

**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, 2012

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, 2012

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Seattle

2000 Measure A Citizens Watchdog Committee
San Jose, California

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE EXAMINATION

We have examined the Santa Clara Valley Transportation Authority’s (VTA) compliance with the requirements of the 2000 Measure A Transit Improvement Program (2000 Measure A Program), an activity of VTA, for the fiscal year ended June 30, 2012. The financial activity of the 2000 Measure A Program is included in the accompanying Budgetary Comparison Schedule and related notes. Management is responsible for VTA’s compliance with those requirements. Our responsibility is to express an opinion on VTA’s compliance based on our examination.

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

In our opinion, VTA complied, in all material respects, with the aforementioned requirements that are applicable to the 2000 Measure A Program for the fiscal year ended June 30, 2012.

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

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

Macias Gini & Connell LLP

Walnut Creek, California

March 22, 2013

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, 2012
(in thousands)

	Operating Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Sales tax receipts	\$ 155,528	\$ 155,528	\$ 166,280	\$ 10,752
Investment earnings	9,207	9,207	13,455	4,248
Federal subsidy for Build America Bonds	9,399	9,399	9,399	-
Other income	391	391	440	49
Total revenues	174,525	174,525	189,574	15,049
Non-project expenditures:				
Professional, special and other services	536	536	568	(32)
Operating assistance to VTA Transit (Note B4)	28,706	30,741	30,690	51
Contributions to other agencies	722	722	740	(18)
Repayment of debt service to VTA Transit (Note D)	12,074	12,769	10,843	1,926
Repayment of debt-principal, interest and other bond charges (Note E)	27,894	25,994	25,391	603
Total non-project expenditures	69,932	70,762	68,232	2,530
Total revenues less non-project expenditures	\$ 104,593	\$ 103,763	121,342	\$ 17,579
Project expenditures (Note B3):				
Silicon Valley Rapid Transit Corridor			231,773	
Light Rail Program			21,181	
Commuter Rail Program			7,810	
Bus Program			5,234	
San Jose Mineta Airport People Mover			846	
Capitalized Interest & Other			7,763	
Measure A unallocated program-wide expenditures (Note B5)			63	
Swap payments to Congestion Management & Highway Program (Note C)			7,807	
Total project expenditures			282,477	
Capital contributions (Note G)			81,759	
Change in net assets, on a budgetary basis			(79,376)	
GAAP reconciliation and unbudgeted items (Note B1):				
Unrealized gain/(loss) on investments			(304)	
Unbudgeted bond charges			(88)	
Expenses not recorded as non-project expenditures			(1,312)	
Project expenditures capitalized as construction in progress			218,753	
Total GAAP reconciliation and unbudgeted items			217,049	
Change in net assets, on a GAAP basis			137,673	
Net assets, beginning of year			895,104	
Net assets, end of year			\$ 1,032,777	

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
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Notes to the Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

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

As provided by the 2000 Measure A ballot, the VTA Board of Directors is responsible for implementation of the 2000 Measure A Program and for all policy-related decisions including the composition, implementation schedule and funding level of projects. The 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.

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Notes to the Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

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 included funding for increased bus, rail and Paratransit service. In January 2009, the Board of Directors adopted Valley Transportation Plan (VTP) 2035, the 25-year countywide long-range multimodal transportation plan for Santa Clara County. 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 audits, public meeting notices and annual reports in local newspapers, and other general tasks that have been identified as part of the Measure A Program but not allocated to a specific project. VTA developed an allocation methodology for these expenditures 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 the Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

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 Caltrans through the State Transportation Improvement Program (STIP). The swapped 2000 Measure A Sales Tax revenues were to 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 grant funding from Caltrans through the State Transportation Improvement Program (STIP). The swapped 2000 Measure A Sales Tax revenues will fund a number of highway improvement projects, as well as local street and county road projects. In exchange, the anticipated future STIP funds will be used to pay a portion of the Measure A Program's obligation concurrent non-project activities related to the BART to Berryessa extension. The reprogramming of the anticipated STIP funds to pay a portion of the Measure A Program's obligation for the San Jose Mineta Airport People Mover Project to the Silicon Valley Rapid Transit Project – Berryessa Extension was approved by the Board of Directors on December 9, 2010.

The Board believed that these swaps would accelerate project delivery because it would release 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 and had to begin construction no later than December 31, 2012 to avoid losing this funding. The swap payments would help ensure that these projects would meet this deadline. The anticipated STIP funds will be used to fully repay the 2000 Measure A program, both principal and prescribed interest.

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

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The following table shows the changes in activity related to the swap payments made and swap funds received during the fiscal year as well as the cumulative swap balances in the Congestion Management & Highway Program as of June 30, 2012 (in thousands):

Swap payments made:

Cumulative swap payments made as of July 1, 2011	\$ 59,481
Swap payments made during the current fiscal year	7,807
Cumulative swap payments made as of June 30, 2012	<u>\$ 67,288</u>

Swap funds received:

Cumulative swap funds received as of July 1, 2011	\$ -
Swap funds received during the current fiscal year	15,288 *
Cumulative swap funds received as of June 30, 2012	<u>\$ 15,288</u>

* In addition, \$50.44 million in revenue was recognized during July 2012 for the Hayward Maintenance Center and Hayward Shop Modification improvements, as described in Note H - Subsequent Event.

