

2000 Measure A Transit Improvement Program

Citizens Watchdog Committee Annual Report on Fiscal Year 2013



Comprehensive Annual Report

The Citizen Watchdog Committee (CWC) provides this report to inform the community on the status of 2000 Measure A projects and the committee's conclusion that during this period Measure A tax dollars were spent as intended by the ballot. This report is a snapshot of Measure A projects completed or significant milestones achieved during Fiscal Year 2013 (7/1/2012 – 6/30/2013).

In November 2000, Santa Clara County voters approved Measure A, a 30-year half cent sales tax dedicated to enhancing the county's public transit system. Measure A Revenue collection did not begin until 2006. Numerous Measure A accomplishments occurred during the first seven years of the program, which are summarized later in the project section of this report. The CWC has also prepared a brief summary report highlighting a few key milestones achieved during Fiscal Year 2013 and how they are and will enhance the quality of life for residents, commuters, businesses and workers in Santa Clara County, which is available at: www.vta.org/cwcsummaryreport-fy13.



Voters, by approving Measure A, entrusted the CWC with oversight for the tax collected under Measure A, for keeping county residents informed, and other specific responsibilities. The VTA Board of Directors is responsible for implementation of the 2000 Measure A Program and for all policy-related decisions including the composition, implementation schedule and funding level of projects.

The remainder of this report consists of three major components: (1) the CWC's conclusion that during Fiscal Year 2013 Measure A tax dollars were spent as intended by the ballot; (2) the report by the CWC's independent compliance auditor; and (3) the description and end of Fiscal Year 2013 status of individual 2000 Measure A projects.

CITIZENS WATCHDOG COMMITTEE FINDING

The CWC appreciates the importance of the role entrusted to us by voters in Santa Clara County to provide oversight for the tax collected under Measure A and for keeping county residents informed. To that end, we reviewed expenditures for the reporting period, evaluated the results of an independent audit we commissioned of Measure A expenditures, and conducted a public hearing on May 7, 2014 to obtain input from the community on the Measure A Program. After thorough review and careful consideration of all information and input received:

It is the conclusion of the Citizens Watchdog Committee that, for the period of FY 2013, 2000 Measure A tax dollars were spent in accordance with the intent of the measure.

Respectfully submitted,

William H. Hadaya
Chairperson, Citizens Watchdog Committee



Citizens Watchdog Committee members:

MEMBER

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Silicon Valley Leadership Group
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County of Santa Clara
Mass Transit Users
Senior Citizens
Disabled Community
South Bay AFL-CIO Labor Council
Home Builders Association of Northern California
Santa Clara County Chamber of Commerce Coalition
Building Owners and Managers Association – Silicon Valley

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

For the Fiscal Year Ended June 30, 2013

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 Measure A Transit Improvement Program
[A Fund of the Santa Clara Valley Transportation Authority]
For the Fiscal Year Ended June 30, 2013

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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE EXAMINATION

2000 Measure A Citizens Watchdog Committee
Santa Clara County, California

We have examined the Santa Clara Valley Transportation Authority’s (VTA) compliance with the requirements of the 2000 Measure A Transit Improvement Program (2000 Measure A Program), an activity of VTA, for the fiscal year ended June 30, 2013. The financial activity of the 2000 Measure A Program is included in the accompanying Budgetary Comparison Schedule and related notes. Management is responsible for VTA’s compliance with those requirements. Our responsibility is to express an opinion on VTA’s compliance based on our examination.

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

In our opinion, VTA complied, in all material respects, with the aforementioned requirements that are applicable to the 2000 Measure A Program for the fiscal year ended June 30, 2013.

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

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

Macias Gini & Connell LLP

Walnut Creek, California
March 28, 2014

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 Measure A Transit Improvement Program
[A Fund of the Santa Clara Valley Transportation Authority]
Budgetary Comparison Schedule (on a Budgetary Basis)
For the Fiscal Year Ended June 30, 2013
(in thousands)

	Operating Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Sales tax receipts	\$ 164,518	\$ 164,518	\$ 176,534	\$ 12,016
Investment earnings	11,921	11,921	6,758	(5,163)
Federal subsidy for Build America Bonds	9,399	9,399	9,126	(273)
Other income	391	391	381	(10)
Total revenues	186,229	186,229	192,799	6,570
Non-project expenditures:				
Professional, special and other services	537	537	693	(156)
Operating assistance to VTA Transit (Note B4)	30,365	32,770	32,583	187
Contributions to other agencies	150	319	333	(14)
Repayment of debt service to VTA Transit (Note D)	11,954	12,779	10,871	1,908
Bond interest and other bond charges (Note E)	24,767	23,107	22,388	719
Total non-project expenditures	67,773	69,512	66,868	2,644
Total revenues less non-project expenditures	\$ 118,456	\$ 116,717	125,931	\$ 9,214
Project expenditures (Note B3):				
Silicon Valley Rapid Transit Corridor			298,909	
Light Rail Program			13,072	
Commuter Rail Program			9,695	
Bus Program			16,467	
Mineta San Jose Airport People Mover			21	
Capitalized Interest & Other			10,901	
Measure A unallocated program-wide expenditures (Note B5)			(63)	
Swap payments to Congestion Management & Highway Program (Note C)			7,943	
Total project expenditures			356,945	
Capital contributions (Note G)			256,062	
Change in net position, on a budgetary basis			25,048	
GAAP reconciliation and unbudgeted items (Note B1):				
Program expenditures			56	
Project expenditures capitalized as construction in progress			224,431	
Amortization of Caltrain Access Fee			(881)	
Unrealized gain/(loss) on investments			(6,062)	
Unbudgeted bond charges			(73)	
Total GAAP reconciliation and unbudgeted items			217,471	
Change in net position, on a GAAP basis			242,519	
Net position, beginning of year			1,032,777	
Net position, end of year			\$ 1,275,296	

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

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 Measure A Transit Improvement Program
[A Fund of the Santa Clara Valley Transportation Authority]
Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2013

NOTE A – DESCRIPTION OF REPORTING ENTITY

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

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

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

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

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

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
2000 Measure A Transit Improvement Program
[A Fund of the Santa Clara Valley Transportation Authority]
Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2013

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Presentation

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

2) Basis of Accounting

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

3) Budgetary Control

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

4) Operating Assistance to VTA Transit

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

5) Program-wide Expenditures

VTA has incurred expenditures associated with the preparation of progress and cost reports; financial forecasting; ballot-required activities of the 2000 Measure A Citizens Watchdog Committee, including independent compliance audits, conducting public hearings, publication of annual audit results, public hearing notices and annual reports in local newspapers; and other general tasks that have been identified as part of the Measure A Program, but not allocated to a specific project. VTA developed an allocation methodology for these expenditures during fiscal year 2010 that uses the actual amount of direct project expenditures as the base for allocating the program-wide expenditures. (See Note F for further details.)

