

## Caltrain Corridor Capacity Improvements Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund Caltrain corridor capacity improvements and increased service in Santa Clara County in order to ease highway congestion, including: increased service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms and service enhancements.

### **Total Funding**

- \$314 million in 2017 dollars.

### **Distribution**

- Funds for increased service to Morgan Hill and Gilroy will be distributed on a regular basis.
- Funds for Caltrain Modernization 2.0 will be distributed to Caltrain as Santa Clara County's contribution for costs associated with station improvements, level boarding, extended platforms and service enhancements.

### **Implementation**

- VTA and Caltrain staff will determine operating and capital costs associated with increased service to Morgan Hill and Gilroy.
- Improvement projects will be identified by VTA and Caltrain staff after completion of Peninsula Corridor Electrification Project (PCEP) and CA High Speed Rail blended service operations and maintenance needs/issues have been identified and remedies finalized.
- Should projects (including station improvements) arise prior to the completion of the PCEP that VTA believes should move forward, VTA will work with Caltrain to develop and recommend an early implementation schedule to the VTA Board of Directors.

### **Criteria**

- Current service schedule to Morgan Hill and Gilroy will be reevaluated prior to addition of increased service.

### **Requirements**

- Partner JPB contributions for station improvements, level boarding, extended platforms and service enhancements for Caltrain Modernization 2.0 must be secured prior to allocation of Santa Clara County's contribution.
- VTA Compete Streets reporting requirements will be required for capital projects.
- All collateral material will be required to display a 2016 Measure B logo.

## Highway Interchanges Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.

### **Total Funding**

- \$750 million in 2017 dollars.

### **Distribution**

- VTA Board of Directors will allocate funding on a 2-year cycle.
- Funds will be distributed through two programs: capital projects and noise abatement.
- Funds will be available on a reimbursement basis.

### **Implementation**

- VTA staff will work with local agency staff to identify and prioritize projects in the Highway Interchange Program Candidate List on 2016 Measure B Attachment B. The following criteria will be considered:
  - Project Readiness
  - Level of local contribution
  - Geographic consideration
- VTA staff will work with member agency staff to advance projects.
- Noise Abatement projects will be a separate category within the Highway Interchange Program.
  - Projects identified in the 2011 VTA Soundwall Study will receive higher consideration during Call for Projects.
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.
- The cost of each phase of a proposed Highway Interchanges project will be finalized with execution of agreements with VTA for project funding.

### **Criteria**

- Only VTA, Caltrans and Member Agencies can serve as an implementing agency.
- Only projects and programs currently listed on 2016 Measure B Attachment B are eligible.

### **Requirements**

- Projects require a minimum 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project funding

- All applications must include a delivery schedule.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

## County Expressways Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.

### **Total Funding**

- \$750 million in 2017 dollars.

### **Distribution**

- VTA Board of Directors will allocate funding on a 2-year cycle.
- As candidate projects move forward in readiness (ability to expend Measure funds), the County of Santa Clara will submit request for funding.
- Funds will be available on a reimbursement basis.

### **Implementation**

- VTA and the County of Santa Clara will execute a Master Agreement for the administration of the 2016 Measure B County Expressways Program.
- VTA staff will work with the County of Santa Clara to advance projects and maintain an implementation plan.
- County Expressway Policy Advisory Board (PAB) will recommend the prioritization of projects.
- Projects will be distributed into three categories:
  - Conventional – Up to \$10M
  - Major – \$10-\$50M
  - Lawrence Grade Separations
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis.

### **Criteria**

- Only projects and programs currently listed on 2016 Measure B Attachment C are eligible.
- Project timelines will be developed based on the County Expressway PAB adopted criteria, which includes the following:
  - Project readiness
  - Complexity
  - Geographic balance and public impact
    - Timing of other funding sources
    - Additional factors
      - Safety
      - Public support
      - Gap closures

**Requirements**

- VTA Board of Directors will allocate funding on a 2-year cycle.
- As candidate projects move forward in readiness (ability to expend Measure funds), the County of Santa Clara will submit request for funding.
- Funds will be available on a reimbursement basis.

## State Route 85 Corridor Program Guidelines

### **Definition from Resolution No. 2016.06.17**

To fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps. Light Rail Transit, and future transportation technologies that may be applicable.

### **Total Funding**

- \$350 million in 2017 dollars.

### **Distribution**

- Revenues will be programmed on a 2-year cycle towards projects identified in SR 85 Corridor-related studies.

### **Implementation**

- VTA staff is launching the SR 85 Transit Guideway Study (TG Study) to identify the most effective transit and congestion relief projects on SR 85.
- Projects identified by the TG Study will be candidates for funding.
- The five pilot projects as identified in the SR 85 Noise Abatement Study will be funded in FY18/FY19 assuming 2016 Measure B funding is available by that time. Additional projects may be funded prior to the completion of the TG Study.
- Upon completion of the TG Study, an implementation plan for SR 85 Corridor projects will be developed in consultation with the VTA Technical Advisory Committee.
- SR 85 Policy Advisory Board will forward recommended projects to the VTA Board of Directors to be funded in the 2-year budget process.
- VTA will serve as implementing agency for all program projects.
- Any activity on the portion of SR 85 that would preclude the implementation of a lane for transit purposes shall be suspended until the TG Study has been received by the VTA Board of Directors.