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, 2012, the Measure A Program paid approximately \$10,843,000 in debt service, consisting of approximately \$4,670,000 in principal and approximately \$6,173,000 in interest and other bond charges. The following table presents the aggregate annual amount of principal and interest payments required to repay the outstanding debt as of June 30, 2012:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest ¹</u>
2013	\$ 4,760,000	\$ 5,026,129
2014	4,555,000	4,876,965
2015	4,570,000	4,733,671
2016	10,165,000	4,575,280
2017	10,465,000	4,254,805
2018 - 2022	60,170,000	16,431,550
2023 - 2026	65,525,000	5,062,493
Total	<u>\$ 160,210,000</u>	<u>\$ 44,960,893</u>

¹ 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 AND OTHER BOND CHARGES

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 the Silicon Valley Rapid Transit Corridor project, as most of the bond proceeds were spent on this project. For the fiscal year ended June 30, 2012, the Measure A Program recorded approximately \$20,443,000 in capitalized bond interest and other bond charges, of which \$7,763,000 from 2010 Bond has not been allocated.

A portion of the bond proceeds was spent on the Low Floor Light Rail Vehicles project, which was placed into service in June 2003. As such, the cumulative bond interest through June 30, 2009, as well as the fiscal year 2010 bond interest allocated to this project was expensed and reported as repayment of debt interest and other bond charges in the Budgetary Comparison Schedule. For the fiscal year ended June 30, 2012, the Measure A Program recorded approximately \$25,391,000 in bond principal payment and interest expense and other bond charges not capitalized as part of project expenditures.

The table below shows the allocation of cumulative capitalized bond interest through June 30, 2011 as well as the allocation of capitalized bond interest for fiscal year 2012 based on the approved allocation methodology (in thousands). This includes only open projects.

<u>Program Name</u>	<u>Cumulative Through June 30, 2011</u>	<u>Fiscal Year 2012</u>	<u>Cumulative Through June 30, 2012</u>
Silicon Valley Rapid Transit Corridor	\$ 76,172	\$ 11,063	\$ 87,235
Light Rail Program:			
Light Rail Extension	8,743	1,159	9,902
New Light Rail Corridor Development	124	18	142
Commuter Rail Program:			
Dumbarton Rail Corridor	96	14	110
Caltrain Service Upgrades	2,611	379	2,990
Measure A Program-Wide	324	47	371
Total Allocated Capitalized Bond Interest	<u>\$ 88,070</u>	<u>\$ 12,680</u>	<u>\$ 100,750</u>

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NOTE F – ALLOCATION OF PROGRAM-WIDE EXPENDITURES

VTA has incurred expenditures associated with the preparation of progress and cost reports, financial forecasting, publication of annual financial audits and public hearings conducted by the 2000 Measure A Citizens Watchdog Committee, 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 occurs 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 2012 (in thousands):

<u>Program</u>	<u>Project Description</u>	<u>Amount</u>	
1. SVRT	Silicon Valley Rapid Transit (SVRT) Program - Programwide	\$ 783	
	SVRT Project Development After FY09	899	
2. Light Rail Program	Downtown East Valley (DTEV) - Capitol Express Light Rail (CELR) to Eastridge	2	
	Light Rail Transit Extension to Vasona Junction	1	
	CELR - Pedestrian Improvements	64	
	CELR - Eastridge Transit Center	90	
	3. Commuter Rail Program	Dumbarton Rail Corridor	1
		Caltrain South County Capacity Improv.	8
		Caltrain Electrification:SF to Tamien	1
Bike Sharing Pilot Project		1	
Caltrain/UP Blossom Hill Ped. Grade Sep		25	
	Caltrain Safety Enhancements	7	
	Santa Clara & SJ Diridon Station Upgrade	15	
	DTEV - Santa Clara/Alum Rock Corridor	24	
	Bus Rapid Transit (BRT)-Line 22, Monterey & Stevens Creek	1	
	El Camino Real BRT	13	
5. San Jose Mineta Airport	Mineta San Jose Airport People Mover	4	
Total allocation of program-wide expenditures		<u>\$ 1,939</u>	

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Notes to the Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

NOTE G – CAPITAL CONTRIBUTIONS

The Measure A Program received external capital contributions totaling approximately \$81,759,000 during the fiscal year. The composition of these contributions was as follows (in thousands):

<u>Grantor/Funding Source</u>	<u>Program</u>	<u>Amount</u>
Caltrans	Traffic Congestion Relief Program	\$ 51,549
Public Transportation Account (PTA) & Clean Air Transport Improvement Act (CATIA) & Transportation Fund for Clean Air (TFCA)	Public Transportation Account & Clean Air Transport Improvement Act	16,042 *
Highway-Railroad Crossing Safety Account (HRCSA)	Highway-Railroad Crossing Safety Account	5,141
Public Transportation Modernization Improvement Service Enhancement Act (PTMISEA)	Santa Clara/Alum Rock Corridor	5,031
City of Fremont	Lower Berryessa Creek Project	2,356
Federal	FED pass thru & other: ITS, TSGP, Translink, CMAQ, Section 9	1,193
Local	Regional Measure 2	447
	Total Capital Contributions	\$ 81,759

* Amount includes \$15,288 of swap funds received as described in Note C - Swap Payments.

