BOARD OF DIRECTORS MEETING

Thursday, June 3, 2021

5:30 PM

*TELECONFERENCE AND VIDEO CONFERENCE MEETING ONLY*

Until further notice and pursuant to California Governor Gavin Newsom’s Executive Order N29-20, the VTA Board of Directors will convene Until further notice and pursuant to California Governor Gavin Newsom’s Executive Order N-29-20, the VTA Board of Directors will convene a teleconference and video conference meeting only.

The meeting will be streamed through VTA’s YouTube channel:
https://www.youtube.com/watch?v=yMfXPdQyT1s and through: https://us02web.zoom.us/j/84096907118.

Call in: (one-tap): US: ++16692192599,,84096907118# or +16699009128,,84096907118#
Call in: (telephone): US: +1 669 219 2599 or +1 669 900 9128 Webinar ID: 840 9690 7118

Technology limitations may limit the ability to receive verbal public comments during the meeting. We request the public to submit their comments by 1:00 p.m. on June 3, 2021 to board.secretary@vta.org. Instructions for participating in the teleconference will be posted on VTA’s website.

AGENDA

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

- Persons wishing to address the Board of Directors on any item on the agenda or not on the agenda are requested to submit their written comments by 1:00 p.m. on June 3, 2021, to board.secretary@vta.org.

- Persons who wish to address the Board of Directors during the teleconference meeting are encouraged to visit VTA’s website, bit.ly/vta-board-agendas for instructions. Speakers are asked to limit their comments to 1 minute. The amount of time allocated to speakers may vary at the Chairperson’s discretion depending on the number of speakers and length of the agenda.

- The Consent Agenda items may be voted on in one motion at the beginning of the meeting. The Board may also move regular agenda items on the consent agenda during Orders of the Day.
Disclosure of Campaign Contributions to Board Members (Government Code Section 84308)

In accordance with Government Code Section 84308, no VTA Board Member shall accept, solicit, or direct a contribution of more than $250 from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency. Any Board Member who has received a contribution within the preceding 12 months in an amount of more than $250 from a party or from any agent or participant shall disclose that fact on the record of the proceeding and shall not make, participate in making, or in any way attempt to use his or her official position to influence the decision.

A party to a proceeding before VTA shall disclose on the record of the proceeding any contribution in an amount of more than $250 made within the preceding 12 months by the party, or his or her agent, to any Board Member. No party, or his or her agent, shall make a contribution of more than $250 to any Board Member during the proceeding and for three months following the date a final decision is rendered by the agency in the proceeding. The foregoing statements are limited in their entirety by the provisions of Section 84308 and parties are urged to consult with their own legal counsel regarding the requirements of the law.

All reports for items on the open meeting agenda are available on our website, www.vta.org. Any document distributed less than 72-hours prior to the meeting will also be made available to the public at the time of distribution. Copies of items provided by members of the public at the meeting will be made available following the meeting upon request.

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

NOTE: THE BOARD OF DIRECTORS MAY ACCEPT, REJECT OR MODIFY ANY ACTION RECOMMENDED ON THIS AGENDA.

There will be no physical location for the June 3, 2021, VTA Board of Directors’ Meeting. You can use this link to access the meeting: https://us02web.zoom.us/j/84096907118.
1. CALL TO ORDER AND ROLL CALL

1.1. ROLL CALL

1.2. Orders of the Day

2. REMEMBERING FALLEN VTA FAMILY MEMBERS

- Abdolvahab Alaghmandan
- Adrian Balleza
- Jose Dejesus Hernandez III
- Alex Ward Fritch
- Lars Kepler Lane
- Michael Joseph Rudometkin
- Paul Delacruz Megia
- Taptejdeep Singh
- Timothy Michael Romo

3. PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board of Directors on any item within the Board’s jurisdiction but not on the agenda. Speakers are limited to 1 minute. The amount of time allocated for this section of the agenda may vary at the Chairperson’s discretion depending on the number of speakers and length of the agenda. The law does not permit Board action or extended discussion of any item not on the agenda except under special circumstances. If Board action is requested, the matter can be placed on a subsequent agenda. All statements that require a response will be referred to staff for reply in writing.

4. PUBLIC HEARINGS

4.1. ACTION ITEM - Adopt a resolution: (1) directing that the VTA Board, subsequent to a public hearing, has made a finding that the proposed financing to be undertaken by the Peninsula Corridor Joint Powers Board (PCJPB) will result in significant public benefits and serve a public purpose; and (2) approve the proposed refinancing of the two revolving lines of credit, totaling $200 million.
4.2. HEARING - NOTICE OF INTENTION TO ADOPT RESOLUTIONS OF NECESSITY

ACTION ITEM - Close Hearing and adopt Resolutions of Necessity determining that the public interest and necessity require the acquisition of four (4) properties located in the City of San Jose owned by the following property owners: (1) Richard Della Maggiore and Joan Della Maggiore Revocable Living Trust dated November 13, 1991 and The Loren W. Thorson and Arlethea K. Thorson Trust dated August 18, 1982; (2) Honco Investment Company, LLC, California limited liability company, successor in interest to Honco Investment Company, L.P., a California limited partnership; (3) Z Hanna LLC, a California limited liability company; and (4) Downtown SJ Towers, LLC, a California limited liability company, for the BART Silicon Valley Phase II Project (BSVII).

Property ID/Assessor's Parcel Number/Owner


Property ID/Assessor's Parcel Number/Owner

B3110 (APN Nos: 467-8-004; 010; 011; and 013) owned by Honco Investment Company, LLC, California limited liability company, Successor in interest to Honco Investment Company, L.P., a California limited partnership.

Property ID/Assessor's Parcel Number/Owner

B3139 (APN Nos: 467-21-025) owned by Z Hanna LLC, a California limited liability company.

Property ID/Assessor's Parcel Number/Owner

B4042 (APN Nos: 467-21-024) owned by Downtown SJ Towers, LLC, a California limited liability company.

Note: Motion must be approved by at least 2/3 of the Board (8 members).

5. COMMITTEE REPORTS


5.3. Standing Committee Chairpersons' Report. (Verbal Report)

5.4. Policy Advisory Board Chairpersons' Report. (Verbal Report)
6. CONSENT AGENDA

<table>
<thead>
<tr>
<th>ADMINISTRATION AND FINANCE (A&amp;F) COMMITTEE</th>
</tr>
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<tbody>
<tr>
<td>6.1. ACTION ITEM - Authorize the General Manager to submit Federal Fiscal Year (FFY) 2021 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5337 Fixed Guideway and High Intensity Motorbus, and Section 5339 Bus and Bus Facilities funds.</td>
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<td>6.2. ACTION ITEM - Adopt the required Resolution of Local Support for VTA's Electronic Bike Locker Upgrade and Replacement project selected for the Safe &amp; Seamless Mobility Quick-Strike Program federal funds.</td>
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<tr>
<td>6.3. ACTION ITEM - Authorize the General Manager to execute a contract with Far Western Anthropological Research Group, Inc. (Far Western) in the amount of up to $1,050,000 to conduct archaeological support services for the Tamien Transit-Oriented Development Project (Project) as required by the Cultural Resources Treatment Plan (CRTP) and in accordance with the California Environmental Quality Act (CEQA) document prepared for the Project.</td>
</tr>
<tr>
<td>6.4. ACTION ITEM - Authorize the General Manager or Designee to execute an inter-agency funding agreement with the City of San Jose in an amount not to exceed $2.5 million to advance project development for and implementation of the San José Mineta APM from the 2000 Measure A Transit Improvement Program Fund Capital Budget.</td>
</tr>
<tr>
<td>6.5. ACTION ITEM - Review and accept the Fiscal Year 2021 Statement of Revenues and Expenses for the period ending March 31, 2021.</td>
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<tr>
<td>6.6. ACTION ITEM - Authorize the General Manager to execute a contract with Loram Maintenance of Way, Inc for $2,800,000.00 to provide rail grinding services for five years, with an option of two additional years.</td>
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<tr>
<td>6.7. ACTION ITEM - Authorize the General Manager to issue a competitive Request for Offer (RFO) for the Gilroy Transit Center Affordable Housing Project in conjunction with the Santa Clara County Office of Supportive Housing (OSH) pursuant to the Santa Clara Valley Transportation Authority (VTA) -OSH Cost-Sharing Agreement for County Measure A-Funded Transit-Oriented Development (TOD).</td>
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<tr>
<th>CONGESTION MANAGEMENT PROGRAM &amp; PLANNING (CMPP) COMMITTEE</th>
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<tr>
<td>6.8. ACTION ITEM - 1) Approve the recommended project list for the 2016 Measure B Bicycle &amp; Pedestrian Planning Studies Competitive Grant Program; and 2) Authorize the General Manager to execute the necessary agreements for the 2016 Measure B Bicycle &amp; Pedestrian Planning Studies Competitive Grant Program funds.</td>
</tr>
</tbody>
</table>
6.9. ACTION ITEM - Approve the Fiscal Years 2022 and 2023 Proposed Congestion Management Program Work Program and Biennial Budget.

6.10. INFORMATION ITEM - Receive a status update on Transit Signal Priority.

SAFETY, SECURITY, AND TRANSIT PLANNING & OPERATIONS (SSTP&O) COMMITTEE

There were no items submitted for the Consent Agenda from the Safety, Security and Transit Planning and Operations Committee.

GOVERNANCE AND AUDIT (G&A) COMMITTEE

6.11. INFORMATION ITEM - Review and receive the scope of work for Annual Financial Audit Services for Fiscal Year 2021.

BOARD OF DIRECTORS

6.12. ACTION ITEM – Approve the Special Meeting Minutes of May 1, 2021.

6.13. ACTION ITEM – Approve the Regular Meeting Minutes of May 6, 2021.


6.15. INFORMATION ITEM – Receive unapproved Minutes/Summary Reports from VTA Committees, Joint Powers Boards (JPB), and Regional Commissions.

7. REGULAR AGENDA

7.1. ACTION ITEM - Approve the employment agreement between Santa Clara Valley Transportation Authority (“VTA”) and Carolyn Marie Gonot as VTA’s General Manager/CEO.

7.2. INFORMATION ITEM – Review Fiscal Year 2021 Statement of Revenue and Expenses Forecast. (Verbal Report)

ADMINISTRATION AND FINANCE (A&F) COMMITTEE

7.3. ACTION ITEM - Adopt a resolution approving the Fiscal Years 2022 and 2023 Biennial Budget for the period July 1, 2021 through June 30, 2023.

7.4. ACTION ITEM - Accept the Design Development Framework (DDF) for the Transit-Oriented Development (TOD) site located on the VTA Block in Downtown San Jose.
There were no items submitted for the Regular Agenda from the Congestion Management Program & Planning Committee.

There were no items submitted for the Regular Agenda from the Safety, Security, and Transit Planning & Operations Committee.

There were no items submitted for the Regular Agenda from the Governance and Audit Committee.

7.5. INFORMATION ITEM – Receive a presentation on the proposed Project Labor Agreement (PLA)/Community Workforce Agreement. (Verbal Report)

7.6. INFORMATION ITEM - Receive Silicon Valley Rapid Transit (SVRT) Program Update. (Verbal Report) (Salpeas)

8. OTHER ITEMS


8.2. Chairperson’s Report. (Verbal Report)

8.3. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

8.4. Announcements
9. CLOSED SESSION

9.1. Recess to Closed Session

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

   Name of Case: Sharks Sports & Entertainment LLC v. Santa Clara Valley
   Transportation Authority (Santa Clara County Superior Court Case No.
   18CV327687, CA 6th District Court of Appeal Case No. H049010)

9.2. Reconvene to Open Session

9.3. Closed Session Report

10. ADJOURN IN MEMORY OF FALLEN VTA FAMILY MEMBERS
BOARD OF DIRECTORS MEETING  
Thursday, June 3, 2021  
5:30 p.m.  
*VIDEO AND TELECONFERENCE MEETING ONLY* 

ADDENDUM TO AGENDA  

7.2.X.  Adopt a resolution regarding 2016 Measure B FY2022 to FY2023 10-Year Program and Biennial Budget.
Thank you Eugene,

One thing you wait want to ask during this call is ask how Mr. Hendricks and this Board could possibly schedule (let alone actually hold) a Board meeting loaded with this "like nothing happened last week" agenda instead of adjourning the meeting in the honor of our fallen martyrs right after hearing comments from the public (Item #3) and deferring the rest of the agenda to a later date.


Just my $0.02 as always.

Roland.

CC

VTA Board of Directors
VTA PAC
VTA CAC

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All:

This just went out to Chair Hendricks, interim CEO/General Manager Tran, David Hill, and VTA Customer Service to inquire about supplemental buses & drivers from other agencies and the private sector.

I will call Chair Hendricks later today to follow up as needed.

Eugene Bradley
Founder & CEO, Silicon Valley Transit Users
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-----Original Message-----
From: Eugene Bradley [mailto:ebradley@svtransitusers.org]
Sent: Tuesday, June 1, 2021 3:36 PM
To: 'hendrickscouncil@sunnyvale.ca.gov' <hendrickscouncil@sunnyvale.ca.gov>;
'evelynn.tran@vta.org' <evelynn.tran@vta.org>; 'VTA Customer Service'
<customer.service@vta.org>; 'Hill, David' <David.Hill@vta.org>
Subject: VTA discontinuing light rail shuttle buses today

Dear Chair Hendricks, Ms. Tran, Mr. Hill, and VTA Customer Service:

Our group’s condolences are with all of you after last Wednesday.

As VTA light rail remains suspended, I understand VTA worked with AC Transit and SamTrans to provide supplemental drivers and buses to help provide service over the Memorial Day weekend. I noted that an AC Transit bus was used to provide light rail shuttle bus service on North First Street. I also noted a SamTrans articulated bus was used provide service on the 22 and 522 Rapid on El Camino Real. VTA's light rail shuttle buses helped get me to and from Sunday evening's candlelight vigil for the shooting victims at San Jose City Hall.

As VTA employees continue to grieve, I learned that VTA has discontinued its light rail shuttle bus service. I also understand that some VTA buses in the county may "no-show" due to staffing shortages. Why didn't VTA extend their work with AC Transit and SamTrans to provide supplemental buses and drivers until light rail returns to service? Also, what prevents VTA from contracting with these and other transit agencies or even private bus companies to provide supplemental bus service while employees grieve? You have the money ($110 million in CARES act funding from the Federal government) right now to make this happen, so funding is not an excuse.

Given how much sympathy VTA now has with every transit agency in our republic after 5/26/2021, getting supplemental buses and drivers should not be a problem. Such supplemental buses and drivers give VTA employees the time and space they need to grieve. Also, such supplemental employees let VTA continue to get people to and from work, medical appointments, food shopping, etc. in a timely manner. Such a move fully supports interim CEO/General Manager Evelynn Tran's call to "put people first" at VTA.

Your immediate, written response to these questions and suggestions is appreciated.
Eugene Bradley

Founder & CEO, Silicon Valley Transit Users

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<https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.svtransitusers.org%2F&amp;data=04%7C01%7C7C%7Ca6fcb4e6d56d49d2ab5c08d92550f277b%7C84df9e7fe9f640afbb435aaaaaaaaaaaa%7C1%7C0%7C7C637581581585202389%7CUnknown%7C7TFpbGZsb3d8eyjWlioiMC4wLjAwMDAilCJQjoiV2luMzlilCJBtIi6ik1haWwiLCJXVCI6Mn0%3D%7C1000&amp;data=teb%2F08%2BWiduLN2ueUTixk3h7ICzvGnEiwOHqGaNto%3D&amp;reserved=0>

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Group Owner: svtransitusers+owner@groups.io

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BOARD MEMORANDUM

TO:       Santa Clara Valley Transportation Authority
          Board of Directors

THROUGH:  General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM:     Interim Chief Financial Officer, Kathleen Kelly

SUBJECT:  Caltrain Plan of Finance

Policy-Related Action: No  Government Code Section 84308 Applies: No

RESOLUTION

RECOMMENDATION:

Adopt a resolution (Attachment A): (1) directing that the VTA Board, subsequent to a public hearing, has made a finding that the proposed financing to be undertaken by the Peninsula Corridor Joint Powers Board (PCJPB) will result in significant public benefits and serve a public purpose; and (2) approve the proposed refinancing of the two revolving lines of credit, totaling $200 million.

EXECUTIVE SUMMARY:

Caltrain will begin receiving sales tax revenue from its new Measure RR tax in September 2021. Prior financings, including the two revolving lines of credit are currently secured by the lower credit rated farebox revenue pledge, and can now be refinanced to be secured by the more highly rated Measure RR tax at a lower cost. This financing is required to be approved subsequent to a public hearing that will be held as part of the June 3, 2021 VTA Board Meeting.

STRATEGIC PLAN/GOALS:

This action aligns with VTA’s objective to be accountable to stakeholders and the public for effectively managing tax dollars.
FISCAL IMPACT:

There is not expected to be any fiscal impact to VTA as a result of these actions. Fiscal savings to Caltrain are anticipated to be up to $2.5 million from replacement of the lines of credit at a lower cost.

BACKGROUND:

Adoption of this resolution only authorizes PCJPB to implement the proposed financing and will not increase any project budget. The two lines of credit are currently secured by farebox revenue, but the new lines of credit will be secured by the recently approved Caltrain Measure RR sales tax. The new lines of credit have significantly lower interest cost as a result of the higher credit quality of the Measure RR sales tax, and may result in up to $2.5 million of reduced cost. The financing and related background information are described in greater detail in (Attachment B), which is a letter prepared by Caltrain staff describing the financing plan.

The proposed financing supports the currently authorized portion of work for the Caltrain Modernization (CalMod) Program. That work includes the Peninsula Corridor Electrification Project (PCEP), which is the electrification of the existing corridor between San Francisco and San Jose and the partial conversion of trains from diesel trains to use of Electrical Multiple Unit (EMU) vehicles. The proposed financing also supports installation of a signal and train control system referred to as the Positive Train Control (PTC) project and possibly other projects expected to be reimbursed by grants or local contributions, and to provide working capital.

There are currently two separate revolving lines of credit with a combined maximum commitment of $200 million. The two replacement revolving lines of credit will also have a combined maximum commitment of $200 million. The two lines of credit are the “PCEP Credit Facility” and the “Working Capital Credit Facility”. Both lines of credit will be secured by a subordinate pledge of Caltrain’s Measure RR sales tax revenues.

The PCEP Credit Facility advances funding for grant reimbursable costs to address timing differences between outlays for expenditures versus later receipt of grant revenues to pay portions of project costs related to installation of PTC and PCEP, and acquisition of EMU vehicles.

The Working Capital Credit Facility advances the local match portion of grant funded project costs in order to facilitate utilization of the grants.

DISCUSSION:

Prior to authorizing bonds to construct, finance or acquire a public capital improvement, the PCJPB is required to comply with California Government Code Section 6586.5 (part of the Joint-Exercise of Powers Act) which stipulates that a joint powers agency may not authorize bonds for public capital improvement projects, unless the member agencies also approve such financing following a public hearing and a finding of significant public benefit and public purpose. To comply with these requirements, the PCJPB has requested that VTA and each of the
other member agencies hold public hearings and adopt resolutions making the findings. In this instance, the purpose includes entering into the revolving lines of credit.

**ALTERNATIVES:**

The Board could choose not to approve the PCJPB’s proposed financing. Declining to provide such approval would prevent the PCJPB from lowering its cost by preventing it from entering into the lower cost lines of credit, which also provide a later expiration date.

**CLIMATE IMPACT:**

These financing actions will not have any impact on climate, other than to further the goals of Caltrain’s electrification project.

Prepared by: Michael J. Smith  
Memo No. 7818

**ATTACHMENTS:**

- Attachment A - VTA Resolution JPB 2021 Financing (2021-05-17) (PDF)  
- Attachment B - Caltrain Briefing Memo (2021-05-17) (PDF)
RESOLUTION OF THE BOARD OF DIRECTORS
 OF
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
APPROVING REPLACEMENT CREDIT FACILITIES
BY THE PENINSULA CORRIDOR JOINT POWERS BOARD

WHEREAS, the Peninsula Corridor Joint Powers Board (the “JPB”), is a public entity duly established and organized under the laws of the State of California, which was created pursuant to a joint exercise of powers agreement (the “Joint Powers Agreement”) entered into by the Santa Clara Valley Transportation Authority (“VTA”), formerly known as the Santa Clara County Transit District, the City and County of San Francisco (“CCSF”), and the San Mateo County Transit District (“SamTrans”); and

WHEREAS, pursuant to the Joint Powers Agreement, the JPB operates the Caltrain commuter rail service (hereinafter referred to as “Caltrain”) within the geographic boundaries of VTA, CCSF and SamTrans (each, a “Member Agency,” and, collectively, the “Member Agencies”); and

WHEREAS, pursuant to the Joint Powers Agreement, each Member Agency is required to contribute to the operating costs of Caltrain and provide for the costs of capital projects in the manner set forth in the Joint Powers Agreement; and

WHEREAS, on October 4, 2018, the Board of Directors of VTA (the “Board”) approved Resolution No. 2018.10.23 which approved a plan of finance consisting of the following components: (i) the issuance of farebox revenue bonds, comprised of $47,635,000 aggregate principal amount of Peninsula Corridor Joint Powers Board Farebox Revenue Bonds, 2019 Series A (the “2019 Farebox Bonds”) in order to achieve debt service savings and certain other benefits; (ii) an increase in the amount of the JPB’s existing revolving credit facility with an
affiliate of JP Morgan Chase Bank, N.A. for the Peninsula Corridor Electrification Project (“PCEP”) from $150,000,000 to $170,000,000 (the “Existing PCEP Credit Facility”); and (iii) an additional $30,000,000 revolving credit facility with the same affiliate of JP Morgan Chase Bank, N.A. for working capital (the “Existing Working Capital Credit Facility,” and, together with the Existing PCEP Credit Facility, the “Existing Credit Facilities”); and

WHEREAS, on November 3, 2020, the voters in the City and County of San Francisco, San Mateo County and Santa Clara County approved Measure RR, which will provide the JPB with a dedicated revenue source consisting of a 1/8th cent sales and use tax on taxable transactions in those counties (the “Measure RR Sales Tax”); and

WHEREAS, collection of the Measure RR Sales Tax will commence on July 1, 2021 and expire in thirty (30) years on June 30, 2051; and

WHEREAS, to facilitate operations and completion of capital projects, the JPB intends to utilize and leverage the Measure RR Sales Tax to (i) restructure and replace the Existing PCEP Credit Facility with a new revolving credit facility for the same purposes as the Existing PCEP Credit Facility in an amount not to exceed $100,000,000 at any one time (the “Replacement PCEP Credit Facility”); and (ii) restructure and replace the Existing Working Capital Credit Facility with a new revolving credit facility to finance working capital expenses and to make up for potential revenue shortfalls due to the timing of receipt of Measure RR Sales Tax revenues in an amount not to exceed $100,000,000 at any one time (the “Replacement Working Capital Credit Facility”, and together with the Replacement PCEP Credit Facility, the “Replacement Credit Facilities”), each from Wells Fargo, National Association or an affiliate thereof; and
WHEREAS, any outstanding amounts, plus accrued interest, under the Existing Credit Facilities shall be repaid from the Replacement Credit Facilities; and

WHEREAS, the indebtedness to be incurred by the JPB under the Replacement Credit Facilities will be secured by a subordinate lien on the Measure RR Sales Tax revenues and the PCEP Credit Facility will also payable from grant proceeds tied to the PCEP as currently provided under the Existing PCEP Credit Facility, each as to be further described in the documents relating thereto; and

WHEREAS, the JPB anticipates that completion of the PCEP will enable the JPB to (i) meet current and future transportation demand between San José and San Francisco; (ii) offset roadway congestion; (iii) address continuing regional air quality issues; (iv) reduce greenhouse gas emissions; and (v) provide electrical infrastructure compatible with contemplated future high-speed rail service; and

WHEREAS, pursuant to Section 6586.5 of the Government Code of the State of California (the “Government Code”), each Member Agency within whose boundaries a public capital improvement to be financed is located is required: (i) to approve the Replacement Credit Facilities; and (ii) to make a finding of significant public benefit in accordance with the criteria specified in Section 6586 of the Government Code after holding a public hearing; and

WHEREAS, in order to satisfy the requirements set forth in Section 6586.5 of the Government Code, the JPB has requested that the Board hold the required public hearing and approve the Replacement Credit Facilities described herein, comprised of the replacement of the Existing Credit Facilities with the Replacement PCEP Credit Facility in an amount not to exceed $100,000,000 at any one time and the Replacement Working Capital Credit Facility in an amount not to exceed $100,000,000 at any one time;
WHEREAS, pursuant to Section 6586.5 of the Government Code, the Board caused a public hearing to be held regarding the Replacement Credit Facilities described herein, notice of which public hearing was published in a newspaper of general circulation in the County of Santa Clara at least five (5) days prior to such public hearing; and

WHEREAS, the Board now desires to approve the Replacement Credit Facilities in order to satisfy the requirements of Section 6586.5 of the Government Code; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Transportation Authority as follows:

Section 1. Findings. The Board hereby finds and determines that the foregoing recitals are true and correct and the Board hereby so finds and determines.

Section 2. Approval of Replacement Credit Facilities. This Board hereby approves the Replacement Credit Facilities and hereby finds that: (i) the Replacement Credit Facilities will result in significant public benefits by meeting current and future transportation demand, offsetting existing and future worsening roadway congestion, addressing continuing regional air quality issues, reducing greenhouse gas emissions, providing electrical infrastructure compatible with contemplated future high-speed rail service within the geographic boundaries of the Member Agencies, including within the geographic boundaries of VTA, and realizing savings as a result of the Replacement PCEP Credit Facilities; and (ii) such anticipated enhanced service and savings serves a public purpose. It is the purpose and intent of the Board that this Resolution constitute such approval of the Replacement Credit Facilities as is required for the purposes of Section 6586.5 of the Government Code.

Section 3. Additional Actions. The officers, employees and agents of VTA are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver
any and all documents which they deem necessary or advisable in order to carry out, give effect
to and comply with the terms and intent of this Resolution and the Replacement Credit Facilities
approved hereby.

Section 4. **Effective Date.** This Resolution shall take effect immediately upon its
passage.

[Remainder of page intentionally left blank.]
PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on ___________, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

_____________________________
Glenn Hendricks, Chairperson
Board of Directors

I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the Board of Directors of the Santa Clara Valley Transportation Authority at a meeting of said Board of Directors on the date indicated, as set forth above.

ATTEST:

_____________________________
Elaine F. Baltao
Board Secretary

APPROVED AS TO FORM:

_____________________________
Evelynn Tran
General Counsel
Memorandum

To: Santa Clara Valley Transportation Authority  
From: Derek Hansel, Chief Financial Officer, Peninsula Corridor Joint Powers Board  
Re: Replacement of Existing Lines of Credit  
Date: May 17, 2021

Peninsula Corridor Joint Powers Board (“JPB”) is seeking the approval of Santa Clara Valley Transportation Authority (“VTA”) for the replacement of the JPB’s two existing credit facilities that currently are secured by a subordinate pledge of farebox revenues with two new credit facilities, in the same aggregate amount, that will be secured by a subordinate pledge of Measure RR sales tax revenues.

Background. On October 4, 2018, following a public hearing, the VTA board adopted a Resolution 2018.10.23 which approved a plan of finance consisting, in relevant part, of the following components (the “Existing Credit Facilities”):

- An increase in the amount of the JPB’s existing revolving credit facility with an affiliate of JP Morgan Chase Bank for the PCEP from $150,000,000 to $170,000,000 (the “PCEP Credit Facility”). The intent of the original PCEP Credit Facility was to address timing mismatches between the incurrence of expenditures and the receipt of Federal and State grant funds for PCEP. The increase in the PCEP Credit Facility was prompted by the Transit and Intercity Rail Capital Program (“TIRCP”) grant awarded to the JPB for capacity and system improvements, including the acquisition of electrical multiple unit (“EMU”) vehicles. The PCEP Credit Facility has an expiration date of December 31, 2022.

- An additional $30,000,000 revolving credit facility with the same affiliate of JP Morgan Chase Bank for working capital (the “Working Capital Credit Facility” and, with the PCEP Credit Facility, the “Existing Credit Facilities”) – which provided matching funds and cash flow financing related to the installation of a signal and train control system and working capital for Caltrain system needs. The Working Capital Credit Facility also has an expiration date of December 31, 2022.

With a 97% decline in ridership due to Covid-19, the JPB’s operating cash flow has been severely challenged. Subsidies from Federal stimulus measures have largely filled the void of farebox revenues.
Caltrain Replacement Lines of Credit  
May 17, 2021  
Page 2 of 3

revenues over the past year. However, the prognosis for additional Federal stimulus is uncertain and it is unclear when Caltrain ridership will return to pre-Covid levels. While the voter-approved Measure RR sales tax strengthens the JPB’s credit profile by providing a much-needed dedicated revenue source to Caltrain, collections begin on July 1, 2021, with the first remittance expected in September 2021. For each of Fiscal Years 2021-22 and 2022-23, the projects a mismatch in the timing of operating expenses and sales tax receipts together with other funds expected to be available for operations – leading to an increase of working capital needs.

New Credit Facilities. The JPB is seeking to replace the Existing Credit Facilities with two new credit facilities (the “New Credit Facilities”) that will be restructured in the following manner:

- **Resized amounts:** The Existing Credit Facilities were initially sized at $170,000,000 for the PCEP Credit Facility and $30,000,000 for the Working Capital Facility. The New Credit Facilities would be in the same aggregate amount but resized at $100,000,000 each. In general, draws upon the PCEP Credit Facility still are anticipated to be repaid from grant proceeds tied to PCEP. The re-sized Working Capital Facility assures the JPB adequate funding for operations in light of the timing considerations associated with Measure RR receipts and the uncertainty as to Caltrain ridership; it can also be used as a backup for additional PCEP cash flow funding needs, if necessary.

- **Extended maturity:** The Existing Credit Facilities mature on December 31, 2022. The new Credit Facilities will mature no earlier than June 30, 2024, which will accommodate projected operating cash flow constraints on the JPB.

- **More Favorable Pricing Terms:** The New Credit Facilities will provide for a subordinate pledge of Measure RR sales tax revenues, a far more creditworthy source of security than farebox revenues. The JPB’s co-Municipal Advisors issued a request for proposals to 16 credit banks and received 6 strong proposals. The winning bidder, Wells Fargo Bank, has proposed the following pricing terms, which are compared to pricing terms associated with the Existing Credit Facilities.

<table>
<thead>
<tr>
<th></th>
<th>New Facilities*</th>
<th>Existing Facilities</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standby/Unused Fee</td>
<td>0.23%</td>
<td>0.60%</td>
<td>0.37%</td>
</tr>
<tr>
<td>Tax-Exempt Index</td>
<td>80% of 1 Month LIBOR or SOFR</td>
<td>1 Month LIBOR</td>
<td>20% of 1 Month LIBOR</td>
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<tr>
<td>Tax-Exempt Margin</td>
<td>0.29% (LIBOR)</td>
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<tr>
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<tr>
<td>Taxable Margin</td>
<td>0.40% (LIBOR)</td>
<td>2.75%</td>
<td>2.35%</td>
</tr>
</tbody>
</table>

* For 3-year facility. Wells Fargo provided pricing for up to 5 years. Margins differ for borrowings under LIBOR and SOFR.

The following example illustrates the potential annual savings associated with the proposed new Credit Facilities (in aggregate), assuming half is drawn ($100,000,000) and there is a 50-50 split between tax-exempt and taxable borrowing. For purpose of this analysis, it is assumed that the index rate is the same (although there would be an additional benefit for tax-exempt borrowing under the New Credit Facilities:
Accordingly, the New Credit Facilities will provide a combination of substantial cost savings, greater flexibility to the JPB and an extended term to bridge the JPB over the next few years. The approach removes the underlying security from farebox revenues to Measure RR revenues.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Interim Chief Financial Officer, Kathleen Kelly

SUBJECT: Resolutions for BART Silicon Valley Phase II Project (Parcels B3109, B3110, B3139 and B4042)

Policy-Related Action: No
Government Code Section 84308 Applies: No

RESOLUTION

RECOMMENDATION:

Adopt four (4) Resolutions of Necessity for the four (4) properties listed herein, determining that the public interest and necessity require the acquisition of a fee interest in each of the four properties for construction of VTA’s BART Silicon Valley Phase II Project (“Project”).

EXECUTIVE SUMMARY:

- VTA staff recommends that the Board of Directors adopt four (4) Resolutions of Necessity regarding each of the following four (4) properties:
  - Property located at North 30th Street in the City of San Jose, and owned by Richard Della Maggiore and Joan Della Maggiore, Revocable Living Trust dated November 13, 1991 and Loren W. Thorson and Arlethea K. Thorson, Robert Mattern, Trustees pursuant to the Loren W. Thorson and Arlethea K. Thorson Trust dated August 18, 1982;
  - Property located at 1350 East Saint James Street and 125, 129 and 195 North 30th Street in the City of San Jose, and owned by Honco Investment Company, LLC, a California limited liability company, successor in interest to Honco Investment Company, L.P., a California limited partnership;
  - Property located at 29-31 E. Santa Clara Street in the City of San Jose, and owned by Z Hanna, LLC, a California limited liability company; and
Property located at 17 E. Santa Clara Street in the City of San Jose, and owned by Downtown SJ Towers, LLC, a California limited liability company,

- Adoption of each of the four (4) Resolutions of Necessity is necessary for construction of the Project and required in order to obtain possession of the properties to maintain the Project schedule.

- This Board memo provides a brief overview of the foregoing properties and efforts made to negotiate acquisition of these properties with the property owners.

- The Staff Report submitted herewith contains additional information regarding the properties as well as information regarding the findings the Board of Directors are required to make in order to adopt a Resolution of Necessity.

STRATEGIC PLAN/GOALS:

Improved transit created by construction of the Project is consistent with the goals established in prior corridor studies and responds to the long-range Valley Transportation Plan 2035 (VTP 2035), adopted by VTA in January 2009. The primary goal of the long-range plan is to provide transportation facilities and services that support and enhance Santa Clara County’s high quality of life and vibrant economy and transportation network, with a focus on transit.

FISCAL IMPACT:

Appropriation for the costs associated with acquisitions of these properties is included in prior Board of Directors appropriations for the BSVII Project.

BACKGROUND:

VTA’s BART Silicon Valley Phase II Extension Project (Phase II) will extend BART service from the Berryessa/North San José BART Station through downtown San José to the City of Santa Clara. The approximately 6-mile project includes four stations, five miles of subway, a railroad yard, and a maintenance facility. The Project will include Transit-Oriented Joint Development at certain stations. VTA will design, construct, and own the completed facilities, and BART will operate the transit service and maintain the facilities. The extension will provide a fast and convenient transit alternative for major commute corridors, increase access to and from major employment centers throughout the Bay Area, enhance connectivity of regional transit services, promote economic development in the Silicon Valley and improve mobility for transportation-disadvantaged populations.

A prerequisite to commencement of eminent domain proceedings by a public entity is adoption of a Resolution of Necessity (California Code Civil Procedure section 1245.220). As discussed below, staff recommends that the Board adopt four (4) Resolution of Necessity to enable the commencement of eminent domain proceedings.

DISCUSSION:
VTA Staff recommends that each of the four (4) Resolutions of Necessity attached hereto be adopted for the properties listed below.


The property owned by Richard Della Maggiore and Joan Della Maggiore Revocable Living Trust dated November 13, 1991 and The Loren W. Thorson and Arlethea K. Thorson Trust dated August 18, 1982 is located at 87 North 30th Street in the City of San Jose. The parcel consists of approximately 80,185 square feet and is improved with a 32,250 square foot industrial warehouse/manufacturing facility. The entire parcel is needed for the construction, operation and maintenance of a portion of the 28th Street/Little Portugal BART Station. Further, the property is required for the commencement of infrastructure evaluation and construction for the TOJD portion of the Project.

The subject property was appraised and VTA staff certified just compensation. VTA made an offer based on the appraisal on or about December 15, 2020. Said offer is incorporated herein by reference. To date, negotiations with the property owner to acquire the property have been unsuccessful even though the real estate team has diligently worked to acquire the property through a negotiated settlement with the property owner. The team will continue to work with the property owner to reach a negotiated settlement even after adoption of the Resolution of Necessity.

2. **Honco Investment Company, LLC, a California limited liability company, Successor in interest to Honco Investment Company, L.P., a California limited partnership (B3110)**

The property owned by Honco Investment Company, LLC, a California limited liability company, successor in interest to Honco Investment Company, L.P., a California limited partnership, is located at 1350 East Saint James Street 125, 129 and 195 North 30th Street in the City of San Jose. The property VTA staff seeks to acquire consists of approximately 408,316 square feet and is improved with 166,012 square feet of industrial buildings. The entire parcel is required for the construction, maintenance and operation of a portion of the 28th Street/Little Portugal BART Station. Further, the property is required for the commencement of infrastructure evaluation and construction for the TOJD portion of the Project.

The subject property was appraised and VTA staff certified the just compensation. VTA made an offer based on the appraisal on or about December 17, 2020. Said offer is incorporated herein by reference. To date, negotiations with the property owner to acquire the property have been unsuccessful even though the real estate team has diligently worked to acquire the property through a negotiated settlement with the property owner. The team will continue to work with the property owner to reach a negotiated settlement even after adoption of the Resolution of Necessity.

3. **Z Hanna, LLC, a California limited liability company (B3139)**
The property owned by Z Hanna, LLC, a California limited liability company, is located at 29-31 East Santa Clara Street in the City of San Jose. The parcel consists of approximately 3,163 square feet and is improved with a 6,534 square foot commercial building. The entire parcel is needed for the construction, operation and maintenance of a portion of the Downtown San Jose BART station.

The subject property was appraised and VTA staff certified the just compensation. VTA made an offer based on the appraisal on or about December 3, 2020. Said offer is incorporated herein by reference. To date, negotiations with the property owner to acquire the property have been unsuccessful even though the real estate team has diligently worked to acquire the property through a negotiated settlement with the property owner. The team will continue to work with the property owner to reach a negotiated settlement even after adoption of the Resolution of Necessity.

4. Downtown SJ Towers, LLC, a California limited liability company (B4042)

The property owned by Downtown SJ Towers, LLC, a California limited liability company, is located at 17 East Santa Clara Street in the City of San Jose. The parcel consists of approximately 4,599 square feet and is improved with an 8,804 square foot commercial building, 4,447 square feet of retail space on the ground floor and 4,357 square feet of office space on the second floor. The entire parcel is needed for the construction, maintenance and operation of a portion of the Downtown San Jose BART Station.

The subject property was appraised and VTA staff certified the just compensation. VTA made an offer based on the appraisal on or about December 3, 2020. Said offer is incorporated herein by reference. To date, negotiations with the property owner to acquire the property have been unsuccessful even though the real estate team has diligently worked to acquire the property through a negotiated settlement with the property owner. The team will continue to work with the property owner to reach a negotiated settlement even after adoption of the Resolution of Necessity.

**ALTERNATIVES:**

Each property that is the subject to the Resolution of Necessity before the Board is necessary for the Project and a condemnation action is required in order to obtain possession of each parcel to maintain the Project schedule. The Board may, in its discretion, decide not to adopt any or all of the four Resolutions of Necessity. However, this would necessitate either some delay and/or a possible redesign, which could impact the schedule and, most likely, increase the costs of the Project.

**CLIMATE IMPACT:**

The Project is projected to reduce annual automobile vehicle miles traveled (VMT).
ATTACHMENTS:

- BSVII Staff Report-June Board-FINAL_5 28 2021 (DOCX)
- RON B3110-Honco FINAL_5 28 2021 (DOCX)
- RON B3139-Z Hanna FINAL_5 28 2021 (DOCX)
- RON B4042-Downtown San Jose Towers FINAL_5 28 2021 (DOCX)
- VTA BSV - RON Presentation_5 28 2021 (PPTX)
- Monarch Letter (PDF)
STAFF REPORT RE:
Resolution(s) of Necessity for
Parcels B3109, B3110, B3139 and B4042

INTRODUCTION

This staff report is submitted for review by the Santa Clara Valley Transportation Authority (VTA) Board of Directors prior to the recommended adoption of the Resolutions of Necessity for the acquisition of property for VTA’s BART Silicon Valley Phase II Extension (BSVII) Project.

For each property interest to be acquired, a Resolution of Necessity must be adopted prior to the commencement of eminent domain proceedings (Code of Civil Procedure Section 1245.220). The statutory requirement that a public entity adopt a Resolution of Necessity before initiating a condemnation action “is designed to ensure that public entities will verify and confirm the validity of their intended use of the power of eminent domain prior to the application of that power in any one particular instance.” San Bernardino County Flood Control Dist. v. Grabowski (1988) 205 Cal.App.3d 885, 897.

Thus, a Resolution of Necessity must contain a general statement of the public use for which the property is to be taken, a reference to the statute authorizing the exercise of eminent domain, a description of the property, and a declaration stating that each of the following have been found and determined by the Board to be the case (findings):

(1) The public interest and necessity require the proposed project;
(2) The proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
(3) The property described in the resolution is necessary for the proposed project; and,
(4) That either the offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record, or the offer has not been made because the owner cannot be located with reasonable diligence.

(Code of Civil Procedure Section 1245.230.)

This report provides information addressing each requisite finding. Section 1 generally describes the public use for which the property is to be taken and sets forth the statutory authority for VTA’s exercise of eminent domain. Sections 2, 3, and 4 provide facts pertinent to public interest and necessity (Finding #1) and the planning and location of the BSVII Project (Finding #2). Section 5 contains a property fact sheet and other material discussing the necessity for acquiring the specific property interest that is the subject of the particular Resolution of Necessity (Finding #3). Lastly, Section 6 provides information concerning the offers made to the property owners pursuant to Government Code Section 7267.2 (Finding #4).
If the Board determines that all requirements have been met, and that all findings can be made, staff recommends that the Board adopt the Resolutions of Necessity listed on the Board Meeting Agenda. The Resolutions of Necessity scheduled to be heard by the Board are attached to this staff report.

SECTION 1

GENERAL STATEMENT OF PUBLIC USE

The properties that are the subject of the recommended Resolutions of Necessity are to be acquired for the construction, operation and maintenance of the BSVII Project, an approximately six mile, four-station extension that extends Bay Area Rapid Transit (BART) service from the Berryessa/North San Jose BART Station through downtown San Jose to the future Santa Clara BART Station and includes Transit-Oriented Joint Development at certain stations. With the adjacent Santa Clara Caltrain Station, the BSVII Project completes a “ring” of rail around the central Bay Area.

STATUTORY AUTHORIZATION FOR EXERCISE OF EMINENT DOMAIN

Under its enabling legislation, VTA is authorized to acquire property for mass transit purposes by eminent domain. Public Utilities Code Section 100130, which sets forth the general powers of VTA, provides in pertinent part that: “The district may take by grant, purchase, devise, or lease, or condemn in proceedings under eminent domain, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary to the full or convenient exercise of its powers.” One of the main functions of VTA is to provide transit service. (Public Utilities Code Sections 100160, 100161.)

Public Utilities Code Section 100131 provides further authority for the taking of property by VTA through eminent domain. It states in pertinent part that: “The district may exercise the right of eminent domain to take any property necessary or convenient to the exercise of the powers granted in this part.”

In addition, the Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., including but not limited to Sections including but not limited to Sections 1240.010, 1240.020, 1240.030, 1240.040, 1240.110, 1240.120, 1240.210, 1240.220, 1240.510, 1250.610, and 1245.220, gives entities authorized by statute the right to use eminent domain to acquire property for public use, and specifies the procedures for the exercise of that right. Further VTA is also authorized to acquire property for joint use or development pursuant to Public Utilities Code Section 99420, 100120, 100130, 100130.5 and 100131.
SECTION 2

BSVII PROJECT OVERVIEW, PURPOSE, AND NEED

Project Description

The BSVII Project will be the largest single public infrastructure project ever constructed in Santa Clara County. It will extend BART service approximately six miles from the current Berryessa/North San Jose Station (opened in 2020), through downtown San Jose and terminating in the City of Santa Clara. The Project is planned to include an approximately five-mile subway, three stations with underground platforms (28th Street/Little Portugal, Downtown San Jose, and Diridon), one ground-level station (Santa Clara), a train maintenance and storage facility, and additional facilities. Further, the BSVII Project includes Transit-Oriented Joint Development (TOJD) at the 28th Street/Little Portugal and Santa Clara Stations which would include retail, office and residential uses.

The BSVII Project anticipates 54,600 weekday riders by 2040 with the following features:

- Approximately six miles of extended BART service with four new BART stations.
- The first Single-Bore transit subway in the USA.
- 75,000 jobs created or supported through construction related to transit infrastructure.
- Connections to light rail, local bus and regional bus services, Caltrain, Altamont Corridor Express, Capital Corridor, Amtrak and future California High Speed Rail (CAHSR).

Purpose of the Project

The Project is intended to achieve the following objectives:

- Provide a fast and convenient transit alternative for major commute corridors, increasing access to and from major employment centers throughout the Bay Area.

- Enhance connectivity of regional transit services and improve mobility for transportation-disadvantaged populations.

- Expand transportation solutions that will be instrumental in maintaining the economic vitality and continuing development of Silicon Valley.

- Improve regional air quality by reducing auto emissions.

- Support local and regional land use plans and facilitate efforts to direct business and residential investments in transit-oriented development. More efficient growth and sustainable development patterns reduce impacts to the local and global environment.

Improved transit created by construction of the BSVII Project is consistent with the goals established in prior corridor studies and pursuant to the long-range Valley Transportation Plan.
2035 (VTP 2035), adopted by VTA in January 2009. The primary goal of the long-range plan is to provide transportation facilities and services that support and enhance Santa Clara County’s high quality of life and vibrant economy and transportation network.

Need for the Project

The BSVII Project is critical to improving transit connectivity and is significant to the regional economy and future development. This extension of the regional BART system will provide a fast and convenient transit alternative for major commute corridors, increase access to and from major employment centers throughout the Bay Area; enhance connectivity of regional transit services; promote economic development in the Silicon Valley and improve mobility for transportation-disadvantaged populations.

SECTION 3

PROJECT PLANNING AND IMPLEMENTATION

Alternatives Analysis

When compared with the other alternatives, the BSVII Project Alternative offered:

- the fastest travel times to passenger destinations;
- the highest ridership projections;
- the greatest congestion relief;
- improved public transit service;
- the best access to jobs, education, medical, retail and entertainment centers throughout the Bay Area;
- regional connectivity to the BART system; and
- opportunities for transit-oriented development in conjunction with local land use planning efforts.

Project Funding

The Project will be funded as follows: 2000 Measure A sales tax, 2008 and 2016 Measure B sales tax, Regional Measure 3, State of California Transit and Intercity Rail Capital Program (TIRCP), State of California Transportation Improvement Program (STIP), Public-Private Partnership (P3), and the FTA’s Pilot Program for Expedited Project Delivery (EPD) from which VTA was allocated $100 million in January, 2021 and $125 million in August, 2019 for a total of $225 million. It is further anticipated that the EPD Program will match 25% of local funding per VTA’s EPD application that the FTA recently approved for submission.
BSVII Project is currently in the design, engineering and contract procurement development phase. Construction of the BSVII Project will be delivered through four main construction contracts: Systems; Tunnel & Trackwork; Stations; and Santa Clara Station & Newhall Yard. These contracts are planned to be a combination of design-build and progressive design-build. Early construction activities are planned to begin in 2022 with substantial construction completed by 2028, followed by systems testing, integration, and safety certification.

SECTION 4

ENVIRONMENTAL CLEARANCE AND REVIEW

In 2001, VTA conducted a Major Investment Study (MIS), and the VTA Board of Directors approved a locally preferred alternative that would extend BART service from Fremont through Milpitas, San Jose, and into Santa Clara. The alternative came to be designated the Silicon Valley Rapid Transit Corridor Program (SVRTCP), now called the BART Silicon Valley (BSV) Program.

To study the environmental impacts of this alternative, VTA and FTA prepared and released for public review a combined Draft Environmental Impact Statement/Environmental Impact Report (Draft EIS/EIR) and Draft 4(f) Evaluation in accordance with the requirements of NEPA and CEQA in March 2004. After release of the Draft EIS/EIR, VTA withdrew from FTA’s New Starts program yet continued the environmental review process under CEQA. The VTA Board of Directors certified the Final EIR and approved the Project in December 2004.

In June 2007, the VTA Board of Directors certified the Final Supplemental EIR (updating the 2004 EIR to address project design refinements) and approved the Project. In March 2009, FTA, in coordination with VTA, released a Draft EIS for public comment and published the Final EIS in March 2010. On June 24, 2010, the FTA issued a Record of Decision (ROD) on the first phase (Phase I - Berryessa Extension) of the BART Silicon Valley Program. In March 2011, the VTA Board of Directors certified the Final 2nd SEIR for the Phase I – Berryessa Extension and approved the Project.

In December 2016, FTA, in coordination with VTA, released the Draft Supplemental Environmental Impact Statement/Subsequent Environmental Impact Report and Section 4(f) Evaluation (SEIS/SEIR) for the BSVII (Phase II) Project. The Final SEIS/SEIR was subsequently released in February 2018 and published in the Federal Register in March 2018. On April 5, 2018, the VTA Board of Directors certified the Final SEIR and approved the BSVII Project, which is the state environmental approval for the California Environmental Quality Act (CEQA). On June 4, 2018, FTA issued the Record of Decision (ROD) for the BSVII Project, which is the federal environmental approval for the National Environmental Protection Agency (NEPA) process. In March 2021, FTA signed a NEPA Reevaluation documenting minor alterations to the Project since FTA issued the ROD in 2018.

Environmental documents are available for the Board’s review and consideration and are incorporated by reference herein. Many of these documents, and other information concerning

SECTION 5
SPECIFIC PROPERTY ACQUISITIONS

Detailed property fact sheets and aerial maps of the properties subject to the Resolutions of Necessity (including an explanation of need for the particular property acquisition) are shown below. Overall property requirements and project related costs have been minimized as much as possible. Offers were made and notices of the Resolution of Necessity hearing were sent to the owners of the subject properties as follows:

(1) On or about December 15, 2020, VTA made an offer to acquire property owned by Richard Della Maggiore and Joan Della Maggiore, Revocable Living Trust dated November 13, 1991 and Loren W. Thorson and Arlethea K. Thorson, Robert Mattern, Trustees pursuant to the Loren W. Thorson and Arlethea K. Thorson Trust dated August 18, 1982 (B3109). Said offer package is incorporated herein by reference. A Notice of Intention to Adopt a Resolution of Necessity, also incorporated by reference, was sent to the property owners via email and overnight mail on May 14, 2021.

(2) VTA made an offer to acquire property owned by Honco Investment Company, LLC, a California limited liability company, successor in interest to Honco Investment Company, L.P., a California limited partnership (B3110) on or about December 17, 2020. Said offer package is incorporated herein by reference. A Notice of Intention to Adopt a Resolution of Necessity, also incorporated herein by reference, was sent to the property owner via email and overnight mail on May 14, 2021.

(3) VTA made an offer to acquire the property owned by Z Hanna, LLC, a California limited liability company (B3139), on or about December 13, 2020. Said offer package is incorporated herein by reference. A Notice of Intention to Adopt a Resolution of Necessity, also incorporated herein by reference, was sent to the property owner via overnight mail on May 14, 2021.

(4) VTA made an offer to acquire the property owned by Downtown SJ Towers, LLC, a California limited liability company (B4042) on or about December 3, 2020. Said offer package is incorporated herein by reference. A Notice of Intention to Adopt a Resolution of Necessity, also incorporated herein by reference, was sent to the property owner via email and overnight mail on May 14, 2021.
BSVII PROJECT

PROPERTY FACT SHEET FOR PARCEL B3109 (DELLA MAGGIORE)

Owner: Richard Della Maggiore and Joan Della Maggiore, Revocable Living Trust dated November 13, 1991 and Loren W. Thorson and Arlethea K. Thorson, Robert Mattern, Trustees pursuant to the Loren W. Thorson and Arlethea K. Thorson Trust dated August 18, 1982

Property Address: 87 North 30th Street

City: San Jose, CA

Present Use: Industrial

Total Property Area: 1.84 acres

Area to be Acquired: Fee interest in entire property

Date of Offer: December 16, 2020

This property is located at 87 North 30th Street in the City of San Jose, and consists of approximately 1.84 acres (80,185 square feet). The property is improved with approximately 32,250 square feet of industrial buildings. The entire parcel is needed for the construction operation and maintenance of a portion of the 28th Street/Little Portugal BART Station. Further, the property is required for the commencement of infrastructure evaluation and construction for the TOJD portion of the Project.

The subject property was appraised and VTA staff certified just compensation. On or about December 15, 2020, VTA made an offer to the property owner based on the independent appraisal. To date, negotiations with the property owner to acquire the parcels have been unsuccessful even though the real estate team has diligently worked to acquire the property through negotiated settlement with the property owner. The team will continue to work with the property owner to reach a negotiated settlement even after adoption of a Resolution of Necessity.
B3109 (APNs 467-08-005 & 012)
BSVII PROJECT

PROPERTY FACT SHEET FOR PARCEL B3110

(HONCO INVESTMENT COMPANY, LLC)

Owner: Honco Investment Company, LLC, a California limited liability company, successor in interest to Honco Investment Company, L.P., a California limited partnership

Property Addresses: 1350 East Saint James Street and 125, 129 and 195 North 30th Street

Assessor Parcel Nos: 467-08-004, 010, 011 and 013

City: San Jose, CA

Present Use: Industrial

Total Property Area: 476,421 square feet

Area to be Acquired: Fee - 408,316 square feet

Date of Offer: December 17, 2020

This property is located at 1350 E. Saint James Street in the City of San Jose. The property VTA seeks to acquire consists of 408,316 square feet and is improved with approximately 166,012 square feet of industrial buildings. The property owner will retain the remainder of the larger parcel (Assessor Parcel No. 467-08-002), located on the north side of St. James Street. The above referenced property is required for the construction, maintenance and operation of a portion of the 28th Street/Little Portugal BART Station. Further, the property is required for the commencement of infrastructure evaluation and construction for the TOJD portion of the Project.

The subject property was appraised and VTA staff certified just compensation. On or about December 17, 2020, VTA made an offer to the property owner based on the independent appraisal. To date, negotiations with the property owner to acquire the subject property have been unsuccessful even though the real estate team has diligently worked to acquire the property through negotiated settlement with the property owner. The team will continue to work with the property owner to reach a negotiated settlement even after adoption of a Resolution of Necessity.
B3110 (APNs 467-08-010, 011, 004, & 013)
BSVII PROJECT

PROPERTY FACT SHEET PARCEL B3139 (Z HANNA, LLC)

Owner: Z Hanna, LLC, a California limited liability company

Property Address: 29-31 E. Santa Clara Street

Assessor Parcel Nos: 467-21-025

City: San Jose, CA

Present Use: Commercial

Total Property Area: 3,163 sq. ft

Area to be Acquired: Fee interest in entire property

Date of Offer: December 3, 2020

This property is located at 29-31 E. Santa Clara Street in the City of San Jose. The parcel consists of approximately 3,163 square feet and is improved with a 6,534 square foot commercial building. The entire parcel is needed for the construction, operation and maintenance of a portion of the Downtown San Jose BART station.

The subject property was appraised and VTA staff certified just compensation. On or about December 3, 2020, VTA made an offer based on the independent appraisal. To date, negotiations with the property owner to acquire the parcels have been unsuccessful even though the real estate team has diligently worked to acquire the property through negotiated settlement with the property owner. The team will continue to work with the property owner to reach a negotiated settlement even after adoption of a Resolution of Necessity.
B3139-APN 467-21-025
BSVII PROJECT

PROPERTY FACT SHEET FOR PARCEL B4042 (SJ TOWERS, LLC)

Owner: Downtown SJ Towers, LLC, a California limited liability company

Property Address: 17 E. Santa Clara Street

Assessor Parcel Nos: 467-21-024

City: San Jose, CA

Present Use: Commercial

Total Property Area: 4,599 square feet

Area to be Acquired: Fee interest in entire property

Date of Offer: December 3, 2020

This property is located at 17 E. Santa Clara Street in the City of San Jose. The parcel consists of approximately 4,599 square feet and is improved with a 8,804 square foot commercial building. The entire parcel is needed for the construction, maintenance and operation of a portion of the Downtown San Jose BART Station.

The subject property was appraised and VTA staff certified just compensation. On December 3, 2020, VTA made an offer to the property owner based on the independent appraisal. To date, negotiations with the property owner to acquire the parcels have been unsuccessful even though the real estate team has diligently worked to acquire the easement through negotiated settlement with the property owner. The team will continue to work with the property owner to reach a negotiated settlement even after adoption of a Resolution of Necessity.
SECTION 6

GOVERNMENT CODE OFFERS

The owner(s) of the property subject to each Resolution of Necessity received an offer from VTA for the purchase of said property unless the owner(s) could not be located with reasonable diligence as required by Government Code Section 7267.2. Sections 7267.2(a), (b) and (c) state that:

(a) (1) Prior to adopting a Resolution of Necessity pursuant to Section 1245.230 of the Code of Civil Procedure and initiating negotiations for the acquisition of real property, the public entity shall establish an amount that it believes to be just compensation therefor and shall made an offer to the owner or owners of record to acquire the property for the full amount so established, unless the owner cannot be located with reasonable diligence. The offer may be conditioned upon the legislative body’s ratification of the offer by execution of a contract of acquisition or adoption of a Resolution of Necessity or both. The amount shall not be less than the public entity’s approved appraisal of the fair market value of the property. Any increase or decrease in the fair market value of real property to be acquired prior to the date of valuation caused by the public improvement for which the property is acquired, or by the likelihood that the property would be acquired for the improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant, shall be disregarded in determining the compensation for the real property.

(2) At the time of making the offer described in paragraph (1), the public entity shall provide the property owner with an informational pamphlet detailing the process of eminent domain and the property owner’s rights under the Eminent Domain Law.

(b) The public entity shall provide the owner of real property to be acquired with a written statement of, and summary of the basis for, the amount it established as just compensation. The written statement summary shall contain detail sufficient to indicate clearly the basis for the offer, including, but not limited to, all of the following information:

(1) The date of valuation, highest and best use, and applicable zoning of property.
(2) The principal transactions, reproduction or replacement cost analysis, or capitalization analysis, supporting the determination of value.
If appropriate, the just compensation for the real property acquired and for damages to remaining real property shall be separately stated and shall include the calculations and narrative explanation supporting the compensation, including any offsetting benefits.

(c) Where the property involved is owner-occupied residential property and contains no more than four residential units, the homeowner shall, upon request, be allowed to review a copy of the appraisal upon which the offer is based. The public entity may, but is not required to, satisfy the written statement, summary, and review requirements of this section by providing the owner a copy of the appraisal on which the offer is based.

Each property owner that could be located after reasonable diligence and was presented with a written offer in an amount not less than the approved appraisal for the property, and a statement and summary of the basis of the offer, comprised of an Appraisal Summary Statement. The Appraisal Summary Statement provided the following information: name of owner; property address; parcel and APN number; locale; applicable zoning; date of valuation, present use; highest and best use; total property area; area to be acquired; type of interest to be acquired; improvements and access impacted; damages incurred and, as appropriate, separately stated with calculations and narrative explanation; total payment; and a description of the market value, reproduction or replacement cost analysis, or capitalization analysis, used to determine just compensation; and a summary of comparable sales, including the location, date of sale and sales price of properties used in the appraisal process. The date that the offer was made to each property owner is specified in the Property Fact Sheet(s) contained in Section 5 of this report.
RESOLUTION OF NECESSITY DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF CERTAIN LAND AND DIRECTING THE FILING OF EMINENT DOMAIN PROCEEDINGS

WHEREAS, the VTA’s BART Silicon Valley Phase II (BSVII) Project (the “Project”) is being undertaken for the purpose of easing traffic congestion, improving area-wide mobility, and otherwise furthering public health, safety and welfare; and

WHEREAS, it is desirable and necessary for the Santa Clara Valley Transportation Authority (“VTA”) to acquire a fee interest in certain property more particularly described in Exhibit “A” (the “Subject Property”), attached hereto and made a part hereof by this reference, as right of way for the Project and the construction thereof; and

WHEREAS, VTA is authorized to acquire the Subject Property and exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., including but not limited to Sections 1240.010, 1240.020, 1240.030, 1240.040, 1240.110, 1240.120, 1240.210, 1240.220, 1240.510, 1250.610, and 1245.220. VTA is also authorized to acquire the Subject Property pursuant to Public Utilities Code Sections 99420, 100120, 100130, 100130.5 and 100131; and

WHEREAS, pursuant to the provisions of Section 1245.235 of the Code of Civil Procedure of the State of California, notice has been duly given to the owner(s) of the Subject Property, all of whom have been given a reasonable opportunity to appear and be heard before the Board of Directors of VTA at the time and place set forth in said notice, regarding the matters specified therein.