### **Requirements**

- Capital projects require a 10% non-2016 Measure B contribution.
- VTA's Complete Streets reporting requirements will be required for all capital projects.
- All collateral material will be required to display a 2016 Measure B logo.

## Transit Operations Program Guidelines

### **Definition from Resolution No. 2016.06.17**

The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early morning, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

### **Total Funding**

- \$500 million in 2017 dollars.

### **Distribution**

- VTA anticipates that allocations will be programmed based upon the total allocation for the Transit Operations Program contained in 2016 Measure B divided by the number of years in the measure.
- Future allocations will vary depending upon the amount of sales tax revenue collected.
- The Transit Operations Program Area funding will be allocated for the following four programs identified in 2016 Measure B Attachment D:
  - Enhance Frequent Core Bus Network by increasing core bus route service frequencies, and expanding or adding additional evening, late night and weekend service.
  - Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders.
  - Support new/innovative transit service models to address first/last mile connections and transit services for the transit dependent, vulnerable populations and paratransit users that is safe and accountable.
  - Improve amenities at bus stops to increase safety, security and access with lighting and access improvements.

The proposed allocations for the four categories are as follows:

<b>2016 Measure B Transit Operations Program Area</b>	
<b>Area</b>	<b>Funding Allocation (Proposed)</b>
<b>FY 2020</b>	<b>73%</b>
<b>Innovative Mobility Models &amp; Programs</b>	<b>8%</b>
<b>Fare Programs</b>	<b>15%</b>
<b>Bus Stop Amenities</b>	<b>4%</b>

### **Implementation**

For FY18 & FY19 Budget Allocation:

- The Enhanced Frequent Core Bus Network will directly fund VTA's core bus network of services increasing core bus route service frequencies, and expanding or adding evening, late night and weekend service.
- The Fare Programs will fund the Transit Assistance Program (TAP) and reduced fares for youth.
- The Innovative Transit Models Program will support goals to address first/last mile connections. Strategies may include competitive grant programs to help fund services operated by local jurisdictions, utilize excess paratransit capacity, and other programs that encourage investments in local service.
- The Bus Stop Amenities Program will directly fund improvements at VTA's bus stops. The bus stop improvements will be prioritized based on VTA's Transit Passenger Environment Plan and ongoing maintenance needs.

Six to 12 months into the implementation of the Next Network, staff will have ridership data available to evaluate potential increases to the ridership hours where we see higher demand for service. To meet our commitment as expressed in 2016 Measure B and in collaboration with the public, VTA will make increased investments in service hours in the system focusing on those areas where we see the greatest demand by transit dependent populations.

VTA will consider the potential for further reducing the fares for seniors and youth with a requested goal of free rides.

### **Criteria**

- Only projects and programs currently listed on 2016 Measure B Attachment D are eligible.

### **Requirements**

- For potential competitive grants for the Innovative Transit Models Program:
  - Reporting requirements will be detailed in agreements executed with VTA for project funding.

- All applications must include a delivery schedule.
- Funds will be available on a reimbursement basis.
- VTA Complete Streets reporting requirements will be required for all capital improvements projects.
- All collateral material will be required to display a 2016 Measure B logo.

### Appendix 10.3 – 2016 Measure B Citizens’ Oversight Committee

The 2016 Measure B Citizens’ Oversight Committee is defined as an “independent body that derives authority from the ballot measure.” The mission of the committee is to validate and report on whether 2016 Measure B funds are being expended in ways that are consistent with the ballot. The Committee’s duration will reflect the term of the sales tax (April 2017 – March 2047). At its September 2017 meeting, the VTA Board of Directors appointed seven individuals to serve on the 2016 Measure B Citizens’ Oversight Committee. Memberships, meetings/schedule, and more information can be found [here](#). The following document shows the VTA Board’s approval for the appointment process for the 2016 Measure B Citizens’ Oversight Committee.



Date: February 23, 2017  
 Current Meeting: March 2, 2017  
 Board Meeting: March 2, 2017

### BOARD MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
 Board of Directors

**THROUGH:** General Manager, Nuria I. Fernandez

**FROM:** Director of Government & Public Relations, Jim Lawson

**SUBJECT:** Appointment Process for the 2016 Measure B Citizens' Oversight Committee

APPROVED ACCEPTED ADOPTED AMENDED DEFERRED REVIEWED  
 Santa Clara Valley Transportation Authority  
 Board of Directors  
 Elaine F. Baltao, Board Secretary

BY: [Signature]  
 DATE: 3/2/17

Policy-Related Action: No

Government Code Section 84308 Applies: No

### ACTION ITEM

#### RECOMMENDATION:

Approve the process for appointments to the 2016 Measure B Citizens' Oversight Committee.