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Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2013

6) Use of Estimates

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

NOTE C – SWAP PAYMENTS TO CONGESTION MANAGEMENT & HIGHWAY PROGRAM

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

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

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

The source of the STIP funds is the State Highway Account, which itself is funded by state and federal fuel taxes, sales taxes, excise taxes, weight fees and state general obligation bond funds. VTA has programmed STIP funding for use in the Measure A Program in fiscal years 2011 through 2013.

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Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2013

As of June 30, 2013, the Measure A Program is due a net balance of \$1,109,000, as a result of the swap activity. The following table reports the swap funds authorized and changes in swap activity related to payments made and received during the fiscal year, as well as the cumulative swap activity through June 30, 2013 (in thousands):

Swap funds authorized:	
Swap funds authorized on February 1, 2007	\$ 57,540
Swap funds authorized on December 13, 2007	50,440
Total swap funds authorized	<u>\$ 107,980</u> *
Swap payments made:	
Cumulative swap payments made as of July 1, 2012	\$ 67,288
Swap payments made during the current fiscal year	7,943
Cumulative swap payments made as of June 30, 2013	<u>\$ 75,231</u>
Swap funds repaid to the Measure A Program:	
Cumulative swap funds received as of July 1, 2012	\$ 15,288
Swap funds received during the current fiscal year	58,834
Cumulative swap funds received as of June 30, 2013	<u>\$ 74,122</u>

* Total approved swap increased from \$107.98 million to \$122.48 million in November 2013.
Please see Note H for details of subsequent activity.

NOTE D – REPAYMENT OF DEBT SERVICE TO VTA TRANSIT

VTA issued bonds prior to the commencement of Measure A sales tax collection in order to incur project expenditures under the Measure A Program. On an annual basis, the Measure A Program reimburses the VTA Transit Fund for debt expenditures incurred. The reimbursement, which repays debt service payments the VTA Transit Fund has made, will continue until the debt obligations are extinguished. There are no formal reimbursement arrangements or loan terms in place. Accordingly, any reimbursements made by the Measure A Program will be recorded in the period in which they occur. For the fiscal year ended June 30, 2013, the Measure A Program paid approximately \$10,871,000 in debt service, consisting of approximately \$4,760,000 in principal and approximately \$6,111,000 in interest and other bond charges. The following table presents the projected aggregate annual amount of principal and interest payments required to repay the outstanding debt as of June 30, 2013:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest *</u>
2014	\$ 4,555,000	\$ 4,876,965
2015	4,570,000	4,733,671
2016	10,165,000	4,575,280
2017	10,465,000	4,254,805
2018	10,775,000	3,924,868
2019-2023	65,000,000	14,526,545
2024-2026	49,920,000	3,042,630
Total	<u>\$ 155,450,000</u>	<u>\$ 39,934,764</u>

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

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

NOTE E – ALLOCATION OF CAPITALIZED BOND INTEREST

VTA has incurred expenditures associated with the issuance of debt used to finance project expenditures for the Measure A Program. VTA developed an allocation methodology for these expenditures that was approved during fiscal year 2011 that uses the amount of bond proceeds spent on a project as a percentage of total bond proceeds spent as the base for allocating the capitalized bond interest. Prior to the approval of the allocation methodology, all capitalized bond interest was recorded as part of VTA's Extension of BART to Silicon Valley project, as most of the bond proceeds were spent on this project. For the fiscal year ended June 30, 2013, the Measure A Program recorded approximately \$23,743,000 in capitalized bond interest and other bond charges of which \$10,901,000 from 2010 Bond has not been allocated.

A portion of the bond proceeds have been spent on closed projects. Also, a portion of the taxable bond proceeds remains unspent and has not yet been drawn for capital projects. Therefore, the Measure A Program recorded approximately \$22,388,000 in bond interest and other bond charges that were not capitalized as part of project expenditures for the fiscal year ended June 30, 2013.

The table below shows the allocation of cumulative capitalized bond interest through June 30, 2012 as well as the allocation of capitalized bond interest for fiscal year 2013 based on the approved allocation methodology (in thousands). This includes only open projects.

<u>Program Name</u>	<u>Cumulative Through June 30, 2012</u>	<u>Fiscal Year 2013</u>	<u>Cumulative Through June 30, 2013</u>
Silicon Valley Rapid Transit Corridor	\$ 87,235	\$ 11,204	\$ 98,439
Light Rail Program:			
Light Rail Extension	9,902	1,174	11,076
New Light Rail Corridor Development	142	18	160
Commuter Rail Program:			
Dumbarton Rail Corridor	110	14	124
Caltrain Service Upgrades	2,990	384	3,374
Measure A Program-Wide	371	48	419
Total Allocated Capitalized Bond Interest	<u>\$ 100,750</u>	<u>\$ 12,842</u>	<u>\$ 113,592</u>

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2000 Measure A Transit Improvement Program
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Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2013

NOTE F – ALLOCATION OF PROGRAM-WIDE EXPENDITURES

VTA has incurred expenditures associated with the preparation of progress and cost reports; financial forecasting; ballot-required activities of the 2000 Measure A Citizens Watchdog Committee, including compliance audits, conducting public hearings, publication of audit results, public hearing notices and annual reports in local newspapers; and other general tasks that have been identified as part of the Measure A Program, but not allocated to a specific project. VTA developed an allocation methodology for these expenditures during fiscal year 2010 that uses the actual amount of direct project expenditures as the base for allocating the program-wide expenditures. In fiscal year 2010, the allocation of the current quarter's program-wide expenditures occurred in the following quarter. The methodology was changed in fiscal year 2011 such that current quarter's program-wide expenditures are allocated in the same quarter.