NOW, THEREFORE, IT IS FOUND, DETERMINED AND ORDERED as follows:

1. The recitals contained herein are true and correct.

2. Upon examination of the alternatives, VTA requires the Subject Property for the Project.

3. VTA is authorized to acquire the Subject Property and continue to exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., including but not limited to Sections 1240.010, 1240.020, 1240.030, 1240.040, 1240.110, 1240.120, 1240.210, 1240.220, 1240.510, 1250.610, and 1245.220. VTA is also authorized to acquire the Subject Property pursuant to Public Utilities Code Sections 99420, 100120, 100130, 100130.5 and 100131.

4. The public interest and necessity require the Project.
5. The Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

6. The Subject Property is necessary for the Project.

7. The offer required by Section 7267.2 of the Government Code, together with the accompanying statement of the amount established as just compensation, has been made to the owner or owners of record, which offer and statement were in a format and contained the information required by Government Code Section 7267.2, or the offer has not been made because the owner cannot be located with reasonable diligence.

8. VTA has complied with all conditions and statutory requirements, including those prescribed by CEQA and NEPA and that are necessary for approval and adoption of the Project.

9. All conditions and statutory requirements necessary to exercise the power of eminent domain (“the right to take”) to acquire the Subject Property described herein have been complied with by VTA.

10. General Counsel or General Counsel’s duly authorized designee is hereby authorized and directed to institute and conduct to conclusion eminent domain proceedings to acquire the Subject Property, and to take such actions that counsel deems advisable or necessary in connection therewith and may deposit the probable amount of compensation and obtain an order for prejudgment possession of the Subject property.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 3, 2021 by the following vote:

AYES: DIRECTORS:

NOES: RECTORS:

ABSENT: DIRECTORS:

____________________________
GLENN HENDRICKS, Chairperson
Board of Directors
I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the vote of two-thirds or more of the Board of Directors of the Santa Clara Valley Transportation Authority, California, at a meeting of said Board of Directors on the date indicated, as set forth above.

Dated: ______________________  ______________________________________

ELAINE BALTAO, Secretary
Board of Directors

APPROVED AS TO FORM:

____________________________

EVE LYNN TRAN
General Counsel and Interim General Manager/CEO
EXHIBIT “A”

Legal Description The land referred to is situated in the City of San Jose, County of Santa Clara, State of California, and is described as follows:

PARCEL ONE:

Beginning at the intersection of the Southeasterly line of that certain 2.387 acre parcel of land conveyed by Glenwood Lumber Company, a corporation to Rolfe A. Folsom, by Deed dated October 17, 1944 and recorded October 30, 1944 in Book 1232 of Official Records, Page 60, Santa Clara County Records, with the Southwesterly line of the Bayshore Highway as established by Deed from Glenwood Lumber Company, a corporation to State of California, by Deed dated November 9, 1944 and recorded January 15, 1945 in Book 1245 of Official Records, Page 8, Santa Clara County Records; thence from said point of beginning running S. 52° 52' 49" W. along the Southeasterly line of said 2.387 acre parcel 215.00 feet to an iron pipe; thence S. 37° 07' 11" E. 12.00 feet to an iron pipe; thence S. 52° 52' 49" W. 104.98 feet to a point in the common property line of the lands now, or formerly of James J. Morella, et ux, and Wilmars, Inc., a corporation; thence S. 37° 13' 23" E. along said common line, 158.06 feet to an iron pipe at the most Westerly corner of that certain of land conveyed by James J. Morella, et ux, to State of California, by Deed dated January 27, 1955 and recorded March 1, 1955 in Book 3098 of Official Records, Page 469, Santa Clara County Records; thence along the Northwesterly line thereof N. 60° 02' 17" E. 3.02 feet to an iron pipe; thence continuing along said Northwesterly line of N. 52° 29' 37" E. 271.59 feet to an iron pipe; thence continuing on said line on a tangent curve to the left with a radius of 50.00 feet through an angle of 65° 29' 14" an arc distance of 57.15 feet to an iron pipe in the Southwesterly line of the parcel of land so conveyed by Glenwood Lumber Company, to State of California, hereinabove referred to; thence along said last-mentioned line N. 37° 07' 12" W. 140.23 feet to the point of beginning, and being a portion of the Pueblo Lands of the City of San Jose.

APN: A portion of 467-08-005

PARCEL TWO:

Beginning at the most Easterly corner of that certain 2.387 acre parcel of land conveyed by Glenwood Lumber Company, a corporation, to Rolfe A. Folsom, by Deed dated October 17, 1944 and recorded October 30, 1944 in Book 1232 of Official Records, Page 60, Santa Clara County Records; said point of beginning being in the Southwesterly line of the Bayshore Highway, as said line was established by Deed from Glenwood Lumber Company, a corporation, to the State of California, dated May 3, 1939 and recorded August 25, 1939 in Book 949 of Official Records, Page 75, Santa Clara County Records; thence from said point of beginning along the Southeasterly line of said 2.387 acre parcel of land, S. 52° 52' 49" W. 147.00 feet; thence at right angles N. 37° 07' 11" W. 20.00 feet; thence at right angles and parallel with said Southeasterly line of said 2.387 acre parcel of land N. 52° 52' 49" E. 146.20 feet to the
above mentioned Southwesterly line of the Bayshore Highway; thence along said line S. 39° 30' 55"; E. 18.90 feet to California Highway commission monument; thence continuing along said line S. 37° 07' 12" E. 1.11 feet to the point of beginning, and being a portion of the Pueblo Lands of the City of San Jose. Parcel B3109 June 12, 2020 FEE

APN: A portion of 467-08-005

PARCEL THREE:

Beginning at a concrete monument set at the point of intersection of the existing Northwesterly line of East St. John Street with the Northeasterly line of that certain tract of land conveyed by Glenwood Lumber Company, a corporation, to Wilmars, Inc., a corporation, by Deed dated February 20, 1953 and recorded February 20, 1953 in Book 2585 of Official Records, Page 329, Santa Clara County Records; thence N. 38° 05' W. and along the Northeasterly line of said tract so conveyed to Wilmars, Inc., a corporation, 179.59 feet; thence leaving said line S. 52° 12' 20" W. 115.41 feet; thence Southwesterly along a curve to the right tangent to last described course, with a radius of 320.65 feet, through a central angle of 3° 18' 35", an arc distance of 18.52 feet; thence S. 38° 05' E. and parallel with the Northeasterly line of said land so conveyed to Wilmars, Inc., a corporation, 163.74 feet to an iron pipe in the Northwesterly line of East St. John Street; thence along last mentioned line, N. 59° 10' 40" E. 135.00 feet to the point of beginning, and being a portion of 500 Acre Lot 26 of the Pueblo Lands to the City of San Jose.

APN: 467-08-012
RESOLUTION OF NECESSITY DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF CERTAIN LAND AND DIRECTING THE FILING OF EMINENT DOMAIN PROCEEDINGS

WHEREAS, the VTA’s BART Silicon Valley Phase II (BSVII) Project (the “Project”) is being undertaken for the purpose of easing traffic congestion, improving area-wide mobility, and otherwise furthering public health, safety and welfare; and

WHEREAS, it is desirable and necessary for the Santa Clara Valley Transportation Authority (“VTA”) to acquire a fee interest in certain property more particularly described in Exhibit “A” (the “Subject Property”), attached hereto and made a part hereof by this reference, as right of way for the Project and the construction thereof; and

WHEREAS, VTA is authorized to acquire the Subject Property and exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., including but not limited to Sections 1240.010, 1240.020, 1240.030, 1240.040, 1240.110, 1240.120, 1240.210, 1240.220, 1240.510, 1250.610, and 1245.220. VTA is also authorized to acquire the Subject Property pursuant to Public Utilities Code Sections 99420, 100120, 100130, 100130.5 and 100131; and

WHEREAS, pursuant to the provisions of Section 1245.235 of the Code of Civil Procedure of the State of California, notice has been duly given to the owner(s) of the Subject Property, all of whom have been given a reasonable opportunity to appear and be heard before the Board of Directors of VTA at the time and place set forth in said notice, regarding the matters specified therein.

NOW, THEREFORE, IT IS FOUND, DETERMINED AND ORDERED as follows:

1. The recitals contained herein are true and correct.

2. Upon examination of the alternatives, VTA requires the Subject Property for the Project.

3. VTA is authorized to acquire the Subject Property and continue to exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., including but not limited to Sections 1240.010, 1240.020, 1240.030, 1240.040, 1240.110, 1240.120, 1240.210, 1240.220, 1240.510, 1250.610, and 1245.220. VTA is also authorized to acquire the Subject Property pursuant to Public Utilities Code Sections 99420, 100120, 100130, 100130.5 and 100131.
4. The public interest and necessity require the Project.

5. The Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

6. The Subject Property is necessary for the Project.

7. The offer required by Section 7267.2 of the Government Code, together with the accompanying statement of the amount established as just compensation, has been made to the owner or owners of record, which offer and statement were in a format and contained the information required by Government Code Section 7267.2, or the offer has not been made because the owner cannot be located with reasonable diligence.

8. VTA has complied with all conditions and statutory requirements, including those prescribed by CEQA and NEPA and that are necessary for approval and adoption of the Project.

9. All conditions and statutory requirements necessary to exercise the power of eminent domain ("the right to take") to acquire the Subject Property described herein have been complied with by VTA.

10. General Counsel or General Counsel’s duly authorized designee is hereby authorized and directed to institute and conduct to conclusion eminent domain proceedings to acquire the Subject Property, and to take such actions that counsel deems advisable or necessary in connection therewith and may deposit the probable amount of compensation and obtain an order for prejudgment possession of the Subject property.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 3, 2021 by the following vote:

AYES: DIRECTORS:

NOES: RECTORS:

ABSENT: DIRECTORS:

____________________________
GLENN HENDRICKS, Chairperson
Board of Directors
I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the vote of two-thirds or more of the Board of Directors of the Santa Clara Valley Transportation Authority, California, at a meeting of said Board of Directors on the date indicated, as set forth above.

Dated: ______________________  
ELAINE BALTAO, Secretary  
Board of Directors

APPROVED AS TO FORM:

____________________________
EVELYNN TRAN  
General Counsel and Interim General Manager/CEO
EXHIBIT “A”

Legal Description The land referred to is situated in the City of San Jose, County of Santa Clara, State of California, and is described as follows:

PARCEL ONE:

Beginning at a 2" x 3" stake standing in the Easterly line of Twenty-eighth Street, formerly Wooster Avenue, distant South 37° 55' East 599.86 feet from the intersection of the Easterly line of Twenty-eighth Street with the Southerly line of McKee Road and being at the most Westerly corner of the 5.07 acre tract described as Parcel No. 1 in the Deed from Leon Dierkes to Glenwood Lumber Company, a corporation, dated January 27, 1923, and recorded January 27, 1923, in Book 6 of Official Records, Page 451, Santa Clara County Records; thence along said line of Twenty-eighth Street South 37° 55' East, 200 feet; thence parallel with the Northerly line of said 5.07 acre tract, North 52° 05' East, 570 feet, more or less, to the Westerly line of the 1.913 acre tract of land described in the Deed from Glenwood Lumber Company, a corporation, to The State of California, for the extension of the Bayshore Highway, dated May 3, 1939, and recorded August 25, 1939, in Book 949 of Official Records, Page 75, Santa Clara County Records; thence along the said Westerly line of said 1.913 acre tract North 40° 31' 30" West, 200 feet, more or less, to the Northerly line of said 5.07 acre tract to described in the Deed to said Glenwood Lumber Company, a corporation; thence along said Northerly line of said 5.07 acre tract, South 52° 05' West, 558.36 feet, more or less, to the point of beginning, being a portion of said 5.07 acre tract in 500 Acre Lot 26 of the Pueblo Lands to the City of San Jose.


Commencing at the Easterly corner of that certain parcel of land described in that deed to Milton Fox, et al, recorded December 30, 1946, in Liber 1395 at Page 549, Official Records of Santa Clara County, being the intersection of the Southwesterly line of the existing State Highway in the City of San Jose, County of Santa Clara, Road IV-SC1-68-SJs, with the property line common to the lands, now or formerly of Milton Fox, et al, and of J. C. Lumello, et al; thence along said Southwesterly line South 39° 35' 37" East, 49.96 feet; thence from a tangent that bears North 58° 49' 44" West, along a curve to the left with a radius of 75 feet through an angle of 68° 18' 43" an arc length of 89.42 feet; thence South 52° 51' 33" West, 320.68 feet; thence along a tangent curve to the left with a radius of 475 feet; through an angle of 7° 28' 20" an arc length of 61.95 feet; thence South 45° 23' 13" West, 73.87 feet to a point distant South 44° 36' 47" East, 25.00 feet from Engineer's Station 27+46.78 on the "S" line of the Department of Public Work's Survey for the State Highway in the City of San Jose, Santa Clara County, Road IV-SCI-68-SJs; thence along a tangent curve to the left with a radius of 40 feet,
through an angle of 82° 32' 40", an arc length of 57.63 feet to the Northeasterly line of 28th Street; thence along said Northeasterly line North 37° 09' 27" West, 55.50 feet to above mentioned common property line; thence along said common property line North 52° 48' 49" East, 558.06 feet to the point of commencement.

APN: 467-08-010

PARCEL TWO:

Beginning at a point in the Northeasterly line of Twenty-eighth Street, formerly Wooster Avenue, where the same is intersected by the Southeasterly line of that certain 2.59 acre tract of land described in the Deed from Glenwood Lumber Company, a corporation, to San Jose Steel Company, a corporation, dated March 20, 1941, and recorded March 22, 1941, in Book 1026 of Official Records, Page 577, Santa Clara County Records; thence along the Northeasterly line of Twenty-eighth Street South 37° 30' East, 200.0 feet; thence leaving said line of Twenty-eighth Street and running parallel with the Southeasterly line of said 2.59 acre tract, North 52° 05' East, 575 feet, more or less, to a point in the Southwesterly line of that certain 1.913 acre tract, now being a part of the Bayshore State Highway as described in the Deed from Glenwood Lumber Company, a corporation, to State of California, dated May 3, 1939 and recorded August 25, 1939 in Book 949 of Official Records, page 75, Santa Clara County Records; thence along the Southwesterly line of Bayshore State Highway, North 40° 31' 30" West 200 feet, more or less, to the intersection thereof with the Southeasterly line of said 2.59 acre tract; thence along the Southeasterly line of said 2.59 acre tract South 52° 05' West 570 feet, more or less, to the point of beginning, being a portion of 500 Acre Lot 26, San Jose City Lands, commonly known as 195 No. Thirtieth Street.

APN: 467-08-011

PARCEL THREE:

A portion of 500 Acre Lot 26 of the Pueblo Lands to the City of San Jose, described as follows: Beginning on the Northeasterly line of Twenty-eighth Street at the intersection thereof with a Southeasterly line of that parcel of land conveyed to Rolfe A. Folsom by Deed recorded October 30, 1944, Book 1232 Official Records, Page 60, Santa Clara County Records, said point of beginning also being the Westerly corner of that parcel of land described in the Deed to Travco, Inc., a corporation, recorded December 18, 1957, Book 3964 Official Records, Page 267; thence from said point of beginning, North 51° 55' East, along the Northwesterly line of said Travco Inc., parcel of land, 267 feet to the Northerly corner thereof; thence South 38° 05' East, along the Northeasterly line of said Travco, Inc., parcel of land, 210.81 feet to the Northerly corner of that parcel of land conveyed to Bayshore Properties, Inc., a California corporation, by Deed recorded June 5, 1963, Book 6050 Official Records, Page 701; thence along the Northwesterly and Southwesterly lines of said parcel of land, South 52° 12' 20" West, 115.41 feet; thence Southwesterly along a tangent curve to the right, with a radius of 320.65 feet through a central
angle of 3° 18' 35" an arc distance of 18.52 feet; thence South 38° 05' East, 163.74 feet to the Northwesterly line of East St. John Street, as established by the Deed to State of California, recorded September 23, 1955, Book 3287 Official Records, Page 436; thence South 60° 02' 17" West, along said line, 98.88 feet; thence continuing along said line along a curve to the right with a radius of 40 feet through a central angle of 82° 48' 16", for an arc length of 57.81 feet to the Northeasterly line of Twenty-eighth Street; thence along said line, 321.16 feet, more or less, to the point of beginning.

APN: 467-08-013

PARCEL FOUR:

Beginning at an iron pipe set in the Northeasterly line of Twenty-eighth Street distant thereon South 38° 05' East, 400 feet from the point of intersection of the Northeasterly line of Twenty-eighth Street with the center line of St. James Street projected Northeasterly and running thence parallel with the Northeasterly projection of St. James Street North 51° 55' East, 575.10 feet to an iron pipe set in the Southwesterly line of the Bayshore Highway as established A.D. 1939 (California State Highway), and running thence along the Southwesterly line of the Bayshore Highway South 40° 31' East, 280.25 feet to an iron pipe and, running thence South 51° 55' West, 320 feet to an iron pipe and running thence parallel with the Northeasterly line of Twenty-eighth Street North 38° 05' West, 220 feet to an iron pipe, and running thence South 51° 55' West, 267 feet to an iron pipe set in the Northeasterly line of Twenty-eighth Street, and running thence along the Northeasterly line of Twenty-eighth Street, North 38° 05' West, 60 feet to the place of beginning. Being a portion of the Michael Sullivan Tract in 500 acre Lot 26 of the Pueblo Lands of the City of San Jose.

EXCEPTING THEREFROM that certain parcel of land conveyed by Deed from Rolfe A. Folsom and Doris H. Folsom, his wife, to James J. Morella and Mary Morella, his wife, dated November 12, 1957, and recorded November 18, 1957, in Book 3939 of Official Records, Page 461, described as follows:

Beginning at the most Easterly corner of that certain 2.387 acre parcel of land conveyed by Deed from Rolfe A. Folsom, a corporation, to Rolfe A. Folsom, by Deed dated October 17, 1944, and recorded October 30, 1944, in Book 1232 of Official Records, Page 60 Santa Clara County Records; said point of beginning being in the Southwesterly line of the Bayshore Highway, as said line was established by Deed from Glenwood Lumber Company, a corporation, to the State of California dated May 3, 1939, and recorded August 25, 1939, in Book 949 of Official Records, Page 75, Santa Clara County Records; thence from said point of beginning along with Southeasterly line of said 2.387 acre parcel of land South 52° 52' 49'' West, 147.00 feet; thence at right angles North 37° 07' 11'' West, 20.00 feet; thence at right angles and parallel with said Southeasterly line of said 2.387 acre parcel of land North 52° 52' 49'' West, 146.20 feet to the above mentioned Southwesterly line of the Bayshore Highway; thence along
said line South 39° 30' 55" East, 18.90 feet to a California Highway Commission monument;
thence South 37° 07' 12" East, 1.11 feet to the point of beginning.

Being a portion of the above mentioned 2.387 acre parcel of land.

APN: 467-08-004 (portion)

PARCEL FIVE:

Beginning at a point on the Southeasterly line of that certain 2.387 acre parcel of land conveyed
by Glenwood Lumber Company, a corporation, to Rolfe A. Folsom, by Deed dated October 17,
1944, and recorded October 30, 1944, in Book 1232 Official Records Page 60 Santa Clara
County Records; said point being distant along said Southeasterly line South 52° 52' 49" West,
215.00 feet from an iron pipe at the most Easterly corner of said 2.387 acre parcel of land;
thence from said point of beginning and along said Southeasterly line 105.00 feet to an iron
pipe; thence South 37° 13' 23" East, 12.00 feet to an iron pipe; thence parallel with said
Southeasterly line North 52° 52' 49" East, 104.98 feet to an iron pipe; thence at right angles
North 37° 07' 11" West, 12.00 feet to the point of beginning.

Being a portion of the parcel of and conveyed to James J. Morella, et ux, by Deed recorded

APN: 467-08-004 (portion)
RESOLUTION OF NECESSITY DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF CERTAIN LAND AND DIRECTING THE FILING OF EMINENT DOMAIN PROCEEDINGS

WHEREAS, the VTA’s BART Silicon Valley Phase II (BSVII) Project (the “Project”) is being undertaken for the purpose of easing traffic congestion, improving area-wide mobility, and otherwise furthering public health, safety and welfare; and

WHEREAS, it is desirable and necessary for the Santa Clara Valley Transportation Authority (“VTA”) to acquire a fee interest in certain property more particularly described in Exhibit “A” (the “Subject Property”), attached hereto and made a part hereof by this reference, as right of way for the Project and the construction thereof; and

WHEREAS, VTA is authorized to acquire the Subject Property and exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., including but not limited to Sections 1240.010, 1240.020, 1240.030, 1240.040, 1240.110, 1240.120, 1240.210, 1240.220, 1240.510, 1250.610, and 1245.220. VTA is also authorized to acquire the Subject Property pursuant to Public Utilities Code Sections 100120, 100130 and 100131; and

WHEREAS, pursuant to the provisions of Section 1245.235 of the Code of Civil Procedure of the State of California, notice has been duly given to the owner(s) of the Subject Property, all of whom have been given a reasonable opportunity to appear and be heard before the Board of Directors of VTA at the time and place set forth in said notice, regarding the matters specified therein.

NOW, THEREFORE, IT IS FOUND, DETERMINED AND ORDERED as follows:

1. The recitals contained herein are true and correct.

2. Upon examination of the alternatives, VTA requires the Subject Property for the Project.

3. VTA is authorized to acquire the Subject Property and continue to exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., including but not limited to Sections 1240.010, 1240.020, 1240.030, 1240.040, 1240.110, 1240.120, 1240.210, 1240.220, 1240.510, 1250.610, and 1245.220. VTA is also authorized to acquire the Subject Property pursuant to Public Utilities Code Sections 100120, 100130 and 100131.

4. The public interest and necessity require the Project.
5. The Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

6. The Subject Property is necessary for the Project.

7. The offer required by Section 7267.2 of the Government Code, together with the accompanying statement of the amount established as just compensation, has been made to the owner or owners of record, which offer and statement were in a format and contained the information required by Government Code Section 7267.2, or the offer has not been made because the owner cannot be located with reasonable diligence.

8. VTA has complied with all conditions and statutory requirements, including those prescribed by CEQA and NEPA and that are necessary for approval and adoption of the Project.

9. All conditions and statutory requirements necessary to exercise the power of eminent domain (“the right to take”) to acquire the Subject Property described herein have been complied with by VTA.

10. General Counsel or General Counsel’s duly authorized designee is hereby authorized and directed to institute and conduct to conclusion eminent domain proceedings to acquire the Subject Property, and to take such actions that counsel deems advisable or necessary in connection therewith and may deposit the probable amount of compensation and obtain an order for prejudgment possession of the Subject Property.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 3, 2021 by the following vote:

AYES: DIRECTORS:

NOES: RECTORS:

ABSENT: DIRECTORS:

__________________________________________
GLENN HENDRICKS, Chairperson
Board of Directors
I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the vote of two-thirds or more of the Board of Directors of the Santa Clara Valley Transportation Authority, California, at a meeting of said Board of Directors on the date indicated, as set forth above.

Dated: ______________________  
ELAINE BALTAO, Secretary  
Board of Directors

APPROVED AS TO FORM:

______________________________________  
EVELYNN TRAN  
General Counsel and Interim General Manager/CEO
EXHIBIT “A”

Legal Description The land referred to is situated in the City of San Jose, County of Santa Clara, State of California, and is described as follows:

Portion of Lot 8 in Block 2, Range 2 North of the base line of the City of San Jose, as shown upon that certain Map entitled, "City of San Jose, copied from the original Map drawn by Sherman Day, Civil Engineer", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California, in Volume "A" of Maps at Pages 72 and 73 and more particularly described as follows:

Commencing at a point on the Northerly line of Santa Clara Street, distant thereon 91 feet, 10 inches Westerly from the point of intersection of the Westerly line of Second Street with the said Northerly line of Santa Clara Street; running thence Westerly along said Northerly line of Santa Clara Street, 16 2/3 varas; thence at right angles Northerly 25 varas; thence at right angles Easterly 16 2/3 varas; thence at right angles Southerly 25 varas to the point of commencement.

APN: 467-21-025
ARB: 467-21-25
RESOLUTION OF NECESSITY DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF CERTAIN LAND AND DIRECTING THE FILING OF EMINENT DOMAIN PROCEEDINGS

WHEREAS, the VTA’s BART Silicon Valley Phase II (BSVII) Project (the “Project”) is being undertaken for the purpose of easing traffic congestion, improving area-wide mobility, and otherwise furthering public health, safety and welfare; and

WHEREAS, it is desirable and necessary for the Santa Clara Valley Transportation Authority (“VTA”) to acquire a fee interest in certain property more particularly described in Exhibit “A” (the “Subject Property”), attached hereto and made a part hereof by this reference, as right of way for the Project and the construction thereof; and

WHEREAS, VTA is authorized to acquire the Subject Property and exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., including but not limited to Sections 1240.010, 1240.020, 1240.030, 1240.040, 1240.110, 1240.120, 1240.210, 1240.220, 1240.510, 1250.610, and 1245.220. VTA is also authorized to acquire the Subject Property pursuant to Public Utilities Code Sections 100120, 100130 and 100131; and

WHEREAS, pursuant to the provisions of Section 1245.235 of the Code of Civil Procedure of the State of California, notice has been duly given to the owner(s) of the Subject Property, all of whom have been given a reasonable opportunity to appear and be heard before the Board of Directors of VTA at the time and place set forth in said notice, regarding the matters specified therein.

NOW, THEREFORE, IT IS FOUND, DETERMINED AND ORDERED as follows:

1. The recitals contained herein are true and correct.

2. Upon examination of the alternatives, VTA requires the Subject Property for the Project.

3. VTA is authorized to acquire the Subject Property and continue to exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., including but not limited to Sections 1240.010, 1240.020, 1240.030, 1240.040, 1240.110, 1240.120, 1240.210, 1240.220, 1240.510, 1250.610, and 1245.220. VTA is also authorized to acquire the Subject Property pursuant to Public Utilities Code Sections 100120, 100130 and 100131.

4. The public interest and necessity require the Project.
5. The Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

6. The Subject Property is necessary for the Project.

7. The offer required by Section 7267.2 of the Government Code, together with the accompanying statement of the amount established as just compensation, has been made to the owner or owners of record, which offer and statement were in a format and contained the information required by Government Code Section 7267.2, or the offer has not been made because the owner cannot be located with reasonable diligence.

8. VTA has complied with all conditions and statutory requirements, including those prescribed by CEQA and NEPA and that are necessary for approval and adoption of the Project.

9. All conditions and statutory requirements necessary to exercise the power of eminent domain (“the right to take”) to acquire the Subject Property described herein have been complied with by VTA.

10. General Counsel or General Counsel’s duly authorized designee is hereby authorized and directed to institute and conduct to conclusion eminent domain proceedings to acquire the Subject Property, and to take such actions that counsel deems advisable or necessary in connection therewith and may deposit the probable amount of compensation and obtain an order for prejudgment possession of the Subject Property.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 3, 2021 by the following vote:

AYES: DIRECTORS:

NOES: RECTORS:

ABSENT: DIRECTORS:

__________________________________________
GLENN HENDRICKS, Chairperson
Board of Directors
I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the vote of two-thirds or more of the Board of Directors of the Santa Clara Valley Transportation Authority, California, at a meeting of said Board of Directors on the date indicated, as set forth above.

Dated: ____________________________

ELAINE BALTAO, Secretary
Board of Directors

APPROVED AS TO FORM:

______________________________
EVELYNN TRAN
General Counsel and Interim General Manager/CEO
EXHIBIT “A”

Legal Description The land referred to is situated in the City of San Jose, County of Santa Clara, State of California, and is described as follows:

Portion of Lot 7, in Block 2, Range 2 North, as shown upon that certain Map entitled, "City of San Jose copies from the original Map drawn by Sherman Day, Civil Engineer", which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California in Volume "A" of Maps at Pages 72 and 73, and more particularly described as follows: Beginning at a point on the Northerly line of Santa Clara Street, where the same intersected by the dividing line of Lots 7 and 8, in Block 2, Range 2 North of the base line of the City of San Jose; thence running at right angles Northerly and along said dividing line of said Lots 7 and 8, 96.49 feet to a point on the Southerly line of land conveyed by Paul Rudolph and Evelyn K. Rudolph, his wife to Commercial Building Company, a corporation, by Deed dated October 3, 1924 and recorded October 3, 1924 in Volume 103 of Official Records, Page 321, Santa Clara County Records; thence at right angles Westerly and along said line of land so conveyed to Commercial Building Company, a corporation, 47 feet 8 inches to the Easterly line of the lands of the Bank of San Jose, a corporation; thence at right angles Southerly and along said Westerly line of said land, 96.49 feet to a point on the Northerly line of Santa Clara Street; thence running Easterly and along said Northerly line of Santa Clara Street, 47 feet 8 inches to the point of beginning.

APN: 467-21-024
VTA'S BART SILICON VALLEY PHASE II PROJECT

Resolution of Necessity Hearings

June 3, 2021
Resolution of Necessity Hearings

• Requirements for property acquisition:
  o Public interest and necessity require the Project;
  o Project is planned or located to be most compatible with greatest public good and least private injury;
  o Property in the Resolution is necessary for the project; and
  o An offer of just compensation has been made.
Project Map
87 North 30th Street, San Jose (B3109)

**Owner:** Richard Della Maggiore and Joan Della Maggiore, Revocable Living Trust dated November 13, 1991 and Loren W. Thorson and Arlethea K. Thorson, Robert Mattern, Trustees pursuant to the Loren W. Thorson and Arlethea K. Thorson Trust dated August 18, 1982

**Location:** 87 North 30th Street, San Jose

**Present Use:** Industrial

**Property Size:** Approximately 1.84 acres

**Acquisition:** Fee interest in entire property

**Date of Offer:** December 16, 2020

**Project Need:** Transit Center-28th Street/Little Portugal BART Station and TOJD.
87 North 30th Street, San Jose (B3109)
1350 East Saint James Street and 125, 129, 195 North 30th Street, San Jose (B3110)

**Owner:** Honco Investment Company, LLC, a California limited liability company

**Location:** 1340 East Saint James Street and 125, 129, 195 North 30th Street, San Jose

**Present Use:** Industrial

**Property Size:** Approximately 476,421 square feet

**Acquisition:** Approximately 408,316 square feet

**Date of Offer:** December 17, 2000

**Project Need:** Transit Center- 28th Street/ Little Portugal BART Station and TOJD.
1350 East Saint James Street and 125, 129 and 195 North 30th Street, San Jose (B3110)
29-31 E. Santa Clara, San Jose (B3139)

Owner: Z Hanna, LLC, a California limited liability company

Property Address: 29-31 E. Santa Clara Street, San Jose

Present Use: Commercial

Total Property Area: 3,163 sq. ft

Acquisition: Fee interest in entire property

Date of Offer: December 3, 2020

Project Need: Downtown San Jose BART station
29-31 East Santa Clara Street, San Jose (B3139)
17 E. Santa Clara, San Jose (B4042)

Owner: Downtown SJ Towers, a California limited liability company
Property Address: 17 E. Santa Clara Street, San Jose
Present Use: Commercial
Total Property Area: 4,599 sq. ft
Acquisition: Fee interest in entire property
Date of Offer: December 3, 2020
Project Need: Downtown San Jose BART station
17 E. Santa Clara, San Jose (B4042)
May 28, 2021

Via Email (board.secretary@vta.org)

Santa Clara Valley Transportation Authority
Attn: Board Secretary
3331 North First Street
Building B, Second Floor
San Jose, CA 95134-1906

Re: Santa Clara VTA – BART Silicon Valley Phase II Project
Public Hearing Re: Resolution of Necessity
Property Identification No. B3110, San Jose, CA
195 N. 30th Street, San Jose, CA (APN 467-08-010 & 002; 467-07-052 & 070)

Dear Sir / Madam & Board of Directors:

This firm represents Monarch Leasing, Inc. dba Monarch Truck Center (“Monarch”) and its owner – Nicole Guetersloh. Monarch is a full-service medium-duty truck dealership providing truck sales, trunk rentals, truck leasing, truck parts and truck repair services to the San Jose and Silicon Valley area for more than 30 years.

Prominently located between the McKee Rd/Julian St and Santa Clara St/Alum Rock Ave. interchanges along the 101 Freeway at 195 North 30th Street (“Subject Property”), Monarch operates its high-volume dealership within an approximately 40,000 square foot building and on approximately 5 acres of land as shown below.
Monarch strongly objects to the Board’s consideration of this Resolution of Necessity because the VTA is skirting its fundamental Constitutional and legal obligations to pay Monarch fair compensation for its valuable improvements and equipment.

Last year, the VTA commissioned an appraisal of Monarch’s improvements and fixtures (hundreds of items), yet the VTA completely ignored its own appraisal. Instead, the VTA seeks to move forward with taking Monarch’s property without offering to pay fair compensation.

Obviously, the law prohibits the VTA from taking Monarch’s property without payment of compensation. Accordingly, this Board should direct staff to comply with the VTA’s clear legal obligations before proceeding with consideration of the Resolution of Necessity.

Unless and until the VTA makes an offer of compensation for the taking of Monarch’s improvements and fixtures – and engages in substantive good faith negotiations – the VTA cannot adopt a Resolution of Necessity. There is no urgency to this matter – the VTA acknowledges it does not expect to proceed with Project construction until at least December 2022. Thus, the Board should delay consideration of this matter for the VTA to comply with its Constitutional and legal obligations.

Monarch respectfully requests that the VTA include this letter and the objections contained herein when considering adoption of the proposed Resolution of Necessity. Please ensure that this letter, and exhibits attached hereto, are provided to each member of the VTA Board of Directors and are included in the administrative record pertaining to the hearing on this matter. Additionally, we request the right to appear and address the VTA Board of Directors at the hearing.

Monarch hereby objects to the adoption of the proposed Resolution of Necessity on, without limitation, the following grounds:

1. **ADOPTION OF THE PROPOSED RESOLUTION OF NECESSITY VIOLATES CALIFORNIA CODE OF CIVIL PROCEDURE §1245.230 AND CALIFORNIA GOVERNMENT CODE §7267.2 INSO FAR AS THE VTA FAILED TO MAKE THE REQUIRED OFFER OF COMPENSATION PRIOR TO TAKING MONARCH’S PROPERTY.**

   California Code of Civil Procedure §1245.230 mandates that before a public agency may adopt a Resolution of Necessity, it must find, among other things, that an offer consistent with California Government Code §7267.2 has been made. California Government Code §7267.2 requires the government to obtain an appraisal of the property to be condemned in order to determine just compensation and make an offer of just compensation to the owner in the “full amount” so determined.

   Here, despite obtaining an appraisal valuing Monarch’s valuable property (improvements and fixtures), the VTA failed to make a “fair market value” offer to Monarch. Instead, as noted on the partial inventory list attached to the VTA’s December 22, 2020 letter (see attached letter), the VTA takes the position that these valuable items are essentially worthless. Some examples include:
Electrical Connection for Air Compressor - $20; 21 Surveillance cameras, including cabling - $0. Obviously, VTA has not offered “just compensation” for the taking of Monarch’s valuable property.

Monarch’s leasehold improvements and fixtures include those items defined in the eminent domain law as “improvements pertaining to the realty,” for which compensation is required. “[A]ll improvements pertaining to realty shall be taken into account in determining compensation.” (Cal. Code Civ. Proc. §1263.210(a)). See also, City of Los Angeles v. Sabatasso, (1970) 3 Cal.App.3d 973, 980; and, People v. Klopstock, (1944) 24 Cal.2d 897, 903.

The VTA, in fact, has appraised each of these items. Yet, despite repeated requests by Monarch for the VTA to comply with its obligations the VTA refuses to make an offer in the amount of its “fair market value” appraisal as required by law. (Attached are copies of recent correspondence between Monarch and the VTA).

The requirement for a proper offer is mandatory. “We conclude that the provisions of Government Code section 7267.2 are not merely discretionary guidelines, but mandatory requirements which must be observed by any public entity planning to initiate eminent domain proceedings through a resolution of necessity.” City of San Jose v. Great Oaks Water Co. (1987) 192 Cal.App.3d 1005, 1012.

The VTA has not complied with the explicit mandates of Government Code §7267.2. Accordingly, the VTA cannot adopt a Resolution of Necessity making the requisite finding required by California Code of Civil Procedure §1245.230 that it made an offer in compliance with the Government Code.

2. IT IS IMPROPER FOR THE VTA TO PROCEED WITH THE HEARING ON A RESOLUTION OF NECESSITY BECAUSE THE VTA VIOLATED GOVERNMENT CODE §7267.1 BY FAILING TO MAKE ANY EFFORT TO ACQUIRE MONARCH’S PROPERTY BY NEGOTIATION.

California Government Code §7267.1 requires the VTA to “make every reasonable effort to acquire expeditiously real property by negotiation.” Here, the VTA clearly failed to comply with this requirement because it failed to make a proper offer – let alone engage in any negotiations. Instead, the VTA is rushing to schedule the Resolution of Necessity hearing before making the required offer of fair compensation to Monarch.

Unless and until the parties have the opportunity to discuss potential resolution, after the VTA makes a proper offer, it is improper for the VTA to proceed with consideration of a Resolution of Necessity.

1 In addition to the California Government Code, the City is also subject to State and Federal acquisition regulations which impose similar requirements to make every reasonable effort to acquire property by negotiation. See Title 24 Code of Federal Regulations §24.102(a) and Title 25 California Code of Regulations §6182(a).
The VTA’s effort to quickly adopt a Resolution of Necessity and file an eminent domain lawsuit before making an offer of fair compensation to Monarch violates Federal and State prohibitions against coercive actions by a public agency. “The Agency shall not advance the time of condemnation … or take any other coercive action in order to induce an agreement on the price to be paid for the property.” [Title 24 Code of Federal Regulations §24.102(h); see also similar California provision in Title 25 California Code of Regulations §6182(j)(1).] Here, the VTA’s refusal to make an offer of fair compensation for Monarch’s valuable improvements and fixtures – despite having an appraisal establishing their substantial value – constitutes coercion and intimidation.

These same principles of justice and fairness have long been recognized by the California Supreme Court which stated, “The condemnor acts in a quasi-judicial capacity and should be encouraged to exercise his tremendous power fairly, equitably and with a deep understanding of the theory and practice of just compensation.” City of Los Angeles v. Decker (1977) 18 Cal. 3d. 861. The VTA’s actions here clearly fail to meet this established standard of fairness and equity.

Unless and until the VTA makes an offer of fair compensation for the taking of Monarch’s valuable improvements and fixtures, and the parties have the opportunity to freely and reasonably engage in good-faith negotiations, consideration of a Resolution of Necessity to initiate an eminent domain lawsuit and litigate this matter is premature and improper.

Very truly yours,

Glenn L. Block
California Eminent Domain Law Group,
a Professional Corporation

Enclosures

cc: Nicole Guetersloh, Monarch Truck Center
May 17, 2021

Via Email (Susana.inda@vta.org)
Ms. Susana Inda, Esq.
Assistant Counsel
Santa Clara Valley Transportation Authority
3331 North First Street
San Jose, CA 95134

Re: Santa Clara Valley Transportation Authority (VTA) BART Silicon Valley Extension Project, Phase II 195 N. 30th Street, San Jose, CA (APN 467-08-010 & 002; 467-07-052 & 070)

Dear Susana:

We are in receipt of your March 8, 2021 letter and this letter serves as a response.

1. Inadequacy of Initial Offer

   The VTA’s purported initial offer to the property owner is grossly inadequate and Constitutionally impermissible as it fails to properly account for the value of Monarch’s fixtures, equipment, and improvements pertaining to the realty. Furthermore, the VTA’s offer is coercive in violation of 49 CFR § 24.102 (h), Cal. Govt. Code § 7267.5, and the Tom Bane Civil Rights Act.

   A. Offer Fails to Properly Value Monarch’s Fixtures/Improvements Pertaining to the Realty

   California Code of Civil Procedure § 1263.210 (a) states that, “Except as otherwise provided by statute, all improvements pertaining to the realty shall be taken into account in determining compensation.” Section 1263.205 defines “improvements pertaining to realty” to include machinery and property that “cannot be removed without a substantial economic loss … regardless of the method of installation.”

   This necessary compensation is addressed in the case of Los Angeles v. Sabatasso, where the Court of Appeal ruled that Defendant was entitled to damages for the loss of the use of his fixtures, stating that, “The decisive consideration is … whether the owner of the damaged property if uncompensated would contribute more than his proper share to the public undertaking… since the measure of liability is not the benefit derived from the property but the loss to the owner.” City of Los Angeles v. Sabatasso, (1970) 3 Cal.App.3d 973, 980.
This sentiment is echoed by the Supreme Court of California in the earlier case of *People v. Klopstock*, where, like Monarch’s property, the value of the tenant’s improvements may be considered immaterial to a potential buyer of the land but of great commercial value to the tenant. In *Klopstock* the court ruled, “Where there is a condemnation of land, and also a destruction of a valuable plant erected by a tenant thereon, the value of the plant, *even though not adding to the value of the land, must be awarded to the tenant*. It is proper ... in condemnation proceedings, to make separate awards not only for the fee of the land, but to the lessee who has erected business buildings and a plant thereon.” *People v. Klopstock*, (1944) 24 Cal.2d 897, 903.

The VTA’s initial offer here failed to include any substantial consideration for Monarch’s valuable fixtures, equipment, and improvements pertaining to the realty, which obviously could not be removed without substantial loss.

**B. Plaintiff’s Grossly Inadequate Offer Constitutes Impermissible Coercion**

When dealing with property owners whose property an agency seeks to acquire there is a laundry list of regulations prohibiting coercive behavior. Among these are 49 CFR § 24.102 (h), Cal. Govt. Code § 7267.5, and the Tom Bane Civil Rights Act. By making a grossly inadequate offer the VTA engaged in coercive behavior intended to pressure Monarch into accepting far less than the compensation to which it is entitled and precluding an opportunity for meaningful negotiations.

Title 49, section 24.102 (h) of the Code of Federal regulations states, “The Agency shall not advance the time of condemnation, or defer negotiations or condemnation or the deposit of funds with the court, or take any other coercive action in order to induce an agreement on the price to be paid for the property.”

Government Code section 7267.5 states, “In no event shall the public entity either advance the time of condemnation, or defer negotiations or condemnation and the deposit of funds in court for the use of the owner, or take any other action coercive in nature, in order to compel an agreement on the price to be paid for the property.”

Finally, California Civil Code § 52.1 (b), also known as the Tom Bane Act, prohibits the use of “threat, intimidation, or coercion” to interfere with rights guaranteed by United States Constitution and the California Constitution. With any violation leading to a potential civil penalty of $25,000. Here section 19 of the California Constitution and the 5th Amendment to the United States Constitution require compensation when property is taken for a public use.

As discussed above, Monarch’s fixtures, equipment, and improvements pertaining to the realty constitute property and must be compensated under the California and Federal Constitution and California Eminent Domain Law. The VTA’s refusal to consider Monarch’s valuable fixtures and improvements pertaining to the realty in its offer
not only fails to meet the basic requirements for a valid offer but constitutes coercion and intimidation in violation of various state and federal statutes. Again, we request that the VTA make an offer to Monarch for its valuable fixtures and improvements pertaining to the realty.

2. **Relocation Information**

   With regard to the request in your March 8, 2021 letter for relocation information, Monarch previously provided the VTA this information at the October 29, 2019 meeting between Monarch and VTA representatives. However, for your convenience, I have attached another copy of the previously provided information.

   We appreciate your prompt attention to these matters.

   Very truly yours,

   Glenn L. Block
   California Eminent Domain Law Group, a P.C.

cc:  Ron Golem, VTA
     Allison Daniels, VTA
     Nicole Guetersloh, Monarch Truck Leasing, Inc. dba Monarch Truck Center
     Ms. Karen Eddleman, Associated Right of Way Services, Inc.
     Mr. Brett Paulson, Interwest Group
March 8, 2021

VIA E-MAIL ONLY

Glenn L. Block, Esq.
California Eminent Domain Law Group, APC
3429 Ocean View Boulevard, Suite L
Glendale, California 91208
glb@caledlaw.com

Re: Monarch Leasing, Inc.
Santa Clara Valley Transportation Authority (VTA)
BART Silicon Valley Extension Project, Phase II
1195 North 30th Street, San Jose, CA

Glenn:

Your letter dated February 18, 2021 was forwarded to my attention and this letter is in response to the matters raised therein.

Communication:

As you know from previous projects with VTA, at this stage staff typically works directly with the property and business owners. However, VTA understands that you are representing the lessee at this juncture and will direct all future communications and correspondence to your office pertaining to the above-referenced property.

Form of Offer:

Prior to initiating negotiations for real property and pursuant to Government Code Section 7267.2, VTA is required to make an offer to the owner of record based on the appraisal of the fair market value of the property. The property required for the project is valued as a whole despite separate interests that may exist in the property. Further, VTA is only required to provide the owner of real property a statement of the basis for the offer. See Government Code Section 7267.2(b). VTA’s offer to the property owner to acquire the property your client leases on or about December 17, 2020 satisfied its statutory obligation. VTA is not required to make an offer to the lessee for its separate interests nor provide the appraisal that was the basis for the offer. As a courtesy, VTA advised your client of this offer and provided a list of improvements pertaining to reality (IPTR) for which compensation was included in the appraisal. VTA is not in a position to make a determination of ownership of the IPTR and this matter is to be resolved by your client and the owner of the real property.
Relocation:

With respect to relocation, Monarch should make every effort to search for sites that can accommodate its operations. Now that Monarch has provided the forms establishing its eligibility, Ms. Eddleman and her team are available to support that effort. However, in order for Ms. Eddleman to be able to effectively assist in this search, she will need clear direction regarding the characteristics of a replacement site Monarch will consider. The description of a potential replacement site should include the minimum and maximum size of the building, yard area, parking spaces, ceiling height requirements, and power requirements. Additionally, Ms. Eddleman will need to know Monarch’s budget for leasing or purchasing a replacement site. Any previously mentioned sites are not currently available.

Finally, your letter notes that Monarch would like to engage a consultant to provide guidance with respect to relocating its facility. VTA will only consider reimbursement for consulting fees that are actual, reasonable and necessary as well as reimbursable under applicable relocation regulations. VTA therefore suggests that prior to the engagement of any consultants, you discuss what scope of work, fees and costs may be reimbursable with VTA, and to submit a minimum of two detailed scope and fee proposals to VTA that demonstrate the need for such services. Such costs will be carefully monitored.

VTA strongly encourages Monarch to work with Ms. Eddleman to develop personal property lists, move scopes, and assess the need of additional consultants, and to make use of the long lead time to plan for and relocate Monarch’s business. VTA has built in a 24-month lead time to provide maximum support for Monarch’s efforts to relocate. Please understand that VTA’s project schedule may not allow any extensions beyond December 2022.

Sincerely,

Docusigned by:

Susana Inda
SUSANA INDA
Assistant Counsel

/cc: Ron Golem, Director of Real Estate and Transit Oriented Development for VTA
    Allison Daniels, Right-Of-Way Program Manager for VTA
    Karen Eddleman, Relocation Consultant for VTA
    Debi S. Carbon, Paralegal for California Eminent Domain Law Group, APC
February 18, 2021

Via Email  (Ron.Golem@vta.org)
Mr. Ron Golem
Director of Real Estate and Transit-Oriented Development
Santa Clara Valley Transportation Authority
3331 North First Street
San Jose, CA  95134-1927

Re:  Santa Clara Valley Transportation Authority (VTA)
BART Silicon Valley Extension Project, Phase II
195 N. 30th Street, San Jose, CA (APN 467-08-010 & 002; 467-07-052 & 070)

Dear Mr. Golem:

We are in receipt of your December 22, 2020 and December 28, 2020 letters which were forwarded to our office by Monarch Leasing, Inc. (“Monarch”).

As you are aware, this office represents Monarch with regard to this matter. Accordingly, Monarch again requests that any and all correspondence and communications be directed to our office. Monarch previously advised VTA of this on several occasions over the past couple of years, including in person and in correspondence. Hopefully, VTA will correct the situation and direct all communications and correspondence to our office going forward. (Although I was referenced as a “cc” on the December 28 letter, I never received any correspondence from the VTA.)

Monarch occupies the above-referenced properties (“Subject Property”). The Subject Property consists of about 5 acres of land, including about 80,000sf of facilities under roof and about 3 acres of yard area. Monarch operates a high-volume medium duty truck dealership with about 65 employees. Monarch’s operations include truck sales, rental, leasing, service and repair, as well as part sales. Monarch has operated continuously on the Subject Property for more than 30 years. Monarch installed and owns considerable fixtures, equipment and other improvements throughout the Subject Property, in addition to extensive personal property and inventory.

1. Your December 22, 2020 Letter

With regard to your December 22, 2020 correspondence, you advise that the VTA seeks to acquire the property occupied by Monarch and that an offer was made to the property owner. Moreover, you advise that an “offer to the property owner was based on an independent appraisal and includes the contributory value of the improvements pertaining to the realty (“IPTR”), a list of which
is enclosed herein.” However, the VTA has not provided Monarch with copies of either the property appraisal or the IPTR appraisal. The VTA merely provided a summary list of the estimated “salvage value” of certain IPTR items. Despite an extensive fixture and equipment (“F&E”) appraisal inspection of the Subject Property conducted by Marcus Pigrom (Desmond, Marcello & Amster) over several days, the VTA did not provide Mr. Pigrom’s appraisal of the fair market value of any of the numerous F&E items he inspected, inventoried and valued.

Thus, the VTA has not yet made an offer of compensation to Monarch for the VTA’s proposed acquisition/termination of Monarch’s leasehold interest in the Subject Property or for any of Monarch’s improvements, F&E, inventory and other property located on the Subject Property the VTA seeks to acquire, including without limitation all improvements pertaining to realty. Please advise if VTA intends to make such an offer.

Of course, the VTA is aware that it is obligated to compensate Monarch for all of its interests in the Subject Property, including compensation for the taking or damaging of its property. The California Constitution provides that, “Private property may be taken or damaged for a public use and only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for the owner.”Cal. Const. Art. 1, Sec. 19; emphasis added. “[A]ll improvements pertaining to the realty shall be taken into account in determining compensation.” Cal. Code Civ. Proc, §1263.210(a); emphasis added. And, the measure of compensation is the fair market value of the property taken or damaged. Cal. Code Civ. Proc. §1263.310.

In order for Monarch to meaningfully consider and evaluate the VTA’s contentions in this matter, and any interests Monarch may have in the property for which the VTA made an offer to the property owner, it is necessary for Monarch to review the VTA’s appraisal of the property and the VTA’s appraisal all of Monarch’s property on the Subject Property, including IPTR. Please forward these appraisals at your earliest convenience.

2. Your December 28, 2020 Letter

With regard to your December 28, 2020 letter, attached are the completed and signed Certification of Occupancy and Certification of Legal Residency forms you requested (they were not included with your letter, but Ms. Eddleman provided them this week). Accordingly, Monarch has now established its eligibility as a displaced person under California and Federal law and applicable regulations.

Per your letter, the VTA confirmed that Monarch will not be displaced until the end of 2022 at the earliest. This timing should be helpful because, as Monarch previously advised the VTA,
relocation of Monarch’s extensive operations is complex and difficult (see, e.g., my September 3, 2019 letter to Susana Inda, Esq. as well as our October 2019 meeting with VTA representatives).

Since learning of VTA’s proposed Project and its expected displacement from the Subject Property for the Project about 2 years ago, Monarch has been searching but not yet identified a potentially suitable relocation site. However, back in August 2020, Ms. Eddleman had indicated that the VTA was aware of a potentially suitable relocation site. Thereafter, Monarch did not receive any response to its requests for additional information about this potentially suitable site (such requests were made in various correspondence with Allison Daniels and VTA’s counsel). Please advise if the VTA is aware of any potentially suitable relocation sites for Monarch’s operations, and provide any available information including the address, land/building size, zoning, etc. In any event, Monarch continues to search for potentially suitable sites to relocate its operations.

Additionally, the VTA was previously advised that Monarch will need the assistance of professional services to assist with planning for and implementing the required relocation of Monarch’s operations. Monarch is prepared to engage a knowledgeable industrial engineer/relocation consultant that has extensive experience successfully assisting with complex commercial relocation situations. Please advise what information VTA needs from Monarch to approve and authorize Monarch’s engagement for these professional services.

We appreciate your prompt attention to these matters.

Very truly yours,

Glenn L. Block
California Eminent Domain Law Group, a P.C.

cc: Nicole Guetersloh, Monarch Truck Leasing, Inc. dba Monarch Truck Center (by email)
Ms. Karen Eddleman, Associated Right of Way Services, Inc. (keedleman@arws.com)
Mr. Brett Paulson, Interwest Group (bpaulson@interwestgrp.com)
December 22, 2020

Monarch Leasing, Inc.
Attn: Nicole S. Gruetersloh
195 North 30th Street
San José, CA 95116

Monarch Leasing, Inc.
c/o C T Corporation System
818 West 7th St., Suite 930
Los Angeles, CA 90017

Re: VTA's BART Silicon Valley Phase II Project (BSVII)
VTA Parcel Identification No.: B3110
Site Address: 195 N. 30th Street, San José, CA 95116
Santa Clara County, California, Assessor's Parcel Numbers: 467-08-004, 010, 011 & 013

Notice of Offer to Acquire Property

Dear Ms. Gruetersloh:

The Santa Clara Valley Transportation Authority ("VTA") seeks to acquire the above referenced property, that you currently lease, for the construction of the BART Silicon Valley Phase II Project ("Project"). The Project will extend BART service approximately six miles from the newly opened Berryessa/North San José Transit Center into downtown North San José and terminating in Santa Clara.

This letter is to notify you that VTA has made an offer to the property owner to acquire the above-referenced property in fee, including the improvements thereon. The foregoing property is described in the enclosed Grant Deed. The offer to the property owner was based on an independent appraisal and includes the contributory value of the improvements pertaining to the property ("IPTV"), a list of which is enclosed herein.

Any claim for compensation you may have regarding VTA's proposed acquisition, including but not limited to the IPTV and loss of business goodwill, is subject to the determination of ownership which may be subject to the terms of your lease. VTA has not made any determination regarding ownership. Ownership is to be resolved by you and the owner of the real property.
Monarch Leasing, Inc.
December 22, 2020
Page 2

VTA has retained Brett Paulson as its real estate acquisition agent, who will be available to respond to any questions you may have. Brett can be contacted at (949) 299-5307, or b paulson@interwestgrp.com.

Sincerely,

Ron Golem
Director of Real Estate and Transit-Oriented Development

Monarch Leasing, Inc.– Tenant Notice of Offer
Enclosures
cc: Brett Paulson, Sr. Right-of-Way Agent
GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, HONCO INVESTMENT COMPANY, LLC, a California limited liability company, successor in interest to HONCO INVESTMENT COMPANY, L.P., a California limited partnership, hereinafter referred to as “Grantor,” hereby grants to the SANTA CLARA VALLEY TRANSPORTATION AUTHORITY, a California Special District, its assigns and successors, hereinafter referred to as “Grantee,” that certain real property and interests therein, situated in the City of San Jose, County of Santa Clara, State of California, more particularly described in Exhibit “A” attached hereto and made a part hereof.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

Dated this ___ day of ________________, 202__.

GRANTOR:
HONCO INVESTMENT COMPANY, LLC, a California limited liability company, successor in interest to HONCO INVESTMENT COMPANY, L.P., a California limited partnership

By __________________________________________
George LaConte Honoré, Manager

By __________________________________________
Jon Honoré, Manager
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF

On ______________________ before me, ______________________ (insert name and title of the officer),

personally appeared ______________________,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature of Notary Public
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF ________

On __________________________ before me, __________________________
(insert name and title of the officer)

personally appeared ____________________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature of Notary Public
Project: VTA’s BART Silicon Valley Phase II Project
PIN.: B3110
Grantor: Honco Investment Company, LLC, a California limited liability company, successor in interest to Honco Investment Company, L.P., a California limited partnership
Deed Type: Grant Deed

CERTIFICATE OF ACCEPTANCE
(Govt. Code, Section 27281)

This is to certify that the interest in real property conveyed by the within and foregoing deed or grant to the Santa Clara Valley Transportation Authority (VTA), State of California, is hereby accepted by the undersigned officer on behalf of the Santa Clara Valley Transportation Authority, in accordance with Section 5-3 of the Administrative Code of the Authority adopted December 20, 1994, and the Grantee consents to recordation thereof by its duly authorized officer.

Executed this ___________ day of ______________________, 202__.

Santa Clara Valley Transportation Authority,
a California Special District

By: ________________________________
Raj Srinath, Deputy General Manager/Chief Financial Officer
By Delegation of Authority for:
Nuria I. Fernandez, General Manager/CEO
DELEGATION OF AUTHORITY
REAL PROPERTY RIGHTS
BART SILICON VALLEY PHASE II PROJECT ("BSVII PROJECT")

Pursuant to Sections 1-6 and 5-3 of the Santa Clara Valley Transportation Authority Administrative Code, adopted December 20, 1994, as amended through May 7, 2020, and in accordance with the authority vested in me by the Santa Clara Valley Transportation Authority in its regular meeting on August 6, 2020 (Item 7.3), I hereby delegate to Raj Srinath, Deputy General Manager/Chief Financial Officer, in connection with the BSVII Project:

1. The authority to:
   a. Execute all documents required for VTA’s acquisition (or possession and use) of the requisite right of way for the BART Silicon Valley Phase II Extension Project where:
      i. the purchase price equals the statutory offer of just compensation established for the property and the purchase price exceeds the authority of the General Manager under Section 5-3 of the Administrative Code; or
      ii. the purchase price is within 15% above the statutory offer of just compensation established for the property.
   b. Convey or assign easement rights or fee title, as applicable, to:
      i. Utility providers for replacement rights, along with requisite access rights related to utility relocations; and
      ii. Public agencies for the operation and maintenance of public infrastructure.
   c. Enter into settlement agreements with businesses that have established entitlement to claim loss of business goodwill under eminent domain law and where settlement for such loss of business goodwill is within 15% of the valuation opinion of VTA’s business appraiser.

Dated: 12/2/2020

Nuria I. Fernandez
General Manager/CEO

APPROVED AS TO FORM:

Víctor Pappalardo
Senior Assistant Counsel
EXHIBIT “A”

The land referred to is situated in the County of Santa Clara, City of San Jose, State of California, and is described as follows:

Legal Description

The land referred to is situated in the City of San Jose, County of Santa Clara, State of California, and is described as follows:

PARCEL ONE:

Beginning at a 2" x 3" stake standing in the Easterly line of Twenty-eighth Street, formerly Wooster Avenue, distant South 37° 55' East 599.86 feet from the intersection of the Easterly line of Twenty-eighth Street with the Southerly line of McKee Road and being at the most Westerly corner of the 5.07 acre tract described as Parcel No. 1 in the Deed from Leon Dierkes to Glenwood Lumber Company, a corporation, dated January 27, 1923, and recorded January 27, 1923, in Book 6 of Official Records, Page 451, Santa Clara County Records; thence along said line of Twenty-eighth Street South 37° 55' East, 200 feet; thence parallel with the Northerly line of said 5.07 acre tract, North 52° 05' East, 570 feet, more or less, to the Westerly line of the 1.913 acre tract of land described in the Deed from Glenwood Lumber Company, a corporation, to The State of California, for the extension of the Bayshore Highway, dated May 3, 1939, and recorded August 25, 1939, in Book 949 of Official Records, Page 75, Santa Clara County Records; thence along the said Westerly line of said 1.913 acre tract North 40° 31' 30" West, 200 feet, more or less, to the Northerly line of said 5.07 acre tract to described in the Deed to said Glenwood Lumber Company, a corporation; thence along said Northerly line of said 5.07 acre tract, South 52° 05' West, 558.36 feet, more or less, to the point of beginning, being a portion of said 5.07 acre tract in 500 Acre Lot 26 of the Pueblo Lands to the City of San Jose.