#### BACKGROUND:

On November 8, 2016 the voters of Santa Clara County overwhelmingly approved Measure B that enacted a thirty year ½ cent sales tax for transit and transportation improvements. Nine categories of projects and programs were proposed as part of the measure:

- Local Streets & Roads Repair
- BART Phase II
- Bicycle & Pedestrian Projects
- Caltrain Grade Separations
- Caltrain Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor
- Transit Operations

The ballot measure specified that the revenues and expenditures would be reviewed by an independent citizens' oversight committee appointed by the Santa Clara Valley Transportation Authority (VTA):

\* See Page 3X of 3X for motion approved by the VTA Board of Directors at the March 2, 2017, Regular Meeting.

“An independent citizens’ oversight committee shall be appointed to ensure that the funds are being expended consistent with the approved Program. Annually, the committee shall have an audit conducted by an independent auditor. The audit shall review the receipt of revenue and expenditure of funds. The committee shall hold public hearings, and issue a report annually to inform the Santa Clara County residents how the funds are being spent. The hearings will be public meetings subject to the Brown Act.”

### **DISCUSSION:**

With the passage of the ballot measure, it is necessary to appoint a Citizens’ Oversight Committee. Staff reviewed the appointment process of several California jurisdictions having similar ballot measures with some form of oversight. The current VTA experience with our 2000 Measure A Citizens Watchdog Committee also helped form the recommendations.

The recommendation is the formation of an independent committee consisting of seven (7) members who are registered voters in Santa Clara County. There will be an open application process with the intent to allow qualified citizens the opportunity to participate.

In the application process we will actively seek individuals who bring important relevant experience to the committee. Staff recommends that the committee should consist of persons who fulfill the following criteria:

- A retired federal or state judge or administrative law judge or an individual with experience as a mediator or arbitrator.
- A professional from the field of municipal/public finance with a minimum of four years relevant experience.
- A professional with a minimum of four years of experience in management and administration of financial policies, performance measurement and reviews.
- A professional with demonstrated experience of four years or more in the management of large scale construction projects.
- A regional community or business organization representative with at least one year of decision making experience.
- A professional with four years of experience in organized labor.
- A professional with a minimum of four years of experience in educational administration at the high school or college level.

The intent is to have one member representing each of the specified areas of expertise. If after a good faith effort, this is not achieved then no more than two members from one of the other areas of expertise may be selected.

This should provide a range of expertise to assist the committee in its task of evaluating the revenues and project expenditures as we begin implementing the commitments to the voters in 2016 Measure B.

The committee will be staffed by the Auditor General to assure the relevant level of expertise and professional advice.

To assure independence, no elected officials, employees of VTA or appointees to VTA committees are eligible while they hold those positions or appointments. Further, employees of the County of Santa Clara or the cities within Santa Clara will also be ineligible. Since 2016 Measure B was structured to assist the County and the cities in the delivery of their projects, their appointment would not be in keeping with the spirit of independence that the measure calls for.

The members of the committee will be subject to VTA's Conflict of Interest policies. Members are prohibited from acting in any commercial activity directly or indirectly involving VTA, such as being a consultant to VTA or to any party with pending legal actions against VTA during their tenure. Members shall not have direct commercial interest or employment with any public or private entity which receives sales tax funds authorized by this Measure.

Each committee member shall serve for a term of four years except initial appointments will be staggered to assure continuity. Members will be limited to two consecutive terms.

Attachment A describes the committee role and responsibilities along with the appointment process and the high level approach to the projected meetings.

#### **ALTERNATIVES:**

In order to meet the intention of 2016 Measure B an oversight committee must be appointed. The Board may direct a different method for selecting the committee or change any of the requirements or restrictions the Board desires.

#### **FISCAL IMPACT:**

There is no fiscal impact with approving this appointment process.

#### **STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Governance & Audit Committee considered this item at its February 2, 2017 meeting as part of its Regular Agenda.

Committee members expressed strong support for the staff proposal, commenting that it was well thought out. Committee members requested the inclusion of the following items in the appointment or committee administration processes: 1) an aspirational goal of balancing, where feasible, appointments to balance the geographic regions of the county; and 2) offer committee members training on bond oversight and other relevant topics.

The committee unanimously recommended Board approval of the staff recommendation with inclusion of the minor additions indicated and that this item be placed on the Board's Consent Agenda.

Prepared by: Jim Lawson, Director of Public Affairs & Executive Policy Advisor  
Memo No. 5992

#### **ATTACHMENTS:**

- A--2016 Measure B COC Appointment Process Overview (PDF)

**6.2. Appointment Process for the 2016 Measure B Citizens' Oversight Committee**

**M/S/C (Chavez/Liccardo)** to approve, as amended the process for appointments to the 2016 Measure B Citizens' Oversight Committee. Further: 1) add the aspirational goal of geographic representation across Santa Clara County; 2) split the regional community and business organization categories, making the total number of committee membership to eight (8); and 3) provide bond oversight and other relevant training to members.

