

2000 Measure A Transit Improvement Program

Annual Report from the Citizens Watchdog Committee Fiscal Year 2008



OVERVIEW:

Measure A, approved by Santa Clara County voters in 2000, is a 30-year half cent sales tax, which generates revenue to enhance the county's public transit system. Several of the projects included in the Measure A Program, including the highly anticipated extension of BART to Silicon Valley, and electrification of the Caltrain system, will require years of planning, engineering, and environmental work, before they are operational. This annual report from the Measure A Citizen Watchdog Committee (CWC) provides the public with an update on project progress over the life of the tax, and presents findings from the CWC's independent review of expenditures incurred in the preceding fiscal year.

Although Measure A was passed in 2000, revenues have only been collected for three years, starting April 2006, when the prior sales tax expired. Over the past three years, there have been a number of significant accomplishments and milestones in the Measure A program, including:

- Acquisition of property required for the BART to Silicon Valley project;
- Commencement of the process of relocating the existing freight railroad line and utilities in support of the extension of BART to San Jose/Santa Clara County;
- Implementation of VTA's 522 Rapid Bus express service;
- Solicitation of bids for the first phase of South County Caltrain double-tracking project;
- Completion of the Zero Emissions Bus program phase I, including acquisition and operation of three hydrogen fuel cell buses on VTA bus lines.

Additional information concerning the status of individual Measure A projects is included below.

In 2008, there were a number of important events that impacted the Measure A program, most critical being the precipitous drop in sales tax revenues due to the worldwide economic decline. Leading economists and fiscal experts predict that sales tax revenues will continue to decline in the coming year impacting the schedule of project development and level of support needed to maintain transit operations.

Another major event in 2008 that impacts the Measure A program was the passage of Measure B, a 1/8th cent sales tax to cover operating expenses for the BART extension to Santa Clara County. Passage of this tax signaled the public's strong support for BART, despite the economic downturn, and the need to prioritize this project in VTA's capital program. It is anticipated that this dedicated source of funding will enhance the project's competitiveness for federal funding in the New Starts program. Collection of the tax is contingent on VTA receiving a commitment of \$750 million from the federal government to support construction of the extension.

The current volatility in the Measure A tax revenue, as well as all sources of transportation funding, has necessitated a change in VTA's budgeting approach to meet near-term operational expenses, while also advancing the capital program. This year, the VTA Board elected to adopt a two-year Capital Budget, which includes appropriation for Measure A projects, rather than updating the Revenue/Expenditure plan, to account for this volatility. The Citizens Watchdog Committee has been involved in these budget discussions and will continue to provide input throughout the process.

BACKGROUND:

The Measure A ballot specified that the Citizens Watchdog Committee (CWC), comprised of VTA's Citizens Advisory Committee members, must:

- Review all 2000 Measure A expenditures;
- Conduct an independent audit of Measure A financial statements and records on an annual basis;
- Hold public hearings and issue reports to inform residents how funds are being spent;
- Publish the results of the independent audit and the annual report in local newspapers and make them available to the public.

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.



Rapid bus service along VTA's busiest corridor, providing service to the HP Pavilion



Highway 17 Express

Among the projects specified in the ballot are:

- Extending BART to Silicon Valley.
- Providing connections from Mineta San Jose International Airport to BART, Caltrain and VTA light rail.
- Extending light rail from downtown San Jose to the East Valley.
- Constructing a new Palo Alto Intermodal Transit Center.
- Increasing Caltrain service and electrifying the system from Palo Alto to Gilroy.
- Improving bus service in major bus corridors.
- Purchasing zero-emission buses and constructing service facilities.
- Purchasing low-floor light rail vehicles.
- Upgrading Altamont Commuter Express (ACE) service.
- Improving Highway 17 Express bus service.
- Developing new light rail corridors.

STATUS:

This report summarizes the status of the 2000 Measure A Program for FY 2008 (July 1, 2007 – June 30, 2008). During this period, approximately \$287 million of Measure A funds were expended, with significant progress being made on the following projects:



Proposed conceptual BART station design in Santa Clara County



Zero-Emission Bus (ZEB) at hydrogen fueling station



Low-floor Light Rail vehicle



Caltrain Baby Bullet



Enhanced bus and light rail station

- **BART Extension to Silicon Valley**

- Continued 65% Engineering phase.
- Complete sales transaction and received \$20.1 million for the sale of approximately three miles of former Western Pacific Railroad right-of-way to BART.
- In September 2007, the Federal Transit Administration gave approval through a Notice of Intent for VTA to prepare a federal Environmental Impact Statement (EIS).
- Continued final design of required freight railroad relocation.

- **Capitol Expressway Light Rail Project**

- Completed Final Design Review submittal (65%).
- Substantially completed right-of-way acquisition documents.

- **Light Rail Program**

- Conducting new rail corridor study consisting of two phases: (1) Developing a transit sustainability policy and mode-specific service design guidelines; and (2) Identifying potential new transit corridors.
- Made preparations to undertake a study to provide an evaluation of infrastructure and operations deficiencies of the existing light rail system and an evaluation of operational impacts and user benefits of the planned light rail extensions and other capital improvements.

- **Caltrain Service Improvements**

- Completed preliminary engineering and environmental work on the Blossom Hill Pedestrian Overcrossing as part of the Project Approval and Environmental Documentation process.
- Continued with study to identify and prioritize locations along the Caltrain corridor where safety can be enhanced. Additional design was substantially completed on the first phased of safety improvements, including signing and striping at crossings.
- Continued conceptual engineering and environmental review of the Mountain View Parking Structure.