The Measure A Program has received a majority of its external capital contribution from the Traffic Congestion Relief Program administered by Caltrans. The Measure A Program has used these funds to assist in the financing of the Silicon Valley Rapid Transit Corridor Project that will extend BART from Fremont to Santa Clara County and capacity improvements on Caltrain in South County.

NOTE H – SUBSEQUENT EVENT

During July 2012, the 2000 Measure A fund recorded \$50.44 million in revenue as a result of VTA's assignment to the San Francisco Bay Area Rapid Transit District (BART) of Santa Clara County Regional Improvement Program funds currently programmed in the State Transportation Improvement Program (STIP) for the construction of the first phase of the BART extension to Santa Clara County (Warm Springs to Berryessa) during FY 2013. This assignment relieves VTA of its funding obligation relative to the construction of BART's Hayward Maintenance Center and the Hayward Shop Modification. A similar amount of project expenditures was recorded for this purpose.

PROGRAM SUMMARIES

BART Silicon Valley Berryessa Extension (SVBX)

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$ 68.83
FY2012	340.61
Total Expenditures through FY2012	\$409.44

Project Description:

This project is the first phase of the 16.1 mile Silicon Valley Rapid Transit (SVRT) extension of BART.

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.



Building Demolition (C700)

Project Description:

The SVBX project is under construction.

Activity This Fiscal Year:

Project Development: On March 12, 2012, the Santa Clara Valley Transportation Authority received a \$900 million grant commitment from the Federal Transit Administration for the SVBX Project. With the execution of the Federal Full Funding Grant Agreement (FFGA), the SVBX Project moved to the Construction Phase. A groundbreaking ceremony was held on April 12, 2012

Right-of-Way: All major municipal and utility master agreements required for SVBX have been executed. Acquisition of Right-Of-Way continued to progress with development of the Phase 1 and 2 Environmental Site Assessments, pre-appraisal work, appraisals, offers and negotiations. Through June 2012, about 1/5 of the approximately 75 private parcels have been acquired.

Construction: Full Notice To Proceed was granted to the Design-Build contractor, Skanska Shimmick Herzog, on April 30, 2012. The contractor developed designs, and began UPRR track and signal removal, building demolition, and excavation work at Upper Penitencia Creek. An early construction contract, Phase 1 Piper Drive Utility Relocation (C610), relocated a Santa Clara Valley Water District (SCVWD) 42" water line ahead of the C700 contract.

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

SVRT Corridor Establishment and Maintenance

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$189.73
FY2012	8.26
Total Expenditures through FY2012	\$197.99

Project Description:

This work relocates freight railroad from VTA-purchased right-of-way to existing UPRR right-of-way, between UPRR's Warm Springs Yard and Calaveras Blvd. It builds a new railroad overcrossing structure at Mission Boulevard and a new roadway underpass at Warren Avenue and Kato Road, and severs shipper freight service south of Montague Expressway.

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



Progress on UPRR Bridge at Kato Road (C222)

Project Status:

The Chevron petroleum pipelines relocation, SFPP/Kinder-Morgan petroleum pipeline relocation, and Verizon/MCI fiber optic relocation have been completed. The Berryessa Creek crossing, Abel Street Seismic Retrofit, and Railroad Relocation contract was substantially completed in December 2010. Construction of the Wrigley Creek Improvements is complete and the Plant Establishment Period is ongoing.

Activity This Fiscal Year:

The Kato Road Grade Separation (C222) work began, including mass excavation, retaining wall construction, and the installation of shoring for box culvert construction. Installation of the UPRR steel bridge occurred in June 2012.

The Mission Boulevard/Warren Avenue Union Pacific Railroad Relocation Construction Contract (C101) was awarded to RGW Construction in June 2012.

Work continued on the Agua Fria, Toroges and Agua Caliente Creek Improvement Construction Package (C115). This contract accomplishes creek and other improvements ahead of the C101 contract.

The Alum Rock Fish Passage Improvements Package (C111) construction contract, which will mitigate impacts from the C101 culvert extensions and other drainage improvements, was awarded to Stevens Creek Quarry Construction.

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

BART Silicon Valley Project Development

Project Expenditures (In millions)

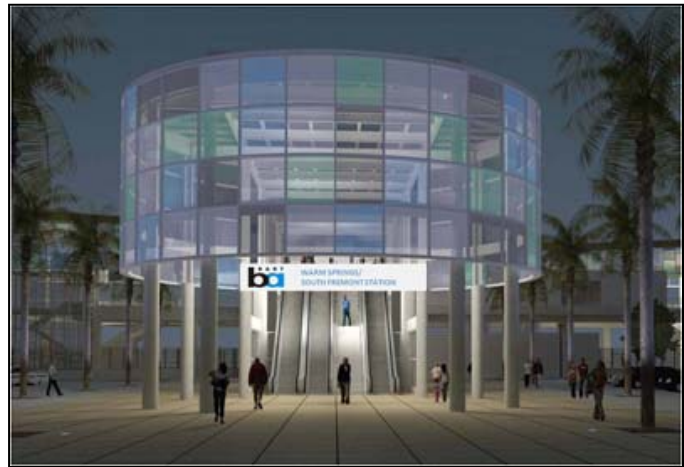
Period	Amount
Inception-to-FY2011	\$589.64
FY2012	(109.34)
Total Expenditures through FY2012	\$480.30

Project Description:

Project Development Through FY09:

When work began on the Silicon Valley Rapid Transit (SVRT) 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 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

Project Development after FY09: Work was completed in the areas of planning and programming related to SVSX. Additionally, SVRT program management and allocations of Measure A program-wide and bond costs were made.