## Citizens Oversight Committee

**Role:** To fulfill the commitment of 2016 Measure B to have an independent oversight committee audit and report on the performance of VTA and the various project sponsors to ensure the funds are being expended consistent with the approved programs.

**Membership:** Seven citizens of Santa Clara County who are eligible voters.

- A retired federal or state judge or administrative law judge or an individual with experience as a mediator or arbitrator.
- A professional from the field of municipal/public finance with a minimum of four years relevant experience.
- A professional with a minimum of four years of experience in management and administration of financial policies, performance measurement and reviews.
- A professional with demonstrated experience of four years or more in the management of large scale construction projects.
- A regional community or business organization representative with at least one year of decision making experience.
- A professional with four years of experience in organized labor.
- A professional with a minimum of four years of experience in educational administration at the high school or college level.

**Application:** Application period will be posted and applicants will apply on line.

**Terms:** 4 years. First appointees to be randomly selected (or volunteer) for either two or four year terms (three [3] for two years and four [4] for four years). Membership will be limited to two consecutive terms only.

**Appointment:** The application period will be posted. Applications will be submitted on line at a dedicated site. Applications will be forwarded to an Evaluation Subcommittee of the Board of Directors appointed by the Chair. The Subcommittee will submit eligible candidates to the Governance & Audit Committee. G&A will recommend finalist candidates to the Chair for appointment with ratification by the full Board of Directors.

**Responsibilities:** Provide independent verification that the tax revenue collected under 2016 Measure B is expended appropriately to deliver the projects and programs described in the ballot measure.

Establish the scope and work plan for the independent audit. Hire a qualified, independent professional audit firm to conduct an audit of the revenues and expenditures on an annual basis.

Conduct a Public Hearing to inform the general public that based upon the independent audit that the public's money is expended for the purposes as described in the ballot measure or adjusted as circumstances warrant through the required approval process.

Publish a report indicating the results of the Independent Audit, Public Hearing and any additional findings the Committee may have.

## Citizens Oversight Committee

Request from time to time a report and/or presentation from project sponsors charged with delivering the various projects under this measure on their progress and expenditures.

**Meetings:** Meetings will be held on a quarterly basis. All meeting will be publicly noticed and conducted under the requirements of the Brown Act. The first meeting is targeted to 2<sup>nd</sup> Quarter FY2018.

## Appendix 10.4 – 2016 Measure B Program Allocations by Program Category

### Local Streets and Roads - \$130M total

Member Agency	Previous Allocations	FY 2020 Allocation	Total Allocation thru FY 2020
Campbell	\$1,783,320	\$796,242.92	\$2,579,563
Cupertino	\$2,545,909	\$1,102,386.82	\$3,648,296
Gilroy	\$2,258,070	\$1,029,647.96	\$3,287,718
Los Altos	\$1,279,686	\$574,215.42	\$1,853,901
Los Altos Hills	\$355,369	\$161,733.97	\$517,103
Los Gatos	\$1,299,668	\$570,496.55	\$1,870,165
Milpitas	\$3,093,385	\$1,403,431.08	\$4,496,816
Monte Sereno	\$147,029	\$69,719.58	\$216,749
Morgan Hill	\$1,779,998	\$842,121.24	\$2,622,119
Mountain View	\$3,319,532	\$1,509,492.48	\$4,829,024
Palo Alto	\$2,851,644	\$1,277,615.49	\$4,129,259
San Jose	\$43,307,175	\$19,202,949.12	\$62,510,124
Santa Clara	\$5,154,066	\$2,369,710.99	\$7,523,777
Saratoga	\$1,312,194	\$578,210.44	\$1,890,404
Sunnyvale	\$6,306,745	\$2,864,025.96	\$9,170,771
Santa Clara County	\$12,740,768	\$5,648,000.00	\$18,388,768
<b>Total</b>	<b>\$89,534,558</b>	<b>\$40,000,000</b>	<b>\$129,534,558</b>

### BART Phase II - \$150M total

Previous Allocations	\$0
FY 2020 & FY 2021 Total Allocation	\$150M
<b>Total</b>	<b>\$150M</b>

### Bicycle and Pedestrian - \$32.07M total

#### *Education and Encouragement Sub-category*

Member Agency	Previous Allocations	FY 2020 Allocation	Total Allocation thru FY 2020
Campbell	\$59,594	\$29,836	\$89,430
Cupertino	\$74,098	\$37,462	\$111,560
Gilroy	\$71,296	\$35,650	\$106,946
Los Altos	\$49,152	\$24,305	\$73,457
Los Altos Hills	\$20,000	\$10,000	\$30,000
Los Gatos	\$49,152	\$24,212	\$73,364
Milpitas	\$90,218	\$44,962	\$135,180
Monte Sereno	\$20,000	\$10,000	\$30,000
Morgan Hill	\$60,580	\$30,979	\$91,559
Mountain View	\$92,452	\$47,604	\$140,056
Palo Alto	\$83,418	\$41,828	\$125,246
San Jose	\$988,912	\$488,378	\$1,477,290