- **Caltrain Double-Track Improvements in South County**

- Completed 65% design on Phase I (Coyote to San Martin) and Phase II (San Martin to Gilroy).
- Began final design phase.
- Advertized for bids for first phase of work.



Proposed conceptual design of Eastridge Transit Center and Light Rail Station



Palo Alto Intermodal Transit Center (PATC)



Architectural model of one proposed scheme for a public park and El Camino Real Undercrossing at PATC



Photo simulation of Capitol Expressway Light Rail at Story Road



View of Dumbarton Bridge from the west

- **Palo Alto Intermodal Transit Center**

- Continued development of a work plan and project implementation plan for the next phases of work.

- **Improved Bus Service**

- Implemented the 522 Rapid Bus service.
- Began studying other bus rapid transit (BRT) improvements in the Measure A corridors based on the Comprehensive Operations Analysis.

- **Zero-Emission Buses (ZEBs)**

- Three ZEBs on the third year of operation on VTA bus lines.

Since the close of FY 2008, significant additional progress has been made on:

- The 65% Engineering Phase for the BART Extension to Silicon Valley project was completed in December 2008.
- Continuing development of the freight rail relocation (FRR) required for the BART project.
- In January 2009, the VTA Board approved an \$11.6 million Measure A contribution to the Santa Clara and Diridon Station Upgrades. These projects, which have been combined into one project that is being implemented by Caltrain, will increase capacity, safety and operational flexibility for Caltrain, ACE and Capitol Corridor services.
- VTA, in partnership with the City of San Jose, is currently reviewing responses to a recently released Request for Expressions of Interest (RFI) to further explore development of an Automated Transportation Network at Mineta San Jose International Airport to connect the airport with BART, Caltrain and VTA light rail. An additional \$2 million was included in the FY10 and FY 11 Capital Budgets for development of this project.
- Began the Light Rail Systems Analysis study to provide an evaluation of infrastructure and operations deficiencies of the existing light rail system and an evaluation of operational impacts and user benefits of the planned light rail extensions.
- The Environmental Impact Report for the Santa Clara/Alum Rock Transit Improvement project was adopted by the VTA Board in December 2008.
- Phase II (San Martin to Gilroy) Preliminary Engineering for the Caltrain Double Tracking project was completed in December 2008.
- Utilizing \$2.5 million of Measure A funds, initiated procurement of five new buses necessary to operate the Highway 17 Express service between Santa Cruz, Scotts Valley and Downtown San Jose. These units will replace existing buses that are 20 years old and have close to 1 million miles each. Santa Cruz Metropolitan Transit District manages and operates this service through a Joint Powers Agreement with VTA.



*Altamont Commuter Express
(ACE) train*

INDEPENDENT AUDIT:

In 2008, the Citizens Watchdog Committee retained the firm of Macias, Gini & O'Connell (MGO), to perform a compliance audit for Fiscal Year 2008 (FY08) 2000 Measure A revenues and expenditures. MGO conducted their compliance audit in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Accordingly, their audit included examining, on a test basis, evidence of VTA's compliance with those requirements and performing such other procedures as they deemed appropriated. After planning and conducting their audit, MGO issued an unqualified report, indicating that, in their expert opinion, during the subject period VTA complied in all material respects with the requirements that are applicable to the 2000 Measure A Program. Included in MGO's report was a review of current Measure A fund swaps, which the CWC continues to monitor to ensure full and timely repayment and no negative impact to Measure A project schedules. This report was presented to the CWC in May 2009, and is available to the public on the VTA website, at http://www.vta.org/2000_measure_a/pdf/mgo_compliance_audit_report_fy08.pdf.

CONCLUSION:

The CWC reviewed expenditures for the reporting period, evaluated the results of an independent audit that it commissioned to review VTA records, and conducted a public hearing on June 10, 2009 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 2008, 2000 Measure A tax dollars were spent in accordance with the intent of the measure.

We, the members of the Citizens Watchdog Committee, appreciate the importance of our role in providing oversight for the tax collected under Measure A. We do not take this responsibility lightly, and we are committed to ensuring that revenues are expended to improve transit in the county. We hope the information in this report has been useful and welcome your suggestions for how we can improve our reporting on this important program.

Sincerely,

Noel Tebo
Chairperson, Citizens Watchdog Committee

Citizens Watchdog Committee members:

MEMBER	REPRESENTS
Noel Tebo	City of San Jose
Charlotte B. Powers	City of San Jose
Connie Rogers	South County Cities
Roberta H. Hughan	County of Santa Clara
Sally Probst	Senior Citizens
Martin B. Schulter	Disabled Persons
Stephen C. Blaylock	Mass Transit Users
Peter Skinner	Silicon Valley Leadership Group
Erik Larsen	South Bay Labor Council
Chris C. Elias	Environmentalists
Ray Hashimoto	Home Builders Association of Northern California
Gaye Morando	Santa Clara County Chamber of Commerce Coalition
Robert Jacobvitz	Building Owners and Managers Association – Silicon Valley

Availability of CWC Annual Report and Related Information:

This report and related information is available to the public at VTA's website, www.vta.org. In addition, printed copies of this report are available at local public libraries and at the Valley Transportation Authority offices at 3331 North First Street, San Jose, CA, in the Building B Lobby.