Commencing at the Easterly corner of that certain parcel of land described in that deed to Milton Fox, et al, recorded December 30, 1946, in Liber 1395 at Page 549, Official Records of Santa Clara County, being the intersection of the Southwesterly line of the existing State Highway in the City of San Jose, County of Santa Clara, Road IV-SCI-68-SJs, with the property line common to the lands, now or formerly of Milton Fox, et al, and of J. C. Lumello, et al; thence along said Southwesterly line South 39° 35' 37" East, 49.96 feet; thence from a tangent that bears North 58° 49' 44" West, along a curve to the left with a radius of 75 feet through an angle of 68° 18' 43" an arc length of 89.42 feet; thence South 52° 51' 33" West, 320.68 feet; thence along a tangent curve to the left with a radius of 475 feet; through an angle of 7° 28' 20" an arc length of 61.95 feet; thence South 45° 23' 13" West, 73.87 feet to a point distant South 44° 36' 47" East, 25.00 feet from Engineer's Station 27+46.78 on the "S" line of the Department of Public Work's Survey for the State Highway in the City of San Jose, Santa Clara County, Road IV-SCI-68-SJs; thence along a tangent curve to the left with a radius of 40 feet, through an angle of 82° 32' 40", an arc length of 57.63 feet to the Northeasterly line of 28th
Exhibit “A”

Parcel B3110
June 12, 2020
FEE

Street; thence along said Northeasterly line North 37° 09' 27" West, 55.50 feet to above mentioned common property line; thence along said common property line North 52° 48' 49" East, 558.06 feet to the point of commencement.

APN: 467-08-010

PARCEL TWO:

Beginning at a point in the Northeasterly line of Twenty-eighth Street, formerly Wooster Avenue, where the same is intersected by the Southeasterly line of that certain 2.59 acre tract of land described in the Deed from Glenwood Lumber Company, a corporation, to San Jose Steel Company, a corporation, dated March 20, 1941, and recorded March 22, 1941, in Book 1026 of Official Records, Page 577, Santa Clara County Records; thence along the Northeasterly line of Twenty-eighth Street South 37° 30' East, 200.0 feet; thence leaving said line of Twenty-eighth Street and running parallel with the Southeasterly line of said 2.59 acre tract, North 52°05' East, 575 feet, more or less, to a point in the Southwesterly line of that certain 1.913 acre tract, now being a part of the Bayshore State Highway as described in the Deed from Glenwood Lumber Company, a corporation, to State of California, dated May 3, 1939 and recorded August 25, 1939 in Book 949 of Official Records, page 75, Santa Clara County Records; thence along the Southwesterly line of Bayshore State Highway, North 40° 31' 30" West 200 feet, more or less, to the intersection thereof with the Southeasterly line of said 2.59 acre tract; thence along the Southeasterly line of said 2.59 acre tract South 52° 05' West 570 feet, more or less, to the point of beginning, being a portion of 500 Acre Lot 26, San Jose City Lands, commonly known as 195 No. Thirtieth Street.

APN: 467-08-011

PARCEL THREE:

A portion of 500 Acre Lot 26 of the Pueblo Lands to the City of San Jose, described as follows:

Beginning on the Northeasterly line of Twenty-eighth Street at the intersection thereof with a Southeasterly line of that parcel of land conveyed to Rolfe A. Folsom by Deed recorded October 30, 1944, Book 1232 Official Records, Page 60, Santa Clara County Records, said point of beginning also being the Westerly corner of that parcel of land described in the Deed to Travco, Inc., a corporation, recorded December 18, 1957, Book 3964 Official Records, Page 267; thence from said point of beginning, North 51° 55' East, along the Northwesterly line of said Travco Inc., parcel of land, 267 feet to the Northerly corner thereof; thence South 38° 05' East, along the Northeasterly line of said Travco, Inc., parcel of land, 210.81 feet to the Northerly corner of that parcel of land conveyed to Bayshore Properties, Inc., a California corporation, by Deed recorded June 5, 1963, Book 6050 Official Records, Page 701; thence along the Northwesterly and Southwesterly lines of said parcel of land, South 52° 12' 20" West, 115.41 feet; thence Southwesterly along a tangent curve to the right, with a radius of 320.65 feet through a central angle of 3° 18' 35" an arc distance of 18.52 feet; thence South 38° 05' East, 163.74 feet to the Northwesterly line of East St. John Street, as established by the Deed to State of California, recorded September 23, 1955, Book 3287 Official Records, Page 436; thence South 60° 02' 17" West, along said line, 98.88 feet; thence continuing along said line along a curve to the right with a radius of 40 feet through a central angle of 82° 48' 16", for an arc length of 57.81 feet to

Page 7 of 9
the Northeasterly line of Twenty-eighth Street; thence along said line, 321.16 feet, more or
less, to the point of beginning.

APN: 467-08-013

PARCEL FOUR:

Beginning at an iron pipe set in the Northeasterly line of Twenty-eighth Street distant thereon
South 38° 05' East, 400 feet from the point of intersection of the Northeasterly line of Twenty-
eighth Street with the center line of St. James Street projected Northeasterly and running
thence parallel with the Northeasterly projection of St. James Street North 51° 55' East, 575.10
feet to an iron pipe set in the Southwesterly line of the Bayshore Highway as established A.D.
1939 (California State Highway), and running thence along the Southwesterly line of the
Bayshore Highway South 40° 31' East, 280.25 feet to an iron pipe and, running thence South
51° 55' West, 320 feet to an iron pipe and running thence parallel with the Northeasterly line of
Twenty-eighth Street North 38° 05' West, 220 feet to an iron pipe, and running thence South
51° 55' West, 267 feet to an iron pipe set in the Northeasterly line of Twenty-eighth Street, and
running thence along the Northeasterly line of Twenty-eighth Street, North 38° 05' West, 60
feet to the place of beginning. Being a portion of the Michael Sullivan Tract in 500 acre Lot 26
of the Pueblo Lands of the City of San Jose.

EXCEPTING THEREFROM that certain parcel of land conveyed by Deed from Rolfe A. Folsom
and Doris H. Folsom, his wife, to James J. Morella and Mary Morella, his wife, dated November
12, 1957, and recorded November 18, 1957, in Book 3939 of Official Records, Page 461,
described as follows:

Beginning at the most Easterly corner of that certain 2.387 acre parcel of land conveyed by
Glenwood Lumber Company, a corporation, to Rolfe A. Folsom, by Deed dated October 17,
1944, and recorded October 30, 1944, in Book 1232 of Official Records, Page 60 Santa Clara
County Records; said point of beginning being in the Southwesterly line of the Bayshore
Highway, as said line was established by Deed from Glenwood Lumber Company, a corporation,
to the State of California dated May 3, 1939, and recorded August 25, 1939, in Book 949 of
Official Records, Page 75, Santa Clara County Records; thence from said point of beginning
along with Southeasterly line of said 2.387 acre parcel of land, South 52° 52' 49" West, 147.00
feet; thence at right angles North 37° 07' 11" West, 20.00 feet; thence at right angles and
parallel with said Southeasterly line of said 2.387 acre parcel of land North 52° 52' 49" West,
146.20 feet to the above mentioned Southwesterly line of the Bayshore Highway; thence along
said line South 39° 30' 55" East, 18.90 feet to a California Highway Commission monument;
thence South 37° 07' 12" East, 1.11 feet to the point of beginning. Being a portion of the above
mentioned 2.387 acre parcel of land.

APN: 467-08-004 (portion)
PARCEL FIVE:

Beginning at a point on the Southeasterly line of that certain 2.387 acre parcel of land conveyed by Glenwood Lumber Company, a corporation, to Rolfe A. Folsom, by Deed dated October 17, 1944, and recorded October 30, 1944, in Book 1232 Official Records Page 60 Santa Clara County Records; said point being distant along said Southeasterly line South 52° 52' 49" West, 215.00 feet from an iron pipe at the most Easterly corner of said 2.387 acre parcel of land; thence from said point of beginning and along said Southeasterly line 105.00 feet to an iron pipe; thence South 37° 13' 23" East, 12.00 feet to an iron pipe; thence parallel with said Southeasterly line North 52° 52' 49" East, 104.98 feet to an iron pipe; thence at right angles North 37° 07' 11" West, 12.00 feet to the point of beginning.


APN: 467-08-004 (portion)
**IMPROVEMENTS PERTAINING TO REALTY**  
**195 NORTH 30TH STREET**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Qty.</th>
<th>Description</th>
<th>Salvage Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Thru-wall AC unit, Panasonic, model number not available</td>
<td>$50</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>Lot of electrical for trailer body/breakroom, including conduit run and connection</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>Lot of electrical connection for air compressor, including safety switch, Siemens, 30 amp, 250 volt</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>Lot of electrical and connection for van body/break room, including conduit</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>21</td>
<td>Surveillance cameras thru-out, exterior and interior, including wall mounts and cabling to offices and DVR's</td>
<td>400</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>Lot of electrical installation and connection for air compressor, including safety switch, 30 amp</td>
<td>20</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>Lot of electrical connection and conduit for tool storage shed</td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
<td>I-beam trolleys, 14' long x 6&quot; high, with 2 chain hoists, 1 - manual, 1 - electric, not operable</td>
<td>25</td>
</tr>
<tr>
<td>9</td>
<td>1</td>
<td>Thru-wall AC unit, Frigidaire, model not available</td>
<td>25</td>
</tr>
<tr>
<td>10</td>
<td>1</td>
<td>Lot of electrical connection and conduit run for breakroom van body</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>1</td>
<td>Lot of supplemental electrical and connections in workshop, consisting of: 4 Outlets, 240 volt, including conduit runs to subpanel for FSX units, 1 Safety switch, Square D, 60 amp, 240 VAC, 3-phase, 1 Safety switch, 30 amp, 240</td>
<td>50</td>
</tr>
<tr>
<td>12</td>
<td>1</td>
<td>Lot of electrical for air compressors, including outlet, conduit run and safety switch, Eaton, 60 amp, 600 volt</td>
<td>35</td>
</tr>
<tr>
<td>13</td>
<td>1</td>
<td>Lot of electrical connection and conduit run for modular &quot;Shipping&quot; office</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>1</td>
<td>Lot of installation and setup for 2 above ground 4-post automotive lifts, including floor bolting, pneumatic air and electrical connection</td>
<td>0</td>
</tr>
</tbody>
</table>
### Improvements Pertaining to Realty

**195 North 30th Street**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Qty.</th>
<th>Description</th>
<th>Salvage Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>300</td>
<td>(Estimate) Linear feet of lube process piping, 3/4&quot; diameter, metal, including 6-dispenser hose reels, Roughneck, 20&quot;, including dispenser, digital display</td>
<td>450</td>
</tr>
<tr>
<td>16</td>
<td>1</td>
<td>Lot of data cabling, computer networking and phone cabling for 50 workstations (estimate)</td>
<td>0</td>
</tr>
<tr>
<td>17</td>
<td>1</td>
<td>Alarm system, including control panel, code pads, motion sensors, door contacts, sirens, etc. thru out</td>
<td>0</td>
</tr>
</tbody>
</table>
| 18       | 1    | Overhead bridge crane, 460' long x 61' wide x 40' high span way (estimate), 10" I-beam upright supports, 2-14" I-beam span way supports, including electrical consisting of:  
1. Bridge crane, manufacturer and model not available, 7.5 ton capacity (estimate), operator platform and controls and catwalk  
2. Bridge crane, P&H Pacific Division, Model no. 10088T, 7.5 ton capacity, operator platform and controls and catwalk | 20,000        |
| 19       | 1    | Overhead bridge crane, 560' long x 82' wide x 30' high span way (estimate), 10" I-beam upright supports, 2-14" I-beam span way supports, including electrical consisting of:  
2. Bridge cranes, Whiting, Model no. not available, 10 ton capacity, operator platform and controls and catwalk | 26,000        |

**Total Improvements Pertaining to the Realty**

$47,075
May 28, 2021

Via Email Only via Board Secretary
Valley Transit Authority
Attn: Glenn Hendricks, Chairperson
All Other Board Members
3331 N. First Street
San Jose, CA 95134

Board Secretary
Santa Clara Valley Transportation Authority,
3331 North First Street, Building B, First Floor
San Jose, CA 95134-1906
Email: Board.Secretary@vta.org

NOTICE OF OBJECTIONS AND INTENT TO APPEAR

Re: Property ID No. B4042, San Jose, CA
   APN No: 467-21-024
   Property ID No. B3139, San Jose, CA
   APN No.: 467-21-025
   17 E. Santa Clara Street, San Jose, CA

Dear Board and Board Secretary:

We represent Loida Kirkley, as manager of Downtown SJ Towers, LLC. We are writing regarding Valley Transit Authority’s (VTA) upcoming June 3, 2021 meeting and its Notice of Intention to Adopt a Resolution of Necessity (“NOI”) regarding the above-referenced properties/APNs.

NOTICE OF APPEARANCE

It is the intention of Ms. Kirkley’s counsel, John F Domingue and/or Andrew Faber of Berliner Cohen to appear at this meeting regarding these matters. This notice is given pursuant to the requirements of the NOIs for these matters.

NOTICE OF OBJECTIONS

We understand that the Board will soon be asked to adopt a resolution of necessity to begin eminent domain proceedings to acquire the property located at 17/25 E. Santa Clara Street in San
Jose, California (the “Property”).

To adopt a resolution of necessity the Board must find that the offer required by Government Code Section 7267.2 has been made to the owners. Although an “offer” has been made, this is not a good faith offer that complies with the Government Code, and the Board cannot make the required finding and adopt a resolution of necessity. The purpose of this letter is to put you on notice that unless the Property is properly reappraised, we will vigorously contest the adoption of the resolution of necessity, and, if an eminent domain lawsuit is filed, we will vigorously contest the right of the VTA to take the Property.

If required, we will explain our reasoning in greater detail in opposition to the resolution of necessity. In this letter we would like to briefly explain the problems to acquaint you with why the “offer” that has been made is fatally defective. Although the “offer” is a “lowball” offer, our concern is not simply about valuation, but about the improper methodology that was used to appraise the Property, which did not adequately consider the highest and best use.

What’s Wrong with the “Offer”. The Government Code requires that an offer be made for an amount that the agency “believes to be just compensation” for the Property. It can be no less than the amount of an approved appraisal (but need not be the amount of the appraisal).

The offer must be an offer of fair market value. Fair market value in turn is based upon the concept of “highest and best use” of the land. This is not necessarily the current use because frequently land has a reasonable probability of rezoning or development to a higher use. For example, land may have agricultural or low density zoning but in an urban area may have a reasonable probability of being rezoned for higher-value urban uses.

Often, however, the highest and best use is determined by the actual current general plan designation and by the actual current zoning of the Property. This particular Property is earmarked for very high-density housing—a use that meets the City’s general plan.

The light rail line runs right very close to the Property. As we know, the VTA has a Transit Oriented Development (“TOD”) program (see https://www.vta.org/business-center/transit-oriented-development) which encourages high density urban development, and in particular affording housing which is part of the plan for the Property. The TOD specifically states that the “VTA will provide endorsements and other support as appropriate for affordable housing development applications.”

All around the Property residential and affordable housing developments are occurring. Thus, the Property is clearly a very high density residential or mixed use site. In spite of this obvious highest and best use, the VTA “offer” is millions of dollars below the proper price, and is
actually hundreds of thousands below what our client paid for it. This is a ludicrous position. It does not represent a good faith analysis of the highest and best use of the subject Property.

Why Is there A Need for the Property Now?: Another issue with the proposed action by the VTA is the timing and why this particular Property location is necessary. According to the VTA website for the Phase II Bart Extension (https://www.vta.org/projects/bart-sv/phase-ii), construction on the BART extension spans for another seven years until 2028. This begs the question why the VTA has any necessity for the Property now. We submit that there is no present need. We also question why the VTA would target this particular property when so many others could be more suitable and not compromise much-needed affordable housing. These are issues we plan to raise at the hearing.

Conclusion. This is not just a debate about valuation. The VTA’s “offer” is fundamentally flawed and relies on an indefensible “lowball” analysis. Further, the VTA’s timing is questionable when construction is nowhere to be seen and has a stated window ending in 2028.

I would be happy to supply further information upon request or to meet with you or VTA staff to discuss this matter further.

Very truly yours,

ROSSI DOMINGUE LLP

John F. Domingue, Esq.

JFD/mew

cc: Client
Chair’s Report
Citizens Advisory Committee (CAC) and
2000 Measure A Citizens Watchdog Committee (CWC)

Good evening Chairperson Hendricks, Vice Chair Jones, GM Tran and members of the Board:

- The Committee met on May 12, 2021.

- The CWC reviewed and accepted the compliance audit report on 2000 Measure A revenues and expenditures for the Fiscal Year (FY) 2020 period from our independent compliance auditors, Crowe LLP. I’m pleased to inform you that Crowe issued an unqualified (clean) opinion for FY 2020, making this the 14th consecutive audit that 2000 Measure A received a clean opinion. Their report can be found on the VTA website at www.vta.org/cwc-fy20audit.

- The Watchdog Committee also approved the public hearing notice and publication strategy for the CWC’s public hearing, the results of the independent compliance audit on 2000 Measure A FY 2020 revenues and expenditures, and the Committee's annual report. The hearing notice can be viewed at bit.ly/cwc-fy20hearing.

- The CWC will hold its annual public hearing on 2000 Measure A FY 2020 expenditures on Wednesday, June 9 at 6:00 p.m. via Zoom video and teleconference. I would like to invite the community to provide their input to the Committee at the hearing.

- In other orders of business, the CAC offered suggestions on fine-tuning VTA’s Business Plan Goals but otherwise recommended that the Board approve the draft goals.

- The Committee also reviewed the FY 2022 and 2023 Biennial Budget, which is Regular Agenda Item #7.3 on your agenda tonight.

The next Regular CAC/CWC meeting will be held on Wednesday, June 9th at 4 p.m. The CWC public hearing will be held at 6 p.m. (time certain) *Via teleconference and video conference only*
On Thursday, May 13 the PAC:

- Recommended the VTA Board of Directors approve the Fiscal Years 2022 and 2023 Proposed Congestion Management Program (CMP) Work Program and Biennial Budget. The committee inquired about how Professional and Special Services funding is expended and staff provided a clarification of how these costs are attributed to the budgets for various CMP activities.

- Recommended the VTA Board of Directors approve the Business Plan Goals after a robust discussion. The committee engaged a number of topics included in the Business Plan, such as the need for collaboration with cities to speed up transit, Transient Oriented Development to benefit transit ridership, and more data consistency between jurisdictions.

- Reviewed the Fiscal Years 2022 and 2023 Biennial Budget for the period July 1, 2021 through June 30, 2023. The committee provided feedback on VTA’s revenues, expenses and reserve funds; suggested a balanced budget policy for the agency and supported VTA’s efforts to diversify its funding sources.

- Received a presentation on VTA Zero-Emission Bus Implementation Planning. The committee suggested blending different strategies for acquiring new technologies and looking to peer agencies for lessons learned as they adopt new zero-emission vehicles. The committee also shared concerns about the environmental impact of current hydrogen production methods.

- Recommended approval of the recommended project list for the 2016 Measure B Bicycle and Pedestrian Planning Studies Competitive Grant Program and authorizing the General Manager to execute the necessary agreements to complete these projects.

- Recommended the VTA Board of Directors adopt the Bicycle Superhighway Implementation Plan.

- Received the Sustainability Program’s Fiscal Year 2020 Annual Report.

The next PAC meeting scheduled for Thursday, June 10, 2021 has been canceled.
CINDY CHAVEZ  
Administration & Finance Committee  
Chairperson’s Report  
June 3, 2021

The Administration & Finance Committee met on Thursday, May 20, 2021, via video and teleconference. Chairperson Cindy Chavez, Members Chappie Jones and Sam Liccardo were in attendance.

Meeting highlights:

- The Committee reviewed and recommended Board approval of the following items on tonight’s Consent Agenda:
  - #6.1 – FTA Fiscal Year 2021 Grants.
  - #6.2 – Resolution accepting Safe & Seamless Funds: Bike Locker Upgrade.
  - #6.3 – Tamien Transit-Oriented Development Project – Archaeological Support.
  - #6.4 – Airport Connector Funding Agreement.
  - #6.5 – Fiscal Year 2021 Statement of Revenues and Expenses for the Period Ending March 31, 2021.
  - #6.6 – Rail Grinding Service Contract for Light Rail Tracks.
  - #6.7 – Authorization to Issue a Request for Offer (RFO) at the Gilroy Transit Center for Affordable Housing Development.

- The Committee reviewed and discussed the Biennial Budget for Fiscal Years 2022 and 2023 and forwarded this item to the June 3rd Regular Agenda (Item #7.3).

- The Committee also discussed the Downtown Design Development Framework (DDF) for VTA Block and forwarded this item to the Regular Agenda (Item #7.4).
The Congestion Management Program & Planning Committee met on Thursday, May 20, 2021 via video and teleconference. Chairperson Raul Peralez, Members Carmen Montano and Joe Simitian were in attendance.

Meeting highlights:

➢ The Committee recommended Board approval for Consent Agenda Items #6.8- 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant: FY2020 to FY2021 Program of Projects and #6.9 – FY 2022 & FY 2023 CMP Budget & Work Program.

➢ The Committee reviewed and discussed the Business Plan Goals.

➢ The Committee reviewed and discussed the Design Development Framework (DDF) for the Transit-Oriented Development (TOD) site located on the Block in Downtown San Jose. The Committee recommended Board approval and the items is on tonight’s Regular Agenda (Item #7.4)

➢ The Committee received a presentation on Transit Signal Priority (Consent Item #6.10).

➢ The Committee also received the Sustainability Program’s Fiscal Year 2020 Annual Report.
Rich Constantine  
Safety, Security and Transit Planning & Operations Committee  
Chairperson’s Report  
June 3, 2021

The Safety, Security and Transit Planning and Operations Committee met on Thursday, May 20, 2021 via video and teleconference. Chairperson Rich Constantine and Members Pat Burt, Magdalena Carrasco, and Darcy Paul were in attendance.

Meeting highlights:

- Received a presentation on the 2021 Service Planning Program.

- Received a presentation on VTA Zero-Emission Bus Implementation Planning.

- Received an update on the Downtown San Jose Light Rail Platform.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Interim Chief Financial Officer, Kathleen Kelly

SUBJECT: FTA Fiscal Year 2021 Grants

Policy-Related Action: No
Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to submit Federal Fiscal Year (FFY) 2021 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5337 Fixed Guideway and High Intensity Motorbus, and Section 5339 Bus and Bus Facilities funds.

EXECUTIVE SUMMARY:

- This memorandum requests Board authorization for the General Manager to submit applications for and accept over $73 million in FFY21 grant funding from FTA.
- VTA staff need to submit the grant applications to FTA by June 25, 2021 in order to guarantee approval by the end of FFY21 on September 30, 2021.
- These grants are essential to funding ADA paratransit service and capital state of good repair projects included in the pending 2022 and 2023 VTA Operating and Capital budgets.

STRATEGIC PLAN/GOALS:

This action aligns directly with the goals of VTA’s Strategic Plan Business Line 2: Delivering Projects and Programs as it will result in a significant amount of the funding required to do so.

FISCAL IMPACT:

The grant funding that VTA will secure as a result of this action is incorporated into the proposed FY22 and FY23 Transit Operating and Transit Enterprise Capital budgets.
BACKGROUND:

VTA is an eligible recipient of Federal Transit Administration (FTA) Section 5307, 5337 and 5339 funds. These funds are appropriated by Congress and the President on an annual basis and distributed by US Census Urbanized Area (UZA). At the UZA level, distribution between eligible transit operators is determined by the Metropolitan Planning Organization (MPO). Once the MPO has programmed funds to transit operators, the individual transit operators apply to FTA directly for final approval and fund transfers.

In the nine county San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) is the MPO. MTC has a long-standing process for distributing these funds which is known as the Transit Capital Priorities (TCP) process. The TCP process prioritizes Section 5307, 5337, and 5339 funds for capital rehabilitation and replacement State of Good Repair projects and a limited amount of ADA paratransit operations funding per operator. VTA’s service area covers two UZAs, the San Jose UZA and the Gilroy/Morgan Hill UZA. VTA is the sole eligible recipient for Gilroy/Morgan Hill. Through interagency agreements recognized by MTC, VTA and Caltrain are the sole recipients in the San Jose UZA.

Within the annual apportionments, funding is programmed to Caltrain and VTA based on TCP priorities, needs and other agreements in place in a particular year. VTA’s TCP projects are reviewed by MTC staff for TCP eligibility and priority. The projects discussed in the following section have been reviewed by MTC. VTA has received $60 - $75 million per year from these sources in the recent past.

DISCUSSION:

A summary of VTA’s proposed grant projects for FFY 2021 is provided below. See Table 1 for a complete listing of projects and programmed amounts.

FTA Section 5307 Urbanized Area Formula Grant Program

VTA proposes to use approximately $19 million, the largest amount of Section 5307 funding, for Electric and Hybrid Bus Procurement and approximately $4 million for ADA Operating Set Aside to help meet its paratransit operating needs. The remaining Section 5307 funds will be allocated to projects as listed in the table below.

FTA Section 5337 Fixed Guideway and High Intensity Motorbus Programs

VTA proposes to use approximately $30 million of Section 5337 Fixed Guideway funding for various light rail state of good repair projects. The projects are listed in the table below.

FTA Section 5339 Bus and Bus Facilities Program

VTA proposes to use approximately $3.4 million for hybrid bus replacements under the Section 5339 Bus and Bus Facilities Program.
TABLE 1

**FFY 2021 Federal Transit Grant Program Summary**

<table>
<thead>
<tr>
<th>GRANT PROGRAM</th>
<th>FEDERAL</th>
<th>LOCAL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FTA Section 5307</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hybrid Bus Procurement</td>
<td>$18,945,171</td>
<td>$4,736,293</td>
<td>$23,681,464</td>
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<td>Electric Bus Procurement</td>
<td>240,000</td>
<td>60,000</td>
<td>300,000</td>
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<tr>
<td>ADA Operating Set Aside</td>
<td>4,032,995</td>
<td>1,008,249</td>
<td>5,041,244</td>
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<td>Paratransit Fleet Replacement</td>
<td>5,417,120</td>
<td>1,354,280</td>
<td>6,771,400</td>
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<td>Dntn San Jose Speed Imps</td>
<td>8,480,000</td>
<td>2,120,000</td>
<td>10,600,000</td>
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<td>Bus Charging at Cerone</td>
<td>280,000</td>
<td>70,000</td>
<td>350,000</td>
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<td>HVAC Replacement</td>
<td>1,622,600</td>
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<td>Chaboya Parking Security</td>
<td>480,000</td>
<td>120,000</td>
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<td><strong>Subtotal Section 5307</strong></td>
<td>$39,497,886</td>
<td>$9,874,472</td>
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<td><strong>FTA Section 5337</strong></td>
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<tr>
<td>Ohlone/Chynoweth Interlocking</td>
<td>$2,720,000</td>
<td>$680,000</td>
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<td>Rail Replacement Program</td>
<td>8,592,389</td>
<td>2,148,097</td>
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<td>Bridge and Structures Repair</td>
<td>1,312,000</td>
<td>328,000</td>
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<td>Traction Power Substation #11</td>
<td>7,640,000</td>
<td>1,910,000</td>
<td>9,550,000</td>
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<td>LRV Electronics Replace/Upgrade</td>
<td>6,209,088</td>
<td>1,552,272</td>
<td>7,761,360</td>
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<td>Guadalupe Signal/SCADA Replace</td>
<td>4,140,000</td>
<td>1,035,000</td>
<td>5,175,000</td>
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<tr>
<td>Guadalupe Steam Rack Replace</td>
<td>160,000</td>
<td>40,000</td>
<td>200,000</td>
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<tr>
<td><strong>Subtotal Subsection 5337</strong></td>
<td>$30,773,477</td>
<td>$7,693,369</td>
<td>$38,466,846</td>
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<tr>
<td><strong>FTA Section 5339</strong></td>
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<tr>
<td>Hybrid Bus Procurement</td>
<td>$3,399,087</td>
<td>$849,772</td>
<td>$4,248,859</td>
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<td><strong>FY 2019 FTA Grant Program</strong></td>
<td>$73,670,450</td>
<td>$18,417,613</td>
<td>$92,088,063</td>
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</table>

All matching funds come from VTA’s Transit Enterprise account.

**ALTERNATIVES:**

The projects listed above were identified and evaluated via VTA’s capital planning processes. They are key to maintaining our system in a state of good repair and support VTA’s business goals. All are proposed in VTA’s FY22 and FY23 Transit Fund Capital Budget. However, the VTA Board may select other projects.
CLIMATE IMPACT:

This action will enable VTA to continue providing transit services and advance electrification of the bus fleet. This will ultimately reduce VTA’s greenhouse gas (GHG) production.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration and Finance committee reviewed this item as part of their consent agenda on May 20, 2021. The committee recommended Board approval.

Prepared by: Mike Tasosa
Memo No. 7823
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Chief Planning and Programming Officer, Deborah Dagang

SUBJECT: Resolution Accepting Safe & Seamless Funds: Bike Locker Upgrade

Policy-Related Action: No  Government Code Section 84308 Applies: No

RESOLUTION

RECOMMENDATION:

Adopt the required Resolution of Local Support for VTA's Electronic Bike Locker Upgrade and Replacement project selected for the Safe & Seamless Mobility Quick-Strike Program federal funds.

EXECUTIVE SUMMARY:

• Adoption of the Resolution of Local Support is required by the Metropolitan Transportation Commission (MTC) in order to access Safe & Seamless Mobility Quick-Strike Program funds to be awarded to the VTA Electronic Bike Locker Upgrade and Replacement project.

• With the resolution adopted, the project can be entered into the Transportation Improvement Program for federal approval.

STRATEGIC PLAN/GOALS:

Implementation of this project falls under Business Line 2 of VTA's Strategic Plan: Delivering Projects and Programs. Business Line 2 charges VTA to "Provide a comprehensive line of services, technical support, funding programs, and mobility solutions to the public and Member agencies." In addition, the project helps achieve VTA's Strategic Plan core values of safety, quality, and sustainability.

FISCAL IMPACT:

Adoption of the Resolution of Local Support will not have a direct financial impact.
BACKGROUND:

The Metropolitan Transportation Commission (MTC) released the Safe & Seamless Mobility Quick-Strike Program on February 5, 2021. The program is comprised of several federal funding sources that require a project to be entered into the Transportation Improvement Program (TIP) for federal approval. VTA's Electronic Bike Locker Upgrade and Replacement project was among the county-wide competitive applications submitted. Subsequently, MTC staff advised VTA that the project had been selected for approval by their commission.

DISCUSSION:

VTA's project addresses several of the Safe & Seamless Mobility Quick-Strike Program focus areas: local safe and seamless mobility projects; invest in bicycle/pedestrian safety; improve connections to transit; and implement seamless strategies within a corridor.

The project will provide secure bicycle parking, a critical component for encouraging bicycling, particularly at transit stations by replacing one hundred eighty nine (189) VTA bike lockers with Wi-Fi enabled electronic, on-demand lockers. These upgraded lockers will improve convenience for users and encourage additional cycling to stations. In addition, the project complements Caltrain's ongoing bike locker project.

Among the several requirements for the selected application is the adoption of a Resolution of Local Support by the applicants' governing body. Therefore, staff recommends that the Board of Directors adopt the attached resolution, Attachment A.

ALTERNATIVES:

The Board of Directors may choose not to adopt the Resolution of Local Support and relinquish the Safe & Seamless Mobility Quick-Strike Program funds offered to the project.

CLIMATE IMPACT:

The Electronic Bike Locker Upgrade and Replacement project focuses on access to transit and bicycle infrastructure. These improvements promote transportation alternatives that have a positive impact on climate change.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration & Finance Committee (A & F) reviewed this item as part of their consent agenda at their May 20, 2021 meeting. The committee recommended Board approval.

Prepared by: Lauren Ledbetter
Memo No. 7819

ATTACHMENTS:

- Attach A_7819 (PDF)
Resolution of Local Support
Resolution No. _____

Authorizing the filing of an application for funding assigned to MTC and committing any necessary matching funds and stating assurance to complete the project

WHEREAS, Santa Clara Valley Transportation Authority (herein referred to as APPLICANT) is submitting an application to the Metropolitan Transportation Commission (MTC) for $1,940,060 in funding assigned to MTC for programming discretion, which includes federal funding administered by the Federal Highway Administration (FHWA) and federal or state funding administered by the California Transportation Commission (CTC) such as Surface Transportation Block Grant Program (STP) funding, Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding, Transportation Alternatives (TA) set-aside/Active Transportation Program (ATP) funding, and Regional Transportation Improvement Program (RTIP) funding (herein collectively referred to as REGIONAL DISCRETIONARY FUNDING) for the Electronic Bike Locker Upgrade and Replacement (herein referred to as PROJECT) for the Safe & Seamless Mobility Quick-Strike Program (herein referred to as PROGRAM); and

WHEREAS, the United States Congress from time to time enacts and amends legislation to provide funding for various transportation needs and programs, (collectively, the FEDERAL TRANSPORTATION ACT) including, but not limited to the Surface Transportation Block Grant Program (STP) (23 U.S.C. § 133), the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149) and the Transportation Alternatives (TA) set-aside (23 U.S.C. § 133); and

WHEREAS, state statutes, including California Streets and Highways Code §182.6, §182.7, and §2381(a)(1), and California Government Code §14527, provide various funding programs for the programming discretion of the Metropolitan Planning Organization (MPO) and the Regional Transportation Planning Agency (RTPA); and

WHEREAS, pursuant to the FEDERAL TRANSPORTATION ACT, and any regulations promulgated thereunder, eligible project sponsors wishing to receive federal or state funds for a regionally-significant project shall submit an application first with the appropriate MPO, or RTPA, as applicable, for review and inclusion in the federal Transportation Improvement Program (TIP); and

WHEREAS, MTC is the MPO and RTPA for the nine counties of the San Francisco Bay region; and

WHEREAS, MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of REGIONAL DISCRETIONARY FUNDING; and

WHEREAS, APPLICANT is an eligible sponsor for REGIONAL DISCRETIONARY FUNDING; and

WHEREAS, as part of the application for REGIONAL DISCRETIONARY FUNDING, MTC requires a resolution adopted by the responsible implementing agency stating the following:

- the commitment of any required matching funds; and
- that the sponsor understands that the REGIONAL DISCRETIONARY FUNDING is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with additional REGIONAL DISCRETIONARY FUNDING; and
- that the PROJECT will comply with the procedures, delivery milestones and funding deadlines specified in the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and
• the assurance of the sponsor to complete the PROJECT as described in the application, subject to environmental clearance, and if approved, as included in MTC’s federal Transportation Improvement Program (TIP); and
• that the PROJECT will have adequate staffing resources to deliver and complete the PROJECT within the schedule submitted with the project application; and
• that the PROJECT will comply with all project-specific requirements as set forth in the PROGRAM; and
• that APPLICANT has assigned, and will maintain a single point of contact for all FHWA- and CTC-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency (CMA), MTC, Caltrans, FHWA, and CTC on all communications, inquiries or issues that may arise during the federal programming and delivery process for all FHWA- and CTC-funded transportation and transit projects implemented by APPLICANT; and
• in the case of a transit project, the PROJECT will comply with MTC Resolution No. 3866, revised, which sets forth the requirements of MTC’s Transit Coordination Implementation Plan to more efficiently deliver transit projects in the region; and
• in the case of a highway project, the PROJECT will comply with MTC Resolution No. 4104, which sets forth MTC’s Traffic Operations System (TOS) Policy to install and activate TOS elements on new major freeway projects; and
• in the case of an RTIP project, state law requires PROJECT be included in a local congestion management plan, or be consistent with the capital improvement program adopted pursuant to MTC’s funding agreement with the countywide transportation agency; and

WHEREAS, that APPLICANT is authorized to submit an application for REGIONAL DISCRETIONARY FUNDING for the PROJECT; and

WHEREAS, there is no legal impediment to APPLICANT making applications for the funds; and

WHEREAS, there is no pending or threatened litigation that might in any way adversely affect the proposed PROJECT, or the ability of APPLICANT to deliver such PROJECT; and

WHEREAS, APPLICANT authorizes its Executive Director, General Manager, or designee to execute and file an application with MTC for REGIONAL DISCRETIONARY FUNDING for the PROJECT as referenced in this resolution; and

WHEREAS, MTC requires that a copy of this resolution be transmitted to the MTC in conjunction with the filing of the application.

NOW, THEREFORE, BE IT RESOLVED that the APPLICANT is authorized to execute and file an application for funding for the PROJECT for REGIONAL DISCRETIONARY FUNDING under the FEDERAL TRANSPORTATION ACT or continued funding; and be it further

RESOLVED that APPLICANT will provide any required matching funds; and be it further

RESOLVED that APPLICANT understands that the REGIONAL DISCRETIONARY FUNDING for the project is fixed at the MTC approved programmed amount, and that any cost increases must be funded by the APPLICANT from other funds, and that APPLICANT does not expect any cost increases to be funded with additional REGIONAL DISCRETIONARY FUNDING; and be it further

RESOLVED that APPLICANT understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) and APPLICANT has, and will retain the expertise, knowledge and resources necessary to deliver federally-funded transportation and
transit projects, and has assigned, and will maintain a single point of contact for all FHWA- and CTC-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency (CMA), MTC, Caltrans, FHWA, and CTC on all communications, inquires or issues that may arise during the federal programming and delivery process for all FHWA- and CTC-funded transportation and transit projects implemented by APPLICANT; and be it further

RESOLVED that PROJECT will be implemented as described in the complete application and in this resolution, subject to environmental clearance, and, if approved, for the amount approved by MTC and programmed in the federal TIP; and be it further

RESOLVED that APPLICANT has reviewed the PROJECT and has adequate staffing resources to deliver and complete the PROJECT within the schedule submitted with the project application; and be it further

RESOLVED that PROJECT will comply with the requirements as set forth in MTC programming guidelines and project selection procedures for the PROGRAM; and be it further

RESOLVED that, in the case of a transit project, APPLICANT agrees to comply with the requirements of MTC’s Transit Coordination Implementation Plan as set forth in MTC Resolution No. 3866, revised; and be it further

RESOLVED that, in the case of a highway project, APPLICANT agrees to comply with the requirements of MTC’s Traffic Operations System (TOS) Policy as set forth in MTC Resolution No. 4104; and be it further

RESOLVED that, in the case of an RTIP project, PROJECT is included in a local congestion management plan, or is consistent with the capital improvement program adopted pursuant to MTC’s funding agreement with the countywide transportation agency; and be it further

RESOLVED that APPLICANT is an eligible sponsor of REGIONAL DISCRETIONARY FUNDING funded projects; and be it further

RESOLVED that APPLICANT is authorized to submit an application for REGIONAL DISCRETIONARY FUNDING for the PROJECT; and be it further

RESOLVED that there is no legal impediment to APPLICANT making applications for the funds; and be it further

RESOLVED that there is no pending or threatened litigation that might in any way adversely affect the proposed PROJECT, or the ability of APPLICANT to deliver such PROJECT; and be it further

RESOLVED that APPLICANT authorizes its Executive Director, General Manager, City Manager, or designee to execute and file an application with MTC for REGIONAL DISCRETIONARY FUNDING for the PROJECT as referenced in this resolution; and be it further

RESOLVED that a copy of this resolution will be transmitted to the MTC in conjunction with the filing of the application; and be it further

RESOLVED that the MTC is requested to support the application for the PROJECT described in the resolution, and if approved, to include the PROJECT in MTC’s federal TIP upon submittal by the project sponsor for TIP programming.
PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 3, 2021, by the following vote:

AYES: Directors:

NOES: Directors:

ABSENT: Directors:

Glenn Hendricks, Chairperson
Board of Directors

APPROVED AS TO FORM: ATTEST:

Victor Pappalardo, Senior Assistant Counsel
Santa Clara Valley Transportation Authority

Elaine Baltao, Board Secretary
Santa Clara Valley Transportation Authority
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Chief Engineering & Prog Delivery Officer, Casey Emoto

SUBJECT: Tamien Transit-Oriented Development Project - Archaeological Support Services RFP

Policy-Related Action: No  Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract with Far Western Anthropological Research Group, Inc. (Far Western) in the amount of up to $1,050,000 to conduct archaeological support services for the Tamien Transit-Oriented Development Project (Project) as required by the Cultural Resources Treatment Plan (CRTP) and in accordance with the California Environmental Quality Act (CEQA) document prepared for the Project.

EXECUTIVE SUMMARY:

- The City of San Jose approved an Initial Study/Mitigated Negative Declaration (IS/MND) for the Project in 2020. The environmental document included the preparation and implementation of a CRTP to address cultural resources impacts due to the Project.

- The contract with Far Western will enable VTA to implement the CRTP that is required prior to construction of the Project. Identification of cultural resources and appropriate treatment is the responsibility of VTA pursuant to the Lease Option Agreement with the Tamien developer.

STRATEGIC PLAN/GOALS:

VTA’s Transit Oriented Development (TOD) Program implements key priorities in the Strategic Plan by creating inclusive and sustainable land use development at our station areas. Collaboration with local agencies through the build out of TOD and joint planning initiatives catalyzes additional private investment in Transit Oriented Communities (TOCs) surrounding...
our stations. This promotes greater efficiency in community access and ridership growth for VTA’s transportation network, reduced vehicle miles traveled, and generates new farebox revenue for VTA and fiscal revenues for local agencies. Integrated land use and development of TOD and TOCs systemwide advances faster, frequent, and more reliable transit. The TOD Program is one of the innovative tools VTA utilizes to realize and increase the value of our community’s investment in local transit infrastructure.

FISCAL IMPACT:

The cost for this contract will be funded by the FY2022-FY2023 Transit-Oriented Development Fund Capital Budget, which is pending for the Board’s review and adoption in June 2021.

BACKGROUND:

VTA entered into a binding Lease Option Agreement in 2020 with Urban Co-Tamien, LLC (consisting of Republic Urban Properties and The Core Companies) for the development of the Project. The Project will construct three buildings to provide 569 residential units and 3,000 square feet of either childcare or commercial space, with the residential including 135 units of affordable housing. Construction for the Project is projected to start in early 2022, depending upon final City of San Jose approvals and the developer securing construction financing.

The City of San Jose’s CEQA IS/MND concluded that there are known cultural resources on site; therefore, the adopted CRTP must be implemented prior to construction of the Project. Due to uncertainty over the amount and extent of cultural resources, VTA absorbed the risk to implement the CRTP since the developer would otherwise insist on a risk allowance that would result in higher costs to VTA. The contract will implement the CRTP pursuant to the IS/MND for the Project to handle sensitive cultural materials in accordance with all applicable laws and regulations. The developer cannot proceed with the Project until the CRTP has been adequately implemented.

DISCUSSION:

VTA’s Environmental Programs Office conducted a Request for Proposals for general environmental support services in 2018 (S18027) that resulted in the Board’s approval of an eligible list of on-call consultants to provide various environmental support services. In 2020, VTA conducted a new RFP (S20136) for archaeological support services for the Project soliciting qualified firms from the 2018 on-call list. VTA contacted the three eligible firms to submit proposals.

Two firms submitted proposals: Far Western Anthropological Research Group, Inc. (Far Western) and Albion Environmental. The proposals were reviewed by a VTA staff panel consisting of the TOD Program Manager, a Senior Environmental Planner, and an Environmental Planner III. The review identified Far Western as the best overall proposal based on qualifications of the firm in performing work of a similar nature, staffing and project organization, project understanding, and best value to VTA.

Following Board authorization, VTA would execute a contract with Far Western to conduct the implementation of the CRTP starting in July 2021 prior to construction of the Project. The
contract would terminate in June 2025 to address unexpected subsequent discoveries during construction.

**ALTERNATIVES:**

The Board could direct the General Manager to conduct a new RFP to seek involvement from additional proposers. This could delay construction of the Project and result in a substantial increase in project costs.

**CLIMATE IMPACT:**

The recommended action will have minimal impacts on climate change. This contract involves minimal construction equipment (backhoe and hand excavation) for a short duration. The primary activities involve data collection, data analysis, and report writing.

**BUSINESS DIVERSITY REQUIREMENTS:**

The Office of Business Diversity Programs has established a 22.37% SBE participation goal for this contract. The Contractor and sub-contractor selected are both SBE firms; therefore, this project should be able to achieve almost 100% SBE participation.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration & Finance Committee received this item at their May 20, 2021, meeting as part of the consent agenda and recommended Board approval.

Prepared by: Samantha Mccleary - Sr Environmental Planner
Memo No. 7473

**ATTACHMENTS:**

- S20136 FW - Attachment A - List of Consultant(s) Contractor(s) (PDF)
Attachment A

S20136 Contract
Far Western Anthropological Research Group, Inc. for the Tamien Transit-Oriented Development (TOD) Project For Archaeological Services
List of Consultant(s)/Contractor(s)

<table>
<thead>
<tr>
<th>Firm Name</th>
<th>Name</th>
<th>Role</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Far Western Anthropological Research Group, Inc.</td>
<td>Jeff Rosenthal</td>
<td>Archaeological Data Recovery</td>
<td>Davis, CA</td>
</tr>
<tr>
<td>George Bianchi Construction, Inc. (Subcontractor)</td>
<td>Travis Bianchi</td>
<td>Fencing, Regrading and Soil Compaction</td>
<td>San Jose, CA</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Chief Planning and Programming Officer, Deborah Dagang

SUBJECT: Airport Connector Funding Agreement

Policy-Related Action: No

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager or Designee to execute an inter-agency funding agreement with the City of San Jose in an amount not to exceed $2.5 million to advance project development for and implementation of the San José Mineta APM from the 2000 Measure A Transit Improvement Program Fund Capital Budget.

EXECUTIVE SUMMARY:

- Request to Authorize the General Manager to enter into a funding agreement with the City of San Jose that will allow for Measure A funding to be used to support the project development and implementation of the San Jose Mineta APM project on a reimbursement basis.

- The Measure A funding will be used for consultant support related to the San Jose Mineta APM project.

STRATEGIC PLAN/GOALS:

This will provide funding for a Measure A related project.

FISCAL IMPACT:

The FY 18-19 budget included an allocation of $3 million of 2000 Measure A funding for the San Jose Mineta Airport People Mover (APM), of which $2.934 million has not been expended. The Airport Connector Funding Agreement with the City of San Jose would authorize the expenditure of up to $2.5 million of this allocation on a reimbursement basis.
BACKGROUND:

A grade-separated airport connector from the Mineta San José International Airport (SJC) to local and regional transit has been contemplated since the 1990s. In 2000, Santa Clara County voters approved Measure A which included “connections from Norman Y. Mineta San José International Airport to BART, Caltrain, and the VTA Light Rail.” Since 2000, VTA and the cities of San José and Santa Clara have carried out multiple studies to develop this project, including:

- Automated People Mover Alignment Alternatives Study (2006)
- Rental Car Facility Transportation System Study (2007)
- San José International Airport Automated Transit Network Feasibility Study (2012)
- Automated Guideway Transit Study (2017)

These previous studies evaluated alignments and technologies for a potential SJC connector. The early studies focused on an east to west alignment connecting Santa Clara Caltrain and future BART Station to the Airport and then the Metro Light Rail station on First Street. However, the 2012 and 2017 studies explored both internal circulation and SJC to Diridon Station alignments.

In February 2019, the San José City Council directed city staff to develop a Request for Information (RFI), with input from VTA, the City of Cupertino, and the City of Santa Clara. On July 1, 2019, the City released the RFI for transit solutions on the Diridon-Airport and Diridon-Stevens Creek corridors. The high-level questions asked in the RFI were:

1. Are there new technologies, project delivery, or operating models that can provide grade-separated, high-capacity, high-speed transit?
2. Do these systems have lower construction, operations, and/or maintenance costs than traditional systems?
3. Can these systems be deployed faster than traditional projects?
4. Do these systems have viable financial outlooks?
5. How will these systems be constructed and deliver service on the specified corridors?

Twenty-three responses were received in response to the RFI, of which nineteen were found responsive. The submissions were evaluated across multiple areas including: technological readiness, cost, and financing and delivery.

Proposals included examples of both legacy funding models and innovative funding models. The plurality of proposals suggested a system in which construction would be publicly financed. Several proposals recommended a public-private partnership arrangement between a public entity and the private transit provider in which funding could be leveraged from both sides to provide necessary up-front costs. Two proposals stated they would privately finance the construction and operation of the transit system. One proposal specifically stated that it would charge mileage tolls to fund the proposed system or would sell a monthly subscription.
allowing unlimited use. The financing strategies included in most proposals represented a public-private partnership (P3) with risk borne by the public and typical financing strategies. However, a few included alternative strategies.

In August 2020, city staff brought to San José City Council their findings from the RFI analysis. Staff highlighted five of the twenty-three proposals as being notable and most closely aligned with the RFI’s stated objectives. Council also directed city staff to pursue the development of two parallel paths to move forward an airport connector.

- Develop partnership, project definition, and funding to deliver a publicly funded and operated transit solution,
- Develop the legal and procedural processes to allow for a privately funded and operated transit solution.

The City of San Jose is interested in advancing the project as a Public Private Partnership (P3) to construct and operate an airport connector which would require the commitment of public funds, property, and/or other resources. A competitive process would be required and would consist of a Request for Proposals (RFP). City of San José would continue to lead the next steps of project development in partnership with VTA.

The San Jose Mineta APM is a Measure A eligible project. In June 2016, The VTA Board of Directors reaffirmed their support of this program and approved an additional $3 million in Measure A funding for the San Jose Mineta APM, which brought the total funding for the program up to $5.026 million. $2.092 million has been spent on previous efforts (specifically the 2001 and 2012 studies listed earlier), which leaves a current balance of $2.934 million of Measure A funding in the project. After $2.5 million is allocated to the City of San Jose for the current effort, approximately $434k would be remaining for VTA staff costs related to the project.

Additionally, the City of San Jose has allocated $500k in their current budget to advance this effort.

**DISCUSSION:**

To continue the advancement of this program, The City of San Jose, in partnership with VTA, will be releasing an RFP to design, build, operate, finance, and maintain (DBFOM) an airport connector. It is envisioned that this effort would primarily be paid for through a public-private partnership (P3). However, initial funding will be needed in order to develop the RFP. VTA and the City of San Jose are proposing a funding agreement for up to $2.5 million in Measure A funding to develop the RFP. Approximately $1 million of Measure A funding will be used for the initial RFP development while the remaining $1.5 million is envisioned to be needed for support services during project implementation.

The funding agreement between VTA and the City of San José will detail the work needed to advance the program, specifically the scope and budget of the initial RFP development phase, and the key milestones and decision points leading up to the next phases of work. The work will
be divided into multiple stages, where the results of earlier stages will be taken account to
determine the direction of further stages of work. The terms of the funding agreement will shape
the scope and budget of the second phase of work.

**ALTERNATIVES:**

The Administration & Finance Committee could direct staff to negotiate a more limited
agreement or may choose to reject the recommendation and request further analysis or defer a
decision to another time.

**CLIMATE IMPACT:**

There is no anticipated climate impact as part of this funding agreement.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration & Finance Committee received this item at their May 20, 2021, meeting as
part of the consent agenda and recommended Board approval.

Prepared by: Jason Kim
Memo No. 7795
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Interim Chief Financial Officer, Kathleen Kelly

SUBJECT: Fiscal Year 2021 Statement of Revenues and Expenses for the Period Ending March 31, 2021

Policy-Related Action: No

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Review and accept the Fiscal Year 2021 Statement of Revenues and Expenses for the period ending March 31, 2021.

EXECUTIVE SUMMARY:

- Reports on the main categories of revenues and expenses in the VTA operating budget.
- Discusses significant items and trends in the reporting period.
- In FY 2021 through March 31, 2021, Total Revenues were $332.8M and Total Expenses were $346.6M, resulting in a negative Operating Balance of $13.8M. The negative operating balance, if any, will be bridged at the end of the fiscal year by utilizing CARES Act Funding that VTA has received.

STRATEGIC PLAN/GOALS:

The Statement of Revenues and Expenses aligns with VTA’s Strategic Plan Business Line 2: Delivering Projects and Programs. The Statement reports on the VTA operating budget and discusses significant items and trends in the reporting period.

FISCAL IMPACT:

There is no direct fiscal impact as a result of this action.
BACKGROUND:

The Statement of Revenues and Expenses is scheduled on a quarterly basis in the VTA fiscal year for review and acceptance by the Board.

DISCUSSION:

This memorandum provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through December 31, 2020. The schedule has been designed to follow the same agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide an easy comparison of actual to budget activities for the fiscal year, along with columns reflecting the dollar and percentage variances from budget.

The following are highlights of the current Statement of Revenues and Expenses:

**Revenues**

In Fiscal Year 2021 through March 31, 2021, Total Revenues (line 14) are $42.3M lower than budget estimates. Total Revenues do not include the receipt of $68.6M in CARES Act Funding and $2.6M in additional ADA Funding. Unfavorable variances are largely attributed to Fares-Transit (line 1), Fares-Paratransit (line 2), the Sales Tax based accounts of 1976 Half-Cent Sales Tax (line 3) and Measure A Sales Tax Operating Assistance (line 5), State Transit Assistance (STA) (line 7), Advertising Income (line 11), and Other Income (line 13). These unfavorable variances are partially offset by a favorable variance primarily attributed to Transportation Development Act (TDA) (line 4).

Fares-Transit (line 1) and Fares-Paratransit (line 2) show a combined negative variance of $19.5M due to fares not being collected in July 2020, the recent pause in fare collection between February 8th through March 31st of 2021, and the impacts of the COVID-19 pandemic.

The revenues for Sales Tax based accounts, consisting of 1976 Half-Cent Sales Tax (line 3) and Measure A Sales Tax Operating Assistance (line 5), accounts for a combined negative variance of $13.1M. The revenues for 1976 Half-Cent Sales Tax and Measure A Sales Tax Operating Assistance are currently based on actuals for 1st Quarter and 2nd Quarter receipts in FY 2021 and accrual estimates for 3rd Quarter receipts. Their final 3rd Quarter receipts for FY 2021 are anticipated in late May 2021.

TDA (line 4) reflects a positive variance of $5.8M and consists of accrual estimates through the 3rd Quarter.

STA (line 7) includes a carryover of $3.9M from June 2020 and overall reflects an unfavorable variance of $12.3M due to a reduction of the underlying fund sources in the funding from the Metropolitan Transportation Commission (MTC).

Advertising Income (line 11) has an unfavorable negative variance of $1.2M primarily due to lower than anticipated advertising sales.

Other Income (line 13) reflects an unfavorable variance of $1.2M primarily due to lower than
anticipated revenues at BART Phase 1 parking and for construction access permit fees.

**Expenses**

In Fiscal Year 2021 through March 31, 2021, Total Expenses (line 44) were $33.6M under budget driven primarily by favorable variances in Labor Costs (line 15), Materials & Supplies (line 16), Fuel (line 20), and Paratransit (line 33). These favorable variances were partially offset by unfavorable variances in Security (line 17), Traction Power (line 21), and Reimbursements (line 31).

Labor Costs (line 15) shows a positive variance of $22.0M primarily due to staff vacancies.

Materials & Supplies (line 16) reflects a favorable variance of $7.4M due to the delayed need for hybrid battery replacements, the timing of mid-life overhauls for Light Rail Vehicle Maintenance, and fewer parts issued as VTA reprioritized to focus on the impacts of the COVID-19 pandemic. This variance was mitigated by additional materials and supplies procured to address such impacts.

Security (line 17) has an unfavorable negative variance of $1.6M due to new contracts executed and higher than anticipated costs.

Fuel (line 20) shows a favorable variance of $3.9M as the price and usage of fuel were less than budgeted.

Traction Power (line 21) reflects an unfavorable negative variance of $1.0M as the price of power and its distribution cost were more than budgeted.

Reimbursements (line 31) reflect an unfavorable negative variance of $5.2M primarily due to fewer maintenance reimbursements.

Paratransit (line 33) has a favorable variance of $6.2M primarily due to lower revenue hours, maintenance costs and supplemental services, as a result of the COVID-19 Shelter-in-Place order since mid-March 2020.

**SUMMARY:**

Through the first nine months of Fiscal Year 2021, revenues were $42.3M under budget and expenses were $33.6M below under budget, for an overall negative variance of revenues over expenses (line 45) of $8.7M.