The following table shows the allocation of program-wide expenditures in fiscal year 2013 (in thousands):

<u>Program</u>	<u>Project Description</u>	<u>Amount</u>
SVRT	Downtown East Valley (DTEV) - Santa Clara/ Alum Rock Corridor	\$ 622
	El Camino Real Bus Rapid Transit (BRT)	77
	Procurement of 40 BRT Articulated Buses	4
Commuter Rail Program	Dumbarton Rail Corridor	3
	Caltrain Service Upgrades	5
	Caltrain South County Capacity Improv.	2
	Caltrain Electrification: SF to Tamien	2
	Bike Sharing Pilot Project	6
	Caltrain/UP Blossom Hill Ped. Grade Sep	99
	Caltrain Safety Enhancements	21
	SC Station Pedestrian Underpass Extension Santa Clara Station Upgrade	25 245
Light Rail Program	DETV - Capitol Express Light Rail (CELR) to Eastridge	17
	Light Rail Transit Extension to Vasona Junction	9
	CELR - Pedestrian Improvements	351
	CELR - Eastridge Transit Center	130
Mineta San Jose Airport	Mineta San Jose Airport People Mover	2
Total Allocation of Program-wide Expenditures		<u>\$ 1,620</u>

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Notes to Budgetary Comparison Schedule
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NOTE G – CAPITAL CONTRIBUTIONS

The Measure A Program received capital contributions totaling approximately \$256,062,000 during the fiscal year. The composition of these contributions was as follows (in thousands):

<u>Grantor/Funding Source</u>	<u>Program</u>	<u>Amount</u>
Federal	Federal pass-through and other: ITS, TSGP, Translink, CMAQ, Section 9, and Section 3	\$ 145,623
State of California	Traffic Congestion Relief Program	34,824
	State Transportation Improvement Program (STIP)	56,069 *
	Highway-Railroad Crossing Safety Account	6,396
	Public Transportation Modernization Improvement Service Enhancement Act	6,726
Local	City of Fremont, Green Republic, Santa Clara Valley Water District, Alameda County, BAAQMD, and Regional Measure 2	<u>6,424</u>
	Total Capital Contributions	<u><u>\$ 256,062</u></u>

* Amount includes current portion of swap funds received, as described in Note C - Swap Payments to Congestion Management & Highway Program.

The Measure A Program has received a majority of its external capital contributions from federal and State sources. The Measure A Program has used these funds to assist in the financing of VTA's Extension of BART to Silicon Valley project and capacity improvements on Caltrain in the South County.

NOTE H – SUBSEQUENT EVENT

In November 2013, the Board of Directors approved a funding exchange of \$14.5 million in STIP funds for \$14.5 million in Measure A funds. VTA currently has authorization to construct and operate High Occupancy and Toll (Express) lanes on State Route (SR) 237, SR85 and US 101. Additional funding for design for all three projects will be needed in calendar 2014. Funds from the 2014 STIP, however, will not be available until 2018. As a result, the VTA Board programmed \$14.5 million in 2014 STIP program capacity to the BART Silicon Valley - Santa Clara Extension (SVSX) project and for repayment directed \$14.5 million in Measure A funds that would otherwise have been used for the SVSX project to the VTA Expressway program. The Measure A funds would be used to advance design development work for the Express Lanes beginning in 2014.

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PROGRAM SUMMARIES

VTA'S EXTENSION OF BART TO SILICON VALLEY

BART Silicon Valley Berryessa Extension (SVBX)

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$ 409.44
FY2013	221.19
Total Expenditures through FY2013	\$630.63

Project Description:

This project is the first phase of VTA's 16.1 mile extension of the BART system to Santa Clara County.

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

Project Status:

The SVBX project is under construction.



Berryessa Aerial Structure Columns (C700)

Activity This Fiscal Year:

Right-of-Way: Acquisition of right-of-way continued to progress, with 38 of approximately 79 private parcels acquired through June 2013.

Construction: During FY13, environmental mitigation work on the Upper Penitencia Creek was completed. Installation of a new Chevron pipe along the corridor south of Curtis Avenue in the City of Milpitas was finished and cutover was achieved.

The design-build contractor started work on the Berryessa Aerial Structure station area piling, completed the Santa Clara Valley Water District (SCVWD) 6-inch line relocation cutover at the Berryessa Station area, and completed the Hostetter intersection soldier pile installation.

The SVBX Parking Structures contract was advertised for bids on June 18, 2013.

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

VTA'S EXTENSION OF BART TO SILICON VALLEY

SVRT Corridor Establishment and Maintenance

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$197.99
FY2013	60.59
Total Expenditures through FY2013	\$258.58

Project Description:

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

Includes flood control improvements at Berryessa Creek, Wrigley Creek, Scott Creek and Line B, in addition to creek improvements and environmental mitigation at Wrigley Creek and Lower Penitencia Creek.

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



Kato Road open to traffic

Project Status:

The Corridor Establishment and Maintenance (CEM) projects are either substantially complete or under construction. Montague Expressway work is in the design/right-of-way phase.

Activity This Fiscal Year:

The Kato Grade Separation (C222) contractor fully re-opened Kato Road on April 29, 2013, and on June 28, handed over the area to the SVBX contractor, on schedule.

On the Mission Boulevard/Warren Avenue Union Pacific Railroad Relocation Construction Contract (C101), construction of the UPRR Bridge on Mission Boulevard progressed. Warren Avenue was closed and is scheduled to reopen in mid-2014.

The Agua Fria, Toroges and Agua Caliente Creek Improvement (C115) contract was completed. This contract accomplished creek and other improvements ahead of the C101 contract.

The Alum Rock Fish Passage Improvements Package (C111) construction contract, which mitigates impacts from the C101 and C115 culvert extensions and other drainage improvements, was substantially completed.

