

From: VTA Board Secretary

Sent: Monday, October 25, 2021 3:34 PM

To: VTA Board of Directors; VTA Advisory Committee Members

Subject: From VTA: FTA Releases Formal Intention to Expedite Funding for BART Phase II Project

VTA Board of Directors and Advisory Committee Members:

Resending to correct a typo; sorry for the inconvenience.

VTA received the Federal Transit Administration's (FTA) Letter of Intent for the BART Phase II Project. For more details, please see the full text of VTA's blogpost below.

Please share this [blogpost](#) with your constituents/network.

Thank you.

FTA Releases Formal Intention to Expedite Funding for BART Phase II Project

10/25/2021

VTA's BART Silicon Valley Phase II Project achieved another major milestone to help advance the biggest infrastructure project in Santa Clara County history. VTA received a Letter of Intent (LOI) from the Federal Transit Administration (FTA) announcing the project was formally selected for funding through the Expedited Project Delivery (EPD) Pilot Program. The project funding plan includes 25% of the costs to be funded through the EPD Program and the remaining 75% from state and local sources.

The Phase II Project, which includes four stations, a maintenance facility, and five miles of subway tunnel, will extend BART service from the newly opened Berryessa Station in northeast San Jose through downtown San Jose into the City of Santa Clara. Passenger service is planned to begin in 2030.

An LOI announces the federal government's intention and requirements to obligate federal funds for an eligible project. This step is the precursor to execution of a Full Funding Grant Agreement, which provides for the actual funding.

"After decades of planning and strong public support, VTA is honored to have the FTA acknowledge the substantial merits of the BART extension to downtown San Jose and Santa Clara", said Glenn Hendricks, Chair of VTA's Board of Directors. "We are excited to continue to move this important project forward."

This step gives VTA the authority to incur costs for advancing engineering activities, utility relocation, real estate acquisition, construction, and other non-construction activities such as the procurement of vehicles. This milestone also defines the confidence the U.S. Department of Transportation has in VTA's technical capacity and capability to effectively manage the Phase II Project.

VTA can take the critical step in proceeding with contract advertisements and awards, including the largest procurement, the tunnel contract which includes the design and construction of the subway through downtown San Jose with a large-diameter tunnel boring machine.

“This auspicious milestone gladdens the hearts of all of us who have been working--and many more who have been waiting--to bring BART to Downtown San Jose and Santa Clara,” said San Jose Mayor Sam Liccardo, who is also a member of the VTA Board of Directors and former Chairperson. “I am grateful for the continued partnership of the Valley Transportation Authority and the U.S. Department of Transportation, and for the commitment of Secretary Buttigieg and Administrator Fernandez to the future of sustainable transportation in our Valley.”

The premise of the EPD funding program is to expedite project delivery and bring public benefit sooner. As the first project to navigate the EPD process, FTA and VTA have worked closely to streamline the traditional project evaluations. Because projects enter this funding and review process at an earlier level of design compared with other established grant programs, there is more uncertainty, thus more risk and financial contingency associated with that uncertainty.

“FTA, in collaboration with VTA, has conducted a rigorous risk assessment that identifies uncertainties and provides a framework for VTA’s project team to tackle and mitigate the risks,” said Carolyn Gonot, VTA General Manager and CEO.

VTA’s funding plan, developed in 2020 and submitted to the FTA, included an EPD funding request of \$1.735 billion based on a \$6.9 billion eligible budget and cost. VTA anticipates there may be cost increases from preliminary estimates - not least of all because of the impact of the pandemic on materials, supply chains and energy.

With all this in consideration, the FTA developed a total potential project cost that reflects the current unknowns in design and sufficient contingency to compensate for, and adequately cover any unknowns that is reflective of the preliminary nature of the design. Through this LOI, FTA intends to obligate up to \$2.287 billion or 25 percent of the final project cost, whichever is less.

The LOI will be in effect for two years, and during that time VTA will continue to advance design, receive actual contractor bids, identify and mitigate or eliminate perceived risks, finalize an overall cost estimate, and solidify the funding plan to ultimately achieve a Full Funding Grant Agreement.

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From: VTA Board Secretary

Sent: Thursday, October 28, 2021 4:41 PM

To: VTA Board of Directors

Subject: VTA Information: November 4, 2021, Board of Directors Meeting Agenda Packet

Board of Directors:

You may now access the VTA Board of Directors Agenda packet for the **Thursday, November 4, 2021, Meeting** on our [agenda portal](#).

Thank you,

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