**CLIMATE IMPACT:**

This recommended action will have no climate impact.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration & Finance Committee received this item at their May 20, 2021, meeting as part of the consent agenda and recommended Board approval.
Prepared by: Suet Nguyen
Memo No. 7448

ATTACHMENTS:
- FY21 Q3 Rev Exp Attachment (PDF)
- Presentation - Rev & Expenses (PDF)
- 7448 Bd FY2021 Q3 Pres - 202106 (PDF)
### SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

#### STATEMENT OF REVENUES AND EXPENSES

**Fiscal Year 2021**

**through March 31, 2021**

*(Dollars in Thousands)*

<table>
<thead>
<tr>
<th>Category</th>
<th>Fiscal Year to Date</th>
<th>YTD Variance</th>
<th>% Variance</th>
<th>FY 2021 Current Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Fares-Transit</td>
<td>9,161</td>
<td>27,384</td>
<td>(18,223)</td>
<td>-66.5%</td>
</tr>
<tr>
<td>2 Fares-Paratransit</td>
<td>315</td>
<td>1,612</td>
<td>(1,297)</td>
<td>-80.5%</td>
</tr>
<tr>
<td>3 Sales Tax Revenue</td>
<td>159,839</td>
<td>170,686</td>
<td>(10,847)</td>
<td>-6.4%</td>
</tr>
<tr>
<td>4 TDA</td>
<td>86,019</td>
<td>80,222</td>
<td>5,797</td>
<td>7.2%</td>
</tr>
<tr>
<td>5 Measure A Sales Tax-Oper. Asst.</td>
<td>33,161</td>
<td>35,417</td>
<td>(2,256)</td>
<td>-6.4%</td>
</tr>
<tr>
<td>6 2016 Measure B - Transit OPS</td>
<td>10,872</td>
<td>10,874</td>
<td>(2)</td>
<td>0.0%</td>
</tr>
<tr>
<td>7 STA</td>
<td>18,083</td>
<td>30,402</td>
<td>(12,319)</td>
<td>-40.5%</td>
</tr>
<tr>
<td>8 Federal Operating Grants</td>
<td>3,699</td>
<td>3,593</td>
<td>106</td>
<td>3.0%</td>
</tr>
<tr>
<td>9 State Operating Grants</td>
<td>880</td>
<td>1,686</td>
<td>(788)</td>
<td>-47.2%</td>
</tr>
<tr>
<td>10 Investment Earnings</td>
<td>3,360</td>
<td>3,402</td>
<td>(42)</td>
<td>-1.2%</td>
</tr>
<tr>
<td>11 Advertising Income</td>
<td>1,349</td>
<td>2,591</td>
<td>(1,242)</td>
<td>-47.9%</td>
</tr>
<tr>
<td>12 Measure A Repayment Obligation</td>
<td>3,247</td>
<td>3,213</td>
<td>34</td>
<td>1.1%</td>
</tr>
<tr>
<td>13 Other Income</td>
<td>2,805</td>
<td>4,034</td>
<td>(1,229)</td>
<td>-30.5%</td>
</tr>
<tr>
<td>14 Total Revenue</td>
<td>332,791</td>
<td>375,098</td>
<td>(42,307)</td>
<td>-11.3%</td>
</tr>
<tr>
<td>15 Labor Costs</td>
<td>247,911</td>
<td>269,894</td>
<td>21,983</td>
<td>8.1%</td>
</tr>
<tr>
<td>16 Materials &amp; Supplies</td>
<td>16,089</td>
<td>23,474</td>
<td>7,385</td>
<td>31.5%</td>
</tr>
<tr>
<td>17 Security</td>
<td>14,677</td>
<td>13,056</td>
<td>(1,621)</td>
<td>-12.4%</td>
</tr>
<tr>
<td>18 Professional &amp; Special Services</td>
<td>3,260</td>
<td>4,957</td>
<td>1,697</td>
<td>34.2%</td>
</tr>
<tr>
<td>19 Other Services</td>
<td>9,703</td>
<td>8,378</td>
<td>(1,325)</td>
<td>-15.8%</td>
</tr>
<tr>
<td>20 Fuel</td>
<td>4,128</td>
<td>8,022</td>
<td>3,894</td>
<td>48.5%</td>
</tr>
<tr>
<td>21 Traction Power</td>
<td>4,932</td>
<td>3,914</td>
<td>(1,018)</td>
<td>-26.0%</td>
</tr>
<tr>
<td>22 Tires</td>
<td>1,110</td>
<td>1,230</td>
<td>120</td>
<td>9.7%</td>
</tr>
<tr>
<td>23 Utilities</td>
<td>2,840</td>
<td>3,242</td>
<td>402</td>
<td>12.4%</td>
</tr>
<tr>
<td>24 Insurance</td>
<td>5,997</td>
<td>5,922</td>
<td>75</td>
<td>-1.3%</td>
</tr>
<tr>
<td>25 Data Processing</td>
<td>4,786</td>
<td>5,025</td>
<td>239</td>
<td>4.8%</td>
</tr>
<tr>
<td>26 Office Expense</td>
<td>182</td>
<td>251</td>
<td>69</td>
<td>27.4%</td>
</tr>
<tr>
<td>27 Communications</td>
<td>1,209</td>
<td>1,364</td>
<td>155</td>
<td>11.4%</td>
</tr>
<tr>
<td>28 Employee Related Expense</td>
<td>796</td>
<td>947</td>
<td>151</td>
<td>16.0%</td>
</tr>
<tr>
<td>29 Leases &amp; Rents</td>
<td>633</td>
<td>507</td>
<td>(126)</td>
<td>-24.9%</td>
</tr>
<tr>
<td>30 Miscellaneous</td>
<td>659</td>
<td>843</td>
<td>184</td>
<td>21.9%</td>
</tr>
<tr>
<td>31 Reimbursements</td>
<td>(30,678)</td>
<td>(35,894)</td>
<td>(5,216)</td>
<td>-14.5%</td>
</tr>
<tr>
<td>32 Subtotal Operating Expense</td>
<td>288,235</td>
<td>315,132</td>
<td>26,897</td>
<td>8.5%</td>
</tr>
<tr>
<td>33 Paratransit</td>
<td>14,824</td>
<td>21,071</td>
<td>6,247</td>
<td>29.6%</td>
</tr>
<tr>
<td>34 Caltrain</td>
<td>8,100</td>
<td>8,099</td>
<td>(1)</td>
<td>0.0%</td>
</tr>
<tr>
<td>35 Altamont Corridor Express</td>
<td>4,237</td>
<td>4,329</td>
<td>92</td>
<td>2.1%</td>
</tr>
<tr>
<td>36 Highway 17 Express</td>
<td>300</td>
<td>300</td>
<td>(0)</td>
<td>0.0%</td>
</tr>
<tr>
<td>37 Monterey-San Jose Express Service</td>
<td>0</td>
<td>26</td>
<td>26</td>
<td>100.0%</td>
</tr>
<tr>
<td>38 Contribution to Other Agencies</td>
<td>499</td>
<td>890</td>
<td>391</td>
<td>43.9%</td>
</tr>
<tr>
<td>39 Debt Service</td>
<td>4,114</td>
<td>4,081</td>
<td>(33)</td>
<td>-0.8%</td>
</tr>
<tr>
<td>40 Subtotal Other Expense</td>
<td>32,074</td>
<td>38,796</td>
<td>6,722</td>
<td>17.3%</td>
</tr>
<tr>
<td>41 Operating &amp; Other Expenses</td>
<td>320,308</td>
<td>353,928</td>
<td>33,620</td>
<td>9.5%</td>
</tr>
<tr>
<td>42 Transfer to Capital Reserve</td>
<td>26,250</td>
<td>26,250</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>43 Contingency</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>44 Total Expenses</td>
<td>346,558</td>
<td>380,178</td>
<td>33,620</td>
<td>8.8%</td>
</tr>
<tr>
<td>45 Operating Balance</td>
<td>(13,767)</td>
<td>(5,080)</td>
<td>(8,687)</td>
<td>(11,381)</td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding.

1 Reflects Adopted Budget approved by the Board on June 6, 2019 and augmentation approved on November 7, 2019

2 Reflects the exclusion of CARES Act Funding received and additional ADA funding
Board of Directors Meeting

Action Item:
FY2021 Statement of Revenues and Expenses for the Period Ending March 31, 2021

June 3, 2021
## FY2021 Q3 Statement of Revenues and Expenses - Summary

### Total Revenues (dollars in thousands)

<table>
<thead>
<tr>
<th>Categories</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance (Actual-Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fare Revenues</td>
<td>$9,476</td>
<td>$28,996</td>
<td>($19,520)</td>
</tr>
<tr>
<td>Sales Tax Related Revenues</td>
<td>$305,719</td>
<td>$327,601</td>
<td>($21,882)</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>$15,340</td>
<td>$18,501</td>
<td>($3,161)</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>$330,535</strong></td>
<td><strong>$375,098</strong></td>
<td><strong>($44,563)</strong></td>
</tr>
</tbody>
</table>

### Total Expenses (dollars in thousands)

<table>
<thead>
<tr>
<th>Categories</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance (Budget-Actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expense - Labor</td>
<td>$247,911</td>
<td>$269,894</td>
<td>$21,983</td>
</tr>
<tr>
<td>Operating Expense - Non-Labor</td>
<td>$40,324</td>
<td>$45,238</td>
<td>$4,914</td>
</tr>
<tr>
<td>Other Expenses &amp; Transfers</td>
<td>$58,324</td>
<td>$65,046</td>
<td>$6,722</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$346,558</strong></td>
<td><strong>$380,178</strong></td>
<td><strong>$33,620</strong></td>
</tr>
</tbody>
</table>

### Operating Balance (dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance (Actual-Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Balance</td>
<td>($16,023)</td>
<td>($5,080)</td>
<td>($10,943)</td>
</tr>
</tbody>
</table>

**Notes:**
1) Sales Tax Related Revenues include the actual local sales tax revenues of Q1 through Q3 from CDTFA. The figure reported at the A&F Committee on May 20 is based on Q1 & Q2 actual and Q3 accrual estimates.
2) Any negative operating balance at the end of FY2021 will be bridged by the CARES Act Funding available.
Summary

**Recommendation:** Review and accept the Fiscal Year 2021 Statement of Revenues and Expenses for the period ending March 31, 2021.

- The Statement is unaudited and subject to change based on fiscal year-end audit results.
- Sales Tax Related Revenues have been updated since the A&F Committee Meeting on May 20 to include actual revenues through Q3.
- At the end of March 2021, Actual Revenues for the fiscal year totaled $330.5M, and Actual Expenses totaled $346.5M, resulting in a negative Operating Balance of $16.0M.
- The latest projection of FY2021 revenues and expenses will be presented later in this Board meeting, as agenda item 7.2.
- Any negative operating balance at the end of FY2021 will be bridged by the CARES Act Funding available.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority  
    Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Chief Operating Officer, David Hill

SUBJECT: Rail Grinding Service Contract for Light Rail Tracks

Policy-Related Action: No  
Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract with Loram Maintenance of Way, Inc for $2,800,000.00 to provide rail grinding services for five years, with an option of two additional years.

EXECUTIVE SUMMARY:

• Rail grinding prolongs rail life by removing surface defects, mitigates noise, and reshapes rail head to the desired profile.

• Rail grinding helps VTA staff maintain track more efficiently to the Federal Railroad Administration (FRA) standards

• Rail grinding improves steering through curves and reduces dynamic instability.

STRATEGIC PLAN/GOALS:

VTA’s goal is to continue to maintain VTA’s light rail track to stay compliant with Code of Federal Regulations, CFR Title 49 Part 213 Track Safety Standards and avoid penalties for non-conformance.

FISCAL IMPACT:

This action will authorize a five-year contract, with an option of two additional years, of up to $2,800,000 for provision of rail grinding services. Appropriation for this contract is included in
the Adopted VTA Transit Fund Operating Budgets. Appropriation for the remainder of the contract period will be included in subsequent Biennial Operating Budget requests.

**BACKGROUND:**

VTA operates light rail on approximately 83 miles of track. Since VTA owns the track infrastructure, it is VTA’s responsibility to inspect, repair and maintain the track infrastructure to comply with Code of Federal Regulations, CFR Title 49 Part 213 Track Safety Standards. Welding and grinding of rails are part of routine track maintenance. VTA’s Track Maintenance Procedure MTN-PR-6413, Electric Arc Welding of Rail and Castings, covers grinding requirements.

**DISCUSSION:**

A comprehensive Rail Grinding Program is critical to maintain the rail shape to a desired profile. It helps prolong the life of rail by reducing wear and surface defects that are part of the rolling contact fatigue. Periodic rail grinding has been helped VTA reduce track noise and thus minimize public complaints. The scope of services includes performing a pre-grind survey, provide rail grinding and preparing a post grind survey report to ensure the desired profile is achieved.

IFB M20117 was issued on February 3, 2021 and two bids were received. Loram Maintenance of Way, Inc. was the only other bidder that was found to be responsive.

The rail grinding is an important part of VTA’s overall track maintenance program that helps VTA stay compliant to the FRA standards, repair rail surface defects and minimize public complaints by reducing noise.

**ALTERNATIVES:**

Routine grinding of rail is a normal railway and transit industry practice and plays a critical role in keeping rail shape to the desired profile to improve safety, in reducing noise and repairing defects to comply with FRA regulations. Non-compliance could result in Civil penalties for VTA as the owner and poses a safety risk due to a deferred maintenance of a critical structural component.

**CLIMATE IMPACT:**

VTA’s goal is to continue to control noise pollution and stay compliant with CFR Title 49 Part 213 Track Safety Standards and avoid penalties for non-conformance.

**BUSINESS DIVERSITY REQUIREMENTS:**

After a thorough review of this procurement, the Office of Business Diversity Programs (OBDP) has determined that there are no subcontracting opportunities and assigned “No Specific Goal” for this Contract. The Consultant is aware that if any subcontracting opportunities arise throughout the duration of this contract, they will make every effort to utilize a Small Business Enterprise to assist VTA in achieving our overall 19% SBE Goal.
STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration & Finance Committee received this item at their May 20, 2021, meeting as part of the consent agenda and recommended Board approval.

Prepared by: Manjit Khalsa
Memo No. 7800

ATTACHMENTS:

- Attachment A Memo#7800 Rail Grinding Contract (PDF)
### List of Contractor(s)

<table>
<thead>
<tr>
<th>Firm Name</th>
<th>Name</th>
<th>Role</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loram Maintenance of Way, Inc.</td>
<td>Tyson K. Brownlee</td>
<td>Regional Sales Manager (Rail Grinding)</td>
<td>3900 Arrowhead Drive, Hamel, Minnesota 55340 (612) 280-9443 <a href="mailto:Tyson.K.Brownlee@Loram.com">Tyson.K.Brownlee@Loram.com</a></td>
</tr>
<tr>
<td>Advanced Rail Management Corporation</td>
<td>Gordon Bachinsky</td>
<td>President (Pre-Grind Inspection, Grind Planning, Quality, and Post Grind Reporting)</td>
<td>507 Latania Palm Drive Indialantic, FL, 32903 (321) 984-1474 <a href="mailto:gbachinsky@arm-corp.com">gbachinsky@arm-corp.com</a> <a href="http://www.arm-corp.com">www.arm-corp.com</a></td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Interim Chief Financial Officer, Kathleen Kelly

SUBJECT: Authorization to Issue a Request for Offer (RFO) at the Gilroy Transit Center for Affordable Housing Development

Policy-Related Action: Yes

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to issue a competitive Request for Offer (RFO) for the Gilroy Transit Center Affordable Housing Project in conjunction with the Santa Clara County Office of Supportive Housing (OSH) pursuant to the Santa Clara Valley Transportation Authority (VTA) - OSH Cost-Sharing Agreement for County Measure A-Funded Transit-Oriented Development (TOD).

EXECUTIVE SUMMARY:

- The RFO (OSH equivalent to a developer Request for Proposals) will seek competitive proposals to design, finance, build and operate a 100% Affordable Rental Housing Transit-Oriented Development (TOD), consistent with VTA’s Affordable Housing Policy and the City of Gilroy’s General Plan/Downtown Specific Plan, pursuant to a long-term ground lease from VTA.

- VTA and OSH staff will jointly evaluate proposals and submit a recommendation for award of an Exclusive Negotiations Agreement for approval by the VTA Board of Directors and the County Board of Supervisors. The offering and subsequent work on the development project will be implemented in accordance with the VTA and County Cost-Sharing Agreement dated November 14, 2020, with final approval of a proposed Lease Option Agreement by the VTA Board of Directors and the County Board of Supervisors.

- The development project will create 110-150 affording rental housing units serving a mix of
households in three income tiers: those earning 30% of Area Median Income (AMI) or below, those earning 50% AMI or below, and those earning 80% AMI or below.

STRATEGIC PLAN/GOALS:

VTA TOD Projects significantly advance all three Business Lines in VTA’s Strategic Plan through growth in ridership and farebox revenues that support increased transit service and generate funding for operations and capital improvements to sustain enhanced service. TOD projects are integrated with VTA’s multimodal projects, including Complete Streets and the Bicycle Program. TOD projects fundamentally advance better integration of land use and transit and help steer growth in the region to transit corridors, sustaining and increasing transit service, while reducing traffic congestion and increased Vehicles Miles Traveled (VMT), and Greenhouse Gases (GHG) that would otherwise result.

FISCAL IMPACT:

There is no direct fiscal impact associated with approving the RFO. The VTA-OSH Cost Sharing Agreement covers all pre-development expenses. Future ground lease payments will result in increased operating revenue to VTA's Transit-Oriented Development Fund.

BACKGROUND:

The Gilroy Transit Center, located between 7th and 9th Street in Downtown Gilroy, California, currently provides Caltrain service along with VTA bus services and a park-and-ride lot. VTA owns an approximately 7.8 acre site on the west side of the tracks, including the historic train depot leased to the City. To the west of the tracks, the California High Speed Rail Authority (CHSRA) plans to construct several parking lots and an entry plaza to its future rail station and platforms. The Salinas-Gilroy light rail line, currently being planned by the Transportation Authority of Monterey County (TAMC), will also terminate at this station. When all of the rail transit system improvements are completed, the Gilroy Transit Center will become a key transportation hub serving South County providing rail/bus connections in all directions. An aerial map of the VTA site and surrounding area is shown in an Attachment A to this memorandum.

In November 2020, VTA and OSH signed a Cost-Sharing Agreement, which outlined a partnership to develop affordable housing projects on four VTA-owned sites: Gilroy Transit Center, Branham Station, Capitol Station, and the Berryessa BART Station. This innovative agreement describes how VTA will contribute its land, OSH will contribute its Measure A housing funding (including cost-reimbursement for VTA’s pre-development vendors), and together the two agencies will conduct outreach, solicit developers, issue a RFO, select a development partner, negotiate long-term ground leases, and oversee development of 100% affordable housing projects. The four sites will serve to further VTA’s Affordable Housing Policy, which seeks to develop 35% of its residential TOD as affordable housing targeting 60% AMI households or below.

DISCUSSION:

Staff has conducted an extensive preliminary public engagement with stakeholder and elected
briefings, and a series of two community visioning meetings held in March and April, 2021. The first meeting, conducted separately in both English and Spanish, had a combined attendance of nearly 200 people. The follow-up meeting conducted in both languages had strong participation from over 80 attendees.

The community engagement met with generally positive feedback, with support for much-needed affordable housing at this location, along with interest in public benefits including open/recreation space, childcare, public art, and connections to revitalize Downtown. The participants also requested retention of sufficient parking to serve transit riders.

Several illustrative concept plans for the Phase I Affordable Housing Project, and potential future Phase II TOD for the remaining VTA land, are included in Attachment B to this memorandum.

In addition to community outreach, VTA staff conducted coordination meetings with the California High Speed Rail Authority, Caltrain, and TAMC to coordinate the timing and space needs for track expansion projects, parking phasing, and related site improvements by these other transit agencies.

ALTERNATIVES:

The VTA Board of Directors can provide alternative guidance for the RFO.

CLIMATE IMPACT:

The Affordable Housing TOD Project will provide net positive climate impacts by facilitating working families access to transit and affordable option to live near their local workplaces. TOD projects advance reduction of traffic congestion and Vehicles Mile Traveled (VMT).

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration & Finance Committee, at its regular meeting of May 20, 2021, unanimously approved the staff recommendation to the Board of Directors to approve a Request for Offers for a Gilroy Caltrain Station TOD Project. Mayor Blankley of Gilroy expressed her appreciation for staff’s addition of the goal for the project to replace on a 1:1 basis all displaced transit parking spaces.

Prepared by: Ron Golem & Jessie O'Malley Solis
Memo No. 7563

ATTACHMENTS:
- Attachment A Site Map (PDF)
- Attachment B Illustrative Development Concepts (PDF)
- Gilroy RFO PPT - June BD (PDF)
- 13_public comment (PDF)
- Public Comment (PDF)
Attachment B: Illustrative Development Concepts

Concept 1

Concept 2
Gilroy Transit Center Authorization to Issue a Request for Offer (RFO) for an Affordable Housing Development

Board of Directors Meeting
June 3, 2021
VTA – Santa Clara County OSH Partnership

- County-VTA partnership advances both agencies’ affordable housing goals
- County-VTA signed MOU agreement in late 2020
- VTA will contribute land and TOD staff
- SCC will contribute Measure A funds
- Authorizes TOD work on 4 sites:
  - Gilroy
  - Berryessa
  - Branham
  - Capitol
Community Outreach

- Extensive stakeholder outreach and public engagement in collaboration with City of Gilroy
  - 3 community visioning meetings in February and April 2021 in English and Spanish
  - 320 participants
- Positive community feedback
- Parking and massing concerns
General Concept Plans

Concept 1

- Future Mixed Use/Residential TOD
- Open Space
- Bus Stops Pick-Up/Drop-Off
- Existing Station Building
- Emergency vehicle access and buffer

Concept 2

- Future Mixed Use/Residential TOD
- Open Space
- Bus stops along curb
- Historic Station Relocation Option A
- Emergency vehicle access and buffer

New parking for transit across the tracks

Affordable Housing Project
Future Transit Infrastructure: TAMC, JPB, HSR
• VTA and the County will jointly issue a Request for Offer (RFO) to seek competitive proposals
  • The RFO will be issued to the County’s list of qualified developers
    • This includes 12 affordable developers active in the region
    • Project will target three income tiers required by Measure A
      • 1/3 up to 30% AMI, 1/3 up to 50% AMI, 1/3 up to 80% AMI
    • The project goal is 1:1 transit replacement parking
• VTA and OSH staff will jointly evaluate proposals and submit a recommendation for an award of an ENA for approval by the VTA and County boards
Authorize the GM to issue a competitive Request for Offer (RFO) for the Gilroy Transit Center Affordable Housing Project in conjunction with the Santa Clara County Office of Supportive Housing (OSH) pursuant to the VTA-OSH Cost Sharing Agreement for County Measure A Funded Transit Oriented Development (TOD)
May 14, 2021

The Honorable VTA Chair & Board Members
3331 North First Street
San Jose, CA, 95134

Re: Support for a TOD Development in Gilroy

Dear VTA Chair & Board,

I write on behalf of my Gilroy City Council Member Office, in support of VTA’s TOD Development in Gilroy and in response to a recent letter to you from Gilroy Growing Smarter.

1. Downtown Gilroy is the urban core of Gilroy (Leavesley Rd to Luchessa Ave along Monterey Rd) and is ~2 miles long. There is a mix of residential all along this core and in all different forms. The VTA TOD site has within walking distance single family homes, multi-family, and mixed use residential. Our recently adopted Interim Objective Design Standards (with the full adoption coming later this year) will prevent a building looking like Alexander Station. Gilroy had the option to create these standards prior to Alexander Station under SB 35, but never took advantage of that. Our needs to build more high-density housing is here now, will be a part of the future housing needs of our community, and especially needed when built around transit. When ~88% of our land is zoned for single family homes, we don’t have many options but to go higher. With the recent adoption of our City’s General Plan 2040, we as a community called for bold actions that include providing high density housing options, affordable housing for all, and continuing to promote cleaner modes of transportation. We encourage existing and proposed development to incorporate Transportation Demand Management measures such as car-sharing, transit passes, and unbundling of parking (requiring separate purchase or lease of a parking space) where such measures will result in a reduction in vehicle miles traveled, reduction of required amount of parking or an increase in the use of alternate transportation modes. We have planned for projects like this and have the resources in 2021 to make them successful.

2. The parking lot has already been shown to be underutilized and VTA states that you will gain more ridership for transit through TOD. Parking lots, especially empty ones do nothing for Gilroy to be able to maximize our collection of property taxes and a TOD mixed-use project will generate significant property and sales tax. When transit riders shift their modes to getting to transit to walk/bike/ride-share/carpool/transit, you get more that will hang out in Downtown before and after their commutes. The addition of high density residential brings customers to our Downtown.
3. Our next RHNA cycle is 2023-2031. That housing element is currently being worked on by city staff and is due January 1, 2023. This projects timeline shows that if constructed it will be in that next RHNA cycle where we will be required to build more housing than in the current cycle.

4. Projects that are transit-oriented allow people to live and work near public transportation, which helps clear the air, ease traffic, and adds infrastructure investments to the community. We are creating more walkable/bikeable places to live that don't require you to own a car and providing much needed housing for our graduating high school seniors, teachers, city employees other than managers/directors, and college grads to come home to. This site already has families, children, young, and old living around it. Sumano's Bakery is moving its operations next door and that project will create needed jobs for many that live in affordable housing. Sumano's Bakery redevelopment of an existing under-utilized commercial site will enhance the area. Further, the commercial bakery which includes an inviting storefront that adds to the diversity of business in the downtown by providing another location for residents to walk or bike as well as the ability to buy high quality bread locally.

6. The City Council has made a bold statement in our strategic goals that we are committed to safe and affordable housing for all Gilroy residents and followed that up with a multi-year contract with HouseKeys to manage our below market rate housing units. HouseKeys will play a key role in advising city hall on programs and policies that we can implement to further strengthen our below market housing portfolio. HouseKeys will be working with all of our BMR projects to ensure lease compliance, safety for the residents, management responsibilities and more. The city can back all that up with code enforcement and adding conditions of approval. We can no longer just build and then walk away; we have to play an active role and we just committed ourselves to that.

Lastly, we are actively embracing, advancing ideas, and projects that promote the concept of free-range people in the City of Gilroy. We advocate for building and planning that considers future generations as well as current residents who don’t own cars. Advancing mobility options reflects what we are teaching the youth in our community through Safe Routes to School and why we are nationally recognized as a Bicycle Friendly Community from the League of American Bicyclists, as well as recognized by the World Health Organization as an Age-Friendly Community.

Sincerely,

Zach Hilton
Gilroy City Council Member
www.zachhilton.com
#HiltonForCouncil @zachhilton_ca
From the office of

**Gilroy**

**Mayor** Marie Blankley, CPA

June 1, 2021

VTA Board of Directors
3331 N. First St.
San Jose, CA 95134

RE: June 3rd Board Agenda Item 6.7
Loss of Parking at Gilroy Transit Center from proposed VTA TOD

Chair Hendricks and Boardmembers:

On your 6/3 agenda is a request from VTA staff to authorize the General Manager to issue a Request for Offer for an affordable housing project at the Gilroy Transit Center. At issue is the future of Gilroy’s only public transit center and its current 471 parking spaces.

VTA’s primary function is as a transportation service agency, *Solutions that Move You.* Bus and rail service to Gilroy is not yet sufficient for public transportation to be a viable option for most, and still 63% of our 471 parking spaces were utilized pre-pandemic. Increasing services and ridership on both Caltrain and VTA busses is dependent on riders’ ability to park and ride and should be viewed with Gilroy’s potential in mind as a key transportation hub serving South County with rail/bus connections in all directions. The Salinas-Gilroy light rail line is currently being planned by the Transportation Authority of Monterey County (TAMC) and will terminate at Gilroy’s transit center. VTA’s housing proposal in Phase 1 alone would jeopardize up to 198 parking spaces from a transit center that has yet to actually be one. Today, the 15-minute frequency of the 68 bus line is all that qualifies Gilroy as a transit center. VTA staff expects to generate 87 daily bus trips at full build out of Phase 1 (150 housing units) and 26 daily trips for Caltrain. I submit that this development will not support increased transportation service for Gilroy residents (meaning more bus lines and trains), and worse, it will remove the potential for a viable VTA transit center in Gilroy by consuming park-and-ride land that can only be replaced once High Speed Rail is built out. I’ve worked with VTA staff to achieve at a minimum a project goal of 1:1 transit replacement parking, but at only 471 existing parking spaces, the future of VTA’s not-yet-transit center in Gilroy demands over twice that long before High Speed Rail will be a reality.
The Gilroy Transit Center is located downtown near the city’s eastern border. It is not centrally located within the city, and not within walking distance of most of Gilroy’s housing. High Speed Rail cannot be relied upon to provide parking that will be necessary long before HSR exists in Gilroy. It is VTA’s responsibility to act as a transit agency first, to plan for the transportation needs that include Gilroy and its one and only park-and-ride lot at its one and only VTA transit center. Gilroy and South County residents should not be dependent on High Speed Rail for a transit center we deserve from VTA. The TOD before you is short-sighted and premature.

Respectfully submitted,

Marie Blankley, CPA
Mayor, City of Gilroy and VTA Board alternate

cc: MTC Commissioners, info@bayareanetror.gov
    Caltrain Board, board@caltrain.com
    SamTrans Board, board@samtrans.com
    SFCTA Commissioners, clerk@sfcta.org
From the office of

Gilroy

Mayor Marie Blankley, CPA

May 26, 2021

TO: County of Santa Clara
    Housing, Land Use, Environment, and Transportation Committee

RE: Loss of Parking at Gilroy Transit Center from proposed VTA TOD

Chair Wasserman, Vice-chair Simitian, and committee members:

On VTA’s 6/3 agenda is a request from VTA staff to authorize the General Manager to issue a Request for Offer for an affordable housing project at the Gilroy Transit Center. At issue is the future of Gilroy’s only public transit center and its current 471 parking spaces.

VTA’s housing proposal in Phase 1 alone would jeopardize up to 198 parking spaces from a transit center that is yet to actually be one. Bus and rail service to Gilroy is not yet sufficient for public transportation to be a viable option for most, and still 63% of the existing parking spaces were utilized pre-pandemic. Increasing services and ridership on both Caltrain and VTA busses is dependent on riders’ ability to park and ride and should be viewed with Gilroy’s potential in mind as a major transportation hub for south county, connecting Monterey and San Benito counties as well. The current TOD proposal places housing where there is not yet actual transportation but for the 68 bus line (to which VTA expects to add 87 riders/day from this TOD), and worse, lessens the possibility for a viable transportation center in Gilroy by consuming park n’ ride land that can only be replaced once High Speed Rail is built out. I submit that the timing of this TOD is off.

The Gilroy Transit Center is located downtown near the city’s eastern border. It is not centrally located within the city, and not within walking distance of most of Gilroy’s housing. High Speed Rail cannot be relied upon to provide parking that will be necessary long before HSR exists in Gilroy. It is VTA’s responsibility to act as a transit agency first, to plan for the transportation needs that include Gilroy and its one and only park and ride lot at its one and only VTA transit center. I respectively request that this committee consider VTA’s TOD proposal in Gilroy as short-sighted and premature and notify the VTA Board accordingly prior to their June 3 meeting.

Sincerely,

[Signature]

Marie Blankley, CPA
Mayor, City of Gilroy
May 13, 2021

VTA Board of Directors
VTA Headquarters
3331 North First Street
San Jose, CA  95134

Dear Board Members,

We are writing as a citizen’s group of Gilroy residents who are actively involved in Gilroy planning issues. Several of our members participated in both of the recent Zoom meetings with VTA Staff and Place Works regarding the transit-oriented development you are planning to build on the parking lot of our historic train station.

The 1918 Southern Pacific train station is now on the National Register of Historic Places. With VTA’s help the City restored the station in 1998 at a cost of nearly a million dollars. It functions as an important multi-modal transportation hub, serving Caltrain, Greyhound, three VTA bus lines, taxis and shuttlebuses from Hollister and Salinas.

We appreciate being included in design planning for the 140-160 affordable units for families. A number of good ideas were discussed, however it was very obvious that the planners do not know Gilroy and were designing in a vacuum. What was not considered were several factors applying to Gilroy as a whole community. Among them are these:

1. **Gilroy is not urbanized like San Jose and larger, more dense cities north of us. Our needs are quite different.** Large, monolithic high-rise buildings do not fit here. Almost all of our buildings are two or three story, even downtown. Just the mass of a five-story building will overwhelm the area.

2. **Parking is a critical need because we are the end of the Caltrain line. When Gilroy had four trains/day our parking lot was completely full and so was the San Martin parking lot.** Parking east of the train tracks would not serve us because boarding for Caltrain is on the west, next to the historic station. Furthermore, most of the residents who would use Caltrain live on the west side of town and even commuters from Los Banos, Hollister and Salinas (we have many) need to board on the west side. There is no way to cross the four tracks without walking a long distance via either 7th or 10th streets and absolutely no guarantee that the now empty lot on the east side would be available for future parking.

3. Gilroy has already met 350% of our Regional Housing Needs Allocation for the Low-Income category and has several affordable apartment projects under construction. At five stories this proposal is not compatible with our historic downtown and station.

4. The area is industrial, not residential and not suitable for families with children. A large commercial bakery will adjoin the property on the south. It will operate gas ovens
twenty-four hours a day with noise and emissions and include a fleet operation and
distribution center. Caltrain parks its diesel engines which run throughout the night on
the tracks to the east. The area is an environmental justice zone established by the State
and called out in our 20/40 General Plan.

5. It is likely that employment and commute patterns will change following the pandemic.
None of us knows how this will affect Caltrain and the Gilroy station.

6. We have had negative experiences with the 200-unit, five story Alexander Station
apartments near the station on Tenth Street. They are poorly designed and managed,
causing health and police concerns in regards to access. Our residents prefer smaller,
lower rise buildings with open space around them like 103-unit Cannery Apartments on
Lewis St. and the 98-unit Harvest Park apartments on Cohansey Avenue.

7. No one can predict when High Speed Rail or even Caltrain electrification is coming
because Union Pacific owns the tracks. We definitely can’t depend on them to
provide much needed parking.

We ask that you consider all these factors in planning for use of the VTA parking lot. It is
currently performing a very essential function for the multi-modal transportation center. High
rise development on the parking lot is in direct conflict with the intent of our Downtown
Specific Plan. Our historic downtown is part of the City’s plan for economic development
and tourism and this development seems very premature at this point.

Sincerely,

Connie Rogers, Chair

Gilroy Growing Smarter
Keeping Gilroy Healthy & Beautiful

Phone 408-842-8494 | Website GilroyGrowingSmarter.org
Email communications@GilroyGrowingSmarter.org
Dear VTA Board,

Please DO NOT approve the conversion of the Gilroy Caltrain parking lot to TOD and redirect staff to focus on the 34 vacant acres surrounding the Santa Teresa light rail station for the following reasons:

- The project conflicts with the 2000 Measure A ballot language
- The project conflicts with the 2016 Measure B ballot language
- The project conflicts with the Measure RR ballot language
- The project conflicts with the Caltrain Business Plan
- The project does not meet the Early Train Operator (ETO) parking demand forecasts for Caltrain
- The ETO has no plans to operate High Speed service between Gilroy and San Francisco in the near future.
- The project will increase highway congestion between Gilroy and San Jose

The project conflicts with the 2000 Measure A ballot language

“Increase Caltrain Service, specifically
Purchase new locomotive train sets for increased Caltrain service in Santa Clara County from Gilroy to Palo Alto and provide additional facilities to support the increased service.”

The project conflicts with the 2016 Measure B ballot language

“Caltrain Corridor Capacity Improvements—Estimated at $314 Million of Program Tax Revenues in 2017 dollars.”
To fund Caltrain corridor capacity improvements and increased service in Santa Clara County in order to ease highway congestion, including: increased service to Morgan Hill and Gilroy, station improvements, level boarding, extended platforms, and service enhancements.”

The project conflicts with the Measure RR ballot language

“2. to support the infrastructure, rolling stock, and capital projects necessary to advance the expansion of the Caltrain peak hour service from 5 trains per hour per direction to 8 trains per hour per direction, as well as the expansion of the Gilroy service to a minimum of five morning and five afternoon trains.”
https://www.caltrain.com/about/dedicatedfunding.html”

The project conflicts with the Caltrain Business Plan

“Caltrain will increase service to Gilroy to four roundtrips per day. Passengers from south of Tamien would have a one-seat ride to major stations and a transfer at Diridon Station to reach minor stations”

The project does not meet the Early Train Operator (ETO) parking demand forecasts for Caltrain

“A total of 2,579 parking spaces are assumed, reflecting inputs from CHSRA, split as follows: San Francisco 4th & King (0), Millbrae (771), San Jose Diridon (948) and Gilroy (860).”

The Early Train Operator (ETO) has no plans to operate High Speed service to Gilroy in the near future.

“The study shows that overlaying early HSR operations in the Peninsula corridor servicing only 4 HSR stations (difference between the 2028 Electrification Scenario
and the 2028 Electrification + HSR Scenario) will result in an incremental increase of only approximately 6% in ridership.”


The project will increase highway congestion between Gilroy and San Jose

Thank you in advance for your support

Roland Lebrun

CC

MTC Commissioners
Caltrain Board
VTA PAC
VTA CAC
Caltrain CAC
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority  
   Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Interim Chief Financial Officer, Kathleen Kelly

SUBJECT: 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant: FY2020 to FY2021 Program of Projects

Policy-Related Action: No  
Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

1) Approve the recommended project list for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program and 2) Authorize the General Manager to execute the necessary agreements for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program funds.

EXECUTIVE SUMMARY:

• This action approves the funding of five bicycle and pedestrian planning studies in the amount of $1,645,000 for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant program. The list of projects recommended for funding is included as Attachment B.

• Program staff recommend the remaining available funding of $15,000 to be moved to next call for projects in the 2016 Measure B Bicycle & Pedestrian Planning Studies program, expected in 2022.

STRATEGIC PLAN/GOALS:

The 2016 Measure B Program aligns directly with the goals of VTA's Strategic Plan Business Line 2: Delivering Projects and Programs. The 2016 Measure B Bicycle & Pedestrian Planning Studies program provides more choices and funding support to promote cycling and walking and address "the current and evolving multimodal needs of Silicon Valley" as stated in the Strategic Plan.
**FISCAL IMPACT:**

The 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant program has $1.66 million appropriated from the previous VTA Board-adopted FY2018 & FY 2019 and FY2020 & FY2021 biennial budgets.

**BACKGROUND:**

On November 8, 2016, the voters of Santa Clara County approved 2016 Measure B, a 30-year, ½ cent sales tax measure, to enhance active transportation and congestion relief projects and services. The VTA Board of Directors adopted the 2016 Measure B Bicycle & Pedestrian Program Category Guidelines at their October 5, 2017 meeting.

The Program Category Guidelines include a sub-category for bicycle and pedestrian planning studies. This sub-program funds bicycle and pedestrian planning studies through a competitive grant program and gives priority to those projects that connect to schools, transit, and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Eligible projects are planning studies that support capital project development for projects listed on Attachment A of the 2016 Measure B ballot language.

The VTA Board of Directors adopted the 2016 Measure B Bicycle & Pedestrians Planning Studies Competitive Grant Program criteria, provided on Attachment A, at their September 3, 2020 meeting. The Bicycle & Pedestrian Planning Studies Competitive Grant Program will have a call-for-projects every two years.

The 2016 Measure B Program office released the call for projects for the fiscal year (FY) 2020 to FY2021 funding cycle on February 1, 2021. The application deadline was April 12, 2021. The funding available for this call for projects is $1.66 million, which includes VTA Board-adopted allocations from FY2018 to FY2021.

The scoring committee, comprised of three member agency staff, one VTA staff and three VTA Bicycle & Pedestrian Advisory Committee members, evaluated and scored each project against six criteria with a total of maximum 100 points:

- Community Engagement (max. 20 points)
- Connections to/Serves Schools, Transit or Employment Centers (max. 20 points)
- Gap Closure/Crosses Barriers (max. 20 points)
- Safety (max. 20 points)
- Targets Communities of Concern (COC) (max. 15 points)
- Non-2016 Measure B Contribution (max. 5 points)

**DISCUSSION:**

On April 12, 2021, the 2016 Measure B Program office received 11 project applications from seven member agencies. Table 1 shows a breakdown of projects and requested 2016 Measure B funding by member agency. The applications requested a total of $2,871,800 in 2016 Measure B funds.
Table 1 - Project Applications and Funding Requests by Member Agency

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>Number of Project Applications</th>
<th>2016 Measure B Funding Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cupertino</td>
<td>1</td>
<td>$117,000</td>
</tr>
<tr>
<td>Los Gatos</td>
<td>2</td>
<td>$495,000</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>1</td>
<td>$157,500</td>
</tr>
<tr>
<td>San Jose</td>
<td>1</td>
<td>$360,000</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>4</td>
<td>$587,300</td>
</tr>
<tr>
<td>Santa Clara County</td>
<td>1</td>
<td>$325,000</td>
</tr>
<tr>
<td>Sunnyvale</td>
<td>1</td>
<td>$830,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
<td><strong>$2,871,800</strong></td>
</tr>
</tbody>
</table>

Staff from VTA, the County of Santa Clara, the Cities of San Jose and Sunnyvale, and three BPAC members representing Gilroy, Los Altos, and Palo Alto, volunteered to be part of the scoring committee. Scoring committee members were not allowed to score applications submitted by their own agency. The scoring committee met via teleconference on April 19 and April 26 to evaluate and rank the applications using the VTA Board-adopted criteria.

The list of projects and their funding recommendation can be found on Attachment B. Staff recommends fully funding the top five projects as scored by the committee:

Table 2 - Recommended Projects and Funding

<table>
<thead>
<tr>
<th>Rank</th>
<th>Score</th>
<th>Project</th>
<th>Project Sponsor</th>
<th>Recommended 2016 Measure B Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>92.17</td>
<td>St. John Bike/Pedestrian Bridge Feasibility Study &amp; Designs</td>
<td>San Jose</td>
<td>$360,000</td>
</tr>
<tr>
<td>2</td>
<td>88.75</td>
<td>East Channel Trail Study</td>
<td>Sunnyvale</td>
<td>$830,000</td>
</tr>
<tr>
<td>3</td>
<td>86.86</td>
<td>Monroe Street Class II Buffered Bicycle Lane Study</td>
<td>Santa Clara</td>
<td>$140,000</td>
</tr>
<tr>
<td>4</td>
<td>86.64</td>
<td>Walsh Avenue Class IV Bikeway Study</td>
<td>Santa Clara</td>
<td>$140,000</td>
</tr>
<tr>
<td>5</td>
<td>85.50</td>
<td>De La Cruz Boulevard Class IV Bikeway Study</td>
<td>Santa Clara</td>
<td>$175,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>$1,645,000</td>
</tr>
</tbody>
</table>

These five projects total $1.645 million of the available $1.66 million in funding and leave a balance of $15,000 of unawarded funds.

Per the Board-adopted guidelines, any unawarded Bicycle & Pedestrian Planning Studies funds will roll into the Bicycle & Pedestrian Capital Projects program. However, this call for projects included four fiscal years’ worth of allocations and was oversubscribed by over $1 million. The
next call for projects will only include allocations of two fiscal years - approximately $830,000. As such, staff recommends augmenting the next Planning Studies call for projects with the $15,000 balance of unawarded funds.

NEXT STEPS:

Staff anticipates presenting the recommended program of projects to the VTA Board of Directors at the June 3, 2021 meeting for their consideration. Upon approval, staff will develop cooperative agreements with project sponsors for each awarded project.

Prior to the next call for projects, 2016 Measure B Program staff will review the Planning Studies criteria and update them as needed. Any proposed updates will be brought through the committees and to the VTA Board of Directors for approval. In addition, Program staff will consult with Member Agency staff to discuss the timing of the next call for projects to determine the best possible schedule.

ALTERNATIVES:

The VTA Board of Directors may choose to fund alternative projects from Attachment B and/or alternative programming strategies.

The VTA Board of Directors may choose not to authorize the General Manager to execute the necessary agreements for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program at this time. This will delay the ability of project sponsors to receive funds and potentially delay the delivery of the projects.

The VTA Board of Directors can also direct staff to move the balance of $15,000 in unawarded funds to the capital program instead of using it to augment the next planning studies call-for-projects.

CLIMATE IMPACT:

The 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program itself does not have an impact on greenhouse gas emissions. However, the recommended planning studies will support capital project development of bicycle and pedestrian infrastructure and offer an opportunity to reduce greenhouse gas emissions by promoting active transportation and reducing single occupancy vehicle travel in the Santa Clara County.

ADVISORY COMMITTEE DISCUSSION & RECOMMENDATION:

The Technical Advisory Committee (TAC) received and approved this item as part of the Consent Agenda at the May 12, 2021 meeting.

The Citizens Advisory Committee (CAC) received and approved this item as part of the Consent Agenda at the May 12, 2021 meeting.

The Bicycle and Pedestrian Advisory Committee (BPAC) heard this item at the May 12, 2021 meeting. One member commented on the three bicycle planning studies in Santa Clara - that
though they will close the existing bicycle network gap, the member was concerned that the projects were only at planning phase. The committee also asked why staff recommending moving the funding balance to the next call-for-projects in the Planning Studies program, instead of the Capital Projects program as previously approved in the Bicycle/Pedestrian Program Category Guidelines. Staff explained that: (1) the next call for projects in the Planning Studies program will have only allocations of two fiscal years, approximately $830,000, instead of four fiscal years’ worth of allocations as in the first cycle; (2) the first cycle was significantly oversubscribed by over $1 million; and (3) planning study funding requests are generally much less than capital projects, and keeping the remaining balance within the Planning Studies Grant program may go farther to fund planning studies than capital projects. With one recusal, the BPAC unanimously recommended this item for approval.

The Policy Advisory Committee (PAC) received and approved this item as part of the Consent Agenda at the May 13, 2021 meeting.

**STANDING COMMITTEE RECOMMENDATION:**

The Congestion Management Program & Planning Committee (CMPP) received and approved this item as part of the Consent Agenda at the May 20, 2021 meeting.

Prepared by: Nicole He
Memo No. 7751

**ATTACHMENTS:**

- MT7751_Att_A_2016MB_BP_PlanningGrant_Criteria_FINAL_090420(PDF)
- MT7751_Att_B_Recommended_Projects (PDF)
2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant

Program Criteria

Screening Criteria
- Call for projects will occur every two years. Currently available funds for the first cycle (FY20 to FY21) will be $1.66 million in total, including the FY18 – FY19 appropriation.
- Minimum grant request amount - $50,000.
- Maximum grant request amount – 50% of the total available funds per cycle. For example, maximum request amount per sponsoring agency would be $830,000 in the first cycle.
- Eligible projects are planning studies that support capital project development for projects listed on Attachment A of the 2016 Measure B ballot language: http://vtaorgcontent.s3-us-west-1.amazonaws.com/Site_Content/ResolutionNo%202016%2006%2017%20(2).pdf. Eligible projects can have 10% to 25% concept design and engineering.
- General/master planning efforts, such as citywide/neighborhood/regional bicycle & pedestrian planning studies, are not eligible.
- Projects must submit a map of the planning study area/corridor.
- Projects should provide a scope of work and cost estimate by phase/project task.
- Projects should identify a realistic implementation plan and strategy.
- Project sponsor must draw down 2016 Measure B funds within one year from the execution of agreement between VTA & implementing agency.

Scoring Criteria

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description</th>
<th>Max Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Community Engagement</td>
<td>The project identifies a comprehensive community engagement plan and demonstrates outreach strategies with specific communities at early planning stages.</td>
<td>20</td>
</tr>
<tr>
<td>2. Connections to Schools, Transit or Employment Centers</td>
<td>The project is located within proximity to schools, employment centers, and/or transit stops.</td>
<td>20</td>
</tr>
<tr>
<td>3. Gap closure</td>
<td>The project will help reduce travel distance for pedestrians or cyclists, close existing gap(s) or crosses major barrier(s) in the multi-modal network.</td>
<td>20</td>
</tr>
<tr>
<td>4. Safety</td>
<td>The project study area/corridor has high bicycle/pedestrian-involved crashes and collisions, and the project will address known safety issues.</td>
<td>20</td>
</tr>
<tr>
<td>5. Targets Communities of Concern</td>
<td>The project directly connects to a Community of Concern, or 50% or more of the study area/corridor are located within ½ mile of a Community of Concern.</td>
<td>15</td>
</tr>
<tr>
<td>6. Non-2016 Measure B Contribution</td>
<td>The project will provide more than 10% non-2016 Measure B contribution.</td>
<td>5</td>
</tr>
<tr>
<td>Tiebreaker: Geographic Distribution</td>
<td>The project in the geographic area with fewer awarded projects for the current call for projects will be ranked higher.</td>
<td>-</td>
</tr>
</tbody>
</table>

TOTAL 100
Criterion #1 – Community Engagement
(Max. 20 points)

Does the planning process involve a collaboration with the community?

Points awarded if the application provides documentation of past community engagement in the project and/or identifies a community engagement plan.

Point Distribution:

- Points are additive
- Can receive a maximum of 20 points:
  - 0 – 2.5 points for community engagement to date: Provide documentation for any past collaborative planning process with stakeholders (e.g. documents community input/outreach including local BPAC). Letters of support will not count.
  - 0 – 2.5 points if the project will address a currently known and documented community concern or need, including but not limited to school access, ADA accessibility, senior safety issues, or other stated concerns/needs by the community. The project should provide description of the concern(s) and documentation.
  - 0 - 15 points: The project identifies a comprehensive community engagement plan identifying, at a minimum:
    - Project timeline
    - Opportunities for public input
    - Target groups and stakeholders
    - Outreach strategies
    - Engagement methods and activities
    - The project should describe the demographics of the community and the engagement with the population in or near a Community of Concern (if any).

Criterion #2 – Connections to Schools, Transit or Employment Centers
(Max. 20 points)

Is the planning study area/corridor within reasonable biking or walking distance to schools, employment centers and/or transit stops?

Points awarded if:

- Bicycle or bicycle & pedestrian projects: Any point of study area/corridor is within 1 ½ mile actual biking distance of schools, employment centers or transit
- Pedestrian projects: Any point of study area/corridor is within ½ mile actual walking distance of schools, employment centers or transit

Point Distribution:

- Can receive a maximum of 20 points
Points are not additive. Projects will be scored within the “HIGH,” “MEDIUM,” or “LOW” point range based on its highest category destination.

Example: If a project scores in the HIGH category for all three elements, it will receive 20 points, whereas the project that scores in one HIGH category and two LOW categories will receive 15 points.

<table>
<thead>
<tr>
<th>Points</th>
<th>Schools (K-12) Combined Enrollment</th>
<th># of Jobs (w/n actual bike/ped distance)</th>
<th>Transit (Frequency of Service)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High 15 - 20</td>
<td>≥ 3,000</td>
<td>≥ 6,000</td>
<td>Connects to &gt;1 Frequent transit route or regional rail service</td>
</tr>
<tr>
<td>Med 8 – 14</td>
<td>1,501 – 2,999</td>
<td>3,001 – 5,999</td>
<td>Connects to 1 Frequent transit route or regional rail service</td>
</tr>
<tr>
<td>Low 1 - 7</td>
<td>≤ 1,500</td>
<td>≤ 3,000</td>
<td>Connects to local transit service</td>
</tr>
</tbody>
</table>

Other:

- School is K-12; Colleges & universities should be captured in the ‘# of Jobs’ element.
- Employment center is defined by the number of jobs.
- Transit is defined by FTA as: ‘Transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter, or sightseeing transportation.’
- Frequent transit route as defined by VTA: 15 minute or better frequency from 6:30am to 6:30pm on weekdays
- Local transit route are all non-frequent routes as defined by VTA.
- Regional rail service includes Caltrain, ACE, Capitol Corridor and BART.

**Criterion #3 – Gap Closure (Max. 20 points)**

**Will the project result in a travel distance change, or close existing gaps in bicycle and/or pedestrian network?**

**Point Distribution:**

- Points are additive.
- 0 – 12 points: Describe and quantify how the project closes the existing bicycle or pedestrian infrastructure gap, or how much the project can reduce travel distance of bicycle or pedestrian route in comparison to existing conditions.
- 5 points: Project builds a new bicycle or pedestrian connection across a major barrier (waterway, railway, freeway, expressway).
- 3 points: Project is identified as an ABC in Appendix 6.1 of the 2018 Countywide Bicycle Plan or see [https://gis.vta.org/bikeplan/](https://gis.vta.org/bikeplan/)
Criterion #4 – Safety (Max. 20 points)

**Does the project identify and address safety issues within proximity of the study area?**

This criterion assesses the relative safety benefits of the planning study, based on reported/counted pedestrian/cyclist-involved collision data and safety incidents/documented concerns in the most recent five years.

**Point Distribution:**
- Can receive a maximum of 20 points
  - **High (15-20 points):** Within 1 ½ mile actual biking distance or ½ mile actual walking distance of the study area/corridor, the project has known frequent cycling/pedestrian collisions. The project demonstrates an awareness of the existing critical safety issues and it will recommend proven/demonstrated mitigation measures.
  - **Medium (8-14 points):** Within 1 ½ mile actual biking distance or ½ mile actual walking distance of the study area/corridor, the project has known moderate cycling/pedestrian collisions. The project presents preliminary field review and/or public comment indicates a safety problem that would be addressed by the project.
  - **Low (1-7 points):** Within 1 ½ mile actual biking distance or ½ mile actual walking distance of the study area/corridor, the project has known low cycling/pedestrian collisions. Project will generally improve safety for pedestrians and cyclists in the study area in general.

Criterion #5 - Targets Communities of Concern (Max. 15 points)

**Does the project serve a Community of Concern?**

Points awarded if:
- 50% or more of the study area/corridor are located within ½ mile of a Community of Concern (as defined by MTC at the time of the call for projects), or if the project connects directly to a Community of Concern.
- MTC definition/map of Communities of Concern:
  https://mtc.maps.arcgis.com/home/item.html?id=1501fe1552414d569ca747e0e23628ff

**Point Distribution:**
- Can receive a maximum of 15 points
- Points will be given based on geographic relationship and the project benefits to the COC.

**Other:**
- A map identifying the project and relationship to the COC is required
- The project sponsor must indicate or describe demographics of the COC, outreach strategies to the COC and articulate the benefit of the project to the COC.
Criterion #6 – Non-2016 Measure B Contribution (Max. 5 points)

How much non-2016 Measure B contribution is the project sponsor providing?

Points awarded if:
- The project sponsor pledges/provides more than the required 10% non-2016 Measure B contribution

Point Distribution:
- 5pts: Provides ≥ 30% non-2016 Measure B contribution
- 4pts: Provides 25% - 29% non-2016 Measure B contribution
- 3pts: Provides 20% - 24% non-2016 Measure B contribution
- 2pts: Provides 15% - 19% non-2016 Measure B contribution
- 1pts: Provides 11% - 14% non-2016 Measure B contribution
- 0pts: Provides the minimum 10% non-2016 Measure B contribution

Other:
- If the project sponsor states that they will provide a higher percentage of matching funds, they will be required to provide the matching percentage.
- If project costs increase and are anticipated to be over budget, 2016 Measure B funds will not be increased. The project sponsor is responsible for cost overruns.
- If the project is anticipated to be delivered under budget, 2016 Measure B funds will be reduced in proportion to the project sponsor’s contribution

Tiebreaker – Geographic Distribution

If two projects have the same score, the project in the geographic area with fewer awarded 2016 Measure B bicycle/pedestrian planning studies – for the current call for projects – will be ranked higher.
<table>
<thead>
<tr>
<th>Ranking</th>
<th>Score</th>
<th>Project Name</th>
<th>Project Sponsor</th>
<th>Project Description</th>
<th>Total Project Cost</th>
<th>2016 MB Request Amount</th>
<th>Cumulative Funding Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>92.17</td>
<td>St. John Bike/Pedestrian Bridge Feasibility Study &amp; Designs</td>
<td>San Jose</td>
<td>Feasibility study of a new bike and pedestrian bridge and associated bicycle route (St. John St. from 13th St. to 28th St) over Coyote Creek.</td>
<td>$400,000</td>
<td>$360,000</td>
<td>$360,000</td>
</tr>
<tr>
<td>2</td>
<td>88.75</td>
<td>East Channel Trail Study</td>
<td>Sunnyvale</td>
<td>Planning of a 5.78-mile bicycle/pedestrian facility between Bay Trail and Homestead Road.</td>
<td>$2,830,000</td>
<td>$830,000</td>
<td>$1,190,000</td>
</tr>
<tr>
<td>3</td>
<td>86.86</td>
<td>Monroe Street Class II Buffered Bicycle Lane Study</td>
<td>Santa Clara</td>
<td>Planning of Class II buffered bicycle lanes on Monroe Street from Lawrence Expressway to San Tomas Expressway.</td>
<td>$200,000</td>
<td>$140,000</td>
<td>$1,330,000</td>
</tr>
<tr>
<td>4</td>
<td>86.64</td>
<td>Walsh Avenue Class IV Bikeway Study</td>
<td>Santa Clara</td>
<td>Planning of Class IV bikeway on Walsh Avenue from Bowers Avenue to Lafayette Street.</td>
<td>$200,000</td>
<td>$140,000</td>
<td>$1,470,000</td>
</tr>
<tr>
<td>5</td>
<td>85.50</td>
<td>De La Cruz Boulevard Class IV Bikeway Study</td>
<td>Santa Clara</td>
<td>Planning of Class IV bikeway on De La Cruz Blvd. from Central Expressway to Alviso St, Martin Ave from Lafayette St to De La Cruz Blvd, and Coleman Ave from De La Cruz Blvd to Brokaw Rd.</td>
<td>$250,000</td>
<td>$175,000</td>
<td>$1,645,000</td>
</tr>
<tr>
<td>6</td>
<td>73.20</td>
<td>Foothill Expressway Multi-modal Feasibility Study</td>
<td>Santa Clara County</td>
<td>Study of potential bicycle and pedestrian improvements along the Foothill Expressway between Page Mill Road and I-280.</td>
<td>$425,000</td>
<td>$325,000</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>72.57</td>
<td>Morgan Hill Monterey Corridor Planning Study</td>
<td>Morgan Hill</td>
<td>Study of Monterey Bicycle/Pedestrian Corridor from East Middle Avenue to Tilton Road.</td>
<td>$175,000</td>
<td>$157,500</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>59.71</td>
<td>Bowers Avenue Class IV Bikeway Study</td>
<td>Santa Clara</td>
<td>Planning of Class IV bikeway on Bowers Avenue from Cabrillo Avenue to El Camino Real.</td>
<td>$189,000</td>
<td>$132,300</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>57.96</td>
<td>Los Gatos Creek Trail Barrier Crossing Enhancement Study</td>
<td>Los Gatos</td>
<td>Evaluate enhancement options along Los Gatos Creek trail at the State Route 85 crossing.</td>
<td>$400,000</td>
<td>$320,000</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>54.71</td>
<td>Roberts Road West Trail Connection Improvements</td>
<td>Los Gatos</td>
<td>Improve the Los Gatos Creek trail connection at Roberts Road.</td>
<td>$250,000</td>
<td>$175,000</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>38.71</td>
<td>Blaney Rd Separated Bikeway Project</td>
<td>Cupertino</td>
<td>Study of separated bikeways along a 1.9 mile segment of Blaney Road between Homestead Rd and Bollinger Rd.</td>
<td>$130,000</td>
<td>$117,000</td>
<td></td>
</tr>
</tbody>
</table>

Legend

- **Recommended Project**

Total Funding Request: $2,871,800
Cumulative Funding Recommendation: $1,645,000
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Chief Planning and Programming Officer, Deborah Dagang

SUBJECT: FY 2022 & FY 2023 CMP Budget & Work Program

Policy-Related Action: No

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Approve the Fiscal Years 2022 and 2023 Proposed Congestion Management Program Work Program and Biennial Budget.

EXECUTIVE SUMMARY:

- This is an action item requesting the Board of Directors approve the FY 22 & FY 23 Congestion Management Program (CMP) biennial budget and work program.

- The CMP biennial budget provides the Santa Clara Valley Transportation Authority (VTA) with the budgetary authority to fulfill its role as the Congestion Management Agency for Santa Clara County for the next two years.

- The CMP work program details the activities VTA will conduct over the next two years in its role as the CMA.

STRATEGIC PLAN/GOALS:

The Strategic Plan directs VTA to create, collaborate, and lead. This work plan highlights the framework by which VTA identifies strategies to support the goals of congestion reduction and land use integration in partnership with our Member Agencies.
FISCAL IMPACT:

Appropriation for the Proposed FY 2022 and FY 2023 CMA Work Program will be included in the Proposed FY 2022 and FY 2023 Congestion Management Program Fund Operating Budgets that will be submitted for VTA Board of Directors approval at its June 3, 2021 meeting.

BACKGROUND:

Congestion Management Agencies (CMAs) were created in 1990 by Proposition 111 and its accompanying legislation that required every county with an urbanized population of more than 50,000 establish a CMA. The purpose of a CMA is to develop a comprehensive transportation improvement program among local jurisdictions to meet the goals of increasing the efficiency of existing transit and roadway systems, planning the best capital improvements to these systems, and improving the local land use decision-making process to better support and compliment transportation system investments. The Santa Clara Valley Transportation Authority (VTA), as the CMA for Santa Clara County, develops and implements this comprehensive transportation improvement program, which is the Congestion Management Program (CMP).

Proposition 111 mandates that the CMP contain five elements: 1) a system definition and traffic level of service standard; 2) a multimodal performance measures; 3) transportation demand management and trip reduction; 4) a land use impact analysis; and 5) a capital improvement program (CIP).

In addition to the Proposition 111 requirements, each CMP Work Program also addresses and incorporates the other federal, state, regional or local statutory requirements, which are numerous. The comprehensive listing of mandates, which is extensive, is shown on Attachment A (starting on page 3).

DISCUSSION:

The proposed CMP Work Program for Fiscal Years 2022 and 2023 is shown in Attachment A. It outlines the major tasks that VTA will address during the next two fiscal-year period. The Work Program incorporates statutory requirements, Board initiated activities, activities requested by VTA’s Member Agencies (the 15 cities in the county and the County of Santa Clara) and staff recommended initiatives regarding federal, state and regional issues.

Based on these inputs, the recommended FY22 & FY23 CMP Work Program reflects increased focus on tasks and activities related to coordination and advocacy of funding for local projects, capital project initiatives, state/regional advocacy, land use coordination due to new or existing state mandates and Member Agency assistance. During the period, VTA will embark or continue development of the following major initiatives:

- Products and services to assist Member Agency transition from LOS to VMT
- Updating the Valley Transportation Plan (VTP), the countywide long-range multimodal transportation plan for Santa Clara County
- Implementation and administration of the State Transit Assistance (STA) Block Grant
- Development of future Community-Based Transportation Plans

To aid presentation and understanding, the recommended CMP Work Program is configured with the following main work areas:

- Programming and Grants
- Congestion Management Program Conformance
- Land Use and Transportation Integration
- Plans, Studies and Traffic Engineering
- Collaboration and Support

CMP Budget and Fees

Each year of the proposed FY22 and FY23 CMP Budget is summarized in the following tables:

- Table A table indicates the funding projected to be received each year.
- Table B identifies the resources, subtotaled at the main work area level, necessary to accomplish the major tasks described in the CMP Work Program, including the total estimated cost of VTA staff, consultant services, and other goods and services.