Warm Springs Extension: The BART Warm Springs Extension is a 5.4 mile extension from the Fremont BART station to southern Fremont, which is the starting point for the SVRT project. VTA has assigned \$8 million in State Local Partnership Program (SLPP) funds and \$111.4 million in TCRP funds directly to BART for the project, and will provide an additional \$8 million of Measure A funds to match an SLPP grant.

Project Status and Activity This Fiscal Year:

The full scope and implementation plan for future BART extension projects has not been established. When sufficient capital funding is identified through improved revenue forecasts from 2000 Measure A and/or other sources, future BART extensions will be implemented through one or more subsequent projects within the SVRT Program. At that time, a portion of actual project development and other costs may be included in the budget for the subsequent projects, similar to what was done with SVBX.

*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

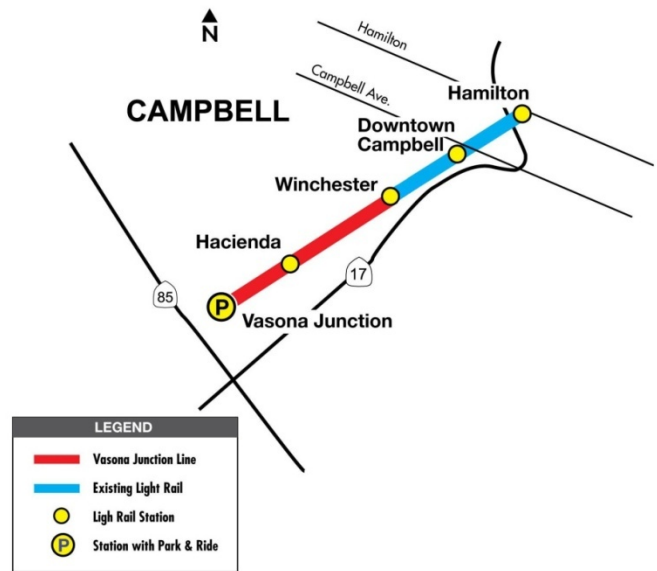
Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$0.51
FY2012	0.16
Total Expenditures through FY2012	\$0.67

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:

The draft Supplemental Environmental Impact Report/Environmental Assessment has been reviewed by FTA and will be finalized in the fall 2012, followed by public review of the document. Final approval from FTA and the VTA Board of Directors is anticipated in early 2013.



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-FY2011	\$63.51
FY2012	20.70
Total Expenditures through FY2012	\$84.21

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.

Project Status:

Environmental work, design, and construction

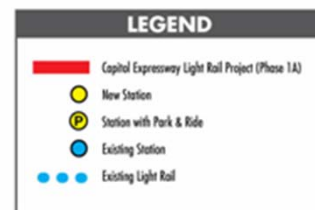
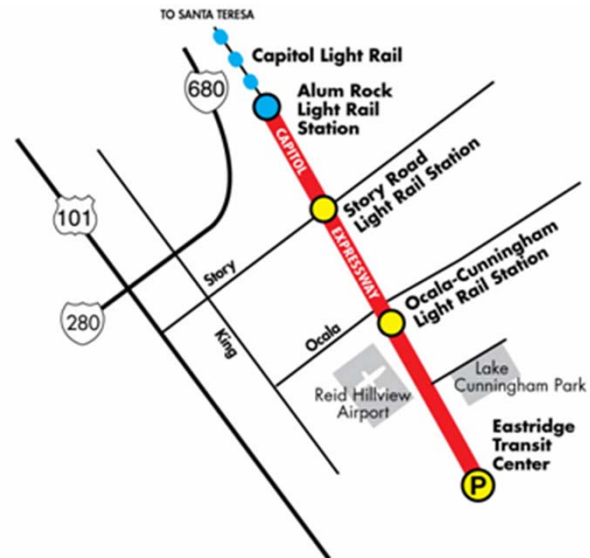
Activity This Fiscal Year:

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

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

Construction of pedestrian improvements along Capitol Expressway is underway with civil work substantially complete. This work, the first phase of Capitol Expressway Light Rail Project, will introduce a pedestrian multiuse path with landscape buffer and street lighting along the expressway between Capitol Avenue and Tully Road.

Final design for the transit center and bus stops has been completed. Property acquisition for the Eastridge transit center is underway.



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-FY2011	\$2.37
FY2012	0.32
Total Expenditures through FY2012	\$2.69

Description Of Efforts:

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

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



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

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

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

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

Project Status: Studies and environmental work

Activity This Fiscal Year:

The Light Rail Improvement Plan will now serve as an action plan for future implementation and an investment program which identifies capital and operating improvements for the system over the next 20 years.