Santa Clara	\$135,062	\$69,033	\$204,095
Saratoga	\$48,096	\$24,404	\$72,500
Sunnyvale	\$157,952	\$81,348	\$239,300
Countywide/VTA	\$500,000	\$250,000	\$750,000
<b>Total</b>	<b>\$2,500,000</b>	<b>\$1,250,000</b>	<b>\$3,750,000</b>

*Capital Projects Sub-category*

Previous Allocations	\$13.33M
FY 2020 & FY 2021 Total Allocation	\$13.33M
<b>Total</b>	<b>\$26.66M</b>

*Planning Studies Sub-category*

Previous Allocations	\$830,000
FY 2020 & FY 2021 Total Allocation	\$830,000
<b>Total</b>	<b>\$1.66M</b>

**Caltrain Grade Separation - \$38M total**

Previous Allocations	\$7M
FY 2020 & FY 2021 Total Allocation	\$31M
<b>Total</b>	<b>\$38M</b>

**Caltrain Corridor Capacity Improvements - \$13.1M total**

Previous Allocations	\$6.3M
FY 2020 & FY 2021 Total Allocation	\$6.8M
<b>Total</b>	<b>\$13.1M</b>

**Highway Interchanges- \$206.9M total**

Project	Previous Allocations	FY 2020 & FY 2021 Allocation	Total Allocation thru FY 2021
SR 17 Southbound/Hamilton Ave. Off-Ramp Widening	\$1M	\$0	\$1M
SR 17/San Tomas Expressway Interim Improvements	\$1M	\$0	\$1M
Hwy. Transportation Operations System/ Freeway Performance Initiative Phase 1 & 2	\$1M	\$2M	\$3M
Noise Abatement Program (Countywide)	\$4M	\$0	\$4M
I-280/Wolfe Rd. Interchange Improvements	\$6M	\$1.5M	\$7.5M
I-280 Northbound: Second Exit Lane to Foothill Expressway	\$3.5M	\$1.3M	\$4.80M
Highway 17 Corridor Congestion Relief including SR 17/SR 9 interchange	\$0	\$5.4M	\$5.4M
US 101/SR 25 Interchange (ENV/PS&E)	\$2M	\$8M	\$10M

US 101/Buena Vista Ave. Interchange Improvements	\$0	\$0	\$0
Calaveras Boulevard Widening - Near-term Improvements	\$1M	\$1.3M	\$2.3M
SR 237 Westbound On-Ramp at Middlefield Road	\$0	\$6.3M	\$6.3M
US 101 Interchanges Improvements: San Antonio Rd. to Charleston Rd./Rengstorff Ave.	\$1M	\$1M	\$2M
US 101 Southbound/Trimble Rd./De La Cruz Blvd./Central Expwy. Interchange Improvements	\$4M	\$43M	\$47M
Double Lane Southbound US 101 off-ramp to Southbound SR 87	\$1.5M	\$1.5M	\$3M
US 101/Mabury Rd./Taylor St. Interchange Construction	\$2M	\$1M	\$3M
I-280/Winchester Blvd. Interchange Improvements	\$3M	\$6M	\$9M
SR 87 Technology-based Corridor Improvements - (SR 87 Charcot On-ramp HOV Bypass)	\$1M	\$1.7M	\$2.7M
US 101/Zanker Rd./Skyport Dr./Fourth St. Interchange Improvements	\$3M	\$6M	\$9M
US 101/Old Oakland Rd. Interchange Improvements	\$0	\$0	\$0M
US 101/Blossom Hill Rd. Interchange Improvements	\$4M	\$31M	\$35M
Charcot Overcrossing	\$12M	\$15.5M	\$27.5M
SR 237/Mathilda Ave. and US 101/Mathilda Ave. Interchange Improvement	\$22M	\$0	\$22M
Highway Program Management/Oversight	\$0	\$0.4M	\$0.4M
US 101/SR 152/10th Street Interchange Improvement	\$0	\$1M	\$1M
<b>Total</b>	<b>\$87M</b>	<b>\$119.9M</b>	<b>\$206.9M</b>

#### **County Expressways - \$50M total**

Previous Allocations	\$50M
FY 2020 & FY 2021 Total Allocation	\$0M
<b>Total</b>	<b>\$50M</b>

#### **SR 85 Corridor - \$14.5M total**

Previous Allocations	\$12M
FY 2020 & FY 2021 Total Allocation	\$2.5M
<b>Total</b>	<b>\$14.5M</b>