**TABLE A: Projected Revenue (Dollars in Thousands)**

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Member Agency Fees</td>
<td>2,943</td>
<td>3,046</td>
</tr>
<tr>
<td>2. MTC STP Planning Grant</td>
<td>1,465</td>
<td>1,265</td>
</tr>
<tr>
<td>3. STIP Programmed Project Monitoring (PPM) Funds</td>
<td>1,262</td>
<td>112</td>
</tr>
<tr>
<td>4. Vehicle Registration Fee (VRF) Program Administration Fee</td>
<td>400</td>
<td>450</td>
</tr>
<tr>
<td>5. TFCA 40% Local Program Manager Administrator Fee</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>6. Other Income</td>
<td>362</td>
<td>102</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>6,572</strong></td>
<td><strong>5,115</strong></td>
</tr>
</tbody>
</table>

**TABLE B: Projected Expenditures (Dollars in Thousands)**

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Programming and Grants</td>
<td>1,328</td>
<td>1,459</td>
</tr>
<tr>
<td>2. Congestion Management Program Conformance</td>
<td>1,533</td>
<td>1,913</td>
</tr>
<tr>
<td>3. Land Use and Transportation Integration</td>
<td>1,165</td>
<td>1,300</td>
</tr>
<tr>
<td>4. Plans and Studies</td>
<td>1,754</td>
<td>1,954</td>
</tr>
<tr>
<td>5. Collaboration and Support</td>
<td>416</td>
<td>417</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>6,196</strong></td>
<td><strong>7,043</strong></td>
</tr>
</tbody>
</table>

The proposed CMP budget for FY23 of $7.043 million is approximately $802,000 more than the adopted FY 2021 CMP Budget of $6.241 million, whereas the proposed FY22 budget of $6.196 million is less than the adopted FY21 budget by about $45,000 (all stated figures are rounded).

The proposed Member Agency fees are based on the fee schedule adopted by the Board in June...
2005, which specifies annual increases of 3.5%. As detailed in Attachment B compared to previous year, the total fee structure will increase by approximately $100,000 for FY22 and by approximately $103,000 for FY23.

The recommended fee increases are necessary to maintain an adequate fund balance (reserve) in the neighborhood of 15% of total CMP expenditures (see Attachment C). This targeted reserve of 15% is consistent with established VTA Board policy for the overall VTA budget. Even with the prescribed standard fee increases, the projected fund balance for the CMP budget will vary. Maintaining an optimal reserve balance helps address new requests that are unanticipated and thus not included in the adopted budget. It also helps provide long-term cushion to soften and smooth out dramatic swings when revenue sources fluctuate significantly or unexpectedly.

**CLIMATE IMPACT:**

Approval of the CMP Work Program and budget will have a positive impact on the climate. The efforts contained in the Work Program will better integrate multi-modal planning and transportation projects in partnership with other departments and our Member Agencies.

**ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:**

The Technical Advisory Committee (TAC) at its meeting of May 12, 2021 received a presentation from staff. The Committee asked about the decrease in revenue between FY22 and FY23, the increase in member agency fees, and the potential to increase travel modeling efforts to more quickly react to changing travel conditions. Support was expressed for staff's efforts to pursue additional funding that could advance some CMP professional services currently slated to begin in FY23. After the discussion the committee unanimously recommended board approval.

The Policy Advisory Committee (TAC) at its meeting of May 13, 2021 received a presentation from staff. The Committee asked about the decrease in revenue between FY22 and FY23 and the correlation between the expenditure categories in Table B and the expense line items in Attachment C. Support was expressed for staff's efforts to pursue additional funding that could advance some CMP professional services currently slated to begin in FY23. After the discussion the committee unanimously recommended board approval.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Congestion Management Program and Planning Committee received a presentation on this item at its May 20, 2021 meeting. The Committee and staff had a brief discussion about level of service and revenues and expenditures. After the discussion the committee unanimously recommended board approval.

Prepared by: Scott Haywood
Memo No. 7749

**ATTACHMENTS:**

- 2021_0507 CMP Work Program FY2022 & 23_Updated (PDF)
- FY22_FY23 CMA Member Assessments Attach B (PDF)
• CMP Revenue and Expenses - Attachment C (PDF)
• CMP Committee Presentation (PDF)
EXECUTIVE SUMMARY

Purpose
The Santa Clara Valley Transportation Authority (VTA) Congestion Management Program (CMP) Work Program outlines the major tasks that VTA, as the Congestion Management Agency (CMA) for Santa Clara County, will address during Fiscal Years 2022 (FY22; July 2021 - June 2022) and 2023 (FY23; July 2022 - June 2023). The Work Program includes statutory requirements, Board initiated activities, Member Agency (the 15 cities/towns in the county and the County of Santa Clara) requested activities, and staff recommended initiatives regarding federal, state and regional issues.

The CMP Work Program consists of the following main work areas:

- Programming and Grants;
- Congestion Management Program Conformance;
- Land Use and Transportation Integration;
- Plans, Studies and Transportation Engineering; and
- Collaboration and Support Activities

These work areas are briefly described in the following paragraphs.

Programming and Grants

VTA’s primary responsibilities in this work area are:

- Grant Programming and Policy Development;
- Programmed Projects Monitoring;
- Agency Project Delivery Assistance; and
- Work directly with Member Agencies and grantor agencies on an individual basis, and through the Capital Improvement Program (CIP) Working Group

Congestion Management Program Conformance

The CMP statutes require biennial monitoring of the CMP Network (which includes freeways, rural highways and designated CMP intersections) to ensure that Member Agencies are conforming to the CMP Level of Service (LOS) standard of LOS E. VTA exceeds this requirement by monitoring nearly all elements of the CMP Network annually. Data collected through the monitoring process is shared with Member Agencies to allow for up-to-date transportation analyses. Member Agencies with facilities found to be out of conformance with the LOS standard risk losing gas tax subventions provided by Proposition 111.

Land Use and Transportation Integration

VTA works with local agencies in land use and transportation integration by providing technical guidance through the Community Design and Transportation Manual of Best Practices, an active Development Review program, quarterly Community Design and Transportation Network

ATTACHMENT A: FY22 & FY23 CMP WORKPLAN

6.9.a
(CDTN) meetings, and other efforts to ensure that local land use decisions complement VTA’s roadway and transit investments.

Plans, Studies and Transportation Engineering

As part of this work, VTA staff leads monthly meetings of the Systems Operations & Management (SOM) Working Group and Intelligent Transportation Systems Working Group comprised of Member Agency staff on various transportation engineering and technology topics with a focus on countywide mobility initiatives, and as directed by VTA’s Technical Advisory Committee (TAC). Examples of work in this area include the following:

- Collaboration with local agencies on planning and engineering studies;
- Consistent application of roadway safety measures like complete streets, and communication and guidance technologies like traffic signal coordination;
- Coordination on Bay Area regionwide efforts with California Department of Transportation (Caltrans) and Metropolitan Transportation Commission (MTC);
- Multimodal mobility efforts for all users of the roadways including bicyclists, pedestrians, transit riders, and motorists for youths, seniors, and those with special needs;
- Monitoring and management of traffic congestion;
- Reviewing and refining of projects on conceptual design and for funding considerations;
- Participation in local and regional planning studies;
- Monitoring the conditions of transportation infrastructures as part of the Transportation Systems Monitoring Program;
- Applications of transportation and land use modeling and databases like Geographic Information Systems (GIS) and traffic operations software;
- Various corridor planning studies;
- Advocating of policy changes to improve the roadway safety and traffic mobility operations; and
- General technical assistance to Member Agencies on various transportation management efforts like transportation impact analysis and Vehicle Miles Traveled (VMT) analysis.

Collaboration and Support

As described briefly above, VTA collaborates with our Member Agencies through various collaborative working groups of the TAC. These working groups include the Capital Improvement Program (CIP) Working Group, Community Design and Transportation Network (CDTN) Working Group, and SOMWG. These meetings facilitate discussion of topics related to the development of studies, transportation policies, and funding programs.

Fiscal Impact

The CMP Work Program is funded through the following sources:

- Member Agency Fees;
- MTC Surface Transportation Block Grant Program (STBGP) Planning Grant;
- State Transportation Improvement Program (STIP) Programmed Project Monitoring Funds;
• Vehicle Registration Fee (VRF) Program Administration Fee;
• Transportation Fund for Clean Air (TFCA) County Program Manager Fund Administrator Fee; and
• Investment Earnings

The projected expenditures for the CMP Work Program by program area are:

<table>
<thead>
<tr>
<th>(Dollars in Thousands) FY22-23</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming and Grants</td>
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</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>$6,196</td>
<td>$7,043</td>
</tr>
</tbody>
</table>

Mandates

The CMP Work Program is comprised of requirements from:

**Proposition 111 (1990) – Legislation that created Congestion Management Agencies (CMA)**
- Congestion Management Program Plan
- CMP Monitoring and Conformance Program/Report
- Countywide Travel Demand Model & Database
- Land Use Impact Analysis Program
- Multimodal Improvement Plan (Deficiency Plan) Guidelines and Assistance
- Capital Improvement Program

**Transportation Fund for Clean Air County Program Manager Fund (TFCA CPM) (1995) – Resolutions by Member Agencies**
- Management of county level project prioritization
- Ongoing program management (e.g., amendments, information requests, audits, annual reports to Bay Area Air Quality Management District (BAAQMD), etc.)

**Senate Bill (SB) 45 (1997) – Legislation that increased the role of Regional Transportation Planning Agencies (RTPAs) in prioritizing State transportation funding by giving them control of 75% of the State Transportation Improvement Program (STIP)**
- Prioritization and programming Santa Clara County’s Regional Improvement (RIP) share of State Transportation Improvement Program (STIP)
- Compliance with SB 45 Use-It-Or-Lose-It provisions
Assembly Bill (AB) 1012 (1999) – Legislation that imposed timely-use-of-funds requirements for Federal Highway Administration grant funds on the State and RTPAs
  • Assuring timely delivery of Federal Highway Administration grant funds (e.g., STBGP, CMAQ, HBRR)

SB 83 (2010 Measure B Vehicle Registration Fee (VRF)) – Collection of $10 registration fee for motor vehicles registered in Santa Clara County for transportation programs and projects within the County
  • Management of Local Road Improvement and Repair Program and project prioritization of Countywide Program

SB 375 (2008) – Legislation that aligned three critical policy areas of importance to local government: (1) regional long-range transportation plans and investments; (2) regional allocation of the obligation for cities and counties to zone for housing; and (3) a process to achieve greenhouse gas emissions reductions targets for the transportation sector
  • Coordination of countywide transportation plan, sustainable communities’ strategy and implementation of resulting programs

MTC Resolutions – Implementation of programs devolved from MTC to county CMA level
  • Resolution 4321 - MTC's State Transit Assistance (STA) and State of Good Repair Program Programming and Allocation Policy
  • Resolution 4202 – One Bay Area Grant Cycle 2 (OBAG 2)
  • Resolution 4035 – One Bay Area Grant Cycle 1 (OBAG 1)
  • Resolution 4416 – Lifeline Transportation Program
  • Resolution 875 – Transportation Development Act (TDA) Article
INTRODUCTION

Congestion Management Agencies (CMAs) were created in 1990 by Proposition 111 and its accompanying legislation. The legislation required every county with an urbanized population of more than 50,000 to establish a CMA. CMAs were designed to meet the goals of increasing the efficiency of existing transit and roadway systems, planning the best capital improvements to these systems, and improving the local land use decision-making process to support and complement transportation system investments.

The CMA for Santa Clara County was established in 1991 through a Joint Powers Agreement entered into by the CMA’s Member Agencies, which are the fifteen cities/towns within the county and the County of Santa Clara. The CMA functions in Santa Clara County are referred to collectively as the Congestion Management Program (CMP). In 1994, the Santa Clara County Transit District and the CMA were merged to form the Santa Clara Valley Transportation Authority (VTA). The CMP functions previously performed by the CMA are now performed by VTA.

Policy and administrative decisions that affect the CMP are made by the VTA Board of Directors (VTA Board). The members of the VTA Board are comprised of elected officials from throughout Santa Clara County: five members from the city of San Jose, five members from other Santa Clara County cities/towns, and two County of Santa Clara Supervisors.

The Board receives input from five advisory committees, with the following four providing direction on CMP-related matters: Policy Advisory Committee (PAC); Technical Advisory Committee (TAC); Citizens Advisory Committee (CAC); and the Bicycle and Pedestrian Advisory Committee (BPAC). The PAC consists of one elected official from each of the county’s 15 cities/towns and one County Supervisor; its mission is to ensure that all jurisdictions within the county have access to the development of VTA’s policies. The TAC consists of one management-level staff member from each of the 15 cities/towns and the County, MTC, Caltrans, and the Santa Clara Valley Water District. The TAC advises the VTA Board and administration on technical issues and technical aspects of transportation policy matters.

The major responsibilities of the CMP include: development, implementation, and administration of the long-range countywide transportation plan for Santa Clara County; promoting land use and transportation integration with Member Agencies; programming of discretionary federal, state, regional and local funds; monitoring projects programmed by the VTA Board; serving as the program manager for certain countywide grant funds; preparation and implementation of countywide plans and programs; and a range of other planning and programming activities.

The CMP is a distinct program within the Planning & Programming and the Engineering & Project Delivery Divisions of VTA, under the general direction of the Chief Planning & Programming
Officer. The fiscal resources of the CMP are distinct from those of VTA Transit.

This work program outlines the major tasks that the CMP will address during the next two fiscal years, which are FY22 (July 2021 – June 2022) and FY23 (July 2022 – June 2023). These tasks, with the total estimated cost of VTA staff, consultant services, and other goods and services for each task, are:

<table>
<thead>
<tr>
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<th>FY2022</th>
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<td><strong>TOTAL:</strong></td>
<td>$6,196</td>
<td>$7,043</td>
</tr>
</tbody>
</table>

Each of these activities is discussed in detail in the following sections.

1. PROGRAMMING AND GRANTS

1.1. Grant Programming and Policy Development (Policy and Plan Development)

VTA’s authority to provide grants ultimately comes from Article 1, Sections 8 & 9 of the US Constitution. California Government Code Section 65802(b) and California Streets & Highways Code Sections 182.6(d)1 and 182.7(d)2, combined with MTC policies provide VTA, acting as the CMA for Santa Clara County, with more specific requirements for planning, policy development, and programming transportation capital funds.

VTA has prioritization and funding responsibilities in the following programs:

- **State Transportation Improvement Program (STIP)**
  
  The STIP is programmed and updated every two years. VTA, as the CMA for Santa Clara County, has the responsibility for prioritizing and programming Santa Clara County’s Regional Improvement Program (RIP) share of the STIP. The 2022 STIP programming cycle is projected to begin in August 2021 and continue through June 2022.

- **Transportation Fund for Clean Air (TFCA) County Program Manager Fund**
  
  These funds are programmed annually in the spring. As the Program Manager for these funds in Santa Clara County, VTA staff continues to work with Member Agencies and the Bay Area Air Quality Management District (BAAQMD) to evaluate local guidelines for future programs. VTA
staff will also continue to monitor progress of previously programmed TFCA projects.

• **One Bay Area Grant (OBAG): Surface Transportation Block Grant Program/ Congestion Mitigation Air Quality (STBGP/CMAQ) Related Programs**

In FY12, MTC reformulated its primary distribution channel for these funds, the Block Grant Program, by adding funding capacity and stronger ties to land use and renaming it the “One Bay Area Grant” (OBAG). As the Santa Clara County program administrator, VTA adopted the first OBAG programming cycle in June 2013 and in late 2015 MTC adopted a funding and policy framework for the second cycle of OBAG grants. Staff will continue programming activity on related sub-programs such as the Vehicle Emissions Reductions Based at Schools (VERBS) program and the Priority Development Area (PDA) planning program through FY22. Additionally, staff will monitor activity and project delivery through the balance of FY22 and beyond as needed.

• **Vehicle Registration Fee (VRF)**

Senate Bill 83 was signed into law in 2009 and authorized a countywide transportation agency, such as VTA, to implement a VRF of up to $10 on motor vehicles registered within the county for transportation programs and projects. VTA distributes 80% of the annual receipts to Member Agencies by formula for the Local Road Improvement and Repair Program. VTA retains up to 5% for program administrative costs and the balance is programmed to the Countywide Program on an ongoing basis, based on successive three-year programs adopted by the VTA Board. The most recent update was adopted in 2020 and directs funding to an Intelligent Transportation System program and a countywide grant matching fund. VRF activities will be ongoing through the Work Program period.

• **Lifeline Transportation Program**

MTC established the Lifeline Transportation Program to provide grants for projects that result in improved mobility for low-income communities in the Bay Area. The source for the Cycle 6 program is Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula funds. VTA is designated as the program administrator for Santa Clara County. VTA staff participates in the FTA triennial audit of the FTA 5307 funds.

• **State Transit Assistance (STA) Block Grant Administration**

MTC reserves 70% of the STA Population-Based funds and interest for programming to STA-eligible operators by CMAs in each of the nine Bay Area counties as part of a STA Population-Based County Block Grant (County Block Grant).

VTA is responsible for programming and administering the County Block Grant
in Santa Clara County. This includes, but is not limited to, the following responsibilities:

- Coordinate the development of STA Population-Based claims from STA-eligible operators within the county.
- Estimate annually the amount of STA Population-Based funding that will be spent within or benefiting Communities of Concern.
- Coordinate and secure required approval for any requested fund swaps involving STA Population-Based funds.
- Establish or enhance mobility management programs to help provide equitable and effective access to transportation.
- Perform prescribed monitoring and reporting.

VTA staff serves on numerous regional and statewide committees and associations that help develop funding policies and procedures that impact the CMP and VTA’s capital programs. They have become increasingly important in forging consensus on issues of regional and statewide significance and assuring consideration of VTA and Member Agencies’ interests. These activities include:

- Advocacy for state and federal transportation funds with the MTC, California Transportation Commission (CTC), and Caltrans
- Participation in regional and state agency committees involving the planning and allocation of transportation resources
- Monthly participation in CMA regional meetings and MTC Bay Area Partnership and participation in ad hoc subcommittees on issues of topical interest

Staff will continue to work with the appropriate federal, state and regional agencies and local project sponsors to manage the grant funds and monitor the progress of those projects through the development and implementation process. There will be a particular focus on implementation of programs previously discussed.

1.2. Programmed Projects Monitoring (PPM)

Two regional bodies and two state bodies have a significant impact on the CMP’s capital programs and policies: MTC; BAAQMD; CTC; and Caltrans.

VTA staff serves on numerous committees, task forces, and working groups organized by these bodies that develop planning and programming policies and procedures affecting VTA’s projects, programs and the interests of VTA’s Member Agencies.

Staff analyzes state and regional issues, develops the appropriate countywide response, and distributes relevant information to Member Agencies. Staff will play key roles on activities developing the 2022 STIP, and potential implementation of the Regional Measure 3 bridge toll program.
1.3. Agency Project Delivery Assistance

The processes that project sponsors need to follow in order to obtain state and federal funds programmed to their projects are extremely complex. The grant funds are also subject to multiple use-it-or-lose-it deadlines at the regional, state, and federal levels for fund obligation, expenditure, and close-out. MTC and Caltrans use the congestion management agencies as their agent to communicate these requirements, monitor project progress, and assist local agencies in meeting these requirements.

VTA staff also prepares the Programmed Projects Quarterly Monitoring Report, which staff presents to the Technical Advisory Committee, Policy Advisory Committee, Congestion Management Program & Planning Committee and the VTA Board of Directors. The purpose of this report is to assist the VTA Board, committees, staff, and project sponsors in tracking the progress of federal or state-funded projects that are sponsored by Member Agencies and programmed through VTA. Additionally, the report helps ensure implementing agencies comply with the Metropolitan Transportation Commission's Regional Project Funding Delivery Policy.

Staff continues to work with the appropriate federal, state and regional agencies and local project sponsors to manage the grant funds and monitor the progress of those projects through development and implementation. In addition, staff will continue advocating for new grant funds.

These responsibilities will be carried out in the programs mentioned previously in Section 1.1.
2. CONGESTION MANAGEMENT PROGRAM CONFORMANCE

The CMP statutes require that the CMA monitor the implementation of all elements of the CMP, a minimum of every two years (biennially). This monitoring includes conformance with the CMP Auto Level of Service (LOS) standard. However, to obtain a more accurate and useful understanding of system performance, the VTA Board adopted a policy of annual monitoring for most elements. If a Member Agency is found to not conform to the CMP standard, it risks losing its gas tax subventions generated by Proposition 111 (Streets and Highways Code Section 2105) and other funding for its capital improvement projects.

Member Agencies are requested to provide land-use monitoring data to VTA by October 1st of the monitoring year. The traffic LOS monitoring results and land use impact analyses are summarized by VTA staff in an annual Monitoring and Conformance Report.

The land use information is also used as an input to the Countywide Travel Demand Model database and for coordinating land use information at the regional level with Association of Bay Area Governments (ABAG) projections. As Countywide Model land use databases are updated, this information is reviewed and checked against other information to ensure that these databases are as accurate as possible. The land use database is emerging as a critical component of work being conducted region-wide in efforts stemming from the implementation of AB 32 and SB 375 and the development of the related Sustainable Communities Strategy (SCS). This process has assigned additional responsibilities to the region’s CMAs, and the VTA CMP Work Program reflects these responsibilities.

In September 2013, the California Legislature passed SB 743, which makes a number of changes to California Environmental Quality Act (CEQA) transportation analysis practices. One of the major changes is a shift away from the use of performance measures based on automobile delay (such as Auto LOS) and towards the use of Vehicle Miles Traveled (VMT). While SB 743 addresses CEQA practices and does not directly address the use of Auto LOS for Congestion Management Program or local purposes, SB 743 still has significant implications for VTA and Member Agencies. VTA staff is actively involved in the implementation of SB 743 in Santa Clara County and statewide and is providing education and technical assistance to Member Agencies to assist in the transition. Further information about these efforts is contained in Section 2.6.

The main tasks in the Congestion Management Program Conformance area consist of the following:

2.1. Traffic Level of Service (LOS) Monitoring

Staff, utilizing consultant assistance, collects traffic data on freeways and evaluates the LOS of each freeway segment, including separate evaluations of High Occupancy Vehicle (HOV) and mixed flow lanes where applicable. Rural highway data is collected at twelve locations to report vehicle volumes, heavy vehicle percentage, directional split, and LOS. Beginning in 2014, VTA collects and reports weekday afternoon peak bicycle and pedestrian counts at all CMP intersections and weekday 12-hour bicycle and pedestrian counts at twenty additional locations selected to represent a variety of land use types. The CMP Monitoring Program also
includes biennial monitoring of Multimodal Improvement Plans (Deficiency Plans) adopted by VTA’s Member Agencies.

VTA will continue to use Big Data methods to analyze freeway data for all future cycles, as it has since 2017. Big Data is large data sets that may be analyzed computationally to reveal patterns, trends, and associations. In this case, that data may be used to analyze travel speeds and congestion issues on freeway segments.

The 2020 Monitoring and Conformance was paused due to the COVID-19 Pandemic per recommendation of the SOMWG. The 2021 Monitoring and Conformance Report will begin on the in the fall of 2021 and will include vehicle intersection counts and freeway data collection.

2.2. Land Use Impact Analysis Program

VTA works with Member Agencies on Development Review and Land Use and Transportation Integration to fulfill its responsibilities under the Land Use Impact Analysis element of the CMP. These efforts are described in Section 2.3 and Section 3 that follows.

Member Agencies have two responsibilities as part of the Annual Monitoring and Conformance Report with respect to the Land Use Impact Analysis Program:

- They must certify that they have used the VTA CMP adopted methodology to prepare transportation impact analyses (TIAs) for all appropriate development projects and have submitted these reports to VTA.
- They must submit an annual report documenting all development project approvals and major land use changes during the year.

VTA will be investigating the land use data collection process in the coming cycles to see if there needs to be any changes to the process currently in place.

2.3. Development Review Program Reports

One of the main ways in which VTA works to improve transportation and land use decision-making is through its Development Review Program. This long-standing program reviews development projects and long-range plans to ensure compatibility with existing and future transit services and transportation projects, as well assessing impacts on the multimodal transportation system. In an effort to enhance the effectiveness of this program, the VTA Board of Directors adopted the Land Use and Development Review Policy in January 2019. The policy states VTA’s positions on the integration of land use and transportation and formalizes the way VTA engages in local land use and development processes. The policy is grounded in four principles:

- Build Effective Partnerships;
- Increase Ridership and Support Fast, Frequent, Safe and Reliable Transit Service;
- Support Transit-Supportive Development in Proximity to Transit; and
Prioritize Sustainable Travel Behavior.

The policy’s key strategies are to work closely with local jurisdictions on land use planning efforts (e.g., development projects and long-range plans) at the earliest planning stages and throughout the process to expand mobility options in sustainable locations (e.g., promoting growth in close proximity to VTA’s Frequent Network), and to preserve and enhance VTA operations and the quality-of-service VTA provides. The policy also calls for VTA to create a transparent, comprehensive and streamlined Land Use and Development Review internal procedure and other tools to facilitate well-integrated development adjacent to transit facilities, while ensuring early and ongoing coordination.

VTA staff will continue to work closely with local jurisdictions to implement the Land Use and Development Review Policy principles, strategies and tools during FY22 and FY23. Key deliverables include: (A) finalizing and sharing the Development Review thresholds with Member Agency staff to help them understand the types of projects to be shared with us; (B) creating a Developer’s Web Portal; and (C) issuance of other guidance and tools that add value and time-savings to city review processes and overall improve the effectiveness of coordination with VTA. Additionally, the Development Review Program, per the policy, will summarize VTA’s policy implementation progress in an annual report highlighting best practices and partnerships, as well as challenges and recommended refinements. The annual report will be provided to the VTA Board and committees.

Staff also tracks development approvals utilizing a Geographic Information System (GIS)-based web service. In spring 2019, staff has launched a web service that is actively being used for VTA staff’s day-to-day work in the Development Review Program. This web service is described further in Section 2.4.5.

2.4. Countywide Travel Demand Model

One of VTA’s key responsibilities as a CMA is to maintain a countywide travel demand model (countywide model). The following sections outline activities related to the countywide model in the FY22/23 work program.

2.4.1. Maintenance of the Countywide Model and Database

Maintaining the countywide model requires continued updating and refinement of socio-economic input and transportation networks in the model. It also requires making refinements to the model itself to develop more accurate transportation forecast.

Specific tasks include the following:

- Prepare zone-level estimates of jobs, housing and workers based on the Projections 2021 to be adopted by ABAG when Plan Bay Area 2050 gets adopted by MTC;
- Update the transportation networks in the model to reflect the latest changes in the investments on the local and regional transportation systems in future years, in accordance with Plan Bay Area 2050;
• Prepare new forecasts using the latest projections for various horizon years; and
• When Census 2020 data become available, recalibrate the work and non-work trip components of the current trip-based model using the most recent data and possibly proprietary Big Data (e.g., Replica data, Streetlight data, etc.). This task is a tentative item. The progress on the development of the new activity-based model (discussed in the next section) may obviate this task.

2.4.2. Countywide Travel Demand Model Enhancement

The countywide model is a tool that should evolve over time to capture the shifts in travel markets and travelers’ behaviors resulting from changes in the transportation system, changes in lifestyle, technological advancement, and other factors. As such, enhancements to the countywide model from time to time are necessary. New legislations and mandates also trigger the need to expand the functionalities of the existing countywide model.

Given this, the followings are planned activities for the upcoming two-year period (contingent on the availability of budget and data required):

• Continue to develop new model components and improvements necessary to address the requirements stemming from SB 375 and SB 743;
• Improve the highway and transit forecasting capabilities of the current model by integrating the latest research in the industry;
• Continue to develop new model components and improvements necessary to address the requirements stemming from SB 375, SB 743, and other state or regional initiatives;
• Improve the pedestrian and bike forecasting capabilities of the current model by applying new research and using new data sources;
• Develop new model components to evaluate the impacts of emerging and future mobility options and/or technologies;
• Develop new model components to perform equity analyses;
• Perform a countywide household travel survey after the region has fully reopened from the year-long lockdown due to COVID-19. Current research in the industry suggests that there are likely to be long-term effects of the pandemic on travel behavior;
• Begin Phase II of the development of an integrated land use/transportation model to estimate impacts on land development and economic benefits caused by changes in transportation system accessibility due to major capital improvements; and
• Maintain close communication with MTC modeling staff on key issues around travel demand forecasting in the Bay Area region.

2.4.3. Transportation Modeling Assistance

The CMA applies the countywide model to assist VTA staff, Member Agencies, and other...
regional partners in developing long-range plans, analyzing the impacts of transportation and land use decisions, as well as supporting capital project development and grant funding applications. Specific tasks to be accomplished in FY22 and FY23 include:

- Develop 2050 forecast for baseline assessment and project performance evaluation to support the Valley Transportation Plan 2050 (VTP 2050) process;
- Participate in future update and enhancement of the Santa Clara Countywide VMT Evaluation Tool (see details in Section 2.6);
- Support various corridor planning studies in the county (e.g., SR-85 Corridor Study and High-Capacity Transit Corridors Study);
- Support the implementation of highway and expressway projects funded by Measure B. VTA will continue to work with Caltrans, Santa Clara County Roads and Airports Department, and other stakeholders on various capital projects. The VTA countywide model will be utilized to support different phases of these projects, from Project Initiation Document through Project Approval/Environmental Document.
- Support VTA and its Member Agencies in their grant application efforts; and
- Function as adjunct staff to other transportation agencies (e.g., San Mateo C/CAG, California High Speed Rail Authority, and Caltrain JPB) to perform transportation modeling tasks.

### 2.4.4. Local Transportation Modeling Support

The CMA also provides technical support to Member Agencies on local transportation modeling issues. For example, model input and output data (transportation and socio-economic) are made available for use by Member Agencies. Assistance and resources are provided to agencies developing their own local transportation models. VTA CMP staff also provides training to Member Agency staff on the application of the countywide model. Specific tasks include:

- Assist Member Agency staff with application of the full countywide models by in-house member agency staff if desired; and
- Advise Member Agencies and regional partners on strategies for meeting the requirements of SB 375 and SB 743, including the provision of model-generated outputs such as VMT.

### 2.4.5. Land Use Development Data Collection and Tracking

Land use development data provides a foundation for VTA and Member Agencies in understanding the travel patterns in the county and region. The data is input to the VTA Countywide Travel Demand model to assist in decision making about transit investment improvements in the county. Therefore, it is important that VTA collaborates with Member Agencies to collect and track timely and accurate data about potential, approved, under construction, and recently completed projects. This effort will centralize and greatly improve the existing land use data collection efforts.
The key improvements will include:

- Streamline and improve current development data collection and tracking methods, including better interfaces, queries and data quality;
- Improve workflows and reporting of development project data by Member Agencies to VTA; and
- Provide value-added web portal of land use and transportation data for use by Member Agencies and other outside parties.

As noted in Section 2.3, staff has launched GIS-based web service for Development Review data for VTA staff use, as a first major deliverable in this effort. VTA staff is also planning to begin the development of the web portal for Member Agencies and outside parties in FY20. Further information about VTA’s broader countywide land use database efforts is provided in Section 4.1.1.

### 2.5. Multimodal Improvement Plans and Funding for Improvements

To ensure that a CMP directly addresses congestion, state law requires that CMAs monitor Level of Service (LOS) on the CMP roadway system, identify facilities that are not meeting or projected to not meet the CMP LOS standard, and work with local jurisdictions to address congestion issues. In Santa Clara County, a CMP facility is considered to have a congestion issue (deficiency) when the traffic LOS falls below LOS E, when it previously operated at LOS E or better in 1991. If LOS declines to LOS F on a CMP roadway and this decline in LOS cannot be restored to LOS E or better, then the local jurisdiction in which the congestion issue is located must complete a Multimodal Improvement Plan (MIP) outlining the measures it will take to address the issue with multimodal or offsetting improvements. (These plans are referred to as Deficiency Plans in the CMP statute but beginning with the 2013 CMP VTA has used the term Multimodal Improvement Plan). Without a MIP, the local jurisdiction risks non-conformance with the CMP and the potential loss of Prop 111 funds.

With increasing population and employment growth, and physical and policy constraints on roadway capacity expansions in many locations, the need to address congestion issues on the CMP roadway system will remain a regular issue. One approach to addressing congestion on the regional system is with the preparation of a MIP. Implementing a MIP provides added flexibility to address:

- State CMP requirements focusing on LOS that conflict with VTA and Member Agency policies of concentrating development to support transit investments and a multi-modal environment;
- The congestion impacts of new development that may be addressed at a local level, but which exacerbate the traffic conditions on the regional CMP network; and
- Fee programs that assist Member Agencies with projects and programs to offset – or mitigate – the impacts of development and improve community livability.

The VTA Deficiency Plan Requirements were updated in 2010, and VTA staff expects to update this document again in the second half of 2021. VTA staff will continue to assist
Member Agencies in developing and updating local MIPs as needed by providing technical assistance, providing data for use in local MIPs, reviewing local MIPs, coordinating and advising on local and countywide modeling efforts, and taking the plans through the VTA approval process. Over the past several years, VTA staff coordinated extensively with staff from the cities of Mountain View and Santa Clara, each of which developed MIPs to address development-related impacts in their cities; both of these MIPs were adopted by the VTA Board in November 2018.

Another method of addressing traffic impacts, especially on the freeway system, is by pursuing fair share contributions from developments that generate new trips and using those funds to support projects or programs that offset the impacts generated by the development. This method can provide funds for regional improvements such as freeway-based projects that add effective throughput without adding new lane capacity, such as Express Lanes, and transit or Complete Streets improvements that work to induce mode shifts from Single Occupant Vehicles to other modes.

Several jurisdictions in Santa Clara County currently seek fair share contributions, and over the past several years VTA has been encouraging jurisdictions to direct contributions to regional improvements on a voluntary basis. Over the past five to ten years there has been an increase in the number of cities participating in the Voluntary Contribution Program and the amount of funding committed by developments. VTA will continue to assist those jurisdictions as needed with developing methodologies for these contributions as well as identifying appropriate regional improvements and working with developers. Additionally, staff will assess the Voluntary Contributions Program and identify recommendations for improvements, and also explore the potential for a VMT mitigation bank or exchange program in cooperation with VTA’s Member Agencies. These efforts will be coordinated with the implementation of the Land Use and Development Review Policy (noted in Section 2.3).

2.6. SB 743 LOS-to-VMT Implementation

As noted previously, SB 743, adopted in 2013, calls for a transition away from LOS and other congestion-based measures and towards the use of VMT in CEQA transportation analysis. The transition to VMT for land use project analysis became mandatory statewide in July 2020. While this law mainly affects transportation analysis under CEQA, VTA is actively involved in implementing this law in Santa Clara County and statewide. VTA has taken on this role for several reasons: (1) VTA has traditionally provided guidance to its Member Agencies on how to perform transportation analysis of development projects in its CMA role; (2) Member Agencies have consistently asked for VTA to assist them in this transition; and (3) VTA is adapting its own transportation analysis practices when it serves as a CEQA Lead Agency for transportation improvement projects.

VTA’s main work areas on the LOS-to-VMT implementation include the following:

- Providing estimates (tables and maps) of baseline VMT across Santa Clara County from the VTA countywide model, for use by Member Agencies;
- Developing and maintaining the Santa Clara Countywide VMT Evaluation Tool, a countywide GIS/web-based tool to estimate the VMT generated by land use projects; the initial version of this tool was launched in May 2020, and VTA staff
anticipates making incremental enhancements and performing maintenance during FY22 and FY23; • Providing targeted guidance on the use of the base VMT data and the Countywide VMT Evaluation Tool, to promote consistency in how VMT analysis of development projects and plans is performed across Santa Clara County;

- Facilitating information-sharing among VTA and Member Agency staff on this transition;
- Adapting VTA’s practices as CEQA Lead Agency on transportation projects to address SB 743 requirements; and
- Participating in working groups, meetings and webinars within the county, the Bay Area and across the state to gather and share information about SB 743 implementation.

2.7. Update of Congestion Management Program (Documents, Guidelines, etc.)

VTA prepares a number of documents that summarize the elements, policies and activities of the CMP, and provide technical guidance on CMP-related areas for Member Agencies. Some of these documents are updated regularly to meet state CMP statutory requirements, while others are updated as needed. The following is a listing of the key CMP documents, including the date of the most recent update and planned updates (if applicable):

- Congestion Management Program document (Updated biennially; last update November 2019; next updates in Fall 2021 and Fall 2023);
- Transportation Impact Analysis Guidelines (Last update October 2014; next update may occur during FY22 or FY23);
- Traffic LOS Analysis Guidelines (Last update June 2003; next update may occur during FY22 or FY23);
- Local Transportation Model Consistency Guidelines (Last update May 2009)
- Requirements for Local Deficiency Plans (last update November 2010; next update anticipated second half 2021); and
- Annual Monitoring and Conformance Requirements (Updated annually).

Each document is reviewed and updated as needed to respond to emerging trends and policies, changes in technology, or guidance from regional agencies. For example, the Transportation Impact Analysis (TIA) Guidelines were updated in 2013-2014 following a comprehensive outreach process involving Member Agencies and other stakeholders. The TIA Guidelines establish procedures that Member Agencies use when analyzing the transportation impacts of land use and development projects on the CMP transportation system. This update to the TIA Guidelines emphasized ways to make the program more multimodal and more in line with the goals of SB 375, the regional and countywide long-range transportation plans, Complete Streets policies, and local General Plans and policies. The goal of the update was to emphasize the reduction of auto trips and take a balanced, multimodal approach to addressing congestion impacts and transportation solutions of development projects.

The partner document to the TIA Guidelines, the Traffic LOS Analysis Guidelines, may be updated in the FY22 - FY23 period. In addition, the Annual Monitoring and Conformance Requirements are updated each year to meet the needs of the monitoring program.
3. LAND USE AND TRANSPORTATION INTEGRATION

Improved integration of land use and transportation decision-making is a long-standing goal of VTA and is a key element of VTA’s Long-range and Strategic Planning efforts. Various VTA documents frame policies to better integrate land use and transportation, including the recently adopted Land Use and Development Review Policy noted in Section 2.3. This includes technical tools and assistance, and local incentives for cities to craft and adopt land use policies that encourage alternatives to the single occupant automobile and that promote innovative planning and development practices and high-quality project planning and design.

VTA staff is available to answer Member Agency questions about specific CMP requirements and to provide information on a wide array of activities including the Congestion Management Program document, the development of Multimodal Improvement Plans, transportation planning, community/urban design, transit-and-pedestrian oriented design, traffic and transportation engineering, systems engineering, Intelligent Transportation Systems (ITS) engineering and planning, bicycle and pedestrian design, and capital improvement funding programs. VTA staff responds to Member Agencies on these requests for information and advice on a daily basis and works closely with Member Agency staffs to address local transportation and development issues.

In 2002, VTA Board adopted the *CDT Manual of Best Practices for Integrating Transportation and Land Use (CDT Manual)* and an implementing resolution (No. 02.11.35) as the primary mechanism for integrating transportation and land use into VTA projects and programs. In 2003, the VTA Board adopted the *Pedestrian Technical Guidelines (PTG)* to further support the CDT, and pedestrian projects and environments in general. VTA has also adopted *Bicycle Technical Guidelines (BTG)* which provide technical guidance on bicycle system planning and design. VTA staff uses the CDT Manual, PTG, and BTG in its Development Review activities, and these documents are available as resources to Member Agency staff, consultants, and developers. In FY19, VTA staff began updating the *CDT Manual* to incorporate guidelines for new State and Federal requirements for developing Complete Streets Programs, add new sections such as parking practices and design, and convert the document into an online resource. Work will continue through FY22 into FY23. Staff will also pursue opportunities to share information about VTA’s land use / transportation integration activities, such as through blog posts, presentations, and website updates.

3.1. Bicycle and Pedestrian Program Planning Activities

VTA’s Bicycle and Pedestrian Program works with VTA staff, Member Agencies, and members of the public to develop guidelines, review plans and projects, provide advice and offer resources related to integrating walking and bicycling into all aspects of transportation planning, programming, and project delivery. The Program also identifies new capital projects including an unconstrained master list of bicycle infrastructure needs and pedestrian access improvements to transit, develops policies and implementing actions that will improve the design and delivery of high-quality bicycle and pedestrian infrastructure, and supports programs that will make it easier and safer for people to walk and bicycle for everyday travel in Santa Clara County.

Key activities of the Bicycle and Pedestrian Program include:
• Countywide Bicycle Plan - Adopted by the VTA Board in June 2018, the plan identifies and prioritizes a network of Cross County Bicycle Corridors (CCBC) and locations where improvements are needed to cross barriers. The plan identifies a subset of CCBCs that have potential to be built out as Bicycle Superhighways, allowing people to bicycle across the county on high-quality bikeways, separated from motorists, with minimal delay. The plan also identifies policies and programs VTA could undertake to support bicycling. In FY22 & FY23, VTA will advance selected projects identified in the plan, including a feasibility study of a Bicycle Superhighway that connects Santa Clara to Berryessa BART (Central Bikeway Study), Homestead Road Safe Routes to School Improvements, Bicycle Superhighway Implementation Plan, and upgrade of bicycle lockers at VTA transit stations.

• Pedestrian Access to Transit Plan - The VTA Board of Directors adopted the VTA Pedestrian Access to Transit Plan in September 2017. The Plan identifies infrastructure improvements that can improve the safety, comfort, and convenience of pedestrians accessing VTA’s high ridership stops. It also identifies a subset of projects which VTA could deliver. In FY22 and FY23, VTA will continue working with Member Agencies to deliver projects identified in the plan. Among other activities, VTA will begin design and environmental clearance for safety and transit access improvements along Bascom Avenue in San Jose.

• 2016 Measure B Bicycle and Pedestrian Competitive Grant Program - The Bicycle and Pedestrian Program has been involved in developing the Measure B Bicycle and Pedestrian Competitive Grant Program. During FY22 & FY23, staff will continue to assist the 2016 Measure B team on program administration.

• Countywide Education and Encouragement Program – 2016 Measure B funds countywide education and encouragement programs to support safe walking and bicycling. In FY22 and FY23, VTA will begin offering adult bicycle education classes and is expected to begin development of a countywide bicycle and pedestrian safety campaign in collaboration with the County Public Health Department.

• Technical Design Guidelines - The Bicycle and Pedestrian Program has authored three design guidelines that support walking and bicycling: The Bicycle Technical Guidelines (BTG), last updated in 2012; the Pedestrian Technical Guidelines (PTG), adopted in 2003; and the Community Design and Transportation Manual (CDT), adopted in 2003. These documents provide planning guidelines and technical details to Member Agencies to assist them with designing bicycle- and pedestrian-friendly facilities and to ensure consistency in the design and construction of these facilities. For FY22 & FY23, staff will continue to update sections of these documents to reflect new advances in bicycle design guidance, and to address any concerns that may arise as new transportation infrastructure is built.

• Design Review/Complete Streets Requirements – The Bicycle and Pedestrian Program reviews planning and design documents to ensure they are consistent with VTA’s bicycle and pedestrian-related design guidelines and planning documents. Staff provides technical and policy assistance to the VTA Highway Program and VTA Operations regarding the inclusion of bicycle and pedestrian accommodations in project conceptual development and design. Staff also assists with the Development Review process to ensure impacts on bicyclists and pedestrians have
been addressed and to help identify conditions of approval that can promote bicycle and pedestrian access to the site. For FY22 & FY23, staff will continue this work.

- Input into County, Regional, and State Policy – As part of ongoing bicycle and pedestrian planning and program development activities, VTA staff participate in various regional and state technical and advisory committees and working groups. For FY22 & FY23, staff will continue this work.

- Bicycle Lockers - The Bicycle and Pedestrian Program provides planning assistance for subscription and on-demand bicycle lockers at VTA Light Rail stations, Transit Centers, Park & Ride lots and the Berryessa and Milpitas BART stations to facilitate bicycle usage with transit. During FY22 & FY23, staff will begin purchasing, replacing, or reallocating lockers to meet the needs of VTA’s transit riders.

- Bicycle and Pedestrian Advisory Committee - Bicycle and Pedestrian Program staff serve as the liaison to the VTA Bicycle and Pedestrian Advisory Committee (BPAC). As an advisory committee to the VTA Board of Directors, the VTA BPAC provides expertise and guidance to the Board of Directors on promoting and enhancing non-motorized transportation opportunities through the county and serves as liaison between VTA and the Member Agency bicycle and pedestrian advisory committees. Staff will continue this work during FY22 and FY23.

- Countywide Bicycle Map – In summer 2020, VTA completed an update of the Countywide Bicycle Map through coordination with Member Agencies staff and the Creative Services Department. The final map was printed and shared with participants of the Bike to Wherever Days event held by the Silicon Valley Bicycle Coalition in September 2019.

### 3.2. Priority Development Area (PDA) Investment and Growth Strategy

In the past, as part of the requirement to access One Bay Area Grant (OBAG) program funds, VTA had the responsibility of developing a Priority Development Area (PDA) Investment and Growth Strategy. The purpose of a PDA Investment & Growth Strategy was to ensure that VTA has a transportation project priority-setting process for OBAG funding that supported and encouraged development in the region’s PDAs. However, with MTC’s planned update to Plan Bay Area, CMAs are not required to provide an update of the PDA Investment and Growth Strategy at this time. MTC is currently evaluating all the PDAs in the Bay Area as part of Plan Bay Area and will decide in 2021 if an update will be needed. MTC is currently determining whether CMAs will need to do further updates of the Investment and Growth Strategy after the completion of the current Plan Bay Area cycle.

### 3.3. Complete Streets Program & Community Design and Transportation Integration

A key element of meeting VTA’s Strategic Planning goal of integrating land use and transportation is the continued development of the Complete Streets Program, the integration and implementation of the Community Design and Transportation (CDT) Manual by Member Agencies, and evolution of a land use/transportation investment strategy. The VTA Board and all 15 Member Agencies adopted the CDT Manual that provides guidance to the Member Agencies to address topics that include smart growth, urban design, building and site design,
transit station area design, street standards, right-of-way dedication, and parking management when making land use decisions. The CDT Manual is undergoing an update and will be made available through the vta.org website upon completion.

The VTA Complete Streets program provides Member Agencies with education, technical assistance and funding for improving the connection of street networks, using technology to improve traffic flow and making streets safer to accommodate all users of all abilities of the roadways. Recent examples include that in August 2017, VTA sponsored a Caltrans training for cycle track design for VTA and Member Agency staff. Also in 2017, VTA hosted the Dutch Cycling Embassy at VTA for a half-day presentation for Member Agency staff. For FY20 and FY21, VTA staff will continue to seek opportunities for future training, particularly in collaboration with partner agencies.

In January 2015, VTA staff initiated the Complete Streets Corridor Study, which is a partnership between VTA and Member Agencies to transform select roadways into high-quality, multimodal streets that prioritize bicycle, pedestrian and transit travel while still serving motorists. In Spring 2015, VTA secured three separate grants to pursue Complete Streets studies as a part of this overall effort: PDA Planning Grants for the Tasman Drive corridor (covering Sunnyvale, Santa Clara, San Jose and Milpitas) and Bascom Avenue corridor (covering San Jose, Campbell, and Santa Clara County), and a Caltrans grant for the Story/Keyes corridor in San Jose. In 2016, VTA completed Request for Proposals (RFP) processes and kicked off all three Complete Streets corridor studies late that year.

For the Story-Keyes Complete Streets Study, the development process began in mid-2016 and the final design was completed in June 2018. The VTA Board of Directors approved the Story-Keyes Complete Streets Study in September 2018. The Tasman and Bascom studies were initiated in late 2016. Development of design alternatives and public surveys and public meetings have been completed for both studies. The Tasman and Bascom Complete Streets studies are both completed and have been closed out with Caltrans as of late 2020. VTA staff is presenting the studies to our Member Agencies. VTA envisions adopting both plans in summer 2021.

VTA staff is available to assist Member Agencies with research, technical, and design-related aspects of issues dealing with Smart Growth, Joint Development, Transit-Oriented Development (TOD), and integrating transportation and land use as part of the VTA Board adopted CDT Program. Program assistance may include assisting Member Agencies with review of development proposals, developing technical design guidelines and standards related to buildings, pedestrian environments, and street design, and developing specific plans and urban designs for station areas, corridors and districts.

The Grand Boulevard Initiative (GBI) is a coordinated multi-agency effort along the El Camino Real/The Alameda (State Route 82) corridor involving transportation agencies and cities in Santa Clara and San Mateo counties. VTA is participating in the GBI as a partner and as a participant in task force and working group activities. This effort is focusing on land use, aesthetics/urban design, and transit opportunities to enhance the El Camino Real Corridor in both counties. Project goals include transforming El Camino Real Corridor into a vibrant corridor of origins and destinations by providing jobs, housing, recreational, shopping, civic,
In November 2016, Santa Clara County voters passed Measure B, a 30-year half-cent sales tax to fund a variety of transportation improvements within the County. 2016 Measure B includes a requirement that certain projects funded through the sales tax implement Complete Streets best practices. In June 2017, the VTA Board adopted the requirement that all capital projects funded through 2016 Measure B must implement Complete Streets best practices. To aid the process for both VTA and Member Agencies, VTA staff developed a Complete Streets Checklist that must be completed and adhered to. Additionally, to comply with the 2016 Measure B Complete Streets requirements, the Board of Directors adopted a Complete Streets policy for all VTA projects in December 2017. During FY22 & FY23, VTA will continue working with and aiding Member Agencies in implementing these reporting requirements.

3.4 Community-Based Transportation Plans

In January 2019, VTA, through funding from the MTC and in partnership with the City of Morgan Hill, initiated a Community-Based Transportation Plan (CBTP). The CBTP is focused on improving mobility options for the City of Morgan Hill with an emphasis on disadvantaged communities. CBTP brings residents, community organizations and transportation agencies together to identify low-income neighborhoods' most important transportation challenges and develop strategies to overcome them.

The resulting CBTP is an essential tool for helping VTA and the community to proactively pursue projects when funding becomes available. Projects in the final plan can address important issues, including, but are not limited to bicycle and pedestrian connectivity; public transportation amenities; local roads & streets improvements; and integration of technology with transportation.

The plan includes:

- Demographic analysis of the area;
- List of community-prioritized transportation needs;
- Strategies or solutions to address these needs;
- Identify possible funding sources; and
- List of stakeholders to implement the plan.

The study is complete. VTA is in the planning stage for another City’s Community-Based Transportation Plan. It is anticipated that VTA will select the study area summer 2021 and complete the study in 2022.
4. PLANS, STUDIES AND TRANSPORTATION ENGINEERING

This work area includes: efforts coordinated with Member Agency staff through the VTA Technical Advisory Committee’s (TAC) Systems Operations & Management Working Group (SOMWG); the development of the countywide transportation plan; the development of transportation corridors and other special studies; and representation of Member Agencies by VTA staff on technical groups led by MTC, Caltrans and other regional organizations (and the subsequent reporting back to Member Agencies and development of work products). This work area also includes the organization, use and distribution of transportation data related to GIS and the countywide model, and the monitoring of the transportation system through the Transportation Systems Monitoring Program (TSMP; see Section 4.2).

VTA staff leads and/or participates in a range of transportation corridor and special studies. Recently completed studies include: a study of the I-680 corridor; a study of the I-280 corridor; a technology-focus study of SR 87; a study of US 101 with San Mateo and San Francisco counties for securing funds from the Solutions for Congested Corridor Program of SB 1; Transportation Systems Monitoring Program; applications of GIS; and Transportation Technologies Strategic Plan (TTSP). One potential study that has been raised by VTA Board members is a study of SR 237 within the vicinity of Mathilda Avenue and US 101.

In addition, VTA staff also collaborates with innovative organizations such as Inrix, Silicon Valley Leadership Group, Streetlight Data, and Waze to foster public-private partnership in developing countywide transportation improvements.

VTA staff also participates in efforts led by regional or state agencies. Ongoing efforts in this area include: Caltrans’ annual Project Initiation Document (PID) work planning; continued tracking of Caltrans’ updates to the Highway Design Manual; the ongoing efforts by MTC on the development of a master plan for Bay Area managed lanes; MTC’s coordination of efforts related to arterial operations through its Arterial Operations Committee; and the Bay Area CMAs’ efforts to coordinate on topics related to project delivery through the CMA Directors’ Project Delivery Committee (PDC). The following sections provide more details on key efforts under this work area.

4.1. Transportation Management Information Systems (TMIS)

TMIS includes the ongoing process to collect and use transportation data and information, and to use this information to measure the performance of the transportation system. There are five ongoing TMIS efforts:

4.1.1. Countywide Land Use Database

VTA is planning to improve and update its GIS-based land use database for the county using information from the County Assessor, Member Agencies, and other county and regional agencies. VTA will work with its member agencies to refine its current data collection effort with the goal of having a more accurate account of what is on the ground. This information would also allow for allocation of future growth using ABAG projections to be better aligned...
with the adopted general plans and development policies of the Member Agencies. This dataset would also be used to improve the countywide travel demand model and travel demand forecasts for capital projects. This database would be made available to Member Agencies for their use in planning and engineering projects. It would be updated and expanded as part of the annual CMP monitoring process. The GIS-based web service of land use information described in Sections 2.3 and 2.4.5 represents a start of this larger land use database effort.

4.1.2. CMP Transportation Model Data Distribution

Member Agencies frequently prepare transportation models for use in their own jurisdictions that provide more detail on local transportation conditions than the countywide model. The CMP statute requires that local transportation models be consistent with the countywide model. A significant amount of data is required to develop local models that are consistent with the countywide model. Data from the countywide transportation model database is available upon request electronically provided to Member Agencies.

4.1.3. CMP Transportation System Database

The CMP and Member Agencies are responsible for collecting and evaluating information on the CMP System condition and performance. This data is used to develop capital and transportation operation projects to improve traffic flow and mobility in the county.

4.1.4. CMP Information via the Internet

VTA has used the Internet and related applications to make the wide array of CMP-related information available to Member Agencies. This information includes the various CMP documents and guidelines, GIS-based information, Countywide Bikeways Map, interactive bike maps, level of service maps, countywide long-range transportation plan (i.e., VTP 2040) documents, and the Programmed Projects Quarterly Monitoring Report.

4.1.5. CMP Data

VTA data by default are open and available on the open data portal: data.vta.org. Much of the data collected and coordinated for the purposes of the CMP are available in their raw format. Transit data can easily provide further insights into the vitality of the CMP networks. VTA will endeavor to continue seeking the best methods of providing data analytics and promoting data-driven transportation solutions. Furthermore, web-based visualizations of data will continue to be developed and be made available to the public.

4.2. Transportation Systems Monitoring Program (TSMP)

The TSMP was initiated by VTA’s Technical Advisory Committee and approved by the Board of Directors in September 2008 in response to concerns raised by local jurisdictions on the ability and resources needed to maintain the County’s transportation infrastructure to acceptable standards. The TSMP includes data collection and the production of annual reports that provide information to residents and external stakeholders on the inventory, conditions and performance
of selected transportation system networks and assets in Santa Clara County. The primary purpose of the reports is to serve as an asset management tool by providing an inventory and general assessment on the conditions and performance of selected key transportation systems as well as communicating progress towards stated goals and objectives, identifying areas in the transportation system needing improvements, and building a case for allocating resources to make improvements or correct deficiencies.

4.3. Transportation Systems Planning and Project Development Assistance

VTA staff continues to provide support to local agencies and assist in the coordination of planning and project development work related to transportation improvements, especially those on the regional transportation system. The projects range from expressway improvements to interchange improvement to freeway overcrossings to transit improvements and a roundabout on State highways. VTA staff will continue to play a key role in assisting Member Agencies on the development of improvements to the transportation system including ensuring that the transportation system improvements address the needs of all modes of travel supported by the CMP and local agencies.

4.4. Countywide Transportation Plan (VTP 2050) and Follow-up Activities

VTA will be updating the Valley Transportation Plan (VTP), the countywide long-range transportation plan for Santa Clara County that drives the overall planning and programming efforts of VTA. The VTP includes programs and policies for delivering a multimodal transportation system for Santa Clara County by providing a framework for making key transportation decisions, a plan for investing in our transportation system, and strategic direction for VTA’s involvement in land use and other livability issues.

The VTP identifies transportation improvements for transit, roadway, bicycle, and pedestrian systems, and a financial plan for implementing the related projects. It contains programs that:

- Improve the relationship between land use and transportation decisions, and responds to heightened awareness of the link between transportation and open space preservation, urban design, and in general, the county’s quality of life and economic vitality;
- Focus on maintaining and managing our existing system, while providing the capacity to expand elements of the transportation system;
- Provide multimodal transportation improvements that effectively distribute transportation resources and plan their future use;
- Effectively upgrading the existing state and local roadway system;
- Address new legislation related to climate protection;
- Provide a Strategic Planning Framework for VTA; and
- Look to integrate more equity-based outcomes during the planning stages.

The most recent VTP update, VTP 2040, was adopted by the VTA Board of Directors in October 2014. The new plan, which will be called VTP 2050, is currently in the planning stages and is scheduled to begin work by VTA in 2022. VTP 2050 development follows a
schedule similar to that of MTC’s update of the Regional Transportation Plan (RTP). Implementation of the SCS and programs in the VTP will be carried out immediately after the plan is adopted.
5. COLLABORATION AND SUPPORT

Meaningful, ongoing and consistent collaboration with VTA’s Member Agencies is a key tenet of this (and all) CMP Work Program(s). Previous sections of this Work Program described many ways that VTA provides services, information, education, technical assistance, coordination and other services and products, all done with the collaboration, input, and review of Member Agencies.

The three Technical Advisory Committee working groups are long-established, well-proven tools for soliciting input, vetting products, and assisting Member Agency staff. These groups, which are facilitated and supported by the CMP, are open to all Member Agency staff. The working groups provide a regular, ongoing forum to work on and discuss such topics as funding and policy, mobility and traffic, land use and transportation integration, as well as other countywide transportation issues. The three working groups are:

- **Capital Investment Program (CIP)**
  CIP meets to discuss and collaborate on issues related to capital improvement of countywide circulation as well as to develop and implement countywide programs receiving local, state and/or federal funds. Generally, meetings are held monthly, and participants are typically transportation planners, public works staff and/or traffic engineers.

- **Community Design and Transportation Network (CDTN)**
  CDTN is a forum for discussion of land use, development and transportation planning topics in the county. Meetings are scheduled quarterly, and participation is by a wide variety of planning, public works, and/or transportation staff.

- **Systems Operations and Management (SOM)**
  The SOM Working Group meets to coordinate, review, and provide input on congestion management-related projects such as multi-jurisdictional corridor studies, current practices, local roadway safety, and traffic operations. Meetings are generally held monthly, and attended by transportation engineers and planners, and regional partner staff from Caltrans and Metropolitan Transportation Commission.
Santa Clara Valley Transportation Authority
Congestion Management Program

Major Accomplishments during FY 2020 and FY 2021

The following summary lists the major accomplishments for the Congestion Management Program during FY 2020 and FY 2021:

**Programming & Grants**
- Developed and programmed the FY19 & FY20 TFCA 40% Program.
- Developed and programmed FY19 & FY20 TDA Article 3 Program, which funds the backbone of most member agencies sidewalk and ADA curb ramp programs.
- Continued implementation and monitoring of the OBAG Cycle 2 program of projects.
- Developed and distributed the 2016 Measure B Local Streets and Roads Master Funding Agreement for execution and associated documentation:
  - Local Streets and Roads Program Manual
  - Maintenance of Effort Template
  - Program of Projects Template
  - Complete Streets Pavement Program Checklist
- Participated in the FTA Triennial audit of Lifeline Transportation Program projects.
- Developed the Lifeline Cycle 6 program of projects.

**Planning**
- Completed the 2019 CMP Monitoring and Conformance Report.
- Reviewed and commented on 106 individual development projects and plans through Development Review Program for the period of July 1, 2017 through March 31, 2019.
- Prepared and distributed the 2017 Land Use Transportation Integration Annual Report.
- Coordinated with the cities of Mountain View and Santa Clara on the development of Multimodal Improvement Plans which identified measures to offset the effects of approved growth, and which were adopted by the cities and the VTA Board in Fall 2018.
- Adopted ABAG’s Projections 2017 in the Countywide Travel Demand Model. In collaboration with member jurisdictions, VTA performed a detailed review of the baseline and future land use patterns. Fully recalibrated and revalidated the Countywide Travel Demand Model with the latest land use information, American Community Survey, highway volume counts, and transit ridership data.
- Developed a new baseline model for 2015 and new travel forecasts for the years 2025 and 2040.
- Developed travel forecasts to support miscellaneous Measure B projects, including SR 237/US 101/Mathilda Avenue Area Improvement, I-280/Winchester Boulevard Interchange Improvement, I-280/Wolfe Road Interchange Improvement, US 101/SR 25 Interchange Improvement Project, Express Lane Phase 5 Access Study
• Helped secure SB 1 grants to fund various capital projects, including US-101/De La Cruz/Trimble Interchange Improvement and US-101/SR-25 Interchange Improvement.