Planning/Preliminary Engineering consultant has been selected. Alternatives analysis is underway.

Light Rail Program

Low Floor Light Rail Vehicles

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$198.35
FY2012	0.00
Total Expenditures through FY2012	\$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



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-FY2011	\$0
FY2012	0
Total Expenditures through FY2012	\$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-FY2011	\$38.48
FY2012	6.68
Total Expenditures through FY2012	\$45.16

Project Description:

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

Project Status:

Project Development , Design and Construction

Activity This Fiscal Year:

Mountain View Parking – No work on this project in FY12.

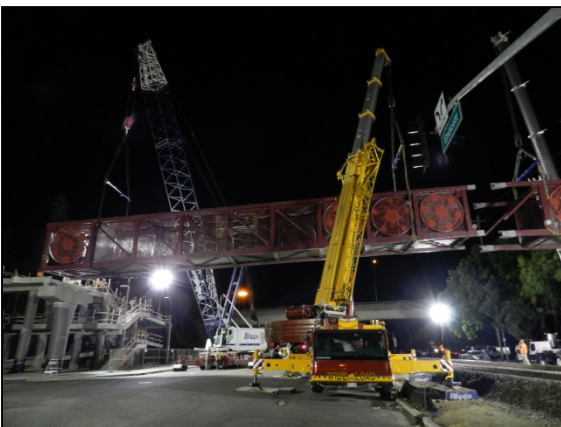
Blossom Hill Pedestrian Grade Separation – Construction is underway and scheduled for completion in late 2012.

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. Preliminary engineering work was completed in early 2011 and 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 – VTA and its regional partners have selected a bike share vendor and are negotiating agreement with vendor to provide equipment and services by early 2013.



Blossom Hill Pedestrian Bridge Installation



Blossom Hill Pedestrian Bridge Installed

Commuter Rail Program

Caltrain South County

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$16.69
FY2012	.81
Total Expenditures through FY2012	\$17.50

Project Description:

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

Project Status: Utility Relocation

Activity This Fiscal Year:

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

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



Typical South County Crossing



Llagas Creek Bridge

Commuter Rail Program

Caltrain Electrification / High Speed Rail

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$0.42
FY2012	0.07
Total Expenditures through FY2012	\$0.49

Project Description:

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

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

Project Status: Project Development

Activity This Fiscal Year:

In conjunction with Caltrain, which is administering the Caltrain Electrification project, the budget for this project will partially fund planning and engineering activities through FY 2013 and coordination work with Caltrain staff.



High Speed Rail Simulation - Diridon Station

Commuter Rail Program

Dumbarton Rail Corridor

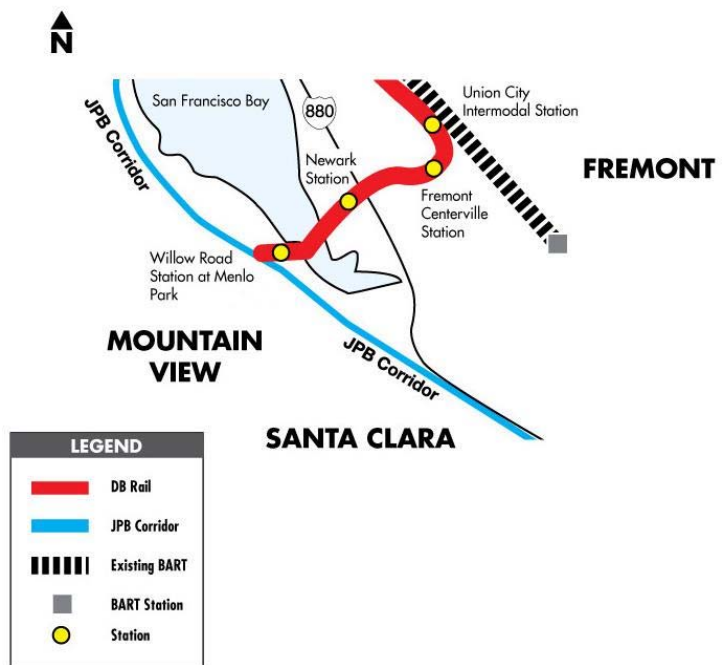
Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$1.91
FY2012	0.26
Total Expenditures through FY2012	\$2.17

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.

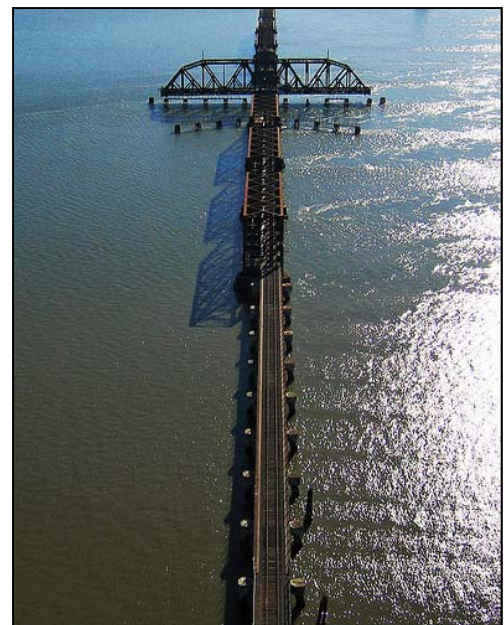


Project Status: Project Development

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)