**Transit Operations - \$50.6M total**

Transit Operations	Previous Allocations	FY 2020 Allocation	Total Allocation thru FY 2020
Enhance Core Network	\$24M	\$12M	\$36M
Expand Mobility & Affordable Fares	\$5M	\$2.5M	\$7.5M
Innovative Transit	\$3M	\$1.5M	\$4.5M
Improve Amenities	\$1.3M	\$1.3M (FY2020 & FY2021)	\$2.6M
<b>Total</b>	<b>\$33.3M</b>	<b>\$17.3M</b>	<b>\$50.6M</b>

**Administration - \$9.9M total**

Previous Allocations	\$6.6M
FY 2020 Allocation	\$3.3M
<b>Total</b>	<b>\$9.9M</b>

# 2016 Measure B FY 2017 – FY 2019 and FY 2020 Annual Reports

VTA Board Workshop  
September 17, 2021

# FY 2017 – FY 2019 and FY 2020 Annual Reports

- Overview of the 2016 Measure B Program history, components, and activities from the reports' respective fiscal period.
- Consistent with the independent Performance Audit
- Available by request in Chinese (traditional), Korean, Spanish, Tagalog, and Vietnamese.



The screenshot displays a web browser window with the URL [vta.org/projects/funding/2016-measure-b](http://vta.org/projects/funding/2016-measure-b). The page header includes the VTA logo and navigation links for 'FAQ', 'GO', and 'PROJECTS'. The main content area is titled 'What's New' and features a call to action: 'Download the 2016 Measure B Program Annual Reports for FY 2017 - FY 2019 and FY 2020 by clicking below.' Below this text are two buttons: 'FY 2017 - FY 2019 Annual Report' and 'FY 2020 Annual Report'. At the bottom of the page, there are two large graphic tiles. The left tile is for the '2016 MEASURE B Annual Report FY 2017- FY 2019' and the right tile is for the '2016 MEASURE B Annual Report FY 2020'. Both tiles feature a blue and white color scheme with images of a bus and a bicycle.

Accessible online on the Program landing page on VTA.org and the 2016 Measure B Transparency website.

# Annual Report Contents



- Program History
- Program Tax Revenues and Program Category Ratios
- Program Categories
- Revenues
- Allocations and Expenditures
- Program Oversight Procedures
- Program Highlights



# FY 2017 – FY 2019 Revenues & Income Earned

2016 Measure B Income Earned by Fiscal Year	
Fiscal Year	Income Earned
FY 2017*	\$0
FY 2018	\$0
FY 2019	\$4,970,762
<b>Total</b>	<b>\$4,970,762</b>

Program Tax Revenues through FY 2019				
	FY 2017	FY 2018	FY 2019	Total
Revenue Earned	\$50,126,395	\$205,963,666	\$236,663,888	\$492,753,949
Income Earned	\$0	\$0	\$4,970,762	\$4,970,762
<b>Sub-total</b>	<b>\$50,126,395</b>	<b>\$205,963,666</b>	<b>\$241,634,650</b>	<b>\$497,724,711</b>
Administration Expenditures	-\$0	-\$1,663,020	-\$744,124	-\$2,407,144
<b>Program Tax Revenue Total</b>	<b>\$50,126,395</b>	<b>\$204,300,646</b>	<b>\$240,890,526</b>	<b>\$495,317,567</b>



# FY 2020 Revenues & Income Earned

## 2016 Measure B Income Earned by Fiscal Year

Fiscal Year	Income Earned
FY 2020	\$22,799,991
Total Since Inception	\$27,770,754

## Program Tax Revenues through FY 2020

	FY2020	Total Since Inception (FY 2017 – FY 2020)
Revenue Earned	\$209,324,347	\$702,078,296
Income Earned	\$22,799,991	\$27,770,754
<b>Sub-total</b>	<b>\$232,124,338</b>	<b>\$729,849,050</b>
Administration Expenditures	<b>-\$1,297,889</b>	<b>-\$3,705,033</b>
<b>Program Tax Revenue Total</b>	<b>\$230,826,449</b>	<b>\$726,144,017</b>



# Allocations Per Program Category: FY 2017 – FY 2019

		FY2018	FY 2019
<b>Administrative Costs</b>		\$3.30M	\$3.30M
<b>Program Category</b>			
<b>Formula-Based</b>	Local Streets & Roads	\$50.00M	\$40.00M
	Transit Operations		
	Enhance Core Network	\$12.00M	\$12.00M
	Innovative Transit Models	\$3.00M	
	Expand Mobility & Affordable Fares	\$2.50M	
	Improve Amenities	\$1.30M	
	Bicycle & Pedestrian		
	Education/Encouragement	\$2.50M	
	Capital Projects	\$13.33M	
	Planning Studies	\$0.83M	
<b>Need/Capacity-Based</b>	BART Phase II	\$0.00M	
	Caltrain Grade Separation	\$7.00M	
	Caltrain Corridor Capacity Improvements	\$6.30M	
	SR 85 Corridor	\$12.00M	
	County Expressways	\$50.00M	
	Highway Interchanges	\$87.00M	
<b>Total:</b>		<b>\$308.86M</b>	