• Performed technical modeling and cost-benefit analyses for the City of Mountain View as the City prepared its application for SB1 grants to fund its Transit Center Grade Separation and Access Project.

• Assisted the City of Sunnyvale as it developed its own Citywide Travel Demand Model

• Provided different types of modeling assistance to Member Agencies.

• Assisted Member Agencies in the implementation of SB 743, which calls for a change from Level of Service (LOS) to Vehicle Miles Traveled (VMT) in transportation analysis under the California Environmental Quality Act (CEQA).

• Developed a countywide web and Geographic Information Systems (GIS)-based VMT Estimation Tool for land use projects.

• Completed the Story-Keyes Complete Streets corridor plan.

• Completed the Tasman Drive and Bascom Avenue corridor studies. Will take the plans to the Board for adoption in 2021.

• Completion of the Morgan Hill Community-Based Transportation Plan.

• Completed the update to the Countywide Bicycle Map and distributed copies during Bike to Wherever Days month through partnership with the Silicon Valley Bicycle Coalition.

• Developed and received Board adoption of the VTA Land Use and Development Review Policy.

• Per the VTA Land Use and Development Review Policy, conducted a total of 40 coordination meetings with eight local jurisdictions (Cupertino, Gilroy, Milpitas, Mountain View, Palo Alto, Santa Clara, San Jose and Sunnyvale)

• Per the VTA Land Use and Development Review Policy, engaged in Technical Advisory Committees for 15 long-range land use or transportation plans (e.g., Specific Plans, General Plans, etc.) led by various local jurisdictions including the Cities of Santa Clara, San Jose, Milpitas and Gilroy, and participated in five land use and transportation workshops led by local non-profits, such as SPUR and Silicon Valley Bicycle Coalition.

• Completed Capitol Expressway Pedestrian Improvements to Eastridge Transit Center.

• Assisted local jurisdictions with transportation planning and programs.

• Continued hosting a monthly Bicycle and Pedestrian webinar series for Member Agencies, VTA employees, and members of the public.

• Updated the model as necessary to facilitate implementation of SB 375 and SB 743.

• Initiated the Bicycle Superhighway Implementation Plan.

• Initiated the Central Bikeway Feasibility Study and Alternatives Analysis to identify a preferred alignment for a bicycle superhighway between Lawrence Expressway in Santa Clara and Berryessa BART in San Jose.

• In collaboration with VTA Engineering and Project Delivery Division, began work on design and environmental clearance for Bascom Complete Streets Corridor Phase 1: I-880 to Hamilton Avenue, a multi-jurisdictional corridor improvement involving Santa Clara County, San Jose, and Campbell.

• In collaboration with VTA Engineering and Project Delivery Division, began work on design and environmental clearance for Homestead Road Safe Routes to School Improvements, a multi-jurisdictional corridor improvement involving Santa Clara County, Los Altos, Cupertino, and Sunnyvale.
Toll Systems and Traffic Engineering

- Continued SOM Working Group liaison activities with Member Agencies, including the building of a new traffic intersection analysis model, expanding the countywide traffic collision database, and exchanging information on traffic engineering best practices.
- Procured No Dumping signs for Caltrans to install on frequently littered highway on/off ramp locations and planned one volunteer clean-up event as part of Keep Santa Clara Valley Beautiful Project. (The clean-up event was postponed due to the COVID-19 guidelines restrictions).
- Initiated implementation of I-880 ramp metering plans in Santa Clara County from The Alameda to Montague Expressway.
- Updated Caltrans’ annual Project Initiation Document (PID) Work Program for Santa Clara County with input from Member Agencies.
- Continued efforts on recommendations from the Transportation Technology Strategic Plan (TTSP), including:
  a) Leading an effort to work with the private sector (e.g., Google) and the public sector to seek opportunities to possibly test innovative technologies to improve the operations of our existing transportation system.
  b) Encouraging local agencies to incorporate the recommended guidance from the Enhance Traffic Signal Control document when procuring new traffic signal controllers; and
  c) Developing a regional communication plan to identify the critical communication infrastructure that serves regional traffic, identify gaps in the infrastructure, identify needs in the infrastructure to improve resilience of it, and prioritize needs to maintain and operate the infrastructure.
- Continued to represent Member Agencies on various transportation regional and state initiatives and groups.
## Congestion Management Program
### Member Assessments

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>FY 22</th>
<th>FY 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of Santa Clara</td>
<td>$332,162</td>
<td>$343,787</td>
</tr>
<tr>
<td>Campbell</td>
<td>$61,765</td>
<td>$63,926</td>
</tr>
<tr>
<td>Cupertino</td>
<td>$94,890</td>
<td>$98,211</td>
</tr>
<tr>
<td>Gilroy</td>
<td>$46,166</td>
<td>$47,782</td>
</tr>
<tr>
<td>Los Altos</td>
<td>$30,468</td>
<td>$31,535</td>
</tr>
<tr>
<td>Los Altos Hills</td>
<td>$8,125</td>
<td>$8,409</td>
</tr>
<tr>
<td>Los Gatos</td>
<td>$42,051</td>
<td>$43,523</td>
</tr>
<tr>
<td>Milpitas</td>
<td>$94,104</td>
<td>$97,398</td>
</tr>
<tr>
<td>Monte Sereno</td>
<td>$2,443</td>
<td>$2,528</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>$30,687</td>
<td>$31,761</td>
</tr>
<tr>
<td>Mountain View</td>
<td>$152,820</td>
<td>$158,169</td>
</tr>
<tr>
<td>Palo Alto</td>
<td>$172,929</td>
<td>$178,981</td>
</tr>
<tr>
<td>San Jose</td>
<td>$958,264</td>
<td>$991,803</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>$253,120</td>
<td>$261,979</td>
</tr>
<tr>
<td>Saratoga</td>
<td>$26,514</td>
<td>$27,442</td>
</tr>
<tr>
<td>Sunnyvale</td>
<td>$303,890</td>
<td>$314,527</td>
</tr>
<tr>
<td>VTA - Managing Agency</td>
<td>$332,162</td>
<td>$343,787</td>
</tr>
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</table>

**Total:**

$2,942,558 $3,045,547
# Congestion Management Program

## Comparison of Revenues and Expenses

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Category</th>
<th>FY20 Actual</th>
<th>FY21 Adopted Budget</th>
<th>FY21 Projected Actual</th>
<th>FY22 Proposed Budget</th>
<th>Variance from FY21 Projection</th>
<th>% Var</th>
<th>FY23 Proposed Budget</th>
<th>Variance from FY22 Budget</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Federal Operating Grants</td>
<td>2,171</td>
<td>2,222</td>
<td>2,054</td>
<td>1,465</td>
<td>(589)</td>
<td>-28.7%</td>
<td>1,265</td>
<td>(200)</td>
<td>-13.7%</td>
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<tr>
<td>2</td>
<td>State Operating Grants</td>
<td>164</td>
<td>1,072</td>
<td>1,435</td>
<td>1,402</td>
<td>(33)</td>
<td>-2.3%</td>
<td>252</td>
<td>(1,150)</td>
<td>-82.0%</td>
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<tr>
<td>3</td>
<td>Investment Earnings</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0.0%</td>
<td>2</td>
<td>0</td>
<td>0.0%</td>
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<tr>
<td>4</td>
<td>Member Agency Fees</td>
<td>2,880</td>
<td>2,843</td>
<td>2,843</td>
<td>2,943</td>
<td>100</td>
<td>3.5%</td>
<td>3,046</td>
<td>103</td>
<td>3.5%</td>
</tr>
<tr>
<td>5</td>
<td>Other Income</td>
<td>251</td>
<td>360</td>
<td>252</td>
<td>760</td>
<td>508</td>
<td>201.5%</td>
<td>550</td>
<td>(210)</td>
<td>-27.6%</td>
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<tr>
<td>6</td>
<td>Total Revenue</td>
<td>5,473</td>
<td>6,499</td>
<td>6,585</td>
<td>6,572</td>
<td>(14)</td>
<td>-0.2%</td>
<td>5,115</td>
<td>(1,457)</td>
<td>-22.2%</td>
</tr>
<tr>
<td>7</td>
<td>Professional &amp; Special Services</td>
<td>311</td>
<td>779</td>
<td>376</td>
<td>650</td>
<td>274</td>
<td>73.1%</td>
<td>1,251</td>
<td>601</td>
<td>92.4%</td>
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<tr>
<td>8</td>
<td>Other Services</td>
<td>15</td>
<td>0</td>
<td>15</td>
<td>15</td>
<td>0</td>
<td>0.0%</td>
<td>15</td>
<td>0</td>
<td>0.0%</td>
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<tr>
<td>9</td>
<td>Data Processing</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>8</td>
<td>8</td>
<td>N/A</td>
<td>N/A</td>
<td>141</td>
<td>133</td>
</tr>
<tr>
<td>10</td>
<td>Employee Related Expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>11</td>
<td>Contribution to Other Agencies</td>
<td>195</td>
<td>442</td>
<td>166</td>
<td>357</td>
<td>191</td>
<td>114.6%</td>
<td>420</td>
<td>63</td>
<td>17.7%</td>
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<tr>
<td>12</td>
<td>VTA Staff Services</td>
<td>4,909</td>
<td>5,014</td>
<td>5,474</td>
<td>5,166</td>
<td>(309)</td>
<td>-5.6%</td>
<td>5,216</td>
<td>50</td>
<td>1.0%</td>
</tr>
<tr>
<td>13</td>
<td>Total Expense</td>
<td>5,430</td>
<td>6,241</td>
<td>6,031</td>
<td>6,196</td>
<td>165</td>
<td>2.7%</td>
<td>7,043</td>
<td>847</td>
<td>13.7%</td>
</tr>
<tr>
<td>14</td>
<td>Revenues Over (Under) Expenses</td>
<td>43</td>
<td>258</td>
<td>554</td>
<td>376</td>
<td></td>
<td></td>
<td>(1,928)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding.
## Congestion Management Program

### Sources and Uses of Funds Summary

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY20 Actual</th>
<th>FY21 Projected</th>
<th>FY22 Proposed Budget</th>
<th>FY23 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Revenues</td>
<td>5,473</td>
<td>6,585</td>
<td>6,572</td>
<td>5,115</td>
</tr>
<tr>
<td>2</td>
<td>Total Expenses</td>
<td>(5,430)</td>
<td>(6,031)</td>
<td>(6,196)</td>
<td>(7,043)</td>
</tr>
<tr>
<td>3</td>
<td>Revenues Over (Under) Expenses</td>
<td>43</td>
<td>554</td>
<td>376</td>
<td>(1,928)</td>
</tr>
<tr>
<td>4</td>
<td>Beginning Fund Balance</td>
<td>2,000</td>
<td>2,043</td>
<td>2,597</td>
<td>2,973</td>
</tr>
<tr>
<td>5</td>
<td>Revenues Over (Under) Expenses</td>
<td>43</td>
<td>554</td>
<td>376</td>
<td>(1,928)</td>
</tr>
<tr>
<td>6</td>
<td>Ending Fund Balance</td>
<td>2,043</td>
<td>2,597</td>
<td>2,973</td>
<td>1,045</td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding

[1] Projection as of March 11, 2021
FY 22/23 CMP Budget & Work Program

VTA Committees
May 2021
2022-2023 CMP Work Program

- Programming and Grants
- Congestion Management Program Conformance
- Land Use and Transportation Integration
- Plans, Studies and Transportation Engineering
- Collaboration and Support Activities
Programming and Grants

- Grant Programming and Policy Development
- Programmed Projects Monitoring
- Agency Project Delivery Assistance
- Work with Member Agencies individually
Congestion Management Program Conformance

- VTA monitors most of CMP network annually
- Monitoring data shared with Member Agencies
- Countywide Travel Demand Model and Database
- SB 743 LOS to VMT implementation
- Update of CMP documents and guidelines
Land Use and Transportation Integration

q Community Design and Transportation Manual of Best Practices
q Development review program
Plans, Studies and Transportation Engineering

- Transportation corridor and special studies
- Collaboration with innovative organizations to foster public-private partnerships
- Participation in regional and statewide studies, operations and engineering efforts
Collaboration and Support Activities

q Collaborate with Member Agencies through TAC working groups
q Participate in regional collaboration efforts
q Respond to regional reporting requirements
## Projected Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 22</th>
<th>FY 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Member Agency Fees</td>
<td>2,943</td>
<td>3,046</td>
</tr>
<tr>
<td>2. MTC STP Planning Grant</td>
<td>1,465</td>
<td>1,265</td>
</tr>
<tr>
<td>3. STIP Programmed Project Monitoring (PPM) Funds</td>
<td>1,262</td>
<td>112</td>
</tr>
<tr>
<td>4. Vehicle Registration Fee (VRF) Program Administration Fee</td>
<td>400</td>
<td>450</td>
</tr>
<tr>
<td>5. TFCA 40% Local Program Manager Administrator Fee</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>6. Other Income</td>
<td>362</td>
<td>102</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>6,572</strong></td>
<td><strong>5,115</strong></td>
</tr>
</tbody>
</table>

*Dollars in Thousands*
# Projected Expenditures

<table>
<thead>
<tr>
<th></th>
<th>FY 22</th>
<th>FY 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Programming and Grants</td>
<td>1,328</td>
<td>1,459</td>
</tr>
<tr>
<td>2. Congestion Management Program Conformance</td>
<td>1,533</td>
<td>1,913</td>
</tr>
<tr>
<td>3. Land Use and Transportation Integration</td>
<td>1,165</td>
<td>1,300</td>
</tr>
<tr>
<td>4. Plans and Studies</td>
<td>1,754</td>
<td>1,954</td>
</tr>
<tr>
<td>5. Collaboration and Support</td>
<td>416</td>
<td>417</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>6,196</strong></td>
<td><strong>7,043</strong></td>
</tr>
</tbody>
</table>

*Dollars in Thousands*
## Congestion Management Program
### Sources and Uses of Funds Summary

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY20 Actual</th>
<th>FY21 Projected Actual&lt;sup&gt;1&lt;/sup&gt;</th>
<th>FY22 Proposed Budget</th>
<th>FY23 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Revenues</td>
<td>5,473</td>
<td>6,585</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Total Expenses</td>
<td>-5,430</td>
<td>-6,031</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
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<td>2,597</td>
<td>2,973</td>
<td>1,045</td>
</tr>
</tbody>
</table>

---

1. Totals and percentages may not be precise due to independent rounding
2. Dollars in thousands
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: Evelynn Tran, General Counsel and Interim General Manager/CEO

FROM: Chief Planning and Programming Officer, Deborah Dagang

SUBJECT: Fast Transit Program – Transit Signal Priority Update

FOR INFORMATION ONLY

EXECUTIVE SUMMARY:

• Transit Signal Priority (TSP) is a core effort of the Fast Transit Program and an important tool to reduce signal delay and improve transit reliability.

• TSP is both a policy choice and a technology.

• Staff will provide regular updates to the Congestion Management Program & Planning Committee on the progress, challenges, and successes of implementing TSP with local jurisdictions.

• This is an information item and no action is required at this time.

STRATEGIC PLAN/GOALS:

Transit signal priority is an important tool to reduce transit delay and make transit more reliable over time. Improving and expanding the level of transit signal priority to more intersections and routes directly supports the Strategic Plan by delivering the first business line of faster, frequent, reliable transit.

BACKGROUND:

Transit Signal Priority (TSP) is one of the Fast Transit Program’s strategies aimed at reducing delay to make transit faster and more reliable (attachment A). The Fast Transit Program is focused on advancing TSP projects throughout the county, to expand TSP to more routes and improve the level of priority for existing TSP intersections. Implementing TSP is a joint effort.
between the Santa Clara Valley Transportation Authority (VTA) and the cities in which VTA operates. From planning to implementation, operation, maintenance, monitoring, and data sharing, all parties play an active and important role in delivering and maintaining TSP.

This report details the key elements of TSP and provides information on near-term projects. VTA is seeking support from local jurisdictions to improve and expand TSP at key locations to help improve the speed and reliability of transit in Santa Clara County.

**DISCUSSION:**

**TSP is Both a Policy Choice and a Technology**

TSP requires two items to move transit faster: 1) Signal controllers with TSP functionality, and 2) policy direction to prioritize transit over vehicles in transit corridors. TSP can be “turned on” and an intersection can “have” TSP, but existence of the technology does not necessarily equal a high level of priority for transit. A policy framework that clearly prioritizes transit along frequent transit routes empowers city staff to make the changes necessary to move transit faster. Policy direction also supports and encourages funding for the operations and maintenance of signals, investments in data sharing across jurisdictions, testing and implementing new TSP technologies and reviewing governance to streamline procedures.

**What is TSP and How Does it Differ from Preemption?**

TSP utilizes vehicle traffic location and wireless communication technologies to better accommodate transit vehicles through signalized intersections. When these technologies are available and activated, they detect an approaching transit vehicle and trigger a priority request at the nearby equipped intersection. The nearby equipped intersection can implement two possible signal treatments to reduce delays:

- When arriving at the end of a green, the signal provides more time for the approaching transit vehicle, or
- When arriving on the red, the signal shortens the side street green time for a quicker return to a green light for the waiting transit vehicle

It is important to note that TSP and transit preemption are different concepts that are mistakenly used interchangeably but have different implications for signal management. TSP modifies a signal cycle to better accommodate transit vehicles whereas preemption interrupts the signal cycle to allow a vehicle through the intersection nearly instantaneously. In the case of rail transit, preemption is only possible with the presence of safety gates. Preemption is the highest level of priority that can be assigned to transit vehicles and provides the best return on investment. Providing a high level of TSP or preemption for transit vehicles is a critical policy decision.

**Where Does VTA Receive TSP and Where Does VTA Need TSP?**

VTA transit receives some level of TSP at about 17% of bus and light rail intersections in the frequent network. The breakdown is as follows:

- Most intersections on the Rapid 522.
• Some intersections on Stevens Creek Boulevard for the Rapid 523.
• Approximately one fifth of intersections on light rail routes, including preemption through the City of Mountain View.

The level of TSP and the frequency at which transit receives priority varies across routes and cities. Additionally, of the 17% of intersections with some level of TSP, approximately 26% meet VTA’s minimum recommended functionality for TSP.

The Fast Transit Program seeks to achieve a consistently high level of TSP on all frequent network routes. These routes carry over 80% of VTA’s passengers and ridership is anticipated to grow as the 2019 New Transit Service Plan matures over the next two years. Therefore, investing in the frequent network will benefit most of VTA’s passengers with faster and more dependable service. Riders will experience fewer traffic signal delays and arrive at their destination on time more frequently. For implementation purposes, staff identified corridors with the greatest potential return on investment to prioritize as funding becomes available.

Near-Term Signal Priority Projects

Prior to COVID-19, staff identified near term priorities aimed at reducing signal delay by the industry average of approximately 5-8% at each improved intersection. The projects were chosen based on extensive data analysis, VTA’s strategic plan goals, an internal needs assessment, and support. Although the pandemic has reduced traffic volumes, VTA is working with local jurisdictions to continue to advance projects in anticipation of returning congestion. Below is an update on the near-term projects VTA is implementing with local jurisdictions.

Orange Line

Objective: Reduce delay to improve travel time and enhance the connection to BART.
Benefits: Cost savings, improved connections to the rest of the system, better passenger experience, more useful service.
Near Term Projects:

a. Sunnyvale implementation of full traffic controller functionality: Sunnyvale staff identified challenges with the existing TSP functionality. Staff are working together to activate all TSP functions.
b. Sunnyvale signal retiming: Sunnyvale staff are leading an effort to update signal timing parameters.
c. Milpitas traffic controller software upgrade: Milpitas is the only city that does not meet the minimum TSP functionality recommended in VTA’s Traffic Signal Controller Functionality Guidelines. VTA would like to work with Milpitas to upgrade the software to enable the controllers to become fully functional.
d. County update of signal timing parameters at the two most impacted intersections in the County: VTA is working with the County of Santa Clara on signal timing plans to implement now and the County has committed to retime signals again when traffic volumes return.
e. City of Santa Clara improvements to signal timing parameters: City is in the process of selecting a new central control signal management software to make signal timing adaptive. VTA and the city can then collaborate to improve signal priority for transit.
Blue and Green Lines

Objective: Improve signal timing and operations to improve transfers to the Orange Line.
Benefits: Better connection with the Orange line, better pedestrian access experience, cumulative cost savings, improved passenger experience, more useful service.
Near Term Project:
   a. San Jose signal retiming and testing of adaptive pedestrian signal technology on north 1st street in San Jose: In the process of bringing a consultant on board.

Frequent Network Bus Routes

Objectives: Improve level of priority at existing TSP intersections, expand TSP to more intersections, reduce variability of travel time.
Benefits: Improved connections to the rest of the system, cost savings, better passenger experience, more useful service
Near Term Projects:
   a. Rapid 523 expansion of TSP northbound through Cupertino to Lockheed Martin Transit Center in Sunnyvale: Sunnyvale is leading the effort to expand TSP for Rapid 523 from the Cupertino border north to Lockheed Transit Center.
   b. Rapid 522 TSP audit: Staff is working with Caltrans and local jurisdictions to audit Rapid 522 and determine improvements and new signal timing parameters. VTA is in the process of bringing a consultant on board to perform the audit and identify where improvements are needed.
   c. Route 56 expansion of TSP in Sunnyvale: Sunnyvale is leading the effort to expand TSP to route 56, which will complement the bus stop balancing happening on route 56 (see Board report in February 2021).
   d. San Jose expansion of TSP to Routes 66, 68, and future Rapid 568 on Monterey Corridor: City of San Jose is leading an innovative long-term pilot to test new TSP technology on Monterey corridor, which serves a dual purpose of expanding TSP to routes on this important transit corridor.

Innovative TSP Pilots

VTA's mid to long-term goal is to expand TSP to all frequent network routes. Traditional TSP requires ongoing, expensive, operations and maintenance as well as technical expertise that is in short supply. New subscription-run, cloud-based TSP applications are a promising way to expand TSP with minimal equipment and low maintenance costs.

Objective: Initiate cloud-based TSP pilots to test technology, maintenance, cost savings, and utility for potential future county-wide expansion.
Benefits: Test, adapt, and analyze technology to inform decisions about county-wide deployment, more routes receive signal priority during the pilots, potential improvements to overall intersection management.
Near Term Projects:
   a. Cloud based TSP pilot on Monterey Corridor: The City of San Jose and VTA completed a short pilot of cloud-based TSP in 2019. The City then applied for a grant for a long-term trial on the Monterey corridor, which serves frequent network routes 66, 68, and future Rapid 568. VTA is working closely with the city to develop the scope for the
The pilot will last for at least 3 years and serve as an important test for how TSP might be administered in the future.

b. Multi-jurisdictional TSP Pilot - Staff received interest from local jurisdictions to partner in a multi-jurisdictional TSP pilot. Together with other partner organizations Staff applied for a National Science Foundation grant to test innovative TSP technology in a multi-jurisdictional corridor. VTA is waiting for award status.

**How Cities Can Advance TSP Efforts to Make Transit Faster**

Initiating and adopting a transit priority policy is the most influential step cities can take to reduce delay and help passengers reach their destinations faster. The City of San Jose recently became the first city in Santa Clara County to adopt a transit first policy as one of the city’s top priorities in 2020. The city’s proposed policy framework is compatible with VTA’s Board adopted Transit Speed Policy (2019). VTA encourages cities to use VTA’s Transit Speed Policy language when developing transit supportive policies. Staff can also assist with talking points to facilitate conversations around transit priority in each city. By enhancing both the policy and technology aspects of TSP, cities and VTA can realize faster, frequent, and more reliable transit service.

**Next Steps**

Staff will continue to work with local jurisdictions to pursue TSP priorities, while also advancing other signal related projects. VTA will provide regular updates to the Congestion Management Program & Planning Committee on progress, challenges, and successes.

**CLIMATE IMPACT:**

Improving and expanding transit signal priority will reduce signal delay and make transit consistently more reliable, which makes transit a more appealing mode choice. In addition, new innovations in signal priority can help efficiently manage all intersections.

**STANDING COMMITTEE RECOMMENDATION:**

The Congestion Management Program and Planning Committee received this item at their May 20, 2021 meeting. The committee requested future updates focus on challenging areas, where progress is slow, so the committee can take action to remove barriers and officially track problem locations.

Prepared By: Tamiko Percell
Memo No. 7655
How to Reduce Delay

Fast Transit Toolbox

Within VTA's Authority
- Bus Stop Balancing
- Faster Fares
- Operating Procedures

Within Local Jurisdiction's Authority
- Transit Signal Priority
- Quick-Build Transit Lanes / ROW Decisions
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evely Tran

FROM: Interim Chief Financial Officer, Kathleen Kelly

SUBJECT: Scope of Work - Annual Financial Audit FY 2021

FOR INFORMATION ONLY

EXECUTIVE SUMMARY

This summarizes the scope of work of the external auditor in the audit of VTA’s financial statements for FY 2021.

STRATEGIC PLAN/GOALS

The examination of VTA’s financial records supports VTA’s Strategic Plan Business Line 2 (Delivering Projects and Programs).

BACKGROUND:

Pursuant to state law and the Administrative Code of the Santa Clara Valley Transportation Authority (VTA), Eide Bailly, LLP, has been retained as the independent Certified Public Accountant, to conduct the audit of VTA financial statements for Fiscal Year 2021.

The scope of Eide Bailly’s services includes the following:

· Conduct the financial statement audit and render an opinion on the:
  ➢ VTA General-purpose Financial Statements
  ➢ VTA - Amalgamated Transit Union (ATU) Pension Plan
  ➢ VTA Schedule of Expenditures of Federal Awards (Single Audit)
  ➢ Other Post Employment Benefit Report

· Perform internal control assessment over financial reporting based on the audit of the financial statements
· Perform compliance audit with requirement of the Transportation Development Act
· Perform agreed-upon procedures with regard to the data reported in the VTA’s Annual National Transit Database (NTD)
· Perform grant-required audits

DISCUSSION:

Vavrinek, Trine, Day & Co, LLP who performed the audit of VTA’s financial statements for Fiscal Years 2006 through 2018, joined Eide Bailly in 2019 and performed the audit in 2019 and 2020. They have conducted their audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller-General of the United States.

Presented below are Eide Bailly’s timeline and deliverables relating to the Fiscal Year 2021 audit engagement:

May 2021
· Internal control assessment and testing
· Cash receipts and disbursements sample testing
· Payroll sample testing
· Preliminary evaluation of the Schedule Expenditure of Federal Awards
· Preliminary survey of procedures relative to development of VTA’s Indirect Cost Allocation Plan

August to October 2021
· Performance of audit field work

November 2021

CLIMATE IMPACT:

This item does not have a climate impact.

Prepared By: Grace Ragni
Memo No. 7843
AUDIT SCOPE

Perform the audit of the:

- Audit of Federal Compliance in accordance with 2 CFR 200
- Audit of ATU’s Financial Statements
- Audit of O PEB’s Financial Statements
- NTD Agreed Upon Procedures
- TDA and other grant compliance
PLANNED SCOPE AND TIMING

Planning and Interim Fieldwork and Single Audit - May 2021

Final Fieldwork September 2021

Planned Report Issuance - October 2021
BOARD OF DIRECTORS SPECIAL CLOSED SESSION MEETING

Saturday, May 1, 2021

MINUTES

1. CALL TO ORDER AND ROLL CALL

The Special Closed Session Meeting of the Santa Clara Valley Transportation Authority’s (VTA) Board of Directors (Board) was called to order by Chairperson Hendricks at 8:03 a.m. via video and teleconference.

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<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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<tbody>
<tr>
<td>Margaret Abe-Koga</td>
<td>Ex-Officio Member</td>
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<td>Marie Blankley</td>
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<td>Pat Burt</td>
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<td>Dev Davis</td>
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<td>Lisa M. Gillmor</td>
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* Alternates do not serve unless participating as a Member.

A quorum was present.

2. CLOSED SESSION

Chairperson Hendricks inquired if there were members of the public who wish to address the Board regarding the Closed Session item.

There were no public comments.
2.1. **Recessed to Closed Session at 8:05 a.m.**
   
   **A. Public Employment**
   
   [Pursuant to Government Code Section 54957]
   
   Title of position to be filled: General Manager
   
   Board Member Montano joined the closed session at 8:10 a.m.

2.2 **Reconvened to Open Session at 8:20 a.m.**

2.3 **Closed Session Report**

   **A. Public Employment**
   
   [Pursuant to Government Code Section 54957]
   
   Title of position to be filled: General Manager
   
   Chairperson Hendricks noted that no reportable action was taken during Closed Session.

3. **ADJOURNMENT**

   On order of **Chairperson Hendricks** and there being no objection, the meeting was adjourned at 8:21 a.m.

   Respectfully submitted,

   Elaine F. Baltao, Board Secretary
   VTA Office of the Board Secretary
1. CALL TO ORDER AND ROLL CALL

The Regular Meeting of the Santa Clara Valley Transportation Authority’s (VTA) Board of Directors (Board) was called to order by Chairperson Hendricks at 5:30 p.m. via video and teleconference.

1.1. ROLL CALL

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A quorum was present.

1.2. Orders of the Day

Chairperson Hendricks announced that Closed Session Agenda Item #9.1.C, Public Employment, will be removed from the Agenda.
M/S/C (Chavez/Constantine) to accept the Orders of the Day.

RESULT: Accepted – Agenda Item #1.2
MOVER: Cindy Chavez, Member
SECONDER: Rich Constantine, Member
AYES: Chavez, Constantine, Hendricks, Jimenez, Jones, Lee Eng, Montano, Paul, Peralez, Simitian
NOES: None
ABSENT: Carrasco, Liccardo

2. AWARDS AND COMMENDATION

There were no Awards and Commendation.

3. PUBLIC COMMENT

Reyne Jimeno, Board Assistant, noted that the written public comment received from James Salsman, Interested Citizen, and was posted on the Agenda portal.

Mr. Salsman encouraged VTA to distribute the Federal Emergency Management Agency (FEMA) 100% reimbursement information brochures to homeless riders.

Board Member Carrasco arrived and joined the meeting at 5:33 p.m.

Eugene Bradley, CEO of Silicon Valley Transit Users, thanked VTA relating to the yellow curbing in several light rail stations. He commented on the recent cyber-attack.

Board Member Liccardo arrived and joined the meeting at 5:35 p.m.

Blair Beekman, Interested Citizen, expressed support for Evelynn Tran, General Counsel and Interim General Manager/CEO. He commented on the following: 1) his written public comment not being posted on the Agenda portal; and 2) ShotSpotters.

Roland Lebrun, Interested Citizen, commented about the following: 1) absence of closed caption feature during Zoom meeting; and 2) monthly ridership report and current or projected BART Extension cost were not posted in a timely manner.

Kathryn Hedges, Interested Citizen, expressed support for the following: 1) FEMA 100% reimbursement information brochures to homeless riders; and 2) comment about protecting VTA from ransomware attacks.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
4. **PUBLIC HEARINGS**

There were no Public Hearings.

5. **COMMITTEE REPORTS**

5.1. **Citizens Advisory Committee (CAC) Chairperson’s Report**

Citizens Advisory Committee (CAC) Chairperson Swaminathan provided a brief report on the CAC meeting of April 7, 2021.

5.2. **Policy Advisory Committee (PAC) Chairperson’s Report**

Policy Advisory Committee (PAC) Chairperson Moore provided a brief report on the PAC meeting of April 8, 2021.

5.3. **Standing Committee Chairpersons’ Report**

Chairperson Hendricks noted that the Administration and Finance Committee, Congestion Management Program and Planning Committee, and Capital Program Committee Chairperson’s reports were available in the online Agenda packet.

5.4. **Policy Advisory Board Chairpersons’ Report**

Chairperson Hendricks noted that the Diridon Station Joint Policy Advisory Board Chairperson’s report was available in the online agenda packet.

**Public Comment**

Mr. Beekman expressed concern about his letter not being posted on the Agenda portal. He commented about the California High Speed Rail (CHSR) system connector from Los Angeles to Sacramento.

Mr. Lebrun made the following comments: 1) violation of California Government Code 54954.3; and 2) Chairperson Hendricks’ testimony on Assembly Bill (AB) 1091.

6. **CONSENT AGENDA**

**Public Comment**

Mr. Lebrun made a comment on Congresswoman Anna Eshoo’s letter to VTA.

Mr. Beekman commented about the following: 1) CHSR and the City of San Jose and Alameda County; 2) 2016 Measure B; 3) transit operations; and 4) surveillance.
6.1. **Selling and Optimizing Low Carbon Fuel Standard Credits**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to 1) Approve the selling of Low Carbon Fuel Standard (LCFS) credits using a Request for Quotes (RFQ) process. 2) Delegate authority to the General Manager/Chief Executive Officer (CEO) or designee to enter into purchasing and selling agreements with buyers of LCFS credits. 3) Delegate authority to the Chief Financial Officer (CFO) or designee to approve the sale of LCFS credits based on a specified price range. 4) Delegate authority to the General Manager/CEO or designee to competitively procure Renewable Energy Certificates (RECs) for the purpose of increasing the number of LCFS credits earned. Board Member Simitian abstained.

6.2. **Transit Operations Insurance Program Renewal for Fiscal Year 2022**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to authorize the General Manager to purchase Property and Casualty insurance coverage for General and Auto Liability, Public Officials & Employment Practice Liability, Cyber Liability, Environmental Impairment & Pollution Liability, Crime, Blanket Railroad Protective Liability, and Property Insurance renewing the annual Transit Operations Insurance Program for an amount not to exceed $4,250,000. Board Member Simitian abstained.

6.3. **Amendment to SR 17 Corridor Congestion Relief Project**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to authorize the General Manager/CEO to execute a contract amendment with Jacobs Engineering Group, Inc. (Jacobs) for Project Approval/Environmental Document (PA/ED) services for the SR 17 Corridor Congestion Relief Project (Project) in the amount of $2,930,000 for a new total contract amount of $3,474,436. Board Member Simitian abstained.

6.4. **I-680 Soundwall - Vehicle Registration Fee Transfer**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the transfer of $800,000 of Vehicle Registration Fee (VRF) funds from the I-680 Soundwall Project in San Jose from Capitol Expressway to Mueller Avenue to the I-280 Soundwall Project in San Jose from SR 87 to Los Gatos Creek. Board Member Simitian abstained.

6.5. **Lifeline Transportation Program Cycle 6 Program of Projects**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the Lifeline Transportation Program Cycle 6 program of projects; and adopt a required Resolution No. 2021.05.10 of Local Support. Board Member Simitian abstained.
6.6. Resolution to apply the Fiscal Year 2021-22 Low Carbon Transit Operations Program (LCTOP) Funds

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to adopt a Program Resolution No. 2021.05.11 for VTA’s 2021 Low Carbon Transportation and Operations Program (LCTOP) of projects for $3,900,446 for the VTA 2022 Zero Emission Bus Purchase and the Eastridge to BART Regional Connector (EBRC) Project. Board Member Simitian abstained.

6.7. Morgan Hill Community Based Transportation Plan

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to adopt the Morgan Hill Community-based Transportation Plan (CBTP). Board Member Simitian abstained.


M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to receive the Programmed Projects Quarterly Monitoring Report for January – March 2021. Board Member Simitian abstained.

6.9. Approve First Two Years of Strategic Capital Investment Plan

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the recommended projects for the first two years of the Strategic Capital Investment Plan for inclusion in the FY 2022 & FY 2023 VTA Biennial Budget. Board Member Simitian abstained.


M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to adopt the Adopt the fiscal years 2022 and 2023 Biennial Budget allocations for the 2016 Measure B Formula-based program categories of Local Streets and Roads, Bicycle & Pedestrian, and Transit Operations and for the 2016 Measure B Program administration cost category.
6.11. **2016 Measure B Project Readiness Criteria & Prioritization Methodologies**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to 1) Approve the existing prioritization processes for five Need/Capacity-based program categories: BART Phase II, Caltrain Grade Separations, Caltrain Corridor Capacity, County Expressways and SR 85 Corridor. 2) Direct staff to develop a Prioritization and Project Selection Process for the Highway Interchanges program category. 3) Approve the proposed Project Readiness Criteria for all Need/Capacity-based 2016 Measure B Program categories; and 4) Upon approval, use the Project Selection and Prioritization Processes as well as the Project Readiness Criteria to develop biennial budget recommendations and a draft 2016 Measure B 10-year Program (FY 2022-2031) for Board review and approval.

6.12. **Regular Meeting Minutes of April 1, 2021**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve Regular Meeting Minutes of April 1, 2021. Board Member Simitian abstained.

6.13. **Special Meeting Minutes of April 1, 2021**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the Special Meeting Minutes of April 1, 2021. Board Member Simitian abstained.

6.14. **Special Meeting Minutes of April 9, 2021**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the Special Meeting Minutes of April 9, 2021. Board Member Simitian abstained.

6.15. **Special Meeting Minutes of April 10, 2021**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the Special Meeting Minutes of April 10, 2021. Board Member Simitian abstained.

6.16. **Special Meeting Minutes of April 16, 2021**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the Special Meeting Minutes of April 16, 2021. Board Member Simitian abstained.

6.17. **Workshop Meeting Minutes of April 16, 2021**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the Workshop Meeting Minutes of April 16, 2021. Board Member Simitian abstained.

6.18 **Special Meeting Minutes of April 22, 2021**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the Special Meeting Minutes of April 22, 2021. Board Member Simitian abstained.

6.19 **Special Meeting Minutes of April 29, 2021**

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to approve the Special Meeting Minutes of April 29, 2021. Board Member Simitian abstained.
6.20 Unapproved Minutes/Summary Reports from VTA Committees, Joint Powers Boards (JPB), and Regional Commissions

M/S/C (Chavez/Liccardo) on a vote of 11 ayes and 1 abstention to receive unapproved Minutes/Summary Reports from VTA Committees, Joint Powers Boards (JPB), and Regional Commissions. Board Member Simitian abstained.

RESULT: APPROVED – Agenda Items #6.1-6.20
MOVER: Cindy Chavez, Member
SECONDER: Sam Liccardo, Member
AYES: Carrasco, Chavez, Constantine, Hendricks, Jimenez, Jones, Lee Eng, Liccardo, Montano, Paul, Peralez
NOES: None
ABSTAIN: Simitian
ABSENT: None

7. REGULAR AGENDA

7.1. Silicon Valley Rapid Transit (SVRT) Program Update

Takis Salpeas, BART Silicon Valley Extension Project Chief, provided a presentation entitled “VTA’s BART Silicon Valley Phase II Extension.”

Ex-Officio Board Member Abe Koga arrived and joined the meeting at 5:59 p.m.
Board Member Burt arrived and joined the meeting at 6:06 p.m.
Alternate Board Member Lee-Eng relinquished her seat to Board Member Burt.

Public Comment

Mr. Lebrun made a comment on the following: 1) BART documentation that VTA submitted to the Federal Transit Administration (FTA); and 2) bookkeeping for BART Phases I and II.

Mr. Beekman commented on 2016 Measure B funding allocation for BART and as well as for other VTA programs.

The Board had a discussion on funding issues on BART Phase II and other programs, availability of sufficient funds for the other programs, piecemealing recommendations for subsequent programs, and referral procedures.

On order of Chairperson Hendricks and there being no objection, the Board received the Silicon Valley Rapid Transit (SVRT) Program Update.
7.2. **Contract Extension for MV Transportation**

David Hill, Chief Operations Officer, provided a presentation entitled “Contract Extension for MV Transportation.”

**Public Comment**

Mr. Beekman expressed interest sanitizing VTA buses, light rails, and paratransit vehicles by ATU Members.

Mr. Lebrun made the following comments: 1) queried about the availability of online and phone paratransit service booking; 2) bidding a new contract instead of amending and extending the contract with MV Transportation (MV) Inc.

Mr. Hill addressed the query.

The Board discussed other options that were implemented to be able to provide an improved quality of paratransit service to customers. The Board expressed their appreciation to the staff and everybody who worked on this program.

Elaine Baltao, Board Secretary, noted that the written public comment received from the Silicon Valley Independent Living Center and was posted on the Agenda portal.

**M/S/C (Chavez/Montano)** to authorize the General Manager to amend the contract with MV Transportation, Inc. (MV) as the provider for ACCESS paratransit services for VTA to extend the term through June 30, 2023, and to increase the contract value by $48,000,000 for a new total contract value not to exceed $127,875,047.

RESULT: APPROVED – Agenda Item #7.2, as amended

MOVER: Cindy Chavez, Member

SECONDER: Carmen Montano, Member

AYES: Burt, Carrasco, Chavez, Constantine, Hendricks, Jimenez, Jones, Liccardo, Montano, Paul, Peralez, Simitian

NOES: None

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**CONGESTION MANAGEMENT PROGRAM & PLANNING (CMPP) COMMITTEE**

There were no items submitted for the Regular Agenda from the Congestion Management Program & Planning Committee.

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**SAFETY, SECURITY, AND TRANSIT PLANNING & OPERATIONS (SSTP&O) COMMITTEE**

There were no items submitted for the Regular Agenda from the Safety, Security, and Transit Planning & Operations Committee.
GOVERNANCE AND AUDIT (G&A) COMMITTEE

There were no items submitted for the Regular Agenda from the Governance and Audit Committee.

8. OTHER ITEMS

8.1. General Manager’s Report

Ms. Tran provided a report on the following: 1) Cyberattack; 2) attack on a VTA bus operator; 3) COVID-19 Update; and 4) 2020 VTA Annual Report.

Jim Lawson, Chief External Affairs Officer, provided a brief report on the Blue Ribbon Transit Recovery Task Force.

8.1.A. Transit Ridership Trends Report

Mr. Tyree provided a presentation entitled “Ridership and Pass-Up Trends” and reviewed efforts to maximize service while following Public Health Department’s social distancing protocols.

8.1.B. Government Affairs Report

Ms. Tran noted that the Government Affairs report was provided to the Board Members and was included in the online agenda packet.

Public Comment

Ms. Jimeno noted that the written public comments received from Charlotte Quinn, Interested Citizen, and the Silicon Valley Independent Living Center were posted online.

The following Interested Citizens urged to prioritize transit service restoration to pre-COVID levels as early as possible, increase service frequency, reduce passed up riders; invest in increasing transit service and infrastructures, and minimize green gas emission:

- Eugene Bradley
- Hoai-an Truong
- Alexis
- Shreya
- Mary Dowd
- Kevin Ma
- Monica Mallon
- Liana Crabtree
- Brittani Baxter
- Allen Liou
- Sid Kotapati
- Calley Wang
Mr. Lebrun provided comments on the following: 1) 34 vacant acres on the Santa Teresa Light Rail station; 2) Blue Ribbon Transit Recovery Task Force; 3) governance; and 4) use of paratransit service for passed up riders.

John Courtney, Amalgamated Transit Union (ATU), Local 265 President, commended the Community Outreach staff for their efforts. He commented about the following: 1) inaccurate data on passed up riders; 2) operators sign-ups and assignments; and 3) meeting with management and union representatives.

The following Interested Citizens provided comments on allocating funds for Caltrain:

- Brittani Baxter
- Adina Levin, Seamless Bay Area

The following Interested Citizens urged to use stimulus funds to increase transit service:

- Kathryn Hedges
- Jeri, ATU 265
- Calley Wang
- Matthew Asuncion

The Board of Directors and staff discussed the following: 1) resolving pass ups; 2) air circulation on buses and light rail; 3) protective barriers for bus operators; 4) reducing social distancing from six feet to three feet will help alleviate pass ups; 5) communications and negotiations between management and union; 6) vaccination; 7) preparation for the June 15 reopening of economy in California; and 8) concept of holding hybrid meetings.

8.2. Chairperson’s Report

There was no Chairperson’s Report.

8.3. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

Board Member Simitian noted that he would submit his items of concern and referral related to 2016 Measure B.

8.4. Announcements

Chairperson Hendricks mentioned that the Santa Teresa Light Rail station is still accepting appointments and walk-ins for vaccination.
9. CLOSED SESSION

Public Comment

Mr. Lebrun made a comment on the following: 1) Item # 9.1.A as unconscionable; 2) Item #9.1.B – investigation on debt service; 3) Item # 9.1.D – expressed concern about instructing drivers not to push the button to save bandwidth. He further requested to agendize the issue at future Board meetings.

Mr. Beekman expressed support for Ms. Tran as Acting General Manager/CEO. He commented about cybersecurity.

9.1. Recessed to Closed Session at 8:15 p.m.

A. Public Employment
   [Pursuant to Government Code Section 54957(b)]
   Interim General Counsel/CEO Evaluation

B. Conference with Legal Counsel - Existing Litigation
   [Government Code Section 54956.9(d)(1)]
   Name of Case: Skanska-Shimmick-Herzog v. Santa Clara Valley Transportation Authority (Santa Clara County Superior Court Case No. 19-CV-356027)

C. (Removed from the Agenda)
   Public Employment
   [Pursuant to Government Code Section 54957(b)]
   Title of position to be filled: General Manager/CEO

D. Threat to Public Services or Facilities
   [Government Code Section 54957(a)]
   Consultation with Richard Bertalan, Chief Information Technology Officer

9.2. Reconvened to Open Session at 9:36 p.m.

9.3. Closed Session Report

A. Public Employment
   [Pursuant to Government Code Section 54957(b)]
   Interim General Counsel/CEO Evaluation
   Chairperson Hendricks noted no reportable action taken during Closed Session.
B. Conference with Legal Counsel - Existing Litigation

[Government Code Section 54956.9(d)(1)]

Name of Case: Skanska-Shimmick-Herzog v. Santa Clara Valley Transportation Authority (Santa Clara County Superior Court Case No. 19-CV-356027)

Ms. Tran noted no reportable action taken during Closed Session.

C. (Removed from the Agenda)

Public Employment

[Pursuant to Government Code Section 54957(b)]

Title of position to be filled: General Manager/CEO

D. Threat to Public Services or Facilities

[Government Code Section 54957(a)]

Consultation with Richard Bertalan, Chief Information Technology Officer

Ms. Tran noted no reportable actions were taken during Closed Session.

9.4 Acting Pay salary increase for Evelynn Tran for the duration of her assignment as VTA General Counsel and Interim General Manager/CEO.

Sylvester Fadal, Chief Administrative Officer, noted that based on the survey on average compensation for General Manager/CEO, staff recommends an acting pay of $331,000 annual salary for Ms. Tran. The acting pay will be effective January 20, 2021 and will continue for the duration of Ms. Tran’s service as the Interim General Manager/CEO.

Public Comment

Mr. Lebrun expressed appreciation to Ms. Tran. He commented on adding the goals and rules to the Administrative Code to prevent this situation from happening again.

M/S/C (Liccardo/Jones) on a vote of 11 ayes to 1 no to approve Acting Pay salary increase for Evelynn Tran for the duration of her assignment as VTA General Counsel and Interim General Manager/CEO. Board Member Simitian opposed.

RESULT: APPROVED – Agenda Item #9.4

MOVER: Liccardo, Member
SECONDER: Jones, Vice Chairperson
AYES: Burt, Carrasco, Chavez, Constantine, Hendricks, Jimenez, Jones, Liccardo, Montano, Paul, Peralez,
NOES: Simitian
10. ADJOURNMENT

On order of Chairperson Hendricks and there being no objection, the meeting was adjourned at 9:44 p.m.

Respectfully submitted,

Reyne Jimeno, Board Assistant
VTA Office of the Board Secretary
BOARD OF DIRECTORS SPECIAL MEETING

Friday, May 21, 2020

MINUTES

1. CALL TO ORDER AND ROLL CALL

The Special Meeting of the Santa Clara Valley Transportation Authority’s (VTA) Board of Directors (Board) was called to order by Chairperson Hendricks at 4:03 p.m. via video and teleconference.

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<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margaret Abe-Koga</td>
<td>Ex-Officio Member</td>
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<tr>
<td>Marie Blankley</td>
<td>Alternate Board Member</td>
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<tr>
<td>Pat Burt</td>
<td>Board Member</td>
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<tr>
<td>Magdalena Carrasco</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Cindy Chavez</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Rich Constantine</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Dev Davis</td>
<td>Alternate Board Member</td>
<td>N/A</td>
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<tr>
<td>Lisa M. Gillmor</td>
<td>Alternate Board Member</td>
<td>N/A</td>
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<tr>
<td>Glenn Hendricks</td>
<td>Chairperson</td>
<td>Present</td>
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<tr>
<td>Sergio Jimenez</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Chappie Jones</td>
<td>Vice Chairperson</td>
<td>Present</td>
</tr>
<tr>
<td>Otto Lee</td>
<td>Alternate Board Member</td>
<td>N/A</td>
</tr>
<tr>
<td>Lynette Lee Eng</td>
<td>Alternate Board Member</td>
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</tr>
<tr>
<td>Sam Liccardo</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Carmen Montano</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Darcy Paul</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Raul Peralez</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Rob Rennie</td>
<td>Alternate Board Member</td>
<td>N/A</td>
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<tr>
<td>Joe Simitian</td>
<td>Board Member</td>
<td>Present</td>
</tr>
</tbody>
</table>

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. SPECIAL MEETING ITEM

2.1. General Manager/CEO Appointment - Carolyn M. Gonot

Sylvester Fadal, Chief Administrative Officer, provided an overview of the staff report and the recruitment process. Mr. Fadal briefly discussed Ms. Gonot’s qualifications and background.
Board Members Chavez and Montano expressed support for the recommendation.

Public Comment

Roland Lebrun, Interested Citizen, opposed the recommendation.

Blair Beekman, Interested Citizen, provided comment regarding the Interim General Manager.

Chairperson Hendricks thanked the members of the Executive Search Committee, staff, consultant, and the Board Members for their effort, dedication, and commitment in the recruitment process. Chair Hendricks and Board Member Chavez thanked Evelynn Tran, General Counsel and Interim General Manager/CEO, and her team for leading VTA while the Board was searching for a General Manager/CEO.

M/S/C (Chavez/Carrasco) to appoint Carolyn Marie Gonot as the Santa Clara Valley Transportation Authority (VTA) General Manager/CEO effective July 12, 2021.

Ms. Gonot thanked the Board and provided a brief comment. She indicated she looks forward to working with the VTA team.

3. CLOSED SESSION

Public Comment

Eugene Bradley, Interested Citizen, welcomed Ms. Gonot to VTA.

3.1. Recessed to Closed Session at 4:28 p.m.

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

   Consultation with Richard Bertalan, Chief Information Technology Officer

3.2. Reconvened to Open Session at 5:47 p.m.

3.3. Closed Session Report

   Evelynn Tran, General Counsel and Interim General Manager/CEO, noted no reportable action was taken during Closed Session.

4. ADJOURNMENT

On order of Chairperson Hendricks, there being no objection, the meeting was adjourned at 5:48 p.m.

Respectfully submitted,

Elaine F. Baltao, Board Secretary
VTA Office of the Board Secretary
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Board Secretary, Elaine Baltao

SUBJECT: Unapproved Minutes/Summary Reports from VTA Committees, Joint Powers Boards (JPB), and Regional Commissions

FOR INFORMATION ONLY

The previous month’s committee meeting minutes and/or summaries for the following committees are forwarded to the VTA Board of Directors for their information:

- VTA Standing Committees
- VTA Advisory Committees
- VTA Policy Advisory Boards (PAB)
- Joint Powers Boards and Regional Commissions

Prepared By: Board Office
Memo No. 7845
Administration and Finance Committee (A&F)  
Minutes of May 20, 2021

WILL BE FORWARDED UNDER SEPARATE COVER
NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority Capital Program Committee meeting scheduled for Thursday, May 27, 2021, at 12:00 p.m. will be rescheduled at a date to be determined.

Theadora Abraham, Board Assistant
VTA Office of the Board Secretary
CALL TO ORDER

The Regular Meeting of the Congestion Management Program & Planning Committee (CMPP) was called to order at 10:01 a.m. by Chairperson Peralez via teleconference and video conference.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dev Davis</td>
<td>Alternate Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Lisa M. Gillmor</td>
<td>Alternate Member</td>
<td>N/A</td>
</tr>
<tr>
<td>Sergio Jimenez</td>
<td>Vice Chairperson</td>
<td>Absent</td>
</tr>
<tr>
<td>Otto Lee</td>
<td>Alternate Member</td>
<td>N/A</td>
</tr>
<tr>
<td>Carmen Montano</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Raul Peralez</td>
<td>Chairperson</td>
<td>Present</td>
</tr>
<tr>
<td>Joe Simitian</td>
<td>Member</td>
<td>Present</td>
</tr>
</tbody>
</table>

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC COMMENT

Thalia Young, Board Assistant, noted the written public comment received from Blair Beekman, Interested Citizen, was posted on the agenda portal.

Blair Beekman, Interested Citizen, commented on California High Speed Rail (CHSR).

Roland Lebrun, Interested Citizen, commented on Caltrain parking and access to stations.

3. ORDERS OF THE DAY

There were no Orders of the Day.

CONSENT AGENDA

4. Regular Meeting Minutes of April 15, 2021

M/S/C (Montano/Simitian) to approve the Regular Meeting Minutes of April 15, 2021.
5. **2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant: FY2020 to FY2021 Program of Projects**

M/S/C (Montano/Simitian) to recommend that the VTA Board of Directors: 1) Approve the recommended project list for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program and 2) Authorize the General Manager to execute the necessary agreements for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program funds.

6. **Sustainability Annual Report**

M/S/C (Montano/Simitian) to receive the Sustainability Program’s Fiscal Year (FY) 2020 Annual Report.

RESULT: APPROVED – Agenda Items #4-6

MOVER: Carmen Montano, Member
SECONDER: Joe Simitian, Member
AYES: Montano, Peralez, Simitian
NOES: None
ABSENT: Jimenez

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**REGULAR AGENDA**

7. **FY 2022 & FY 2023 CMP Budget & Work Program**

Deborah Dagang, Chief Planning & Program Officer and Staff Liaison, provided a presentation entitled “FY 22/23 CMP Budget & Work Program.”

**Public Comment**

Mr. Roland commented on congestion management funding.

Mr. Beekman commented on CHSR and grade separation.

Members of the Committee discussed the congestion management program budget funds.

M/S/C (Montano/Simitian) to recommend that the VTA Board of Directors approve the Fiscal Years 2022 and 2023 Proposed Congestion Management Program Work Program and Biennial Budget.

RESULT: APPROVED – Agenda Item #7

MOVER: Carmen Montano, Member
SECONDER: Joe Simitian, Member
AYES: Montano, Peralez, Simitian
NOES: None
ABSENT: Jimenez
8. **Business Plan Goals**

John Sighamony, Senior Transportation Planner, provided a presentation entitled “VTA Business Plan.”

Ms. Young noted that written public comment received from Kevin Ma, Interested Citizen, was posted on the agenda portal.

**Public Comment**

Mr. Roland commented on separating VTA into a Congestion Management Agency (CMA) and a transit agency.

The following Interested Citizens expressed support for more specific and measurable Business Plan goals:

- James Kuszmaul,
- Robin Roemer,
- Mark Mollineaux, and
- Monica Mallon.

The Committee had a brief discussion on partnering with companies and schools.

**M/S/C (Simitian/Montano)** to recommend that the VTA Board of Directors approve the Business Plan Goals.

<table>
<thead>
<tr>
<th>RESULT:</th>
<th>APPROVED – Agenda Item #8</th>
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</thead>
<tbody>
<tr>
<td>MOVER:</td>
<td>Joe Simitian, Member</td>
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<tr>
<td>SECONDER:</td>
<td>Carmen Montano, Member</td>
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<tr>
<td>AYES:</td>
<td>Montano, Peralez, Simitian</td>
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<td>NOES:</td>
<td>None</td>
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<tr>
<td>ABSENT:</td>
<td>Jimenez</td>
</tr>
</tbody>
</table>

9. **Fast Transit Program – Transit Signal Priority Update**

Tamiko Percell, Transportation Planner, provided a presentation entitled “Transit Signal Priority Update.”

A brief discussion ensued on working with the cities in the County of Santa Clara (County) and the County to make change happen.

**On order of Chairperson Peralez** and there being no objection, the Committee received a status update on Transit Signal Priority.

10. **Downtown Design Development Framework (DDF) for VTA Block**

Ron Golem, Director of Real Estate and Transit Oriented Development, and Peter Sokoloff, Foster + Partners, provided a presentation entitled “VTA Block Design Development Framework.”
Member Simitian left the teleconference and video meeting at 11:30 a.m. and a Committee of the Whole was declared.

Public Comment

Mr. Roland commented on public outreach to the stakeholders.

The Committee of the Whole discussed the following: 1) community benefit; and 2) area parking.

On order of Chairperson Peralez and there being no objection, the Committee of the Whole reviewed the Design Development Framework (DDF) for the Transit-Oriented Development (TOD) site located on the Block in Downtown San José.

OTHER ITEMS

11. Committee Work Plan

On order of Chairperson Peralez and there being no objection, the Committee of the Whole reviewed the Committee Work Plan.

12. Items of Concern and Referral to Administration

Member Montano followed up on her request to look at equity and soundwalls in Milpitas.

13. Chairperson’s Report

There was no Chairperson’s Report.

14. Committee Staff Report

Ms. Dagang provided a report, highlighting the following: 1) Caltrain funding and line of credit; 2) Senate Bill (SB) 1 Local Partnership Program for US 101/De La Cruz Boulevard/Trimble Road project; and 3) 2016 Measure B update.

Public Comment

Mr. Roland expressed concern about the safety of pedestrians on the on ramp depicted in the video of the US 101/De La Cruz Boulevard/Trimble Road project.

On order of Chairperson Peralez and there being no objection, the Committee of the Whole received the Committee Staff Report.
15. **Determine Consent Agenda for the June 3, 2021 Board of Directors Meeting**

**CONSENT:**

**Agenda Item #5.** Recommend that the VTA Board of Directors: 1) Approve the recommended project list for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program and 2) Authorize the General Manager to execute the necessary agreements for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program funds.

**Agenda Item #6.** Receive the Sustainability Program’s Fiscal Year (FY) Annual Report.

**Agenda Item #7.** Recommend that the VTA Board of Directors approve the Fiscal Years 2022 and 2023 Proposed Congestion Management Program Work Program and Biennial Budget.

**Agenda Item #9.** Receive a status update on Transit Signal Priority.

**Agenda Item #10.** Recommend that the VTA Board of Directors accept the Design Development Framework (DDF) for the Transit-Oriented Development (TOD) site located on the Block in Downtown San José.

**REGULAR:**

**Agenda Item #8.** Recommend that the VTA Board of Directors approve the Business Plan Goals.

16. **ANNOUNCEMENTS**

Chairperson Peralez reminded the Committee of the Whole of the Special Board Meeting on May 21, 2021 at 4:00 p.m.

17. **ADJOURNMENT**

On order of Chairperson Peralez and there being no objection, the meeting was adjourned at 11:58 a.m.

Respectfully submitted,

Thalia Young, Board Assistant
VTA Office of the Board Secretary
Safety, Security, and Transit Planning and Operations Committee

Thursday, May 20, 2021

MINUTES

CALL TO ORDER

The Regular Meeting of the Safety, Security, and Transit Planning and Operations (SSTPO) Committee was called to order at 2:00 p.m. by Chairperson Constantine via video and teleconference.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Marie Blankley</td>
<td>Alternate Member</td>
<td>N/A</td>
</tr>
<tr>
<td>Pat Burt</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Magdalena Carrasco</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Rich Constantine</td>
<td>Chairperson</td>
<td>Present</td>
</tr>
<tr>
<td>Dev Davis</td>
<td>Alternate Member</td>
<td>N/A</td>
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<tr>
<td>Darcy Paul</td>
<td>Vice Chairperson</td>
<td>Present</td>
</tr>
<tr>
<td>Rob Rennie</td>
<td>Alternate Member</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC COMMENT

Roland Lebrun, Interested Citizen, commented on the following: 1) Administration & Finance Committee Agenda Item # 13., Authorization to Issue a Request for Offer (RFO) at the Gilroy Transit Center for Affordable Housing Development, and 2) Tamien Transit Oriented Development project.