Following the completion of the Joint Powers Agreement between Santa Clara County, the Santa Clara Valley Water District and VTA, the Montague Expressway Reconstruction Project began. Work started on packaging the design for bids as well as right-of-way acquisition.

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

VTA'S EXTENSION OF BART TO SILICON VALLEY

BART Silicon Valley Project Development

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$480.30
FY2013	28.03
Total Expenditures through FY2013	\$508.33

Project Description:

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

A portion of the initial project development costs have been transferred to the SVBX project and are included in the Full-Funding Grant Agreement (FFGA) budget. Remaining costs are associated with early work on the six-mile Santa Clara Extension (SVSX), as well as previously allocated Measure A program-wide and bond costs.



Rendering of Warm Springs / South Fremont Station

Ongoing planning and programming efforts are focused on the SVSX extension.

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

Project Status:

The SVSX extension is in the planning and programming phase. The BART Warm Springs Extension, which is administered by BART, is in the construction phase.

Activity This Fiscal Year:

Work progressed in the areas of planning and programming related to SVSX. Additionally, VTA's Extension of BART to Silicon Valley program management continued along with allocations of Measure A bond costs.

VTA also provided 2000 Measure A funds to match the SLPP grant being used by BART to fund construction efforts.

*P-0501 through P-0507, P-0509, P-0732, P-3101

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

Light Rail Program

Extension to Vasona Junction

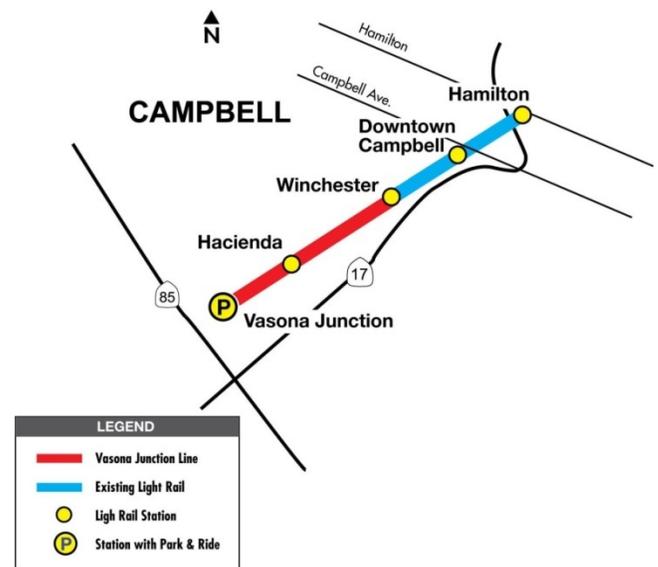
Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$0.67
FY2013	0.14
Total Expenditures through FY2013	\$0.81

Project Description:

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

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



Project Status:

Environmental Work.

Activity This Fiscal Year:

A draft Supplemental Environmental Impact Report/Environmental Assessment (SEIR/EA) for the extension project was released for public review in November 2012. The final document is anticipated to be complete in fall/winter of 2013. Once the environmental clearance process is complete, the project will be eligible for Federal funds.



View of Proposed Alignment Looking North from the Route 85 Terminus

Light Rail Program

Capitol Expressway Light Rail to Eastridge

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$84.21
FY2013	9.63
Total Expenditures through FY2013	\$93.84

Project Description:

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

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

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

Project Status:

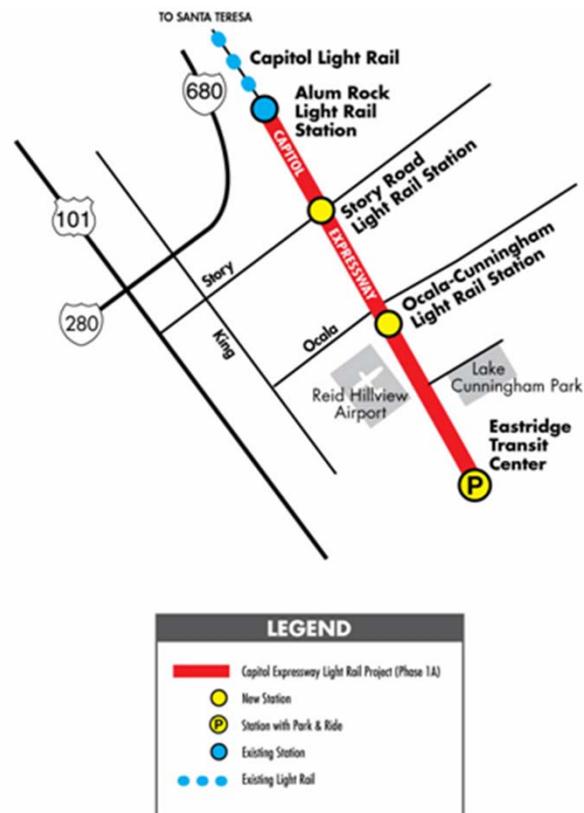
Environmental work, design, right of way acquisition and construction.

Activity This Fiscal Year:

Construction of pedestrian improvements along Capitol Expressway was completed in spring 2013.

Construction contract was awarded in June 2013 for the bus improvements and reconstruction of the Eastridge Transit Center.

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



New Sidewalk, Landscaping, Street and Pedestrian Lights at Capitol Expressway

Light Rail Program

Light Rail System Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$2.69
FY2013	3.30
Total Expenditures through FY2013	\$5.99

Description Of Efforts:

The **Light Rail Systems Analysis** provides an evaluation of infrastructure and operational deficiencies of the existing light rail system along with a three-phase improvement plan for immediate action.

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



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

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

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

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

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

Activity This Fiscal Year:

The Light Rail Improvement Plan will now serve as an action plan for future implementation and an investment program that identifies capital and operating improvements for the system over the next 20 years. The initial projects recommended from the Systems Analysis began planning and design in fall 2011. The design for the Tasman Dr. Pocket Track is complete and will be advertised for bids in July 2013. Construction is expected to start in early 2014.

Light Rail Program

Low Floor Light Rail Vehicles

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$198.35
FY2013	0.00
Total Expenditures through FY2013	\$198.35

Project Description:

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



Project Status: Closed.