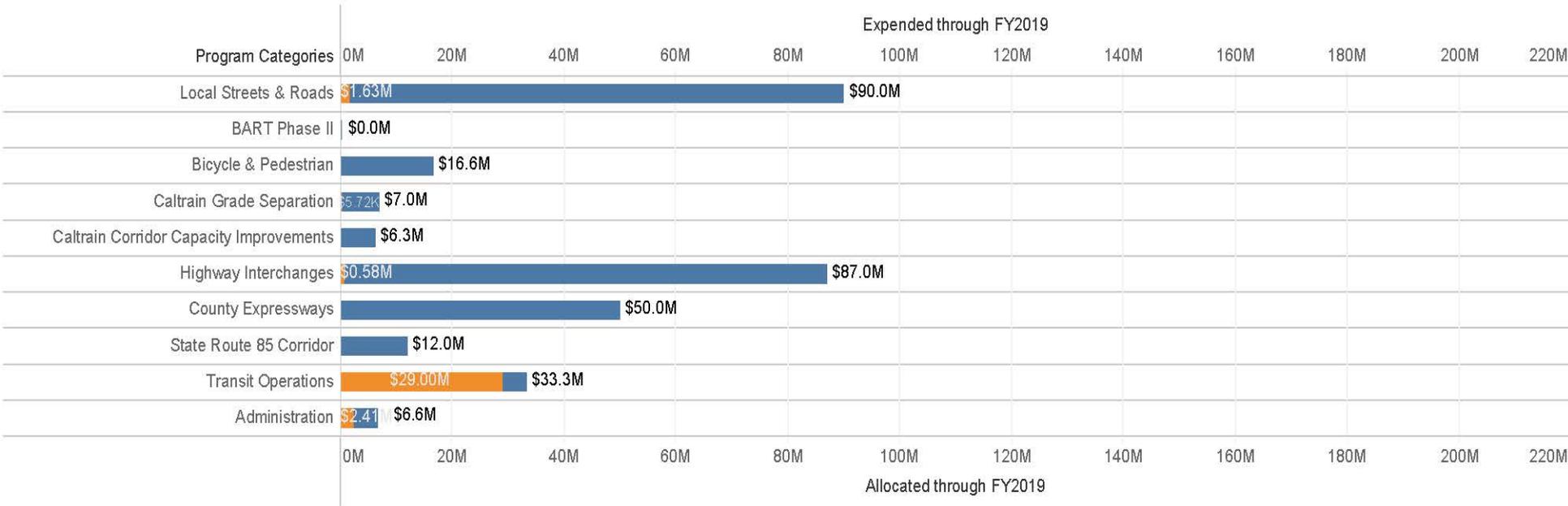
# Allocations Per Program Category: FY 2020

		FY2020	FY 2021
<b>Administrative Costs</b>		\$3.30M	\$3.30M
<b>Program Category</b>			
<b>Formula-Based</b>	Local Streets & Roads	\$40.00M	\$40.00M
	Transit Operations		
	Enhance Core Network	\$12.00M	\$12.00M
	Innovative Transit Models	\$1.50M	\$1.50M
	Expand Mobility & Affordable Fares	\$2.50M	\$2.50M
	Improve Amenities	\$1.30M	
	Bicycle & Pedestrian		
	Education/Encouragement	\$2.50M	
	Capital Projects	\$13.3M	
	Planning Studies	\$0.83M	
<b>Need/Capacity-Based</b>	BART Phase II	\$150M	
	Caltrain Grade Separation	\$31.00M	
	Caltrain Corridor Capacity Improvements	\$6.80M	
	SR 85 Corridor	\$2.50M	
	County Expressways	\$0.00M	
	Highway Interchanges	\$119.90M	
<b>Total:</b>		<b>\$446.76M</b>	