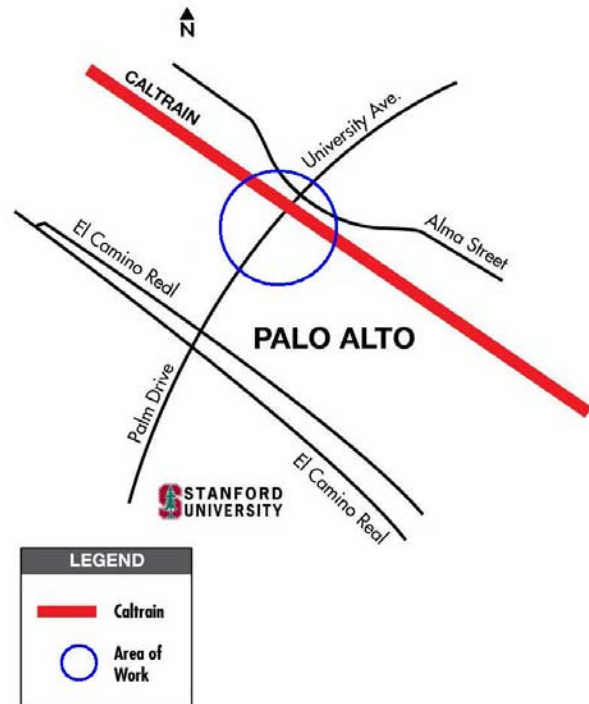
Period	Amount
Inception-to-FY2011	\$0.21
FY2012	0.00
Total Expenditures through FY2012	\$0.21

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 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-FY2011	\$0
FY2012	0
Total Expenditures through FY2012	\$0

Project Description:

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

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

Project Status: Project Development

Activity This Fiscal Year:

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

No activity for this project.



ACE Locomotive

Bus Program

BRT-Santa Clara / Alum Rock

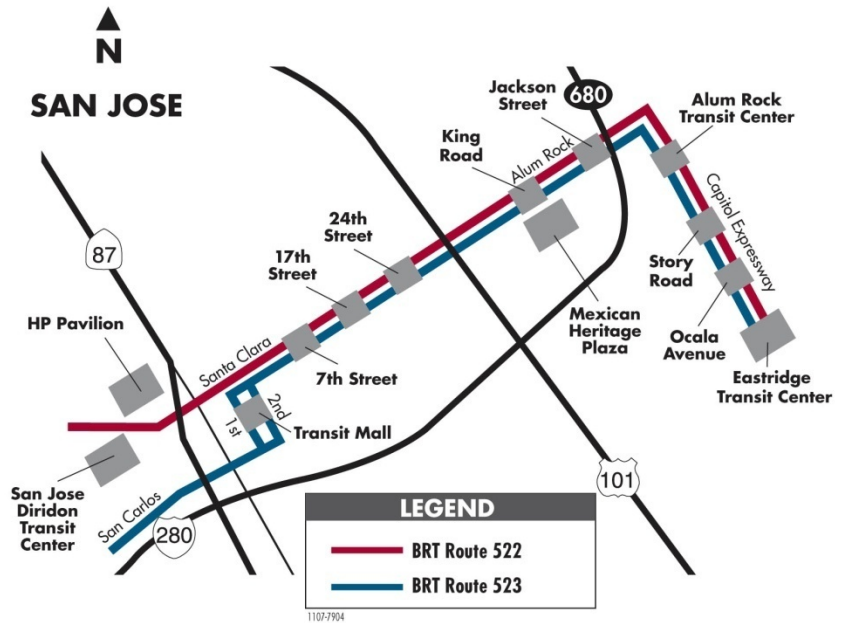
Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$6.94
FY2012	3.20
Total Expenditures through FY2012	\$10.14

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 and Right-of-Way Acquisition.

Activity This Fiscal Year:

Preliminary Engineering was completed in December 2011 and final design is underway. Right-of-way efforts began in 2010 and are scheduled to run through early 2013.



Photo Simulation – Alum Rock at King Road



Photo Simulation – Alum Rock at McCreery

Bus Program

Valley Rapid - El Camino Real

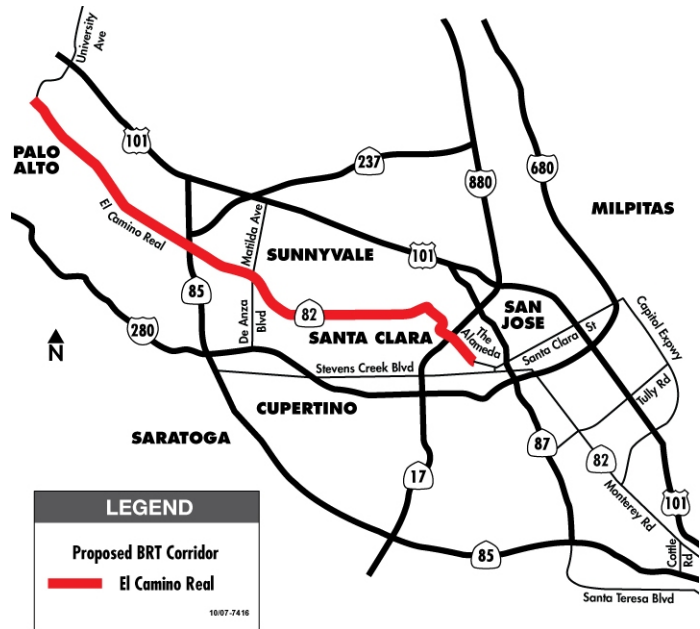
Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$2.58
FY2012	1.77
Total Expenditures through FY2012	\$4.35

Project Description:

The proposed alignment extends 16.6 miles from HP Pavilion in downtown San Jose to the Palo Alto Transit Center and is an extension of the Valley Rapid – Santa Clara/Alum Rock project.