Activity This Fiscal Year: None.

Project Disposition: Vehicles are VTA assets and in service.



Low Floor Vehicle at Baypointe Station



Low Floor Vehicles Provide Level Passenger Boarding

Light Rail Program

Capitol Expressway Eastridge to Nieman

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$0
FY2013	0
Total Expenditures through FY2013	\$0

Project Description:

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

Project Status:

Final design will proceed when funding is secured.

Activity This Fiscal Year:

None



Aerial View of Project Alignment

Commuter Rail Program

Caltrain Service Upgrades

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$45.16
FY2013	9.55
Total Expenditures through FY2013	\$54.71

Project Description:

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

Project Status:

Project Development , Design and Construction

Activity This Fiscal Year:

Mountain View Parking – No work on this project during FY13.

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

Safety Enhancements – Construction along the JPB has been completed and design for approximately 15 crossings along the UPRR segment is underway.

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

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

Bike Share Pilot Program – The first phase of the pilot program is expected to launch in August 2013.



Blossom Hill Pedestrian Bridge



Blossom Hill Pedestrian Bridge Ribbon Cutting

Commuter Rail Program

Caltrain South County

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$17.50
FY2013	0.04
Total Expenditures through FY2013	\$17.54

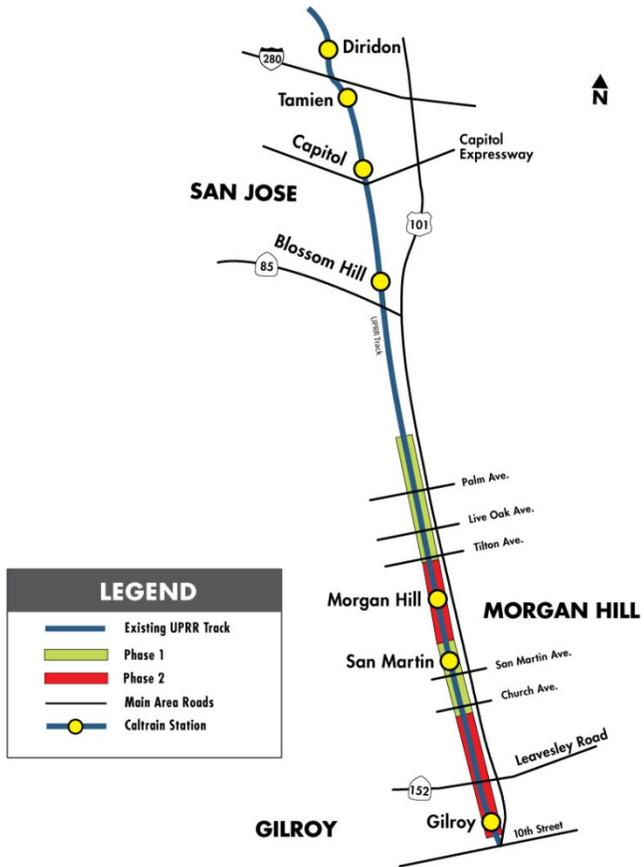
Project Description:

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

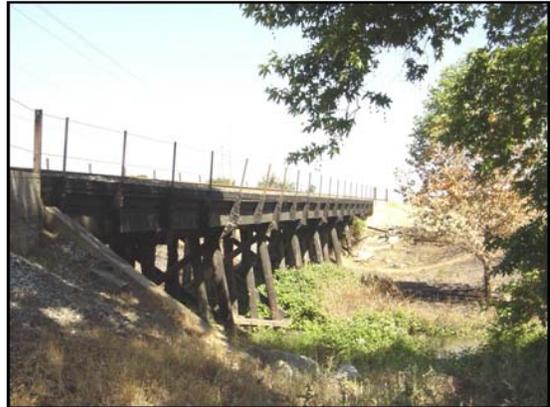
Project Status: Initial work to clear the right-of-way of utilities was completed. Pursuant to California Transportation Commission (CTC) action to transfer funds out of this Project in June 2013, VTA is in the process of closing out the project.

Activity This Fiscal Year:

On June 11, 2013, the CTC took action to de-allocate remaining funds in the project to the Transportation Authority of Monterey County (TAMC). Hence, this project will be closed out.



Typical South County Crossing



Llagas Creek Bridge

Commuter Rail Program

Caltrain Electrification / High Speed Rail

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$0.49
FY2013	0.03
Total Expenditures through FY2013	\$0.52

Project Description:

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

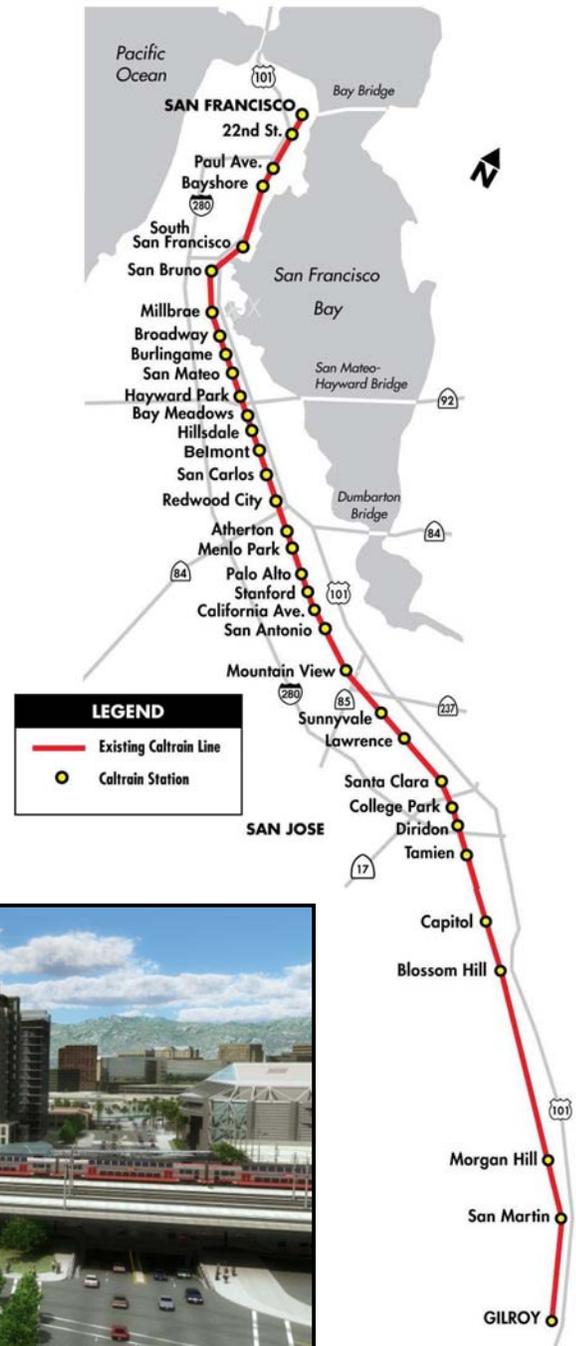
In cooperation with Caltrain and the High Speed Rail Authority, VTA will participate in planning and engineering activities that will ultimately lead to an upgraded Caltrain system.