# Allocations & Expenditures Per Program Category: FY 2017 – FY 2019

2016 Measure B Allocation and Expenditure through FY2019 by Program Category



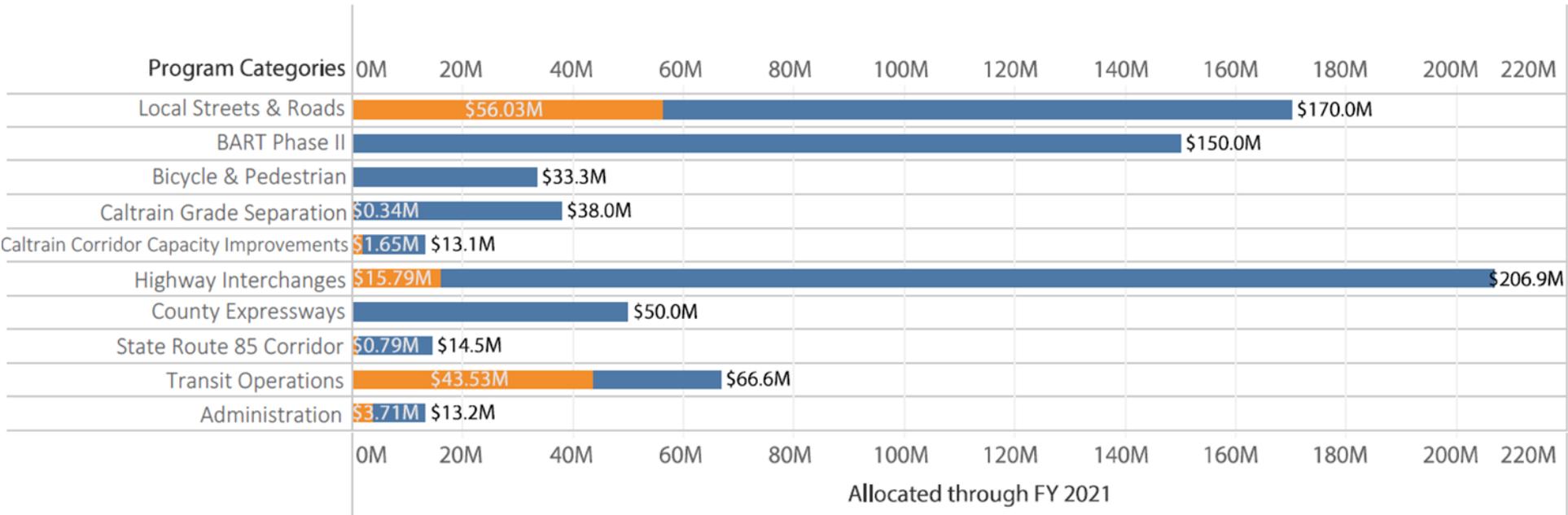
This chart shows Allocation and Expenditure through FY2019 for each Program Category.

Legend

- Allocated through FY2019
- Expended through FY2019

# Allocations & Expenditures Per Program Category: FY 2020

## 2016 Measure B Expenditure through FY 2020 by Program Category



This chart shows allocation through FY 2021 and expenditure through FY 2020 for each Program Category.

### Legend

- Allocated through FY 2021
- Expended through FY 2020

# FY 2017 – FY 2019 Annual Report Highlights



- FY 2018/FY 2019 Biennial Budget and the 2016 Measure B Complete Streets reporting requirements approved by Board.
- 2016 Measure B Citizens' Oversight Committee was formed.
- Local Streets & Roads: Development and execution of funding agreements, including one-time advances.
- Highway Interchanges: Allocated funding for 20 projects.
- Transit Operations: Draft framework for the Innovative Transit Service Models competitive grant program approved.
- **See report for more highlights.**  
*Solutions that move you*



# FY 2020 Annual Report Highlights



Courtesy: City of Saratoga



- 2016 Measure B Citizens' Oversight Committee Compliance Auditor Services contract awarded.
- Launched 2016 Measure B transparency website.
- Bicycle & Pedestrian: Board approved the Capital Projects 10-year Priority Project List.
- Transit Operations: Board approved Innovative Transit Service Models Competitive Grant Program criteria.
- **See report for more highlights.**

*Solutions that move you*

# FY 2021 Annual Report Schedule

- Fall 2021
  - Program Auditor begins data collection
- Winter 2021
  - FY 2021 Audited Annual Comprehensive Financial Report reviewed and received by Board of Directors
  - Staff begins development of annual report
- Spring 2022
  - Program Auditor completes and presents findings
  - FY 2021 Annual Report Published



# Current Program Activity Highlights

- FY 2022/FY2023 Biennial Budget and FY 2022 to FY2031 10-year Program allocations approved for:
  - Formula-based programs
    - Local Streets & Roads; Bicycle/Pedestrian; and Transit Operations
  - Need/Capacity-based programs
    - BART Phase II; Caltrain Corridor Capacity Improvements; County Expressways; and SR 85 Corridor
- Proposed amendments to the Highway Interchanges and Caltrain Grade Separation programs scheduled for November Committees and December Board



# Current Program Activity Highlights

To complete FY 2022/FY2023 Biennial Budget and FY 2022 to FY2031 10-year Program:

- Caltrain Grade Separations
  - Received fund allocation agreement from Sunnyvale, Mountain View & Palo Alto
  - Working with City staff on FY2022/FY2023 Biennial Budget and FY2022 to FY2031 10-year Program allocation requests
- Highway Interchanges
  - Call for Projects released Monday, August 16, 2021
  - Applications due Tuesday, October 12, 2021



Questions?



*Solutions that move you*



## **BOARD OF DIRECTORS REGULAR MEETING**

Friday, September 17, 2021

### **TELECONFERENCE AND VIDEO CONFERENCE MEETING ONLY**

#### **CLOSED SESSION AGENDA ITEM**

#### **4.1. Recess to Closed Session**

- A.** Conference with Legal Counsel – Anticipated Litigation  
[Government Code Section 54956.9(d)(2)]

Significant Exposure to Litigation

No. of Cases: 1