Member Carrasco joined the teleconference and video meeting at 2:07 p.m.

3. ORDERS OF THE DAY

Chairperson Constantine noted staff requested that Agenda Item #8, April 2021 Monthly Ridership and Fare Revenue Performance Report, be removed from the Agenda.

M/S/C (Paul/Burt) to accept the Orders of the Day.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
RESULT: ACCEPTED – Agenda Item #3
MOVER: Darcy Paul, Vice Chairperson
SECONDER: Pat Burt, Member
AYES: Burt, Carrasco, Constantine, Paul
NOES: None

CONSENT AGENDA

4. Regular Meeting Minutes of February 18, 2021

M/S/C (Burt/Paul) to approve the Regular Meeting Minutes of February 18, 2021.

5. Annual Articulated Vehicle Notice

M/S/C (Burt/Paul) to receive a report indicating where VTA intends to operate articulated vehicles in 2022.

RESULT: APPROVED – Agenda Items #4-5
MOVER: Pat Burt Member
SECONDER: Darcy Paul, Vice Chairperson
AYES: Burt, Carrasco, Constantine, Paul
NOES: None

REGULAR AGENDA

6. 2021 Service Planning Program

Janice Soriano, Senior Transportation Planner, provided a presentation entitled “2021 Service Planning Program.”

Public Comment

Mr. Lebrun commented on the following: 1) transit service planning and scheduling; 2) capacity and social distancing; 3) Transportation Security Administration (TSA) set mandates for social distancing and masks; and 4) funding programs.

Eugene Bradley, Interested Citizen, commented on the following: 1) TSA mandates 2) VTA lacks safety protocols; 3) status of UV light sanitizer and extra filtration systems; 4) Cal/OSHA COVID-19 fines; and 5) spend funds to get service moving.

Members of the Committee and staff discussed the following: 1) reducing passenger distancing; 2) air filtration systems technologies; 3) emerging mobility solutions; 4) Transportation Demand Development (TDD); 5) safety systems delivery of service; 6) encourage partnership programs; 7) micro-transit and partnership with local jurisdictions; 8) include a countywide geographic heat map showing where transit riders are by population as well as percentage of the population using VTA; and 10) integration of micro-mobility station efforts.
Upon inquiry of a Member of the Committee, staff will provide a summary of specific filtration system technologies VTA is testing, the cost and direction the agency is moving.

**On order of Chairperson Constantine** and there being no objection, the Committee received a report on Service Planning projects and programs planned for 2021.

7. **Zero-Emission Bus Implementation Planning**

Adam Burger, Senior Transportation Planner, provided a presentation entitled “Zero-Emission Bus Planning.”

**Public Comment**

Mr. Lebrun expressed support for the following: 1) on-route charging; and 2) vertical ventilation.

Members of the Committee and staff discussed the following: 1) look at source materials for carbon footprint; 2) partner with other agencies for broader distribution; 3) time will reduce risk of emerging technologies; 4) does not support depot charging; 5) encourage redundancy; 6) layout a scenario of a more rapid evolution of the technologies and their costs, so VTA is thinking ahead on how to adjust to more favorable conditions happening sooner than we are currently projecting; 7) prioritize in terms of less risk, more service and lower costs; 8) focus on future service while trying to deliver daily operations; 9) electric cars; 10) service impacts should be the priority; and 11) long term cost savings.

**On order of Chairperson Constantine** and there being no objection, the Committee received a presentation on VTA Zero-Emission Bus Implementation Planning.

**OTHER ITEMS**

8. **(Removed)**

Receive a report on the April 2021 Monthly Ridership and Fare Revenue Performance.

9. **VTA’s Safety and Security Programs Report**

- **Receive an update on the Downtown San Jose Light Rail Platform**

   Angelique Gaeta, Chief of System Safety and Security, provided an update on the Downtown San Jose Light Rail Platform.

**Public Comment**

Mr. Bradley suggested using wider railing and suggested the dotted curb color be changed from grey to yellow for the visually impaired.

Mr. Lebrun noted that he has fallen several times in the same spot where the ramp starts. He made the following recommendations: 1) the railing is too short; 2) the railing needs to start at the point where the ramp and the pavement diverge; and 3) paint the edge of the ramp bright yellow.
Nikita Sinha, Interested Citizen, expressed concern that the railings shown are too short and do not solve the problem. She queried about when the fall hazard will be eliminated, noting a fall for a senior can be life altering.

Vice Chairperson Paul requested accident and incident data on the slip and falls in the area. He requested the matter return to the Committee when the features are implemented.

Chairperson Constantine recommended the edges should be painted yellow where several people have fallen, and it is a known area of concern.

**On order of Chairperson Constantine** and there being no objection, the Committee received a report on VTA’s Safety and Security Programs.

10. **Items of Concern and Referral to Administration**

Vice Chairperson Paul requested information on the following: 1) Personal Protective Equipment (PPE) and provisions for sanitation provided to riders, and if that practice will continue; and 2) request staff look at concerns regarding filtration technology on VTA vehicles.

11. **Committee Work Plan**

Member Burt requested the Next Generation Technology Update be brought back to the Committee.

**Public Comment**

Mr. Lebrun commented that the following presentations should be brought forth to the Committee: 1) Annual Articulated Vehicle Notice; and 2) VTA Vanpool Subsidy Program Update.

**On order of Chairperson Constantine** and there being no objection, the Committee reviewed the Committee Work Plan.

12. **Committee Staff Report**

Ms. Gaeta provided the staff report and noted the 2016 Measure B placemat was included in the Agenda packet.

**On order of Chairperson Constantine** and there being no objection, the Committee received the Committee Staff Report.

13. **Chairperson’s Report**

Chairperson Constantine announced the Special Board of Directors Meeting on Friday, May 21, 2021, at 4:00 p.m.
14. Determine Consent Agenda for the June 3, 2021 Board of Directors Meeting

CONSENT:

None.

REGULAR:

None.

15. ANNOUNCEMENTS

There were no Announcements.

16. ADJOURNMENT

On order of Chairperson Constantine and there being no objection, the meeting adjourned at 3:57 p.m.

Respectfully submitted,

Anita McGraw, Board Assistant
VTA Office of the Board Secretary
The Regular Meeting of the Bicycle & Pedestrian Advisory Committee (BPAC) was called to order at 6:30 p.m. by Chairperson Neff via teleconference and video conference.

1. **ROLL CALL**

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Representing</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lada Adamic</td>
<td>Member</td>
<td>City of Mountain View</td>
<td>Present</td>
</tr>
<tr>
<td>Brandon Alvarado</td>
<td>Member</td>
<td>City of San José</td>
<td>Absent</td>
</tr>
<tr>
<td>Stacy Banerjee</td>
<td>Vice Chairperson</td>
<td>City of Los Altos</td>
<td>Present</td>
</tr>
<tr>
<td>Neil Berman</td>
<td>Member</td>
<td>City of Morgan Hill</td>
<td>Absent</td>
</tr>
<tr>
<td>Kristal Caidoy</td>
<td>Member</td>
<td>City of Milpitas</td>
<td>Present</td>
</tr>
<tr>
<td>Barry Chaffin</td>
<td>Member</td>
<td>City of Monte Sereno</td>
<td>Present</td>
</tr>
<tr>
<td>Susan Cretekos</td>
<td>Member</td>
<td>Town of Los Altos</td>
<td>Present</td>
</tr>
<tr>
<td>Bill Ehlers</td>
<td>Member</td>
<td>Town of Los Gatos</td>
<td>Present</td>
</tr>
<tr>
<td>Erik Lindskog</td>
<td>Member</td>
<td>City of Cupertino</td>
<td>Present</td>
</tr>
<tr>
<td>Carmen Lynaugh</td>
<td>Member</td>
<td>City of Campbell</td>
<td>Present</td>
</tr>
<tr>
<td>Betsy Megas</td>
<td>Member</td>
<td>City of Santa Clara</td>
<td>Present</td>
</tr>
<tr>
<td>Robert Neff</td>
<td>Chairperson</td>
<td>City of Palo Alto</td>
<td>Present</td>
</tr>
<tr>
<td>Timothy Oey</td>
<td>Member</td>
<td>City of Sunnyvale</td>
<td>Present</td>
</tr>
<tr>
<td>Carolyn Schimandle</td>
<td>Member</td>
<td>City of Gilroy</td>
<td>Absent</td>
</tr>
<tr>
<td>Jim Stallman</td>
<td>Member</td>
<td>City of Saratoga</td>
<td>Present</td>
</tr>
<tr>
<td>Herman Wadler</td>
<td>Member</td>
<td>County of Santa Clara</td>
<td>Present</td>
</tr>
<tr>
<td>John Cordes</td>
<td>Ex-Officio</td>
<td>SV Bicycle Coalition</td>
<td>Present</td>
</tr>
<tr>
<td>Shiloh Ballard</td>
<td>Alt. Ex-Officio</td>
<td>SV Bicycle Coalition</td>
<td>N/A</td>
</tr>
</tbody>
</table>

A quorum was present.

2. **ORDERS OF THE DAY**

   There were no Orders of the Day.

3. **PUBLIC COMMENT**

   There were no Public Comments.

4. **Committee Staff Report**

   Lauren Ledbetter, Senior Transportation Planner - Bike & Pedestrian and Staff Liaison, provided a report, highlighting the following: 1) at their May 6, 2021 the VTA Board of Directors (Board) approved the first two years of the Strategic Capital Investment Plan,
allocations for the 2016 Measure B formula-based programs, and the 2016 Measure B Project readiness criteria and prioritization methodologies; 2) cyberattack on VTA’s technology systems; 3) COVID-19 related items; 4) VTA’s Annual Report; 5) transit update; 6) 2016 Measure B update; 7) BPAC leadership meeting; 8) Caltrans District 4 Bicycle Advisory Committee; and 9) the Association of Pedestrian and Bicycle Professionals Webinar on May 19, 2021.

Member Lindskog joined the teleconference and video meeting at 6:37 p.m.

Member Cretekos joined the teleconference and video meeting at 6:40 p.m.

**On order of Chairperson Neff** and there being no objection, the Committee received the Committee Staff Report.

5. **Santa Clara County Staff Report**

Ben Aghegnehu, County Associate Transportation Planner, provided a report, highlighting the following: 1) Active Transportation Plan (ATP) website and branding; 2) street paving around Camden Avenue in San José; and 3) Hanover and Page Mill Road in Palo Alto project update.

**On order of Chairperson Neff** and there being no objection, the Committee received the Santa Clara County Staff Report.

6. **Chairperson’s Report**

Chairperson Neff provided highlights from the BPAC Leadership meeting which included goals and focus areas for 2021.

**Public Comment**

David Simons, Interested Citizen, inquired about updating the checklist for VTA projects.

**CONSENT AGENDA**

Vice Chairperson Banerjee referenced **Agenda Item #8, Business Plan Goals Attachment A: Business Plan Goals** and requested that the third goal under Business Line 2: Delivering Projects & Programs be revised to read “Identify and implement multimodal improvements.”

7. **Regular Meeting Minutes of March 10, 2021**

M/S/C (Banerjee/Oey) to approve the Regular Meeting Minutes of March 10, 2021.

8. **Business Plan Goals**

M/S/C (Banerjee/Oey) to recommend that the VTA Board of Directors approve the Business Plan Goals, as amended.
RESULT: APPROVED – Agenda Items #7-8
MOVER: Stacy Banerjee, Vice Chairperson
SECONDER: Tim Oey, Member
AYES: Adamic, Banerjee, Caidoy, Chaffin, Cretekos, Lindskog, Lynaugh, Megas, Neff, Oey, Stallman, Wadler
NOES: None
ABSENT: Alvarado, Berman, Ehlers, Schimandle

Member Ehlers joined the teleconference and video meeting at 6:51 p.m.

REGULAR AGENDA

9. **2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant: FY2020 to FY2021 Program of Projects**

Vice Chairperson Banerjee noted her recusal on Agenda Item #9, 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant: Program of Projects.

Vice Chairperson Banerjee left the teleconference and video meeting at 6:54 p.m.


**Public Comment**

Peter Hertan, Interested Citizen, inquired about projects which are not being funded.

Mr. Simons inquired about the scoring process for projects without other money.

Members of the Committee had a brief discussion about the allocation of money.

**M/S/C (Neff/Oey)** on a vote of 12 ayes to 0 noes to 1 recusal to recommend that the VTA Board of Directors: 1) Approve the recommended project list for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program and 2) Authorize the General Manager to execute the necessary agreements for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program funds. Vice Chairperson Banerjee recused.

RESULT: APPROVED – Agenda Item #9
MOVER: Robert Neff, Chairperson
SECONDER: Tim Oey, Member
AYES: Adamic, Caidoy, Chaffin, Cretekos, Ehlers, Lindskog, Lynaugh, Megas, Neff, Oey, Stallman, Wadler
NOES: None
RECUSAL: Banerjee
ABSENT: Alvarado, Berman, Schimandle
Vice Chairperson Banerjee returned to the teleconference and video meeting at 7:13 p.m.

10. **Superhighway Implementation Plan**

Lola Torney, Transportation Planner, provided a presentation entitled, “Bicycle Superhighway Implementation Plan.”

Members of the Committee discussed the following: 1) expressed concern about Class IV bikeways and the cost; 2) multiuse trails; and 3) local funding.

**M/S/C (Oey/Lindskog)** on a vote of 12 ayes to 1 no to recommend that the VTA Board of Directors adopt the Bicycle Superhighway Implementation Plan. Vice Chairperson Banerjee opposed.

<table>
<thead>
<tr>
<th>RESULT:</th>
<th>ADOPTED – Agenda Item #10</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOVER:</td>
<td>Tim Oey, Member</td>
</tr>
<tr>
<td>SECONDER:</td>
<td>Erik Lindskog, Member</td>
</tr>
<tr>
<td>AYES:</td>
<td>Adamic, Caidoy, Chaffin, Cretekos, Ehlers, Lindskog, Lynaugh, Megas, Neff, Oey, Stallman, Wadler</td>
</tr>
<tr>
<td>NOES:</td>
<td>Banerjee</td>
</tr>
<tr>
<td>ABSENT:</td>
<td>Alvarado, Berman, Schimandle</td>
</tr>
</tbody>
</table>

11. **Safe & Seamless Mobility Quick-Strike Program**

Celeste Fiore, Transportation Planner, provided a presentation entitled, “Safe & Seamless Mobility Quick-Strike Program.”

Members of the Committee discussed the projects and provided feedback. Ms. Ledbetter requested that additional comments be submitted by May 17, 2021.

**Public Comment**

Mr. Hertan expressed concern with the Highway 17 project.

**On order of Chairperson Neff** and there being no objection, the Committee reviewed Complete Streets Checklists for projects submitted to Metropolitan Transportation Commission’s Safe and Seamless Mobility Quick-Strike Program.

**OTHER**

12. **Reports from BPAC Subcommittees**

There were no BPAC Subcommittee Reports.

13. **BPAC Work Plan**

Ms. Ledbetter provided an overview of the work plan queue items.
Members of the Committee added the following items to the work plan: 1) bring highway projects in the scoping phase regularly; and 2) update on the 2016 Measure B 30-year spending plan after it is approved by the Board.

**On order of Chairperson Neff** and there being no objection, the Committee reviewed the BPAC Work Plan.

14. **ANNOUNCEMENTS**

Member Oey announced the following: 1) bike month and Bike to Wherever Day; and 2) a bicycle film festival.

Ex-Officio Member Cordes made the following comments: 1) bike infrastructure ride will held on June 3, 2021; and 2) bicycle repair workshop in Sunnyvale on June 13, 2021.

Ms. Ledbetter noted she will be staffing an energizing station on May 22, 2021 at a Sunnyvale farmers market.

Member Megas provided an update on the City of Santa Clara’s El Camino Real plan for bicycles.

Member Caidoy noted a bicycle repair clinic this weekend at the Milpitas Sports Center.

Member Stallman reminded the Committee it is goat head season through August.

Member Wadler noted no decision has been made about holding the Academy yet.

Vice Chairperson Banerjee noted that Caltrans is paving El Camino Real which is a good opportunity to have bike lanes incorporated.

Chairperson Neff announced that the Adobe Creek Bridge over Highway 101 is nearing completion.

15. **ADJOURNMENT**

**On order of Chairperson Neff** and there being no objection, the meeting was adjourned at 8:35 p.m.

Respectfully submitted,

Thalia Young, Board Assistant
VTA Office of the Board Secretary
CALL TO ORDER

The Regular Meeting of the Citizens Advisory Committee (CAC)/2000 Measure A Citizens Watchdog Committee (CWC) was called to order at 4:00 p.m. by Chairperson Swaminathan via video and teleconference.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Represents</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jon Cacciotti</td>
<td>Member</td>
<td>Business &amp; Labor</td>
<td>Present</td>
</tr>
<tr>
<td>Cecilia Conley</td>
<td>Member</td>
<td>Business &amp; Labor</td>
<td>Present</td>
</tr>
<tr>
<td>Nupur Gunjan</td>
<td>Vice Chairperson</td>
<td>Business &amp; Labor</td>
<td>Present</td>
</tr>
<tr>
<td>Tyler Krueger</td>
<td>Member</td>
<td>Business &amp; Labor</td>
<td>Present</td>
</tr>
<tr>
<td>Steven Lee</td>
<td>Member</td>
<td>Community &amp; Societal Interest</td>
<td>Present</td>
</tr>
<tr>
<td>Howard Miller</td>
<td>Miller</td>
<td>Community &amp; Societal Interest</td>
<td>Present</td>
</tr>
<tr>
<td>Aaron Morrow</td>
<td>Transitional Member</td>
<td>Community &amp; Societal Interest</td>
<td>Present</td>
</tr>
<tr>
<td>Robin Roemer</td>
<td>Member</td>
<td>Community &amp; Societal Interest</td>
<td>Present</td>
</tr>
<tr>
<td>Vignesh Swaminathan</td>
<td>Chairperson</td>
<td>Community &amp; Societal Interest</td>
<td>Present</td>
</tr>
<tr>
<td>Noel Tebo</td>
<td>Transitional Member</td>
<td>Community &amp; Societal Interest</td>
<td>Present</td>
</tr>
<tr>
<td>Herman Wadler</td>
<td>Transitional Member</td>
<td>Community &amp; Societal Interest</td>
<td>Present</td>
</tr>
</tbody>
</table>

A quorum was present.

2. ORDERS OF THE DAY

There were no Orders of the Day.

3. PUBLIC COMMENT

Aaron Morrow, Interested Citizen, expressed concern about the cyberattack and requested staff provide a written report on the impacts to paratransit. He commented the Board should have hired a paratransit provider with an off-site back-up system to mitigate such incidents.

Roland Lebrun, Interested Citizen, commented on the following: 1) extension of the MV contract; 2) bus pass-up button; and 3) request a monthly 2000 Measure A placemat.
4. **Committee Staff Report**

Manolo Gonzalez-Estay, Policy Analyst and Staff Liaison, reported on the following: 1) summary of actions the VTA Board of Directors (Board) took at their May 6, 2021 meeting; 2) Cyberattack; 3) Update on COVID-19 items; 4) VTA’s Annual Report; 5) Transit Update; and 6) 2016 Measure B Update.

**On order of Chairperson Swaminathan** and there being no objection, the Committee received the Committee Staff Report.

5. **Chairperson’s Report**

Chairperson Swaminathan reported on the following: 1) that he provided a CAC Chairperson report at the May 6, 2021, Board meeting; and 2) Vice Chairperson Gunjan is currently in India caring for family members.

**Public Comment**

Mr. Lebrun commented on COVID-19 vaccinations being offered.

**COMBINED CAC AND 2000 MEASURE A CITIZENS WATCHDOG COMMITTEE CONSENT AGENDAS**

6. **Regular Meeting Minutes of April 7, 2021**

M/S/C (Morrow/Miller) to approve the Regular Meeting Minutes of April 7, 2021.

7. **2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant: FY2020 to FY2021 Program of Projects**

M/S/C (Morrow/Miller) to recommend that the VTA Board of Directors: 1) Approve the recommended project list for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program and 2) Authorize the General Manager to execute the necessary agreements for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program funds.

8. **Sustainability Annual Report**

M/S/C (Morrow/Miller) to receive the Sustainability Program’s Fiscal Year (FY) 2020 Annual Report.

**NOTE:** M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY
RESULT: APPROVED – Consent Agenda Items #6-8
MOVER: Aaron Morrow, Transitional Member
SECONDER: Howard Miller, Member
AYES: Cacciotti, Conley, Kruger, Lee, Miller, Morrow, Roemer, Swaminathan, Tebo, Wadler
NOES: None
ABSENT: Gunjan

Member Morrow left the teleconference meeting at 4:31 p.m.

2000 MEASURE A CITIZENS WATCHDOG COMMITTEE REGULAR AGENDA

9. CWC Independent Compliance Audit

Chairperson Swaminathan introduced Crowe Auditors Bert Nuehring, Erik Nylund and Tommy Abeyta, who provided an overview of the purpose, scope and results of the CWC Independent Compliance Audit examination process.

Members of the Committee and staff discussed the following: 1) agendize audit scope discussion; 2) examination results; 3) comparison of the projects voters approved in the original 2000 Measure A versus actual project progress to date; 4) gap reconciliation, and 5) clarification of supplemental information.

Evelynn Tran, General Counsel and Interim General Manager/CEO, provided clarification on the audit scope. She noted the Committee could submit a referral to the Board to request an independent legal review.

Public Comment

Mr. Lebrun commented on the following: 1) independent audit; 2) expenditures versus revenue; 3) legal opinion; 4) public comment, and 5) summarize funding in pie chart.

M/S/C (Cacciotti/Miller) to review and accept the 2000 Measure A Citizens Watchdog Committee Independent Auditor’s compliance audit report on 2000 Measure A revenues and expenditures for the Fiscal Year 2020 period.

RESULT: APPROVED – Agenda Item #9
MOVER: Jon Cacciotti, Member
SECONDER: Howard Miller, Member
AYES: Cacciotti, Conley, Kruger, Lee, Miller, Roemer, Swaminathan, Tebo, Wadler
NOES: None
ABSENT: Gunjan, Morrow
10. **CWC Public Hearing Notice and Publication Strategy for Public Hearing and Audit Results**

Michelle Oblena, Associate Management Analyst and Advisory Committee Coordinator, provided an overview of the staff report and introduced Maria Cambra, Sales and Promotion Supervisor, who provided the publication strategy.

Members of the Committee discussed the following: 1) publication budget, and 2) encourage VTA to make the publication available at major bus facilities, customer service locations and BART Station.

**M/S/C (Wadler/Tebo)** to approve the public hearing notice and publication strategy for the 2000 Measure A Citizens Watchdog Committee’s public hearing, the results of the independent compliance audit on Fiscal Year 2020 2000 Measure A revenues and expenditures, and the Committee’s annual report.

<table>
<thead>
<tr>
<th>RESULT:</th>
<th>APPROVED – Agenda Item #10</th>
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<tbody>
<tr>
<td>MOVER:</td>
<td>Herman Wadler, Transitional Member</td>
</tr>
<tr>
<td>SECONDER:</td>
<td>Noel Tebo, Transitional Member</td>
</tr>
<tr>
<td>AYES:</td>
<td>Cacciotti, Conley, Kruger, Lee, Miller, Roemer, Swaminathan, Tebo, Wadler</td>
</tr>
<tr>
<td>NOES:</td>
<td>None</td>
</tr>
<tr>
<td>ABSENT:</td>
<td>Gunjan, Morrow</td>
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</table>

**CITIZENS ADVISORY COMMITTEE REGULAR AGENDA**

11. **Fiscal Years 2022 and 2023 Biennial Budget for the period July 1, 2021 through June 30, 2023**

Kathleen Kelly, Interim Chief Financial Officer, provided an overview of the staff report and a presentation entitled “Recommended Biennial Budget Fiscal Years 2022 and 2023.”

Members of the Committee and staff discussed the following: 1) transit operations budget; 2) expressed concern with the growing operating budget deficit, and 3) revenue loss due to pandemic.

**Public Comment**

Mr. Lebrun commented on the following: 1) debt service; 2) 2000 Measure A funds; 3) budget booklet; 4) bonding capacity; and 5) projects over budget.
On order of Chairperson Swaminathan and there being no objection, the Committee reviewed the Fiscal Years 2022 and 2023 Biennial Budget for the period July 1, 2021 through June 30, 2023.

12. **Business Plan Goals**

John Sighamony, Senior Transportation Planner, provided a brief overview of the report and a presentation entitled “VTA Business Plan.”

Members of the Committee and staff discussed the following: 1) goals need to be focused and fine-tuned; 2) pleased with progress staff has made; 3) focus on keys to be successful: fast, frequent and reliable service; multi-modal; equity goals and developing strategies; vehicle miles traveled (VMT); transit-oriented development (TOD); and 4) to increase ridership enhance facilities to make the experience enjoyable.

**Public Comment**

Mr. Lebrun commented on the following: 1) multi-modal improvements; 2) congestion management; 3) TOD, and 4) parking spaces.

M/S/C (Miller/Tebo) on a vote of 8 ayes to 1 no to recommend that the VTA Board of Directors approve the Business Plan Goals. Member Roemer voted no.

<table>
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<th>RESULT:</th>
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<tr>
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<td>Howard Miller, Member</td>
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<tr>
<td>SECONDER:</td>
<td>Noel Tebo, Transitional Member</td>
</tr>
<tr>
<td>AYES:</td>
<td>Cacciotti, Conley, Kruger, Lee, Miller, Swaminathan, Tebo, Wadler</td>
</tr>
<tr>
<td>NOES:</td>
<td>Roemer</td>
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<tr>
<td>ABSENT:</td>
<td>Gunjan, Morrow</td>
</tr>
</tbody>
</table>

13. **(Deferred)**

Receive a presentation on VTA Zero-Emission Bus Implementation Planning.

**COMBINED CAC AND CITIZENS WATCHDOG COMMITTEE ITEMS**

14. **Citizens Advisory Committee and Citizens Watchdog Committee Work Plans**

On order of Chairperson Swaminathan and there being no objection, the Committee reviewed the Citizens Advisory Committee and Citizens Watchdog Committee Work Plans.
OTHER

15. **ANNOUNCEMENTS**

   There were no Announcements.

16. **ADJOURNMENT**

   **On order of Chairperson Swaminathan** and there being no objection, the meeting was adjourned at 6:09 p.m.

   Respectfully submitted,

   Anita McGraw, Board Assistant
   VTA Office of the Board Secretary
CALL TO ORDER

The Regular Meeting of the Committee for Transportation Mobility and Accessibility (CTMA) was called to order at 10:00 a.m. by First Vice Chairperson Kokes via video and teleconference.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Title</th>
<th>Attendee Name</th>
<th>Present/Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>Kathy Bonilla</td>
<td>Present</td>
</tr>
<tr>
<td>Second Vice Chairperson</td>
<td>Christine Fitzgerald</td>
<td>Present</td>
</tr>
<tr>
<td>Member</td>
<td>Jeffery Jokinen</td>
<td>Absent</td>
</tr>
<tr>
<td>First Vice Chairperson</td>
<td>Tricia Kokes</td>
<td>Present</td>
</tr>
<tr>
<td>Member</td>
<td>Lupe Medrano</td>
<td>Present</td>
</tr>
<tr>
<td>Member</td>
<td>Laura Michels</td>
<td>Absent</td>
</tr>
<tr>
<td>Alternate Member</td>
<td>John Macon</td>
<td>Absent</td>
</tr>
<tr>
<td>Chairperson</td>
<td>Aaron Morrow</td>
<td>Present</td>
</tr>
<tr>
<td>Member</td>
<td>Dilip Shah</td>
<td>Absent</td>
</tr>
<tr>
<td>Member</td>
<td>Lori Williamson</td>
<td>Present</td>
</tr>
<tr>
<td>Ex-Officio</td>
<td>Laura Corona</td>
<td>Present</td>
</tr>
<tr>
<td>Ex-Officio</td>
<td>Hope Cahan</td>
<td>Present</td>
</tr>
</tbody>
</table>

*Alternates do not serve unless participating as a Member.

A quorum was not present and a Committee of the Whole was declared.

Chairperson Morrow announced the passing of Member Vaidya. He praised Member Vaidya’s commitment and dedication to the community and noted that he would be missed. Chairperson Morrow stated the Committee would adjourn in his memory.

2. INTRODUCTION OF AUDIENCE MEMBERS

David Hill, Staff Liaison and Chief Executive Officer; Erik Zandhuis, Regional Transportation Services Manager; Michelle Oblena, Associate Management Analyst and Advisory Committee Coordinator; Tracene Crenshaw, Assistant Board Secretary; Anita McGraw, Board Assistant; Thalia Young, Board Assistant; Reyne Jimeno, Board Assistant; John Sighamony, Senior Transportation Planner; Janice Soriano-Ramos, Senior Transportation Planner, and Member of the Public: Harriet Wolfe.
3. **ORDERS OF THE DAY**

There were no Orders of the Day.

4. **PUBLIC COMMENT**

Ms. McGraw noted the written public comment received from an Interested Citizen was included in the agenda packet.

Committee members expressed concern about the impacts of the cyberattack on paratransit service and customers.

5. **Committee Staff Report**

Mr. Hill provided a report, highlighting the following: 1) summary of actions the VTA Board of Directors (Board) took at their May 6, 2021 meeting; 2) Cyberattack; 3) Update on COVID-19 items; 4) VTA’s Annual Report; 5) Transit Update, and 6) 2016 Measure B Update.

Members of the Committee and staff discussed the following: 1) agendize a discussion item for paratransit driver retention and incentives, and 2) importance of having a back-up system in place.

Chairperson Morrow requested the following: 1) Ex-Officio Cindy Chavez’ office keep the Committee updated on the progress of VTA’s General Manager Search; and 2) 2000 Measure A placemat similar to the 2016 Measure B template.

On order of Chairperson Morrow and there being no objection, the Committee of the Whole received the Committee Staff Report.

**CONSENT AGENDA**

6. **(Deferred)**

Approve the Regular Meeting Minutes of November 12, 2020.

7. **(Deferred)**

Approve the Regular Meeting Minutes of January 14, 2021.

8. **(Deferred)**

Approve the Regular Meeting Minutes of March 11, 2021.

9. **(Deferred)**

Approve the 2021 Committee for Transportation Mobility & Accessibility Meeting Schedule.
10. **Business Plan Goals**

John Sighamony, Senior Transportation Planner, provided a brief overview of the report and a presentation entitled “VTA Business Plan.”

Members of the Committee and staff discussed the following: 1) incorporate paratransit; 2) define equity, what it means to VTA and the service they provide; 3) look at social differences and language barriers, and 4) suggest incorporating multi-lingual incentive pay.

**On order of Chairperson Morrow** and there being no objection, the Committee of the Whole received a presentation on the Business Plan Goals.

11. (Deferred)

Receive the CTMA Nomination Subcommittee report on members expressing interest in serving as either chairperson or vice chairperson for 2021.

12. (Deferred)

Conduct voting to determine the Committee's chairperson and vice chairperson for 2021.

Chairperson Morrow relinquished his seat as Chairperson and First Vice Chairperson Kokes presided for the remainder of the meeting.

13. **2021 Service Planning Program**

Janice Soriano-Ramos, Senior Transportation Planner, provided the staff report and a presentation entitled “2021 Service Planning Program.”

Members of the Committee and staff discussed the following: 1) height of totem signs for visually and hearing impaired; 2) recommended adding “those with disabilities” to all levels of the survey; 3) consider biannual bus route changes; 4) support returning to pre-pandemic service levels; 5) consider chemical sensitivities, and 6) amenities being incorporated at bus stops.

**Public Comment**

Harriet Wolfe, Interested Citizen, queried about the criteria used to determine which bus stops receive shelters. Staff clarified that 200 boardings per workday qualifies the stop for a shelter.

**On order of First Vice Chairperson Kokes** and there being no objection, the Committee of the Whole received a report on Service Planning projects and programs planned for 2021.
REPORTS

14. **Chairperson's Report**

   There was no Chairperson’s Report.

OTHER

15. **CTMA Work Plan**

   On order of First Vice Chairperson Kokes and there being no objection, the Committee of the Whole accepted the Committee for Transportation Mobility and Accessibility Work plan.

16. **ANNOUNCEMENTS**

   Member Bonilla expressed frustration regarding a bus pass-up incident.

   Mr. Hill introduced Eric Zandhuis, Regional Transportation Services Manager and Committee Staff Liaison.

17. **ADJOURNMENT**

   On order of First Vice Chairperson Kokes and there being no objection, the Committee meeting was adjourned at 11:49 a.m. in memory of Member Vaidya.

   Respectfully submitted,

   Anita McGraw, Board Assistant
   VTA Office of the Board Secretary
Policy Advisory Committee  
Thursday, May 20, 2021  

MINUTES  

CALL TO ORDER  
The Regular Meeting of the Policy Advisory Committee (PAC) was called to order at 4:00 p.m. by Chairperson Moore via video and teleconference only.  

1. ROLL CALL  

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sergio Lopez</td>
<td>City of Campbell</td>
<td>Present</td>
</tr>
<tr>
<td>Anne Bybee (Alternate)</td>
<td>City of Campbell</td>
<td>NA</td>
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<tr>
<td>Kitty Moore</td>
<td>City of Cupertino</td>
<td>Present</td>
</tr>
<tr>
<td>Jon Willey (Alternate)</td>
<td>City of Cupertino</td>
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</tr>
<tr>
<td>Marie Blankley</td>
<td>City of Gilroy</td>
<td>Present</td>
</tr>
<tr>
<td>Fred Tovar (Alternate)</td>
<td>City of Gilroy</td>
<td>NA</td>
</tr>
<tr>
<td>Lynette Lee Eng</td>
<td>City of Los Altos</td>
<td>Present</td>
</tr>
<tr>
<td>Jonathan Weinberg (Alternate)</td>
<td>City of Los Altos</td>
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</tr>
<tr>
<td>Roger Spreen</td>
<td>Town of Los Altos Hills</td>
<td>Absent</td>
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<tr>
<td>Vacant (Alternate)</td>
<td>Town of Los Altos Hills</td>
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</tr>
<tr>
<td>Rob Rennie</td>
<td>Town of Los Gatos</td>
<td>Present</td>
</tr>
<tr>
<td>Maria Ristow (Alternate)</td>
<td>Town of Los Gatos</td>
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<tr>
<td>Anthony Phan</td>
<td>City of Milpitas</td>
<td>Present</td>
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<tr>
<td>Vacant (Alternate)</td>
<td>City of Milpitas</td>
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<tr>
<td>Bryan Mekechuk</td>
<td>City of Monte Sereno</td>
<td>Present</td>
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<tr>
<td>Shawn Leuthold (Alternate)</td>
<td>City of Monte Sereno</td>
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<tr>
<td>Yvonne Beltran Martinez</td>
<td>City of Morgan Hill</td>
<td>Absent</td>
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<tr>
<td>Borgioli, Gino (Alternate)</td>
<td>City of Morgan Hill</td>
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<tr>
<td>Ellen Kamei</td>
<td>City of Mountain View</td>
<td>Present</td>
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<tr>
<td>Lucas Ramirez (Alternate)</td>
<td>City of Mountain View</td>
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<tr>
<td>Lydia Kou</td>
<td>City of Palo Alto</td>
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<tr>
<td>Matt Mahan</td>
<td>City of San Jose</td>
<td>Absent</td>
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<td>-</td>
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<tr>
<td>Raj Chahal</td>
<td>City of Santa Clara</td>
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<tr>
<td>Karen Hardy (Alternate)</td>
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<td>Yan Zhao</td>
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<td>Rishi Kumar (Alternate)</td>
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<tr>
<td>Mason Fong</td>
<td>City of Sunnyvale</td>
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<tr>
<td>Omar Din (Alternate)</td>
<td>City of Sunnyvale</td>
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</tr>
<tr>
<td>Mike Wasserman</td>
<td>County Board of Supervisors</td>
<td>Present</td>
</tr>
<tr>
<td>Vacant (Alternate)</td>
<td>County Board of Supervisors</td>
<td>-</td>
</tr>
</tbody>
</table>

A quorum was present.
2. **ORDERS OF THE DAY**

There were no Orders of the Day.

3. **PUBLIC COMMENT**

Roland Lebrun, Interested Citizen, commented about the Assembly Bill 1091 hearing.

Eugene Bradley, Interested Citizen, commented about the following: 1) support for Assembly Bill 1091; and 2) increasing security presence on VTA properties.

4. **Committee Staff Report**

Aaron Quigley, Senior Policy Analyst and Committee Staff Liaison, provided a report, highlighting the following: 1) actions the VTA Board of Directors (Board) took at their May 6, 2021, Regular meeting, noting the following: a) cyberattack; and b) VTA’s continued efforts in helping Santa Clara County (SCC) residents get to a Covid-19 vaccination sites; 2) announced VTA’s Annual Report is now available on VTA’s website; 3) actions VTA is taking to address passenger pass-ups while adhering to the Santa Clara County public health order; and 4) announced the 2016 Measure B updated placemat can be found in the online agenda packet.

   • **Government Affairs Update**

   Mr. Quigley noted that the Government Affairs report was provided to the Committee and can be found in the online agenda packet. Mr. Quigley briefly updated the Committee about the status of funding at the Federal and State level and on State Assembly Bill 1091.

Members of the Committee requested the following: 1) if VTA could provide unlimited transfers until capacity restrictions are lifted; and 2) provide the Committee with the current Human Trafficking report.

**Public Comment**

Mr. Bradley commented about the following: 1) training employees in technology security to prevent future cyberattacks; and 2) reporting passenger pass ups.

Mr. Lebrun commented about the following: 1) vacant space at the Santa Teresa transit center; 2) reporting passenger pass-ups; 3) booking paratransit rides; 4) CARES Act funding; 5) creating a 2000 Measure A placemat similar to 2016 Measure B; 6) decisions made at the Citizens Advisory Committee (CAC); and 7) Assembly Bill 1091.

Mr. Quigley provided clarification about reporting passenger pass-ups and paratransit rides to vaccination sites.

**On order of Chairperson Moore** and there being no objection, the Committee received the Committee Staff Report.
5. **Chairperson’s Report**

There was no Chairperson’s Report.

**CONSENT AGENDA**

Member Rennie referenced *Agenda Item #8.*, Superhighway Implementation Plan, and commended staff for their work in writing the report, noting strong support for bicycle superhighways.

Member Mekechuk referenced *Agenda Item #7.*, 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant: FY2020 to FY2021 Program of Projects, and requested that the Class four bike lane traveling through Lark Ave and Blossom Hill be called out in the report.

6. **Regular Meeting Minutes of April 8, 2021**

M/S/C (*Wasserman/Blankley*) to approve the Regular Meeting Minutes of April 8, 2021.

7. **2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant: FY2020 to FY2021 Program of Projects**

M/S/C (*Wasserman/Blankley*) to recommend that the VTA Board of Directors: 1) Approve the recommended project list for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program and 2) Authorize the General Manager to execute the necessary agreements for the 2016 Measure B Bicycle & Pedestrian Planning Studies Competitive Grant Program funds.

8. **Superhighway Implementation Plan**

M/S/C (*Wasserman/Blankley*) to recommend that the VTA Board of Directors adopt the Bicycle Superhighway Implementation Plan.

9. **Sustainability Annual Report**

M/S/C (*Wasserman/Blankley*) to receive the Sustainability Program’s Fiscal Year (FY) 2020 Annual Report.

<table>
<thead>
<tr>
<th>RESULT:</th>
<th>APPROVED–Consent Agenda Item #6-9</th>
</tr>
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<tbody>
<tr>
<td>MOVER:</td>
<td>Wasserman, Member</td>
</tr>
<tr>
<td>SECONDER:</td>
<td>Blankley, Member</td>
</tr>
<tr>
<td>AYES:</td>
<td>Blankley Chahal, Fong, Kamei, Kou, Lee Eng, Lopez, Mekechuk, Moore, Phan, Rennie, Wasserman</td>
</tr>
<tr>
<td>NOES:</td>
<td>None</td>
</tr>
<tr>
<td>ABSENT:</td>
<td>Beltran-Martinez, Mahan, Spreen, Zhao</td>
</tr>
</tbody>
</table>
2. ORDERS OF THE DAY (continued)

Members of the Committee requested that the following Agenda items be heard in the following order: Agenda Item #10., FY 2022 & FY 2023 CMP Budget & Work Program, Agenda Item #12., Business Plan Goals, Agenda Item #11., Approval of Biennial Budget for Fiscal Years 2022 and 2023, and Agenda item #13., Zero-Emission Bus Implementation Planning.

M/S/C (Lee Eng/Wasserman) to accept the Orders of the Day.

| RESULT: | ACCEPTED–Orders of the Day |
| MOVER: | Lee Eng, Member |
| SECONDER: | Wasserman, Member |
| AYES: | Blankley, Chahal, Fong, Kamei, Kou, Lee Eng, Lopez, Mekechuk, Moore, Phan, Rennie, Wasserman |
| NOES: | None |
| ABSENT: | Beltran-Martinez, Mahan, Spreen, Zhao |

REGULAR AGENDA

10. FY 2022 & FY 2023 CMP Budget & Work Program

Deborah Dagang, Chief Planning and Programming Officer, provided an overview of the staff report and provided a presentation entitled FY 22/23 CMP Budget and Work Program.

Members of the Committee and staff briefly discussed Attachment 10.C, line item #7, Professional and Special Services, and provided clarification on the projected expenditures and how Professional and Special Services is applied. Ms. Dagang noted that any work that has begun with VTA’s Member Agencies will not be delayed.

Public Comment

Mr. Lebrun commented about the following: 1) vacant acres at the Santa Teresa transit center; 2) funding for consultants; and 3) solutions on how to move forward with the budget to address congestion management in south county.

Blair Beekman, Interested Citizen, commented about the following: 1) congestion management; 2) grade separation projects in north county; and 3) posting public comment on the VTA website.

M/S/C (Fong/Mekechuk) to recommend that the VTA Board of Directors approve the Fiscal Years 2022 and 2023 Proposed Congestion Management Program Work Program and Biennial Budget.
RESULT: APPROVED–Agenda Item 10
MOVER: Fong, Member
SECONDER: Mekechuk, Member
AYES: Blankley, Chahal, Fong, Kamei, Kou, Lee Eng, Lopez, Mekechuk, Moore, Phan, Wasserman
NOES: None
ABSENT: Beltran-Martinez, Mahan, Rennie, Spreen, Zhao

12. **Business Plan Goals**

John Sighamony, Senior Transportation Planner, provided an overview of the staff report and provided a presentation entitled VTA Business Plan.

Members of the Committee and staff discussed the following: 1) types of vehicles for express lanes; 2) assistance when it comes to cities collaborating to speed up transit; 3) Transient Oriented Development (TOD); 4) more definition around equity; 5) shuttle programs for first and last mile solutions; 6) financial and environmental sustainability; 7) how real estate, whether acquiring or using existing, could benefit transit; 8) the need for more data consistency between jurisdictions; and 9) refineries as it relates to air quality.

Members Lee Eng and Wasserman left the teleconference meeting at 5:01 p.m.

**Public Comment**

Mr. Beekman commented about the following: 1) High Speed Rail; and 2) Federal funding.

Mr. Bradley commented about the following: 1) VTA’s cleaning practices; 2) new ventilation systems on bus and light rail; and 3) equity throughout the county.

Mr. Lebrun commented about autonomous vehicles.

M/S/C (Fong/Kou) to recommend that the VTA Board of Directors approve the Business Plan Goals.

RESULT: APPROVED–Agenda Item 12
MOVER: Fong, Member
SECONDER: Kou, Member
AYES: Blankley, Chahal, Fong, Kamei, Kou, Lee Eng, Lopez, Mekechuk, Moore, Phan, Rennie, Wasserman
NOES: None
ABSENT: Beltran-Martinez, Mahan, Spreen, Zhao
11. **Approval of Biennial Budget for Fiscal Years 2022 and 2023**

Kathleen Kelly, Interim Chief Financial Officer, provided an overview of the staff report and provided a presentation entitled Recommended Biennial Budget Fiscal Years 2022 and 2023.

Members of the Committee and staff discussed the following: 1) how Federal funding has been able to assist with VTA’s budget; 2) VTA’s expenses and revenue; 3) any Board policy around maintaining a balanced budget; 4) clarification around how different categories of VTA funds are exhausted; 5) VTA’s reserve funds; 6) the need to look at strategies to diversify revenue sources; and 7) clarification on funding sources for the purchasing of hybrid and electric buses.

**Public Comment**

Mr. Lebrun commented about the following: 1) budget for transit operations; 2) Santa Clara County sales tax; and 3) Bay Area Rapid Transit (BART) project costs.

Mr. Bradley commented about the following: 1) BART Phase II project costs; 2) VTA’s operating budget; and 3) how and when to increase bus service.

Mr. Beekman commented about the following: 1) new air filtration systems; 2) VTA’s budget, noting to make transit operations a priority; and 3) transparency.

Members of the Committee made the following comments: 1) expressed concern about when VTA will return to normal service; 2) noted VTA’s challenges with current risks and limitations; and 3) the need for a clear path forward that includes effective solutions and being cost effective.

**On order of Chairperson Moore** and there being no objection, the Committee reviewed the Fiscal Years 2022 and 2023 Biennial Budget for the period July 1, 2021 through June 30, 2023.

13. **Zero-Emission Bus Implementation Planning**

Adam Burger, Senior Transportation Planner, provided an overview of the staff report and provided a presentation entitled Zero-Emission Bus Planning.

Members of the Committee and staff discussed the following: 1) funding sources including grant opportunities; 2) blended technology strategies; 3) green and non-green hydrogen; 4) clarification around cost estimates for purchasing the buses, charging, and fueling; and 5) VTA acquiring information from other agencies to assist with future planning as it relates to the type of technology used.

**Public Comment**

Mr. Lebrun commented about the following: 1) how the busses could use the light rail infrastructure for charging; and 2) creating a policy that bans horizontal ventilation.

Mr. Bradley commented about the following: 1) Monterey-Salinas Transit (MST) buses; 2) using one manufacturer for buses; and 3) 2000 Measure A ballot language.
Mr. Beekman commented about the following: 1) benefits of using zero-emission buses; and 2) VTA’s ventilations systems.

On order of Chairperson Moore and there being no objection, the Committee received a presentation on VTA’s Zero-Emission Bus Implementation Planning.

OTHER

15. Committee Work Plan

Mr. Quigley announced that the TOD program review will be presented at the June 10, 2021 PAC meeting.

Public Comment

Mr. Beekman commented about the following: 1) allowing public comment for work plan items; and 2) Committee process.

Kevin Park, City of Santa Clara Council Member, commented about the following: 1) appreciates public input; 2) creating sub committees to look at different aspects needed related to retrofitting busses and moving forward with technology strategies.

On order of Chairperson Moore and there being no objection, the Committee accepted the Committee Work Plan as contained in the Agenda packet.

16. ANNOUNCEMENTS

There were no Announcements.

17. ADJOURNMENT

On order of Chairperson Moore and there being no objection, the meeting was adjourned 6:26 p.m.

Respectfully submitted,

Theadora Abraham, Board Assistant
VTA Office of the Board Secretary
Technical Advisory Committee (TAC)
Minutes of May 12, 2021

WILL BE FORWARDED UNDER SEPARATE COVER
NOTICE OF CANCELLATION

NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority 2016 Measure B Citizens’ Oversight Committee public hearing and meeting scheduled to be held on Wednesday, May 26, 2021 at 12:00 p.m. has been cancelled.

Thalia Young, Board Assistant
VTA Office of the Board Secretary
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: VTA Board of Directors Chairperson, Glenn Hendricks

FROM: Chief Administrative Officer, Sylvester Fadal

SUBJECT: Approval of Employment Agreement for General Manager/CEO – Carolyn Marie Gonot

Policy-Related Action: No

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Approve the employment agreement between Santa Clara Valley Transportation Authority (“VTA”) and Carolyn Marie Gonot as VTA’s General Manager/CEO.

EXECUTIVE SUMMARY:

• Following the departure of VTA’s former General Manager/CEO, the VTA Board of Directors formed a General Manager/CEO Search Committee consisting of Board Chairperson Glenn Hendricks, Vice Chairperson Chappie Jones, and Board Member Cindy Chavez and Ex-Officio Board Member Margaret Abe-Koga.

• The executive search firm Krauthamer & Associates, Inc. was retained to assist in the nationwide search.

• After a comprehensive recruitment process Carolyn Marie Gonot has been selected for the position of VTA General Manager/CEO. The VTA Board of Directors (Board) appointed Ms. Gonot as the VTA General Manager/CEO on May 21, 2021. The Board is now being requested to approve the employment agreement.

FISCAL IMPACT:

This action will authorize $350,000.00 per year plus benefits for the position of General Manager/CEO through July 11, 2026. Appropriation for the value of this contract will be included in the VTA future Adopted Biennial Budget.
BACKGROUND:

Krauthamer & Associates, Inc. presented the Board of Directors General Manager/CEO Search Committee with a number of qualified candidates for consideration. From these, a smaller number were selected for final interviews and a selection was made.

DISCUSSION:

Carolyn Marie Gonot has been selected for the position of VTA General Manager/CEO. She is currently serving as the first Executive Director under Utah Transit Authority’s (UTA) new organizational structure. At UTA, Ms. Gonot leads the Board of Trustees’ vision and focus by directing and administering a district that spans 6 counties with an operating budget of $336 million and a capital budget of $255 million. She successfully leads a workforce of over 2500 employees and is responsible for operating service over a 1400 square mile region that includes 3 light rail lines (43 miles), FrontRunner commuter rail (89 miles), streetcar line (2 miles), over 120 bus routes, 2 bus rapid transit routes, ski buses, paratransit, Flex (route-deviation) service, and vanpools.

Prior to working at UTA, Ms. Gonot provided 23 years of experience and expertise to VTA, having served as its Chief Engineering and Program Delivery Officer, Chief SVRT Program Officer, Chief Development Officer, Deputy Director Congestion Management Program, and Manager, Congestion Management Program. In her capacity at VTA, she managed key programs including the BART Silicon Valley Extension into Santa Clara County and the Congestion Management Division.

VTA and Ms. Gonot have reached a tentative agreement which is now presented to the Board for approval. The Employment Agreement is attached.

The primary components of the Employment Agreement include:

- Effective Date: July 12, 2021
- Contract Term: Five-year contract
- Salary: $350,000.00 per year
- Contributions to VTA’s Deferred Compensation Programs: $56,000 to 401(a) account
- Employment is “At-Will” - serves at the pleasure of the VTA Board of Directors
- Severance: 12 months’ salary if terminated more than 12 months prior to end of contract
- Auto allowance of $500 per month
- Fixed cost (one-time) allowance of $28,326, for reasonable and necessary moving and other limited relocation costs in connection with relocating to Santa Clara County.

ALTERNATIVES:

The Board may reject or modify the recommendation. Any amendments would be subject to agreement by Carolyn Marie Gonot.
CLIMATE IMPACT:
The recommended action will have no impact to climate change.

BUSINESS DIVERSITY REQUIREMENTS:
Not applicable.

Prepared by: Sylvester Fadal, Chief Administrative Officer
Memo No. 7841

ATTACHMENTS:
• Attachment A (PDF)
EMPLOYMENT AGREEMENT
BETWEEN
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
AND
CAROLYN MARIE GONOT

This is an Employment Agreement (“AGREEMENT”) between the Santa Clara Valley Transportation Authority (“VTA”) and Carolyn Marie Gonot (“GONOT”).

WHEREAS:

A. VTA desires to appoint an experienced and qualified person to fill the position of General Manager/CEO.

B. GONOT is experienced and qualified as an executive director in mass transit and other transportation matters, capital program delivery, and multi-modal planning; and GONOT can provide such services to VTA.

C. The Santa Clara Valley Transportation Authority Board of Directors has appointed GONOT to, and GONOT agrees to serve in, the position of General Manager/CEO under the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, the parties agree as follows:

1. VTA hereby appoints and employs GONOT as General Manager/CEO of VTA and GONOT hereby accepts such employment. GONOT shall report to and be subject to the general direction of the VTA Board of Directors.

2. GONOT agrees to take full responsibility for the performance of all managerial duties required in this position, as set forth in California Public Utilities Code Section 100100, or as directed by the Board of Directors.

3. The term of this agreement shall be five years, commencing July 12, 2021 and expiring on July 11, 2026 (“Expiration Date”).

4. The employment of GONOT is “at-will.” GONOT serves at the pleasure of the Board of Directors and may be removed, with or without cause, by affirmative vote of the majority of the Board in its sole discretion.

5. This Agreement may be terminated by VTA prior to its expiration upon 30 days’ written notice; provided, however, that if the Board of Directors notifies GONOT of a termination seven months or less prior to the expiration of this Agreement, such
termination shall only be effective on the Expiration Date. If this Agreement is terminated by VTA, and such termination is effective twelve months or more prior to its Expiration Date, GONOT shall be offered severance equal to 12 months of GONOT’s then applicable base salary, in exchange for a mutual release of all claims by and against VTA, its Board, and any and all VTA employees. If the Agreement is terminated less than twelve months prior to its expiration, GONOT shall be offered a severance payment in exchange for a mutual release as stated above in an amount equal to GONOT’s then applicable monthly base salary multiplied by the number of months left on the unexpired term of the Agreement, as provided by Government Code Section 53260. VTA shall continue GONOT’s health benefits via employer-paid COBRA coverage for twelve months after termination, or until GONOT finds other employment, whichever comes first, as provided in Government Code Section 53261.

6. If GONOT resigns prior to the expiration of this Agreement, GONOT shall provide VTA with 30 days’ written notice thereof. GONOT shall not be entitled to any severance payment in the event of her resignation.

7. GONOT shall receive a base salary of $350,000.00 per year, and such other standard benefits provided to employees comprising VTA’s Executive Management Group, including the CalPERS defined benefit pension, subject to the same terms and employee contributions as employees in VTA’s Executive Management Group. In addition, VTA agrees to contribute $56,000 per year to GONOT’s VTA General Manager’s 401(a) Account, provided that such benefits remain available by law. These contributions shall be pro-rated by pay period for any year in which GONOT is employed as VTA General Manager/CEO for less than the entire year.

8. Starting in 2022, the Board of Directors shall review GONOT’s performance and compensation annually, consistent with the guidelines specified in the General Manager and General Counsel evaluation document, approved by the Governance and Audit Committee on March 5, 2020, for the purposes of providing feedback and policy direction, and for consideration of any compensation adjustments. Any compensation adjustments shall be effective on January 1st. Compensation may not be decreased without the consent of GONOT.

9. GONOT shall be provided with an automobile allowance of $500/month and shall be reimbursed by VTA for all usual and normal expenses incurred in connection with her employment, including business, travel, food, lodging, and other such expenses, in accordance with prevailing VTA policies and practices.

10. VTA agrees to provide GONOT a fixed cost (one-time) allowance of $28,326, for reasonable and necessary moving and other limited relocation costs in connection with relocating to Santa Clara County. Relocation expenses may include:

   a. Prior to July 12, 2021, reasonable costs of airfare for necessary trips between Utah and the San Francisco Bay Area.
b. Cost associated with termination of her existing lease in Utah and agreement with UTA as applicable.

c. Reasonable costs of transporting household items via a commercial van line, and all reasonable travel and lodging expenses for GONOT during the period of movement of the household goods. The shipment of household goods includes: line-haul charges, insurance premiums, containers, charging for packing, unpacking, shipment of appliances and servicing upon arrival, shipment of one automobile and storage fees for household items, if necessary. Excluded are transporting animals, plants, building material, firewood, boats, airplanes, recreational vehicles, more than one vehicle of any type and perishable items.

d. Should GONOT give notice of her resignation from her employment with VTA within one year of receipt of any relocation assistance under this paragraph 10, GONOT shall repay VTA such relocation assistance. VTA is expressly authorized to deduct the amount owed to it under this provision 10 from any sums owed by VTA to GONOT to the fullest extent allowed by law.

11. GONOT agrees that she has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the services to be performed hereunder for VTA.

12. GONOT shall become familiar with, abide by, and be subjected to the VTA Code of Ethics.

13. Pursuant to Government Code sections 53243, 53243.1, and 53243.2, if GONOT is convicted of a crime involving an abuse of her office or position, GONOT shall reimburse VTA for any paid leave salary provided pending an investigation, any funds provided for her legal criminal defense, and any cash settlement from VTA related to her termination.

14. This written Agreement constitutes the sole understanding of the parties hereto and supersedes all prior negotiations, statements, instruction, representation, or agreements, whether written or oral. This Agreement shall be amended only by a written instrument approved and executed by both parties.

15. GONOT acknowledges that she has had a sufficient opportunity to consult with counsel of her own choice with respect to the terms and meaning of this Agreement, and that she has consulted with such counsel.

16. This Agreement shall be construed in accordance with the laws of the State of California, and the Parties agree that venue shall be in the Santa Clara County, California.
IN WITNESS WHEREOF, the parties hereto have approved this Agreement as of ________________, 2021.

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

By: __________________________________      __________________________________
    Glenn Hendricks, Chairperson   Carolyn Marie Gonot
    Board of Directors

APPROVED AS TO FORM:

____________________________________
    Evelynn Tran, General Counsel
    Santa Clara Valley Transportation Authority

ATTEST:

____________________________________
    Elaine Baltao, Board Secretary
    Santa Clara Valley Transportation Authority
Board of Directors Meeting

Information Item:
Review Fiscal Year 2021 Statement of Revenue and Expenses Forecast

June 3, 2021
### FY2021 Operating Balance Preliminary Projections – (as of June 2021)

<table>
<thead>
<tr>
<th></th>
<th>FY2021 Current Budget</th>
<th>FY21 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(Mar 2021)</td>
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<tr>
<td>Subtotal - Sales Tax Related</td>
<td>$439.6M</td>
<td>$402.6M</td>
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<tr>
<td>Subtotal - Fares</td>
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<tr>
<td>Subtotal - Other Revenues</td>
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<td>TOTAL REVENUES</td>
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<td>TOTAL EXPENSES</td>
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<td>OPERATING BALANCE (before applying CARES Act Funding)</td>
<td>($11.6M)</td>
<td>($39.3M)</td>
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<tr>
<td>CARES ACT FUNDS REMAINING (after budget gap is bridged)*</td>
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<td>$96.8M</td>
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</table>

Notes: *CARES Act Funding available as of July 2020 was approx. $136.1M that will be used to bridge the negative operating balance at the end of FY2021 and subsequent FYs. The current budget was developed before the existence of CARES Act Funding.
# FY2021 Sales Tax Related Revenues Preliminary Projections
(as of June 2021)

<table>
<thead>
<tr>
<th>Description</th>
<th>FY21 Current Budget</th>
<th>FY21 Projections (Mar 2021)</th>
<th>FY21 Projections (Jun 2021)</th>
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<tr>
<td>1976 Half-Cent Sales Tax</td>
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<td>$14.5M</td>
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<td>State Transit Assistance (STA)</td>
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<tr>
<td>Subtotal - Sales Tax Related</td>
<td>$439.6M</td>
<td>$402.6M</td>
<td>$411.7M</td>
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</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Chief External Affairs Officer, Jim Lawson

SUBJECT: Clarification of 2016 Measure B Expenditure Decisions

Policy-Related Action: Yes
Government Code Section 84308 Applies: No

RESOLUTION

RECOMMENDATION:

Adopt a resolution regarding 2016 Measure B FY2022 to FY2023 10-Year Program and Biennial Budget.

EXECUTIVE SUMMARY:

- 2016 Measure B is a 30-year ½ sales tax to improve transit and transportation in Santa Clara County.

- Board Members Liccardo and Simitian requested clarification of the Board-adopted principles for distributing 2016 Measure B funds.

- The proposed resolution incorporates the clarifications requested by Board Members Liccardo and Simitian in all future considerations of 2016 Measure B funding.

STRATEGIC PLAN/GOALS:

The 2016 Measure B Program aligns directly with the goals of VTA’s Strategic Plan Business Line 2: Delivering Projects and Programs. 2016 Measure B provides funding for nine transportation categories that assist in addressing “the current and evolving multimodal needs of Silicon Valley” as stated in the Strategic Plan.