Project Status: Project Development

Activity This Fiscal Year:

After an extensive period of public review, an agreement was reached which resulted in a Memorandum of Understanding (MOU) of various project provisions and requirements to fund an electrified Caltrain system from Tamien to San Francisco.

The completion date is in 2019 with implementation means still under development. The \$1.4 billion program is funded by a variety of federal and state sources. VTA has committed \$60 million plus an additional \$26 million of state bond funds which VTA was due to receive.



High Speed Rail Simulation - Diridon Station

Commuter Rail Program

Dumbarton Rail Corridor

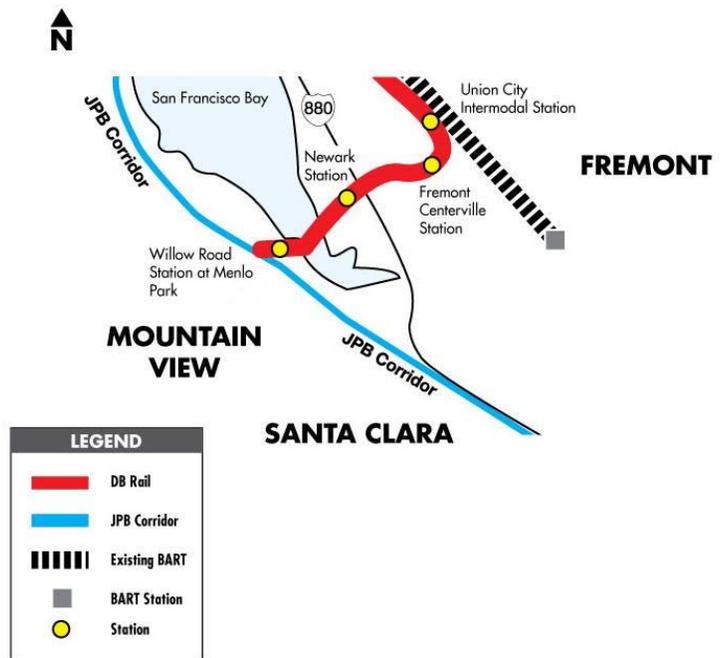
Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$2.17
FY2013	0.08
Total Expenditures through FY2013	\$2.25

Project Description:

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

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

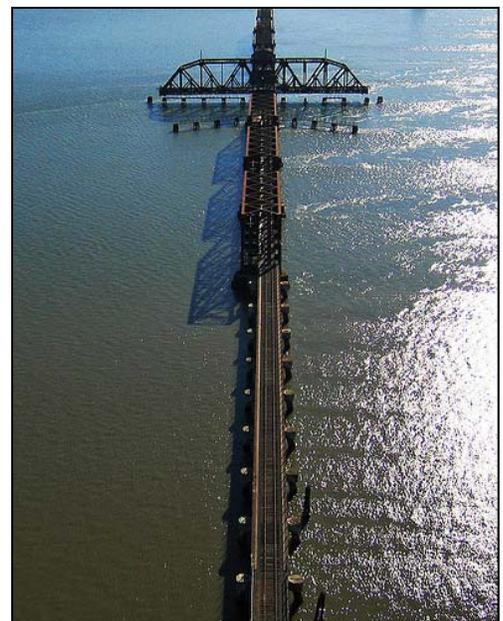


Project Status: Project Development

Activity This Fiscal Year:

Based on the detailed cost estimate prepared by the Peninsula Corridor Joint Powers Board (JPB), the project is now projected to cost between \$700 million and \$1 billion. In response, JPB is exploring various strategies to close the funding shortfall and redefine the project by adding more service in an effort to increase ridership. No operating funding or an operator has been identified for the proposed service.

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



Aerial view of the existing alignment

Commuter Rail Program

Palo Alto Intermodal Transit Center

Project Expenditures (In millions)

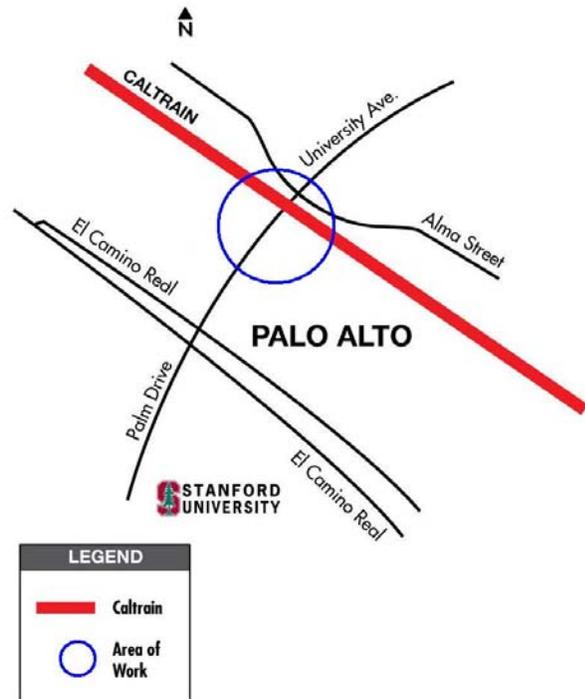
Period	Amount
Inception-to-FY2012	\$0.21
FY2013	0.00
Total Expenditures through FY2013	\$0.21

Project Description:

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

Project Status: This project is inactive.