Bus Rapid Transit (BRT) improvements will consist of new exclusive bus lanes, bulb outs, distinct shelters, branded hybrid vehicles, off-board fare collection and other improvements along the corridor. The project is envisioned to include 16 new BRT stations.



Project Status:

Conceptual Engineering

Activity This Fiscal Year:

Conceptual Engineering began in May 2010 with a project environmental review, the Caltrans process, and FTA Small Starts review planned to commence in late 2012.

Different cross-sections have been analyzed and preliminary ridership and traffic projections have been developed. VTA is working with cities to determine sections of the Corridor where BRT can use dedicated lanes. A staff recommendation was presented to the cities in early 2012.



BRT Photo Simulation

Bus Program

Bus Rapid Transit

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$2.18
FY2012	0.26
Total Expenditures through FY2012	\$2.44

Project Description:

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

Project Status:

Project Development

Activity This Fiscal Year:

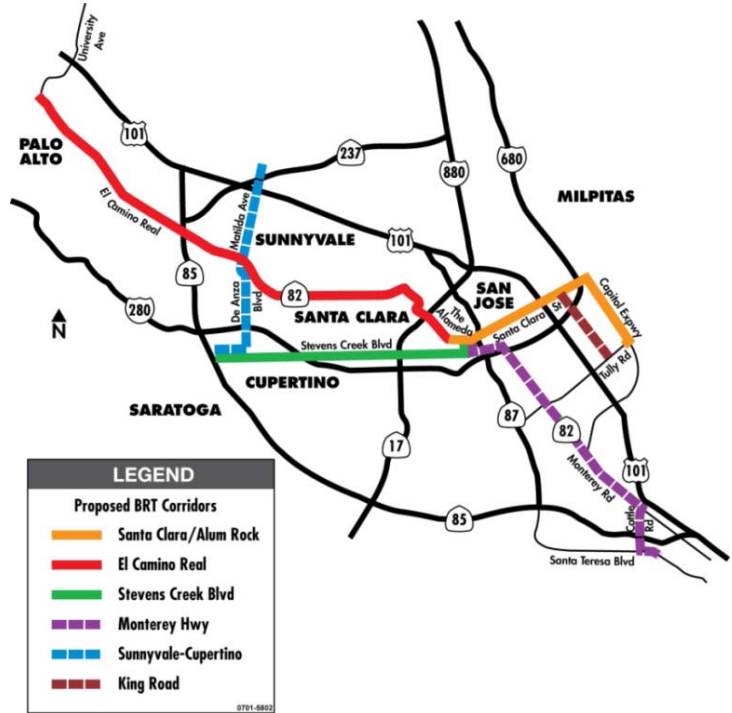
Planning work continued on the **Stevens Creek Blvd** corridor stations.

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

Procurement of Articulated Buses required for 2015 service on the Santa Clara Alum Rock and El Camino Real corridors was initiated in Fiscal Year 2012.

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

Funds were also included in FY12 for a **Money Counting Facility Replacement** at the Cerone Division to replace VTA's existing undersized and inefficient facility.



Specialized BRT Vehicle

Bus Program

ZEB: Demonstration and Facility Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$19.45
FY2012	0.00
Total Expenditures through FY2012	\$19.45

Project Description:

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

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

Project Status:

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

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

Activity This Fiscal Year:

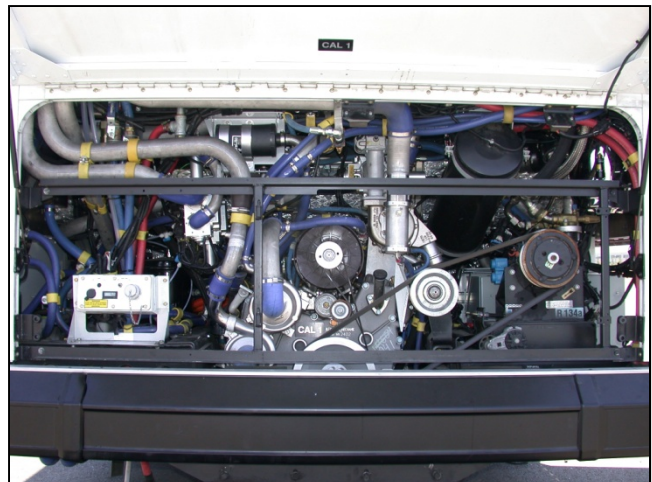
Following the completion of the demonstration requirements, VTA continued operating the three ZEBs in accordance with Federal Transit Administration requirements.