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



Activity This Fiscal Year: None.



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

Commuter Rail Program

ACE Upgrades

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$0
FY2013	0
Total Expenditures through FY2013	\$0

Project Description:

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

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

Project Status: Work is complete.

Activity This Fiscal Year:

The improvements to the Santa Clara Station that to allow ACE trains to stop at the station are described in the Caltrain Service Upgrades project. Work was completed in 2012 and ACE trains have resumed service to Santa Clara Station.



ACE Locomotive

Bus Program

Valley Rapid - Santa Clara/Alum Rock

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$10.14
FY2013	13.87
Total Expenditures through FY2013	\$24.01

Project Description:

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

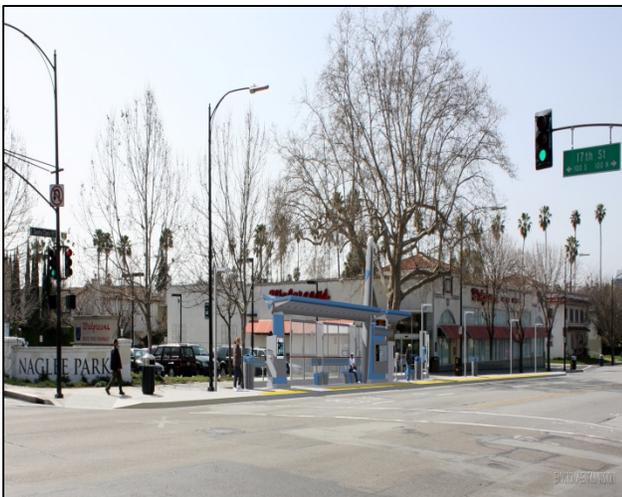
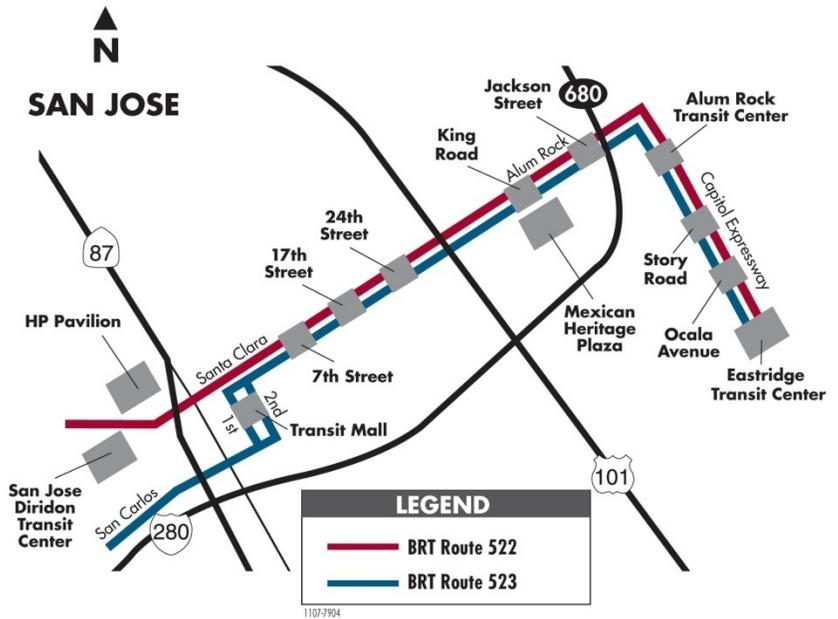
The first phase will introduce Bus Rapid Transit (BRT) in the corridor with dedicated lanes on the eastern half of the corridor and mixed flow operations in the western segment. This BRT project is being designed in an alignment consistent with light rail stations, enabling a conversion to light rail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

Project Status:

Design, bid and property acquisition.

Activity This Fiscal Year:

All property rights have been secured. Design has been completed and the construction contract was advertised for bids in May 2013 with contract award scheduled in late 2013.



BRT Photo Simulation – 17th Street Station



BRT Photo Simulation – King Road Station

Bus Program

Bus Rapid Transit

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$2.44
FY2013	1.21
Total Expenditures through FY2013	\$3.65

Project Description:

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

Project Status:

Project Development and bus procurement.

Activity This Fiscal Year:

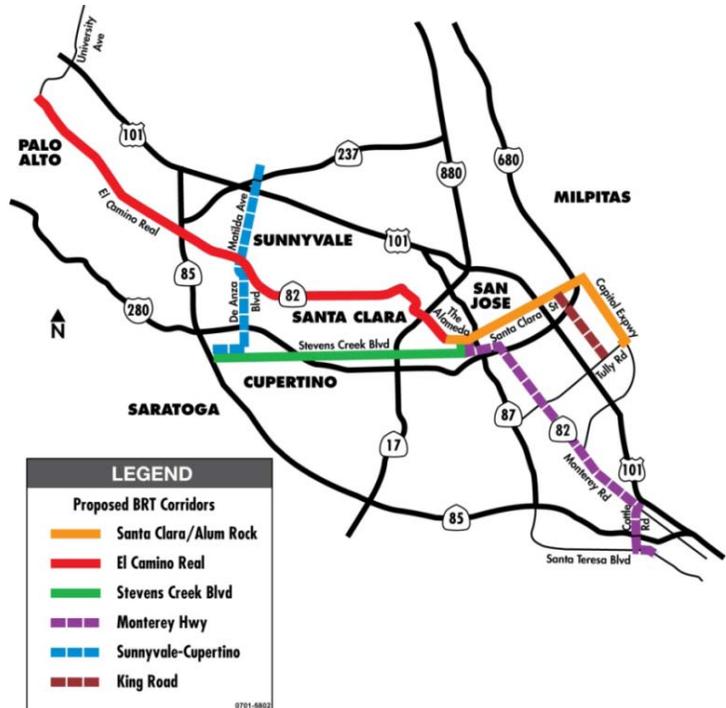
Conceptual engineering began in May 2012 for the **Stevens Creek Blvd.** BRT.

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

Procurement of Articulated Buses continued with award of a contract in February 2013 to purchase 29 buses, with delivery expected by the end of 2014.

Facility modifications at the Chaboya and North Bus Operating Divisions are required in order to accommodate BRT buses. VTA has a consultant on board to prepare the design for the first phase of facility modifications at North Yard.

VTA is currently evaluating options for design services for the **Money Counting Facility Replacement** at the Cerone Bus Operating Division.



Specialized BRT Vehicle

Bus Program

ZEB: Demonstration and Facility Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$19.45
FY2013	0.00
Total Expenditures through FY2013	\$19.45

Project Description:

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

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

Project Status:

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

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

Activity This Fiscal Year:

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

Project Disposition:

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



ZEB at Fueling Station



ZEB Engine

Bus Program

Highway 17 Bus Service Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$2.53
FY2013	0.00
Total Expenditures through FY2013	\$2.53

Project Description:

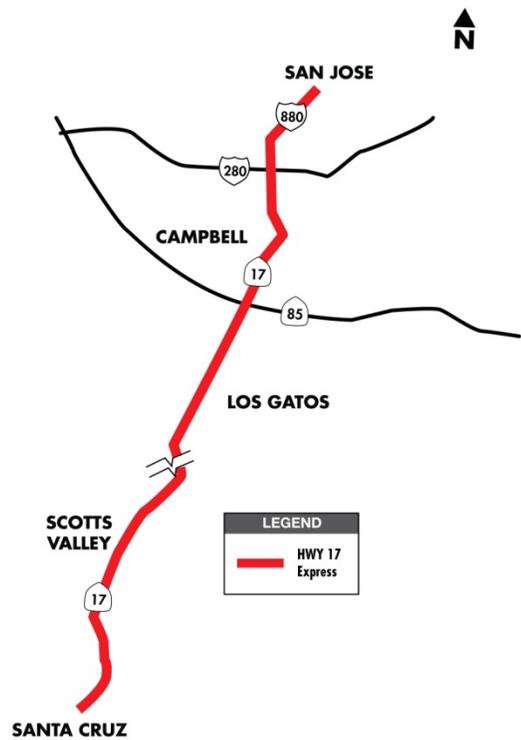
Santa Cruz Metro has procured five buses necessary to operate service between Santa Cruz, Scotts Valley, and Downtown San Jose. These buses replaced existing buses that are 20 years old, with an average of 950,000 miles each.

Project Status:

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

Activity This Fiscal Year:

None.



Highway 17 Express Bus



Highway 17 Express Bus

Mineta San Jose Airport

Mineta San Jose Airport People Mover

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$2.02
FY2013	0.02
Total Expenditures through FY2013	\$2.04

Project Description:

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

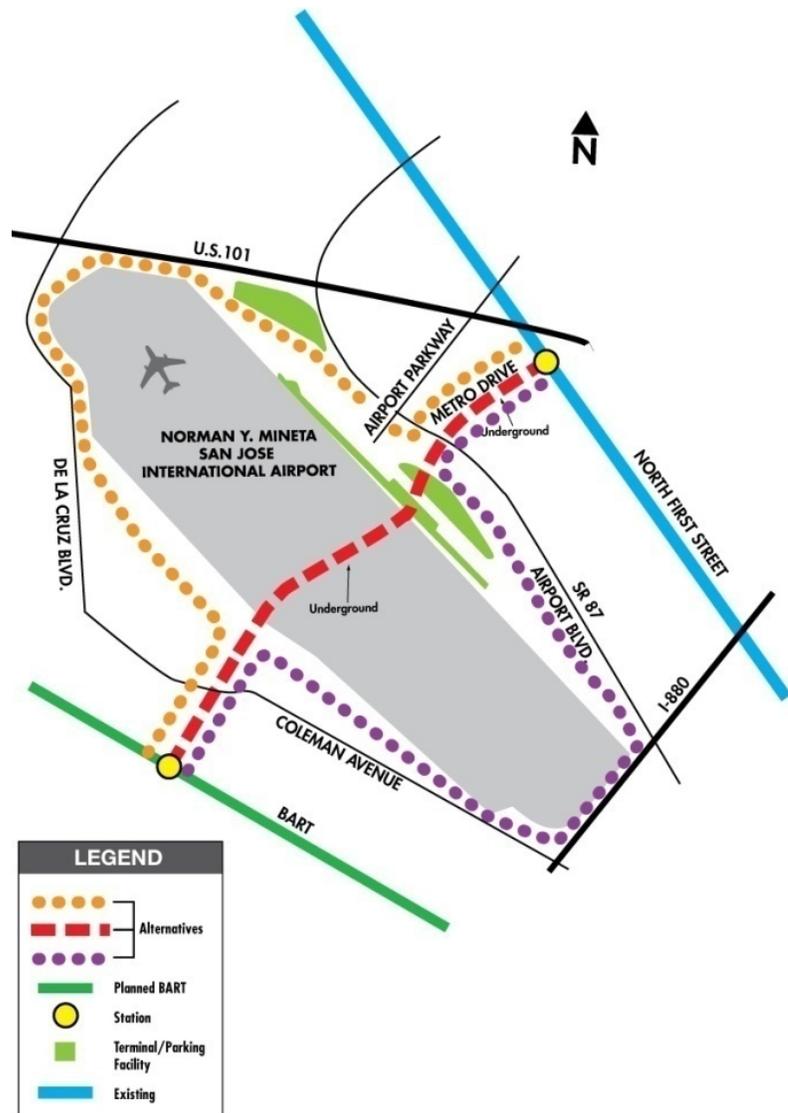
The City of San Jose Department of Transportation currently leads this effort. They envision an automated transit network - similar to a Personal Rapid Transit system - of lightweight, automated computer-controlled vehicles operated on or suspended below an elevated guideway, similar to a horizontal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

Project Status:

Project Development.

Activity This Fiscal Year:

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



Programwide

Measure A Programwide

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2012	\$0.06
FY2013	-0.06
Total Expenditures through FY2013	\$0.00

Project Description:

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

Project Status: Active.

Activity This Fiscal Year:

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