Project Disposition:

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



ZEB at Fueling Station



ZEB Engine

Bus Program

Highway 17 Bus Service Improvements

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$2.53
FY2012	0.00
Total Expenditures through FY2012	\$2.53

Project Description:

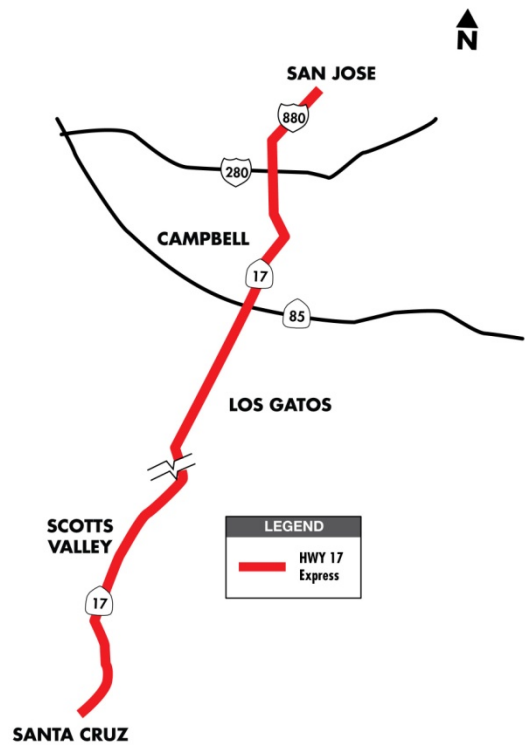
Santa Cruz Metro has procured five buses necessary to operate service between Santa Cruz, Scotts Valley, and Downtown San Jose. These buses replaced existing buses that are 20 years old, with an average of 950,000 miles each.

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

San Jose Mineta Airport

San Jose Mineta Airport People Mover

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$1.17
FY2012	0.85
Total Expenditures through FY2012	\$2.02

Project Description:

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

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

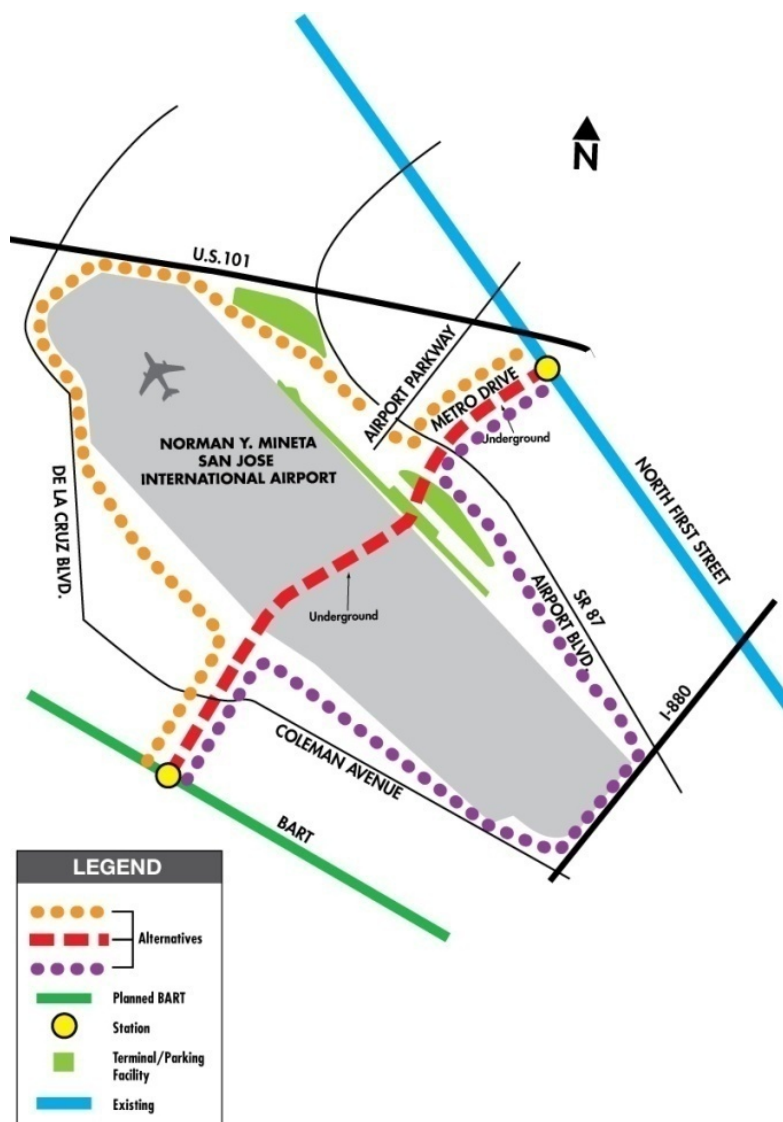
VTA funds are specific to a connection between the Airport terminals and Caltrain/BART and Light Rail, and not any pre-determined technology.

Project Status:

Project Development

Activity This Fiscal Year:

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



Programwide

Measure A Programwide

Project Expenditures (In millions)

Period	Amount
Inception-to-FY2011	\$0.00
FY2012	0.06
Total Expenditures through FY2012	\$0.06

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.