FISCAL IMPACT:

There is no direct fiscal impact as a result of this action.
BACKGROUND:

In November of 2016 the voters of Santa Clara County approved Measure B (2016 Measure B) by over two thirds majority. This measure enacted a thirty-year, ½ cent sales tax to improve transit and transportation in Santa Clara County. Since that time, staff has proposed various scenarios for the Board to consider in the allocation of these funds.

DISCUSSION:

Following discussions at Standing Committee and Board Workshop meetings, Directors Liccardo and Simitian sent the attached memo (Attachment A) requesting clarification of the principles for distributing 2016 Measure B funds. Those principles were previously adopted by the Board on April 1, 2021. The requested clarifications are:

- Any changes or amendments to the 2016 Measure B 10-year Program and Biennial Budget Principles as approved by the Board on April 1, 2021, will require a simple majority vote of the Board at a noticed public meeting, and that meeting must be scheduled not less than 30 days after the date upon which the County of Santa Clara Board of Supervisors and the city council of each city in Santa Clara County have been notified.

- The Board further acknowledges that if any project category needs program tax revenues above the respective allocation ratios recited in the text of the ballot measure-including but not limited to the BART Phase II project and its 23.81% allocation (and the 25% cap) a 3/4 majority vote of the VTA Board of Directors will be required. Pursuant to Measure B, that Board vote may occur only at a noticed public meeting in which the County of Santa Clara Board of Supervisors and the city council of each city in Santa Clara County, have been notified at least 30 days prior to the meeting.

- The draft 10-year Expenditure Outlook presented to the VTA Board in January proposed spending for BART Phase II beneath the 23.81 % limit.

- The Board affirms the prudent use of debt financing tools, as described in the adopted Principles, to ensure projects do not suffer needless interruption, unreasonably costly delays, or excessive cost escalation.

Adoption of the proposed resolution (Attachment B) will incorporate the clarifications requested by Directors Liccardo and Simitian in all future considerations of 2016 Measure B funding.

ALTERNATIVES:

The Board may reject the clarifications proposed by Directors Liccardo and Simitian, modify these clarifications or propose different ones.

CLIMATE IMPACT:

There is no direct climate impact as a result of this action.
To: Santa Clara Valley Transportation Authority Board of Directors

From: Board Members Liccardo and Simitian

Date: May 28, 2021

Re: Clarification of Measure Expenditure Decisions

In order to clarify the Board of Directors’ intent and direction regarding the 2016 Measure B FY2022 to FY2023 10-Year Program, we recommend:

Last fall, as a result of objections by city transportation officials, VTA Staff made public an internal spreadsheet describing three categories of future 2016 Measure B proposed spending for the next decade. We have been advised that when the document was discussed by VTA standing committees in November, VTA staff publicly insisted it was not a spending plan due to its lack of completeness, the need for updated revenue projections, and the substantial amount of unallocated revenues. Not a single VTA Board member endorsed it nor supported it as a spending plan, and it has never represented the intent nor the direction of the Board. In January 2021, VTA Staff presented a draft 2016 Measure B FY2022 to FY2032 10-year Expenditure Outlook, which more completely describes all expenditure categories, and the Board will consider a final version in August.

On April 1, 2021, the Board committed to the 2016 Measure B 10-year Program and Biennial Budget Principles. (Item #7.2). Any changes or amendments to the Principles will require a simple majority vote of the Board at a noticed public meeting, and that meeting must be scheduled not less than 30 days after the date upon which the County of Santa Clara Board of Supervisors and the city council of each city in Santa Clara County have been notified.

The Board further acknowledges that if any project category needs program tax revenues above the respective allocation ratios recited in the text of the ballot measure—including but not limited to the BART Phase II project and its 23.81% allocation (and the 25% cap)—a 3/4 majority vote of the VTA Board of Directors will be required. Pursuant to Measure B, that Board vote may occur only at a noticed public meeting in which the County of Santa Clara Board of Supervisors and the city council of each city in Santa Clara County, have been notified at least 30 days prior to the meeting.

The draft 10-year Expenditure Outlook presented to the VTA Board in January proposed spending for BART Phase II beneath the 23.81% limit.

The Board affirms the prudent use of debt financing tools, as described in the adopted Principles, to ensure projects do not suffer needless interruption, unreasonably costly delays, or excessive cost escalation.
Resolution
By
Santa Clara Valley Transportation Authority Board of Directors

Whereas, the voter of Santa Clara County approved the 2016 Measure B a thirty-year ½ cent transportation sales tax by over 72% and,

Whereas, 2016 Measure B includes funding for the following transportation categories: Local Streets and Roads, BART Phase II, Bicycle & Pedestrian, Caltrain Grade Separations, Caltrain Corridor Capacity Improvements, Highway Interchanges, County Expressways, SR 85 Corridor and Transit Operations and,

Whereas, several of these projects and programs of projects will be delivered over many years and,

Whereas, the ballot measure describes allocation of funds to each of the major categories and,

Whereas, large capital projects included in the measure require more funding in some years than others and,

Whereas, the will of the voters indicates a strong desire to see all of the 9 programs of projects delivered,

Now therefore be it resolved,

Any changes or amendments to the 2016 Measure B 10-year Program and Biennial Budget Principles as approved by the Board on April 1, 2021, will require a simple majority vote of the Board at a noticed public meeting, and that meeting must be scheduled not less than 30 days after the date upon which the County of Santa Clara Board of Supervisors and the city council of each city in Santa Clara County have been notified.

The Board further acknowledges that if any project category needs program tax revenues above the respective allocation ratios recited in the text of the ballot measure—including but not limited to the BART Phase II project and its 23.81% allocation (and the 25% cap) a 3/4 majority vote of the VTA Board of Directors will be required. Pursuant to Measure B, that Board vote may occur only at a noticed public meeting in which the County of Santa Clara Board of Supervisors and the city council of each city in Santa Clara County, have been notified at least 30 days prior to the meeting.

The draft 10-year Expenditure Outlook presented to the VTA Board in January proposed spending for BART Phase II beneath the 23.81 % limit.
The Board affirms the prudent use of debt financing tools, as described in the adopted Principles, to ensure projects do not suffer needless interruption, unreasonably costly delays, or excessive cost escalation.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on ________________ by the following vote:

AYES: DIRECTORS

NOES: DIRECTORS

ABSENT: DIRECTORS

___________________________
Glenn Hendricks, Chairperson
Board of Directors

ATTEST:

____________________________
Elaine Baltao, Board Secretary

APPROVED AS TO FORM:

____________________________
Victor Pappalardo, Deputy General Counsel
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Interim Chief Financial Officer, Kathleen Kelly

SUBJECT: Approval of Biennial Budget for Fiscal Years 2022 and 2023

Policy-Related Action: Yes  Government Code Section 84308 Applies: No

RESOLUTION

RECOMMENDATION:

Adopt a resolution approving the Fiscal Years 2022 and 2023 Biennial Budget for the period July 1, 2021 through June 30, 2023.

EXECUTIVE SUMMARY:

VTA staff presented the Proposed FY 2022 and FY 2023 Biennial Budget to the Board at a workshop on April 16, 2021. Subsequently, the Proposed Biennial Budget was presented at community meetings on April 21 and April 27. Based on discussions at the Board workshop and feedback from the community meetings, staff revised the budget at follows:

1) Increased funding in FY 2022 to accommodate funding for 100% of pre-pandemic service hours as early as July 2021, should there be sufficient operators available to perform the work. The increased costs are reflected in service-related budget items (labor, materials and supplies, fuel, traction power, and tires).

2) Added one new position in the legal department, paid entirely from the Transit-Oriented Development Program. This new position will perform work that was previously handled by outside counsel and will result in lower costs.

3) Technical revision on Reimbursements to reflect updated estimates of labor and benefits charged to capital and reimbursable projects.

4) Incorporated revisions to the VTA Enterprise Fund, as recommended by the CPC Committee and approved by the Board on May 6, 2021.

5) Deleted references in the Valley Transportation Plan (VTP) to future allocations of 2016
Measure B for Need/Capacity Programs. This action is consistent with the recommendation by the CPC and approved by the Board on May 6, 2021.

Below are the highlights of the Fiscal Years 2022 and 2023 Recommended Biennial Budget:

- The Biennial Budget covers eight different Funds, corresponding to specific programs, and highlights of the proposed budget for each Fund are included in the attached budget booklet.
- The VTA Transit Biennial Budget covers the operation of the authority’s bus and light rail transit service, ADA paratransit service, and contracted and interagency transit services. It also includes a contribution to capital programs. In the FY 2022 and FY 2023 Biennial Budget there are no proposed changes to fares, only minor changes to staffing, and funding is included to gradually increase service levels to pre-pandemic levels. Although expenses are projected to exceed revenues in each of the next two fiscal years ($17.7 million in FY 2022 and $14.0 million in FY 2023), federal funding from CARES/CRRSSA is available to balance the budget.
- In addition to the VTA Transit budget, there are seven other funds included in the FY 2022 and FY 2023 Biennial Budget:
  - 2000 Measure A Transit Improvement Program
  - Congestion Management Program
  - Valley Transportation Plan (VTP) Transportation Program
  - Transit-Oriented Development Program
  - Silicon Valley Express Lanes Program
  - 2008 Measure B - BART Operating Sales Tax Program
  - 2016 Measure B Program

**STRATEGIC PLAN/GOALS:**

The Fiscal Years 2022 and 2023 Proposed Biennial Budget aligns directly with the goals of all three of VTA’s Strategic Plan Business Line focus areas: 1) Faster, Frequent, Reliable Transit; 2) Delivering Projects and Programs; and 3) Transportation System Management.

**FISCAL IMPACT:**

The FY 2022 and FY 2023 Biennial Budgets for each of the eight VTA funds are shown in the budget book.

**BACKGROUND:**

This Board held a workshop on April 16 to review and comment on the Proposed Biennial Budget. Following this workshop, there were two community meetings in April, followed by advisory and standing Board committee meetings in May. The Recommended Budget reflects some changes to the Proposed Budget, based on feedback from the Board members and the public. Approving the FY 2022 and FY 2023 Biennial Budget at the June 3, 2021 Board meeting fulfills the Board of Director's obligation under Section 1000071(b) of the California Public Utilities Code to adopt an annual budget for VTA.
DISCUSSION:

The VTA Recommended Biennial Budget funds VTA’s service and capital project delivery plan for the two-year period and lays the groundwork to support VTA’s Strategic Plan Core Values of Safety, Integrity, Quality, Sustainability, Diversity, and Accountability.

The basic assumptions used in the development of the Proposed Biennial Budget are outlined below. The details of the proposal may be found in the Fiscal Years 2022 and 2023 Proposed Budget Booklet (Attachment A).

1. VTA Transit Fund-Operating Budget

   Service Levels

   In May 2019, the VTA Board of Directors unanimously approved the 2019 New Transit Service Plan (NTSP) for FY 2020 and FY 2021, and it was implemented in December 2019. In the first three months of 2020, until the outbreak of the COVID-19 pandemic, there was an increase in ridership and in boardings per hour. However, with the onset of stay-at-home orders, service was sharply curtailed and VTA has modified transit service levels and route frequencies multiple times since March 2020. During the next two years, VTA’s focus is to fulfill the commitment of providing safe, clean, and reliable services for its customers and employees as we bring back service to pre-pandemic levels during FY 2022.

   Ridership

   The COVID-19 pandemic and related social distancing requirements caused unprecedented decreases in transit ridership across the country. VTA’s FY 2021 ridership is projected to be about one-third of actual ridership in FY 2019 (the last full year before the pandemic). With the resumption of VTA transit services in line with the NTSP, and the gradual reopening of Santa Clara County in FY 2022, VTA transit ridership is anticipated to increase significantly from its nadir in FY 2021. The higher frequency service on the core network and connecting services to BART are expected to facilitate the possible ridership recovery. Still, the FY 2023 ridership is projected to be nearly 17% lower than the FY 2019 actual ridership.

   Revenues

   Fares

   There is no change in the current fare pricing structure proposed at this time.

   Sales Tax-Related Revenues

   Sales tax-related revenues include proceeds from five different sources that make up over 85% of the operating revenues. Sales tax proceeds are driven by the economy, and because VTA is so reliant on sales tax proceeds, the authority is vulnerable to cyclical downturns in the economy that are outside of VTA’s control. Although the pandemic led to a significant decrease in sales tax receipts, the drop was not as great as had been projected in the summer of 2020. To forecast sales tax in FY 2022 and FY 2023, staff reviewed multiple projection scenarios. The Proposed
Biennial Budget reflects projected growth of 13.7% and 6.5% in FY 2022 and FY 2023 respectively and is based on the most conservative scenario provided by Avenu Insights & Analytics (formerly MuniServices, LLC), VTA’s sales tax consultant. Due to the unprecedented nature of the pandemic-induced recession since March 2020 and the uncertainties of the timing and magnitude of the possible economic recovery in the two-year budget period, staff believes that it is prudent to adopt a conservative outlook. The sales tax-related revenue sources in the VTA Transit Fund-Operating Budget that are based on the consultant-recommended projections are:

- 1976 Half-cent sales tax
- 2000 Measure A sales tax
- 2016 Measure B sales tax

Two other sales tax-related revenue sources, Transportation Development Act (TDA) and State Transit Assistance (STA) funds are based on projections from the Metropolitan Transportation Agency (MTC). For TDA, the proposed budget reflects assumed growth of 13.7% and 6.5% in FY 2022 and FY 2023 respectively. For STA, the FY 2022 and FY 2023 Proposed Biennial Budget assumes a base amount of $26.6 million per year. The estimate also reflects an additional $0.3 million per year for the mobility assistance program for low-income communities (the STA share of non-Federal matching funds) and a one-time allocation of $4.6 million for State of Good Repair (SGR) funding that VTA is allocated for operational uses, an action the VTA Board approved in April 2021.

*Federal Operating Grants*

The FY 2022 and FY 2023 Proposed Biennial Budget for federal operating grants includes $5.1M and $4.6M, respectively for the Americans with Disabilities Act (ADA) set-aside and mobility assistance for low-income communities.

*Federal Relief Funding*

The Federal government made emergency funding available to transit operators through three successive legislative actions in 2020 and 2021, in response to revenue losses sustained as a result of the pandemic. In the San Francisco Bay Area, those funds were awarded to MTC, and the MTC Board approved allocations to individual transit operators. VTA was awarded $141.6 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act shortly after the pandemic began, and was later awarded $39.4 million from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), for a total of $180.9 million by March 2021. VTA used a small portion of the federal funds to close the operating budget gap of $5.4 million in FY 2020 and expects to use about $35-$40 million to bridge the shortfall in operating revenues in FY 2021.

The American Rescue Plan Act of 2021 (ARPA), which was approved by Congress in March 2021, provides additional funding for transit operators. At this time, the MTC is discussing allocation strategies to award funding to Bay Area transit operators. Although no additional federal funding is needed during this Biennial Budget cycle to cover expected expenses, the funds will be used in future fiscal years.
Expenditures

Expenses in the FY 2022 and FY 2023 Proposed Biennial Budget total $531.9 million and $543.8 million respectively. This represents an increase of 10.6% in FY 2022 compared to the total projected actual expense of FY 2021, and an increase of 2.3% in FY 2023 compared to the total budgeted expense of FY 2022. The largest expense category of the VTA Transit Fund operating budget is labor salaries and benefits, which account for about 68% of the total expense budget.

Labor Cost

The Proposed Budget reflects the following assumptions related to labor costs:

· Wage increases are based on currently negotiated contracts. Budgeting of additional costs, if any, for subsequent contracts will be addressed upon contract ratification by the Board of Directors. Contracts for three bargaining units are currently scheduled to expire before the end of FY 2022.
· Pension and Retiree Health contributions are based on the latest available actuarial information.
· The table below shows the approved positions agencywide for FY 2020 through FY 2023. There are 4 new janitorial positions and 1 new Senior Assistant Counsel position budgeted for FY 2022 and FY 2023.

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<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
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Fuel

The Proposed Budget assumes a cost of $2.65 per gallon for diesel including taxes and fees and 18.7 million service miles in FY 2022. In FY 2023, it assumes $2.75 per gallon and 18.7 million service miles. Annual fuel usage is estimated at approximately 3 million gallons in both FY 2022 and FY 2023. The actual average cost per gallon of diesel including taxes was $2.39 for FY 2020 and $2.01 for FY 2021 through March. However, the average cost between January and March 2021 of $2.34 is about 26.5% higher than that of $1.85 in the preceding 6 months.

Paratransit

Paratransit trips are anticipated to increase significantly during the two-year budget period, from the nadir of FY 2021, and are projected to be about 30% of the actual number in FY 2019 (the last full year before the pandemic). By FY 2023, the number of paratransit trips is forecast to be about 69% of the actual number in FY 2019.

Caltrain

In prior years, VTA contributed to Caltrain’s operating budget based on a ridership formula agreed to by the partner agencies. In FY 2020 and FY 2021, that contribution totaled $10.8 million annually. The FY 2022 and FY 2023 Proposed Biennial Budget no longer includes a contribution to Caltrain because of the passage of Measure RR in November 2020. Measure RR
implemented a 30-year one-eighth cent sales tax in San Francisco, San Mateo, and Santa Clara counties to fund Caltrain operations and capital improvements. Caltrain is projected to receive about $57 million in FY 2022 from this tax generated in Santa Clara County.

**Transfer to Capital Reserve**

The VTA Transit Fund does not have a dedicated local revenue source for capital expenditures. Thus, any capital costs to maintain items to a state of good repair, or to enhance or improve capital projects that are not covered by grants or other outside sources must be funded from the same sources as the Operating Budget, primarily sales tax-based revenues. The FY 2022 and FY 2023 Proposed Biennial Budget reflects a transfer of $40 million to the Capital Reserve in each year, including a one-time increase of $4.6 million of STA State of Good Repair Funding. While the funding need for capital projects is greater than the amount budgeted, projects have been prioritized to match the available funding.

2. **Capital Programs**

The proposed capital budget for each program reflects the planned capital spending to be incurred or committed in the next two years. Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Project funding for the two-year period is appropriated in FY 2022 in order to facilitate administration of the program.

**VTA Transit**

The VTA Transit Capital Program strives to maintain capital infrastructure; keep VTA assets in a state of good repair; and invest in targeted improvements to enhance the safety, security, and efficiency of the transit system. To support these objectives, VTA staff has revamped the agency’s capital planning and prioritization process to include development and Board adoption of a mid- to long-term comprehensive capital plan called the VTA Strategic Capital Investment Plan (SCIP).

The Proposed Budget for the initial two years of the SCIP was presented to the Capital Program Committee (CPC) on April 8, 2021 and again on April 29, at which time they recommended projects for inclusion in the Biennial Budget. At the May 6 Board meeting, the VTA Board approved recommended projects for inclusion in the Biennial Budget totaling $212.0 million, $136.6 million from grants or other outside funding and a VTA Transit Fund commitment of $75.4 million. The FY 2022 and FY 2023 Recommended Biennial Budget incorporates the capital projects approved by the Board.

Any shortfall in anticipated grant funding could require either the use of additional VTA Transit funds if alternate sources are not available or a reduction in project scope.

**2000 Measure A Transit Improvement Program**

The Proposed FY 2022 and FY 2023 2000 Measure A Capital Program uses cash-on-hand and projected cash receipts and does not anticipate incurring additional debt in the two-year period. The total additional appropriation for the identified projects for FY 2022 and FY 2023 is $2.1 billion, which reflects the planned capital spending to be incurred or committed in the next two
years. Project funding for the two-year period is appropriated in FY 2022 to facilitate administration of the program.

**Valley Transportation Plan (VTP) Transportation Program**

The VTP Transportation Program appropriation for the next two-year period includes projects related to express lanes, freeway and highway improvements, expressways, complete streets, and bicycle/pedestrian improvements. The Recommended Biennial Budget incorporates the projects approved by the Board on May 6 as parts of the SCIP. The Biennial Budget does not include any future allocations from 2016 Measure B for projects in the Need/Capacity-based program, and the Biennial Budget will be amended later in 2021 when the Board allocates 2016 Measure B funding for Need/Capacity-based programs. The total additional appropriation for the identified VTP Transportation Program Capital Projects for FY 2022 and FY 2023 is $228.3 million.

**2016 Measure B Program**

The FY 2022 and FY 2023 Proposed 2016 Measure B Program Fund Budget currently reflects only the anticipated program revenues and expenditures for the three Formula-based program categories over the next two fiscal years (Local Streets & Roads, Bike and Pedestrian, and Transit Operations). Allocations for the six Need/Capacity-based programs are on a separate schedule and will be considered for approval later in 2021. The Biennial Budget will be amended later to reflect those allocations. Funding for the two-year period is appropriated in FY 2022 to facilitate administration of the program. Appropriations for the program will not expire at the end of the fiscal year and will be carried forward until the 2016 Measure B Program is completed.

### 3. Miscellaneous Programs

There are four additional funds discussed in the Proposed Budget Booklet, as follows:

- **Congestion Management Program**

  VTA is the designated Congestion Management Agency (CMA) for Santa Clara County. It is fiscally separate from VTA Transit, with funding from many sources, including Member Agency fees. In May, the CMPP Committee will review and consider recommending that the VTA Board approve the Proposed Biennial Budget.

- **Transit Oriented Development (TOD) Program**

  The Board-adopted TOD Policy established a real estate development program on VTA-owned sites aimed at increasing transit ridership, catalyzing private TOD on sites around VTA transit centers, and generating long-term revenues. The Proposed Biennial Budget represents current and anticipated lease revenues, as well as the expenditures required to implement multiple TOD projects with the goal of generating a substantial new long-term revenue source.

- **Silicon Valley Express Lanes (SVEL) Program**

  The SVEL Program provides congestion relief through more effective use of existing roadways to provide commuters with new mobility options and a new funding source for transportation
improvements including public transit. Currently, due to limited funding availability, VTA is delivering the SVEL network in phases. The Proposed Biennial Budget includes funds for operating and maintaining the phases that are and will be operating during the two-year period.

2008 Measure B - BART Operating Sales Tax Program

The Proposed Biennial Budget for this 30-year one-eighth cent sales and use tax includes funds for operating and maintenance expenses and VTA’s share of capital improvement cost for VTA’s BART Silicon Valley Extension.

NEXT STEPS:

The Proposed Budget will be presented at the Technical and Citizens’ Advisory Committee Meetings on Wednesday, May 12, 2021 and at the Policy Advisory Committee on Thursday, May 13, 2021.

In accordance with the VTA Administrative Code, the proposed budget, containing appropriations for both operations and capital, will be reviewed by the Administration & Finance Committee at their May 20, 2021 meeting and the Final Proposed Budget will be submitted to the Board for adoption on June 3, 2021.

ALTERNATIVES:

The Board can change any of the proposed recommendations of the Proposed Biennial Budget.

CLIMATE IMPACT:

There is no direct impact on the climate based on approval of the budget document, but many of the programs and strategies contained in the Budget will have a positive impact on the environment.

ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:

The item was presented as an information item to the Technical Advisory Committee and Citizens’ Advisory Committee on May 12, 2021 and the Policy Advisory Committee on May 13, 2021. Staff made brief presentations and there were brief discussions and public comments about the item.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration and Finance Committee considered this item on its May 20, 2021 agenda and approved it. The Committee inquired about the difference between service hours and service capacity, ways to identify more revenues and one-time investment that the authority can utilize the Federal Relief funding received, and capital projects that could have a higher return on investment. The Committee also requested staff to provide the following:
o Investments and actions being made to bring transit service back to full service
o Communications and incentives that may provide to increase ridership
o Recruitment strategies to encourage women to apply

Staff are working on these inquiries and will answer them verbally.

Prepared by: Franklin P. Wong, Deputy Director of Finance, Budget & Program Management
Memo No. 7691

ATTACHMENTS:
- Recommended Budget Booklet FY22 and 23 (PDF)
- A&F Presentation - FY22 FY23 Budget (PPTX)
- Resolution No 2021.06.xx (PDF)
- AF_Public Comment (PDF)
- FY22 FY23 Budget Bd June 2021 (PDF)
**Search Instructions**

Items in this PDF version of the FY 2022 and FY 2022 Recommended Budget can be found using one of the following methods:

1) Hyperlinks in the Table of Contents.
2) Hyperlinks in the Bookmarks Panel. To show the Bookmarks Panel, click on the Bookmark button in the Navigation Panel on the left of the screen. To show the Navigation Panel, right click and select “Show Navigation Panel Buttons”.
3) Find Function (Ctrl+F).
4) Search function (Shft+Ctrl+F). Please note: in some versions of Adobe Acrobat, it may be necessary to click on the “Arrange Windows” icon in the Search dialogue box for a side-by-side view of the Search dialogue box and the document text.
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Introduction

This document presents the Santa Clara Valley Transportation Authority’s (VTA) Proposed Biennial Budget for Fiscal Years 2022 and 2023. The FY 2022 and FY 2023 Proposed Budget provides funding for the planned activities and initiatives over the next two-year period, and lays the groundwork to support VTA’s Strategic Plan Core Values of Safety, Integrity, Quality, Sustainability, Diversity, and Accountability.

The implementation of the 2019 New Transit Service Plan (NTSP) on December 28, 2019, a comprehensive redesign of Santa Clara County’s transit network, had increased ridership and boardings per hour, but it was interrupted by the outbreak of the COVID-19 pandemic and the resulted shelter-in-place order. Still, with the first phase of the BART to Silicon Valley project in revenue service since June 2020, and the anticipated re-opening of the economy and more vaccinations, VTA intends to gradually restore transit services to the intended level of the NTSP during FY 2022.

In addition, the Proposed Budget includes funding for state of good repair projects including the purchase of electric and hybrid buses to replace those that have exceeded their useful life, the rehabilitation of VTA’s rail infrastructure, overhead catenary system, light rail system elevators and escalators, passenger facilities, information systems. In FY 2022, the Capital Program also invests in strategies that will focus on increasing VTA transit speed; improving reliability, service, and safety; and reducing operating costs.

The document is divided into sections which cover the eight separate Funds for which a budget is to be adopted:

- VTA Transit
- 2000 Measure A Transit Improvement Program
- Congestion Management Program
- Valley Transportation Plan (VTP) Transportation Program
- Transit-Oriented Development Program
- Silicon Valley Express Lanes Program
- 2008 Measure B - BART Operating Sales Tax Program
- 2016 Measure B Program

Each section contains an overview of the program and various schedules and narratives which detail the specific budget proposal.

The table below summarizes the Proposed Budget amount for each program.
### Fiscal Years 2022 and 2023 Proposed Budget Summary

*(Dollars in Thousands)*

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fiscal Year 2022</th>
<th>Fiscal Year 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTA Transit-Operating</td>
<td>531,876</td>
<td>543,848</td>
</tr>
<tr>
<td>VTA Transit-Capital</td>
<td>211,976</td>
<td>---²</td>
</tr>
<tr>
<td>2000 Measure A Transit Improvement Program-Operating</td>
<td>139,165</td>
<td>142,042</td>
</tr>
<tr>
<td>2000 Measure A Transit Improvement Program-Capital</td>
<td>2,140,874</td>
<td>---²</td>
</tr>
<tr>
<td>Congestion Management Program-Operating</td>
<td>6,196</td>
<td>7,043</td>
</tr>
<tr>
<td>VTP Transportation Program-Capital</td>
<td>228,308</td>
<td>---²</td>
</tr>
<tr>
<td>Transit-Oriented Development Program-Operating</td>
<td>297</td>
<td>207</td>
</tr>
<tr>
<td>Transit-Oriented Development Program-Capital</td>
<td>16,985</td>
<td>---²</td>
</tr>
<tr>
<td>Silicon Valley Express Lanes Program-Operating</td>
<td>5,826</td>
<td>7,147</td>
</tr>
<tr>
<td>2008 Measure B - BART Operating Sales Tax Program-Operating</td>
<td>100,524</td>
<td>103,524</td>
</tr>
<tr>
<td>2016 Measure B Program</td>
<td>171,950³</td>
<td>---²</td>
</tr>
</tbody>
</table>

---² Includes transfers between funds
---² Total Appropriation for FY 2022 and FY 2023 reflected in FY 2022
---² Includes only the portion of Formula Based Program Areas
VTA TRANSIT
VTA Transit

Overview

Countywide public transit service in Santa Clara County began on June 6, 1972, with the creation by state legislation, of the Santa Clara County Transit District. This organization initiated countywide bus service, expanded the bus fleet, and developed an initial light rail system. Following the merger in 1995 with the Santa Clara County Congestion Management Agency, the name of the organization was changed to the Santa Clara Valley Transportation Authority (VTA) effective January 1, 2000.

VTA is an independent public agency responsible for bus and light rail operation, regional commuter and inter-city rail service, Americans with Disabilities Act (ADA) paratransit service, congestion management, specific highway improvement projects, and countywide transportation planning. The VTA Transit Fund encompasses the operation and development of transit activities for VTA, which includes bus and light rail operation, regional commuter and inter-city rail service, and ADA paratransit service.

The VTA Transit Proposed Budget funds VTA’s service and capital project delivery plan for the two-year period. As such, the budget reflects the projected increase in service levels by gradually bringing them in line with those approved by the Board under the 2019 New Transit Service Plan.

The charts below illustrate the sources and uses of funds for the FY 2022 and FY 2023 VTA Transit Biennial Operating Budget.

Where the Dollars Come From

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Measure B-Transit Operations</td>
<td>6%</td>
</tr>
<tr>
<td>2000 Measure A Sales Tax-Operating Assistance</td>
<td>24%</td>
</tr>
<tr>
<td>1976 Half-Cent Sales Tax</td>
<td>47%</td>
</tr>
<tr>
<td>TDA</td>
<td>24%</td>
</tr>
<tr>
<td>STA</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
<tr>
<td>Fares</td>
<td>4%</td>
</tr>
</tbody>
</table>

Where the Dollars Go

<table>
<thead>
<tr>
<th>Destination</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Delivery</td>
<td>81%</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
<tr>
<td>Transfer to Capital</td>
<td>7%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>4%</td>
</tr>
</tbody>
</table>

Note: Percentages may not be precise due to independent rounding.
VTA Transit
Major Budget Assumptions

Service Levels

In May 2019, the VTA Board of Directors unanimously approved the 2019 New Transit Service Plan (NTSP) for FY 2020 and FY 2021, and it was implemented in December 2019. In the first three months of 2020, until the outbreak of the COVID-19 pandemic, there was an increase in ridership and in boardings per hour. However, with the onset of stay-at-home orders, service was sharply curtailed, and VTA has modified transit service levels and route frequencies multiple times since March 2020. During the next two years, VTA’s focus is to fulfill the commitment of providing safe, clean, and reliable services for its customers and employees as we bring back service to pre-pandemic levels during FY 2022.

The proposed budget reflects these agency service priorities over the next two years. During FY 2022, the Biennial Budget provides funding to return to service levels that were in place under the 2019 Transit Service Plan as early as July 1, 2021. However, because of constraints to the number of operators that can be hired and trained to provide the additional service levels, the increase will be more gradual. When fully implemented, the service will be slightly different than the NTSP, with minor adjustments to specific routes based on ridership demand, public input, and performance data. As a result, there will be a slight decrease in projected service miles compared to the actual service miles in FY 2019, due to the redeployment of transit service in the NTSP to the busiest transit corridors, which have high ridership but slower speed. The budget assumes that this service level will be maintained through the end of FY 2023.

The restored bus service will be consistent with the NTSP, in which high-ridership areas receive more service than prior service plans, as well as connecting bus services at the Milpitas and Berryessa BART stations. Similarly, light rail services will gradually return to the intended service level and frequency under the NTSP, resulting in a net decrease of 0.2% in annual light rail service hours by FY 2023, compared to actual service hours in FY 2019.

The table on the following page compares total service miles and hours for bus and light rail from FY 2019 to FY 2023.
Service Levels
(In Thousands)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2019 Actual</th>
<th>FY2020 Actual</th>
<th>FY2021 Projected Actual</th>
<th>FY2022 Proposed Budget</th>
<th>FY2023 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>18,840</td>
<td>16,748</td>
<td>13,925</td>
<td>18,690</td>
<td>18,655</td>
</tr>
<tr>
<td>Light Rail Train</td>
<td>2,285</td>
<td>1,824</td>
<td>1,691</td>
<td>2,375</td>
<td>2,373</td>
</tr>
<tr>
<td><strong>Total Service Miles</strong></td>
<td><strong>21,125</strong></td>
<td><strong>18,572</strong></td>
<td><strong>15,616</strong></td>
<td><strong>21,065</strong></td>
<td><strong>21,028</strong></td>
</tr>
<tr>
<td>% Change</td>
<td></td>
<td></td>
<td>-12.1%</td>
<td>-15.9%</td>
<td>34.9%</td>
</tr>
</tbody>
</table>

Service Hours

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2019 Actual</th>
<th>FY2020 Actual</th>
<th>FY2021 Projected Actual</th>
<th>FY2022 Proposed Budget</th>
<th>FY2023 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>1,480</td>
<td>1,347</td>
<td>1,121</td>
<td>1,503</td>
<td>1,500</td>
</tr>
<tr>
<td>Light Rail Train</td>
<td>155</td>
<td>131</td>
<td>127</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td><strong>Total Service Hours</strong></td>
<td><strong>1,635</strong></td>
<td><strong>1,478</strong></td>
<td><strong>1,248</strong></td>
<td><strong>1,673</strong></td>
<td><strong>1,670</strong></td>
</tr>
<tr>
<td>% Change</td>
<td></td>
<td></td>
<td>-9.6%</td>
<td>-15.6%</td>
<td>34.1%</td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding.

Ridership

The COVID-19 pandemic and related social distancing requirements caused unprecedented decreases in transit ridership across the country. VTA’s FY 2021 ridership is projected to be about one-third of actual ridership in FY 2019 (the last full year before the pandemic). With the resumption of VTA transit services in line with the NTSP, and the gradual reopening of Santa Clara County in FY 2022, VTA transit ridership is anticipated to increase significantly from its nadir in FY 2021. The higher frequency service on the core network and connecting services to BART are expected to facilitate the possible ridership recovery. Still, the FY 2023 ridership is projected to be nearly 17% lower than the FY 2019 actual ridership.

Ridership
(In Thousands)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2019 Actual</th>
<th>FY2020 Actual</th>
<th>% Var</th>
<th>FY2021 Projected Actual</th>
<th>% Var</th>
<th>FY2022 Proposed Budget</th>
<th>% Var</th>
<th>FY2023 Proposed Budget</th>
<th>% Var</th>
<th>% Var (FY2023 Proposed to FY2019 Actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>27,028</td>
<td>21,702</td>
<td>-19.7%</td>
<td>9,423</td>
<td>-56.6%</td>
<td>14,027</td>
<td>48.9%</td>
<td>21,821</td>
<td>55.6%</td>
<td>-19.3%</td>
</tr>
<tr>
<td>Light Rail</td>
<td>8,438</td>
<td>6,282</td>
<td>-25.6%</td>
<td>2,472</td>
<td>-60.6%</td>
<td>4,771</td>
<td>93.0%</td>
<td>7,674</td>
<td>60.8%</td>
<td>-9.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,466</strong></td>
<td><strong>27,984</strong></td>
<td><strong>-21.1%</strong></td>
<td><strong>11,895</strong></td>
<td><strong>-57.5%</strong></td>
<td><strong>18,798</strong></td>
<td><strong>58.0%</strong></td>
<td><strong>29,495</strong></td>
<td><strong>56.9%</strong></td>
<td><strong>-16.8%</strong></td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding.
Revenues

Fares
There is no change in the current fare pricing structure proposed at this time. The ongoing regional Transit Fare Coordination and Integration Study, in which VTA is represented in the regional Fare Integration Task Force, may provide certain recommendations on fares that may affect VTA. The ultimate decision in any fare change rests with the VTA Board of Directors.

Sales Tax-Related Revenues
Sales tax-related revenues include proceeds from five different sources that make up over 85% of the operating revenues. Sales tax proceeds are driven by the economy, and because VTA is so reliant on sales tax proceeds, the authority is vulnerable to cyclical downturns in the economy that are outside of VTA’s control. Although the pandemic led to a significant decrease in sales tax receipts, the drop was not as great as had been projected in the summer of 2020. Each of the sales tax measures is discussed in more detail below.

1976 Half-cent Local Sales Tax
In March 1976, voters approved a permanent half-cent sales and use tax to ensure the continued operation and development of transit service in Santa Clara County. The 1976 half-cent sales tax receipts in FY 2020 were 11.8% lower than those in FY 2019 and the FY 2021 sales tax receipts are projected to be 0.7% lower than the actual amounts received in FY 2020.

To forecast sales tax in FY 2022 and FY 2023, staff reviewed multiple projection scenarios. The Proposed Biennial Budget reflects projected growth of 13.7% and 6.5% in FY 2022 and FY 2023 respectively. The growth rates are based on the most conservative scenario provided by Avenu Insights & Analytics (formerly MuniServices, LLC), VTA’s sales tax consultant. Due to the unprecedented nature of the pandemic-induced recession since March 2020 and the uncertainties of the timing and magnitude of the possible economic recovery in the two-year budget period, staff believes that it is prudent to adopt a conservative outlook.

2000 Measure A Sales Tax – Operating Assistance
In November 2000, Santa Clara County voters approved Measure A, which enacted a half-cent sales tax to be collected beginning April 1, 2006 and continuing for a period of 30 years. A portion of this tax is used to provide operating assistance for VTA Transit. More information on Measure A, including the total appropriations for operating and capital projects is included in the 2000 Measure A Transit Improvement Program section of this report. The Proposed Biennial Budget maintains the percentage of 2000 Measure A sales tax revenue to be used towards funding VTA Transit operations at 20.75%.

2016 Measure B – Transit Operations
On November 8, 2016, the voters of Santa Clara County approved 2016 Measure B, a 30-year one-half cent countywide sales and use tax to enhance transit, highways, expressways, and active transportation (bicycles, pedestrians and complete streets). The ballot language directs that Transit Operations receive 7.9% of the Sales Tax’s Program Tax Revenue. In April 2021, the VTA Board of Directors approved principles mandating that allocations for formula-based programs such as transit operations be made annually.
Although there are four categories of projects included under Transit Operations, only the revenues from the first two programs are included in the VTA Transit operating budget. They are:

- Enhance Frequent Core Bus Network
- Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders

The Proposed VTA Transit Fund Operating Budget includes $23.6 million and $17.5 million in 2016 Measure B funds for FY 2022 and FY 2023 respectively. The FY 2022 allocation also includes the initial true-up of Program Tax Revenue for the 2016 Measure B sales tax from its initiation through the end of FY 2020, which amounts to $7.1 million.

Additional information on the 2016 Measure B Program, including total appropriations for all operating projects, is included in the 2016 Measure B Program section of this report.

**Transportation Development Act (TDA)**

Transportation Development Act (TDA) funds are derived from a quarter-cent sales tax levied by the State on taxable transactions occurring in Santa Clara County. Under the 1971 legislation that created TDA, each county in California could elect to impose a quarter-cent sales tax to be collected by the state Board of Equalization and returned to them on a pro rata basis for public transportation purposes. Subsequent to the enactment of TDA, all 58 counties in California elected to impose such a sales tax within their jurisdictions. The Metropolitan Transportation Commission (MTC) retains a portion of these funds for administration and approximately 94.5% is returned to the source county (e.g., Santa Clara).

The Proposed Biennial Budget reflects the MTC projections as of February 2021, which assume growth of 13.7% and 6.5% in FY 2022 and FY 2023 respectively.

**State Transit Assistance (STA)**

State Transit Assistance (STA) funds are derived from the statewide sales tax on diesel fuel and appropriated by the Legislature to the State Controller’s Office. That Office then allocates the tax revenue, by formula, to planning agencies, such as MTC. Statute requires that 50% of STA funds be allocated according to population to the State's Regional Transportation Planning Agencies (RTPA) and 50% be allocated to public transit operators according to operator revenues from the prior fiscal year. In 2017, Senate Bill 1 (Chapter 5, Statutes of 2017; SB1) augmented funding for the STA Program through a 3.5 percent increase of the diesel sales tax rate.

The FY 2022 and FY 2023 Proposed Biennial Budget is based on the latest estimate from MTC and assumes a base amount of $26.6 million per year. The estimate also reflects an additional $0.3 million per year for the mobility assistance program for low income communities (the STA share of non-Federal matching funds) and a one-time allocation of $4.6 million for State of Good Repair (SGR) funding that VTA is allocated for operational uses, an action the VTA Board approved in April 2021.
**Federal Operating Grants**
The FY 2022 and FY 2023 Proposed Biennial Budget for federal operating grants includes $5.1 million and $4.6 million respectively, for the Americans with Disabilities Act (ADA) set-aside and mobility assistance for low income communities.

**Federal Relief Funding**
The Federal government made emergency funding available to transit operators through three successive legislative actions in 2020 and 2021, in response to revenue losses sustained as a result of the pandemic. In the San Francisco Bay Area, those funds were awarded to MTC, and the MTC Board approved allocations to individual transit operators. VTA was awarded $141.6 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act shortly after the pandemic began, and was later awarded $39.4 million from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), for a total of $180.9 million by March 2021. VTA used a small portion of the federal funds to close the operating budget gap of $5.4 million in FY 2020 and expects to use about $35-$40 million to bridge the shortfall in operating revenues in FY 2021.

The American Rescue Plan Act of 2021 (ARPA), which was approved by Congress in March 2021, provides additional funding for transit operators. At this time, the MTC is discussing allocation strategies to award funding to Bay Area transit operators. Although no additional federal funding is needed during this Biennial Budget cycle to cover expected expenses, the funds will be used in future fiscal years, as shown in the table with the 10-Year Projection.
Expenses

The FY 2022 and FY 2023 Proposed Biennial Budget has total expenses budgeted at $531.9 million and $543.8 million respectively. This represents an increase of 10.6% in FY 2022 compared to the total projected actual expense of FY 2021, and an increase of 2.3% in FY 2023 compared to the total budgeted expense of FY 2022. The largest expense category of the VTA Transit Fund operating budget is labor salaries and benefits, which account for about 68% of the total expense budget.

Labor Cost

Contracts for three bargaining units are currently scheduled to expire before the end of FY 2022.

<table>
<thead>
<tr>
<th>Bargaining Unit</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEIU</td>
<td>January 1, 2022</td>
</tr>
<tr>
<td>AFSCME</td>
<td>June 30, 2022</td>
</tr>
<tr>
<td>TAEA</td>
<td>June 30, 2022</td>
</tr>
<tr>
<td>ATU</td>
<td>September 8, 2022</td>
</tr>
</tbody>
</table>

The Proposed Budget reflects the following assumptions related to labor costs:

- Wage increases based on currently negotiated contracts. Budgeting of additional costs, if any, for subsequent contracts will be addressed upon contract ratification by the Board of Directors.
- Pension and Retiree Health contributions are based on latest available actuarial information.
- The table below shows the approved positions agencywide for FY 2020 through FY 2023. There are 4 additional janitorial positions and 1 Senior Assistant Counsel position budgeted for FY 2022 and FY 2023.

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,354</td>
<td>2,357</td>
<td>2,362</td>
<td>2,362</td>
</tr>
</tbody>
</table>

Fuel

The Proposed Budget assumes a cost of $2.65 per gallon for diesel in FY 2022 and $2.75 in FY 2023, including taxes and fees. The assumed level of service miles could be found in the Service Level section. It is based on changes in the 2019 New Transit Service Plan and reflects 18.7 million miles of service for FY 2022 and FY 2023. Annual fuel usage is estimated at approximately 3.0 million gallons in both FY 2022 and FY 2023. The actual average cost per gallon of diesel including taxes was $2.39 for FY 2020 and $2.01 for FY 2021 through March.

---

1 Service Employees International Union, Local 521
2 American Federation of State, County, and Municipal Employees, Local 101
3 Transportation Authority Engineers and Architects Association, Local 21
4 Amalgamated Transit Union, Local 265
However, the average cost between January and March 2021 of $2.34 is about 26.5% higher than that of $1.85 in the preceding 6 months.

**Paratransit**

In accordance with federal regulations, VTA provides ADA paratransit services to persons who are unable to independently access or navigate VTA’s bus or light rail system due to a physical, visual, or cognitive disability. VTA’s responsibility to provide ADA paratransit service has been outsourced since 1993. Under VTA’s current paratransit service delivery model—VTA ACCESS—services are directly contracted (as opposed to brokered) and the rider fares are reported separately as revenues.

VTA ACCESS provides curb-to-curb and door-to-door service for eligible individuals for trips made within \( \frac{3}{4} \)-mile of VTA’s fixed route transit network at the standard fare of $4. VTA also offers service for trips within a premium zone extending an additional mile beyond the \( \frac{3}{4} \)-mile standard zone, at a premium fare of $16. Paratransit service is offered during the same hours as the corresponding fixed route service. Changes to the fixed route transit network can impact the geographical footprint and service hours of paratransit service.

Paratransit trips are anticipated to increase significantly during the two-year budget period, from the nadir of FY 2021, and are projected to be about 30% of the actual number in FY 2019 (the last full year before the pandemic). By FY 2023, the number of paratransit trips is forecast to be about 69% of the actual number in FY 2019. The tables on the next page detail the elements of the Paratransit budget and the major operating metrics for this service.
Paratransit Expense Detail
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY 2022 Proposed Budget</th>
<th>FY 2023 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Primary Provider-Fixed</td>
<td>4,300</td>
<td>4,657</td>
</tr>
<tr>
<td>2</td>
<td>Primary Provider-Revenue Vehicle Hour</td>
<td>15,863</td>
<td>17,781</td>
</tr>
<tr>
<td>3</td>
<td>Supplemental Service</td>
<td>1,675</td>
<td>1,912</td>
</tr>
<tr>
<td>4</td>
<td>Eligibility</td>
<td>987</td>
<td>993</td>
</tr>
<tr>
<td>5</td>
<td>Eligibility - Transportation</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>6</td>
<td>Vehicle Maintenance</td>
<td>643</td>
<td>714</td>
</tr>
<tr>
<td>7</td>
<td>Fuel</td>
<td>1,289</td>
<td>1,594</td>
</tr>
<tr>
<td>8</td>
<td>Facilities/Maintenance/Utilities</td>
<td>361</td>
<td>371</td>
</tr>
<tr>
<td>9</td>
<td>Fare Processing</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>10</td>
<td>Software/Hardware</td>
<td>305</td>
<td>320</td>
</tr>
<tr>
<td>11</td>
<td>VTA Staff Services</td>
<td>1,752</td>
<td>1,738</td>
</tr>
<tr>
<td>12</td>
<td><strong>Total Paratransit Expense</strong></td>
<td><strong>27,186</strong></td>
<td><strong>30,093</strong></td>
</tr>
</tbody>
</table>

Note: Totals may not add due to independent rounding

Paratransit Operating Metrics
(in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY 2020 Actual</th>
<th>FY 2021 Projected</th>
<th>FY 2022 Proposed Budget</th>
<th>FY 2023 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ridership</td>
<td>420</td>
<td>160</td>
<td>278</td>
<td>362</td>
</tr>
<tr>
<td>Primary Revenue Vehicle Hours</td>
<td>255</td>
<td>158</td>
<td>289</td>
<td>320</td>
</tr>
<tr>
<td>Supplemental Trips</td>
<td>63</td>
<td>0</td>
<td>69</td>
<td>77</td>
</tr>
<tr>
<td>Fare Revenue</td>
<td>$1,498</td>
<td>$454</td>
<td>$873</td>
<td>$1,350</td>
</tr>
</tbody>
</table>
Caltrain
In prior years, VTA contributed to Caltrain’s operating budget based on a ridership formula agreed to by the partner agencies. In FY 2020 and FY 2021, that contribution totaled $10.8 million annually. The FY 2022 and FY 2023 Proposed Biennial Budget no longer includes a contribution to Caltrain because of the passage of Measure RR in November 2020. Measure RR implemented a 30-year one-eighth cent sales tax in San Francisco, San Mateo, and Santa Clara counties to fund Caltrain operations and capital improvements. Caltrain is projected to receive about $57 million in FY 2022 from this tax generated in Santa Clara County.

Transfer to Capital Reserve
The VTA Transit Fund does not have a dedicated local revenue source for capital expenditures. Thus, any capital costs to maintain items to a state of good repair, or to enhance or improve capital projects that not covered by grants or other outside sources must be funded from the same sources as the Operating Budget, primarily sales tax-based revenues. The FY 2022 and FY 2023 Proposed Budget reflects a transfer of $40 million to the Capital Reserve in each year, including a one-time increase of $4.6 million of STA State of Good Repair Funding. While the funding need for capital projects is greater than the amount budgeted, projects have been prioritized to match the available funding.
Reserve Accounts

The VTA Transit Fund currently maintains three reserve accounts as described below:

**Operating Reserve**

It is the policy of VTA to accumulate a prudent level of reserves by building and maintaining an Operating Reserve equal to 15% of the annual operating budget for the VTA Transit Fund. The purpose of this reserve is to ensure that sufficient funds are always available in the event of either unavoidable expenditure needs or unanticipated revenue shortfalls from sources other than sales tax-based revenues. The Board formalized this long-standing practice with adoption of the VTA Transit Fund Operating Reserve Policy on April 5, 2012.

**Sales Tax Stabilization Fund**

The Sales Tax Stabilization Fund reserve was created by the Board as part of the FY 2012 and FY 2013 Biennial Budget adoption on June 2, 2011 to mitigate the impact of the volatility of sales tax-based revenues on service levels and the operating budget. Per the Board policy adopted on April 5, 2012, this reserve carries a maximum balance of $35 million.

**Debt Reduction Fund**

The Debt Reduction Fund was established by the Board on February 7, 2008. Per the Board policy also approved on February 7, 2008, this fund may be used to reduce long-term liabilities or provide funding for approved transit-related capital improvements and replacement of capital assets. This reserve is used primarily to fund the local portion of the VTA Transit capital program in order to keep assets in a state of good repair.
7.3.a
VTA FY 2022 & FY 2023 PROPOSED BUDGET

VTA Transit
Comparison of Revenues and Expenses
Line

(Dollars in Thousands)
Category

FY20
Actual

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45

Fares-Transit
Fares-Paratransit
1976 1/2 Cent Sales Tax
TDA
Measure A Sales Tax-Oper. Asst.
2016 Measure B-Transit Operations
STA
Federal Operating Grants
State Operating Grants
Investment Earnings
Advertising Income
Measure A Repayment Obligation
Other Income
Total Revenue/Sources
Labor Cost
Materials & Supplies
Security
Professional & Special Services
Other Services
Fuel
Traction Power
Tires
Utilities
Insurance
Data Processing
Office Expense
Communications
Employee Related Expense
Leases & Rents
Miscellaneous
Reimbursements
Subtotal Operating Expense
Paratransit
Caltrain
Altamont Commuter Express
Highway 17 Express
Monterey-San Jose
Contribution to Other Agencies
Debt Service
Subtotal Other Expense
Operating and Other Expense
Transfer to Capital Reserve
Contingency
Total Expense/Contingency/Cap
Operating Balance

27,318
1,498
209,828
110,985
43,551
14,500
25,233
4,009
864
6,068
3,221
14,731
6,003
467,808
329,629
23,187
15,546
4,039
12,110
7,974
4,502
1,658
3,546
3,834
5,457
270
1,664
550
887
836
(39,119)
376,567
23,269
10,800
5,454
375
0
966
20,819
61,684
438,251
35,000
0
473,251
(5,443)

FY21
Current
Budget1
36,426
2,146
229,254
107,749
47,570
14,500
40,542
4,822
2,224
4,536
4,369
14,665
5,090
513,893
360,260
31,296
16,910
6,769
11,277
10,698
5,360
1,640
4,323
7,897
6,446
337
1,820
1,218
879
1,125
(47,859)
420,396
28,099
10,800
5,773
400
35
1,187
20,784
67,077
487,473
35,000
3,000
525,473
(11,581)

FY21
Projected
Actual2

FY22
Proposed
Budget

13,058
454
207,815
113,188
43,122
14,500
24,000
4,789
1,188
3,329
1,801
14,665
3,590
445,496
330,029
21,281
21,729
5,408
12,357
5,693
7,182
1,460
3,800
7,859
6,234
195
1,621
1,221
810
868
(40,991)
386,758
20,450
10,800
5,668
400
0
825
20,784
58,926
445,685
35,000
0
480,685
(35,188)

15,558
873
236,381
123,104
49,049
23,586
31,486
5,054
2,406
4,230
2,636
17,593
2,241
514,196
358,641
25,616
24,775
10,206
12,731
10,386
5,946
1,624
4,313
8,546
7,471
286
1,866
1,081
983
1,083
(44,328)
431,227
29,206
0
6,054
419
0
1,061
20,909
57,649
488,876
40,000
3,000
531,876
(17,680)

Variance
from FY21
Projection
2,500
418
28,566
9,916
5,928
9,086
7,486
265
1,217
901
835
2,928
(1,349)
68,699
28,611
4,335
3,046
4,798
374
4,692
(1,236)
164
513
687
1,237
91
245
(140)
172
216
(3,337)
44,469
8,756
(10,800)
386
19
0
236
125
(1,278)
43,191
5,000
3,000
51,191

Note: Totals and percentages may not be precise due to independent rounding
1 Reflects Adopted Budget approved by the Board on June 6, 2019 and augmentation approved on November 7, 2019
2 Projection as of March 31, 2021

16

% Var
19.1%
92.0%
13.7%
8.8%
13.7%
62.7%
31.2%
5.5%
102.5%
27.1%
46.4%
20.0%
-37.6%
15.4%
8.7%
20.4%
14.0%
88.7%
3.0%
82.4%
-17.2%
11.3%
13.5%
8.7%
19.8%
46.6%
15.1%
-11.5%
21.3%
24.8%
8.1%
11.5%
42.8%
-100.0%
6.8%
4.7%
0.0%
28.5%
0.6%
-2.2%
9.7%
14.3%
N/A
10.6%

FY23
Proposed
Budget
20,541
1,350
251,631
125,566
52,213
17,504
26,924
4,550
1,375
4,589
3,226
17,553
2,860
529,883
368,771
25,211
25,731
9,313
12,990
10,734
6,327
1,685
4,439
8,989
7,527
287
1,912
1,106
983
986
(44,808)
442,183
30,093
0
6,242
439
0
1,061
20,831
58,665
500,848
40,000
3,000
543,848
(13,965)

Variance
from FY22
Budget
4,983
478
15,250
2,462
3,164
(6,082)
(4,562)
(504)
(1,030)
359
590
(40)
619
15,687
10,130
(405)
956
(893)
258
348
381
61
126
443
56
0
47
25
(0)
(97)
(480)
10,956
887
188
20
(78)
1,016
11,972
11,972

% Var
32.0%
54.8%
6.5%
2.0%
6.5%
-25.8%
-14.5%
-10.0%
-42.8%
8.5%
22.4%
-0.2%
27.6%
3.1%
2.8%
-1.6%
3.9%
-8.7%
2.0%
3.3%
6.4%
3.8%
2.9%
5.2%
0.8%
0.2%
2.5%
2.3%
0.0%
-9.0%
1.1%
2.5%
3.0%
0.0%
3.1%
4.7%
0.0%
0.0%
-0.4%
1.8%
2.4%
0.0%
0.0%
2.3%


VTA Transit
Sources and Uses of Funds Summary
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY 2020 Actual</th>
<th>FY 2021 Projected Actual 1</th>
<th>FY 2022 Proposed Budget</th>
<th>FY 2023 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Total Operating Revenues</td>
<td>467,808</td>
<td>445,496</td>
<td>514,196</td>
<td>529,883</td>
</tr>
<tr>
<td>2</td>
<td>Total Operating Expenses</td>
<td>(473,251)</td>
<td>(480,685)</td>
<td>(531,876)</td>
<td>(543,848)</td>
</tr>
<tr>
<td>3</td>
<td>Operating Balance</td>
<td>(5,443)</td>
<td>(35,188)</td>
<td>(17,680)</td>
<td>(13,965)</td>
</tr>
<tr>
<td></td>
<td>Operating Balance Transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Operating Balance</td>
<td>(5,443)</td>
<td>(35,188)</td>
<td>(17,680)</td>
<td>(13,965)</td>
</tr>
<tr>
<td>5</td>
<td>Transfer From/(To) Operating Reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Transfer From/(To) Sales Tax Stabilization Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Transfer From/(To) Debt Reduction Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Operating Reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Beginning Operating Reserve</td>
<td>75,814</td>
<td>75,814</td>
<td>75,814</td>
<td>75,814</td>
</tr>
<tr>
<td>9</td>
<td>Transfer From/(To) Operating Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>Ending Operating Reserves</td>
<td>75,814</td>
<td>75,814</td>
<td>75,814</td>
<td>75,814</td>
</tr>
<tr>
<td>11</td>
<td>Operating Reserve %</td>
<td>14.4%</td>
<td>14.3%</td>
<td>13.9%</td>
<td>13.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Beginning Sales Tax Stabilization Fund</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td>13</td>
<td>Transfer From/(To) Sales Tax Stabilization Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14</td>
<td>Ending Sales Tax Stabilization Fund</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Beginning Balance³</td>
<td>141,576</td>
<td>136,133</td>
<td>140,300</td>
<td>122,619</td>
</tr>
<tr>
<td>16</td>
<td>Transfer From/(To) Operating Balance</td>
<td>(5,443)</td>
<td>(35,188)</td>
<td>(17,680)</td>
<td>(13,965)</td>
</tr>
<tr>
<td>17</td>
<td>Ending Balance</td>
<td>136,133</td>
<td>100,945</td>
<td>122,619</td>
<td>108,654</td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding.

1 Projections as of March 4, 2021
2 Line 10 divided by subsequent fiscal year budgeted Operating Expenses
3 VTA was appropriated with CARES Act Funding of $141.6M in FY 2020, and is expected to receive CRRSAA Funding of $39.4M in FY 2022
**10-Year Projection**

In order to provide a broader picture beyond the two-year budget horizon, the table below shows projected Revenues, Expenses, and Operating Balance through FY 2031 (in millions).

<table>
<thead>
<tr>
<th></th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>FY 2028</th>
<th>FY 2029</th>
<th>FY 2030</th>
<th>FY 2031</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$514.2</td>
<td>$529.9</td>
<td>$540.3</td>
<td>$556.7</td>
<td>$567.6</td>
<td>$561.3</td>
<td>$572.6</td>
<td>$584.0</td>
<td>$595.6</td>
<td>$607.2</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>$531.9</td>
<td>$543.8</td>
<td>$559.1</td>
<td>$573.9</td>
<td>$590.2</td>
<td>$589.1</td>
<td>$606.4</td>
<td>$619.2</td>
<td>$637.4</td>
<td>$655.2</td>
</tr>
<tr>
<td><strong>Operating Balance</strong></td>
<td>$(17.7)</td>
<td>$(14.0)</td>
<td>$(18.8)</td>
<td>$(17.2)</td>
<td>$(22.6)</td>
<td>$(27.8)</td>
<td>$(33.8)</td>
<td>$(35.2)</td>
<td>$(41.9)</td>
<td>$(47.9)</td>
</tr>
<tr>
<td><strong>Federal Relief Funding Balance</strong></td>
<td>$122.6</td>
<td>$108.7</td>
<td>$89.8</td>
<td>$72.6</td>
<td>$50.0</td>
<td>$22.2</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

Note: Totals may not be precise due to independent rounding.

Although the Board is approving a Biennial Budget that covers only the next two fiscal years, it is useful to extend projections for a ten-year horizon to examine revenue and expense trends and their impact on the annual operating balance. The projected revenues and expenses through FY 2031 are based on the following:

**Revenues**
- Sales Tax-Related Revenues growth during the FY 2024-FY 2031 projection period is based upon the UCLA Anderson Forecast in January 2021, except STA which is based on a growth rate of 2.0% per fiscal year.
- Fare revenues are projected to grow to almost the nominal level of FY 2019 by FY 2025, and a growth rate of 2.0% per fiscal year between FY 2026 and FY 2031, which could be due to either an increase in ridership and/or fare rates.
- Other revenues growth during the FY 2024-FY 2031 projection period are mostly based on the assumption of 2.0% growth per fiscal year.

**Expenses**
- Service levels remain constant after FY 2023, when the Biennial Budget assumes that service hours reach the pre-pandemic levels called for in the NTSP.
• Labor costs for FY 2022 and FY 2023 incorporate existing labor agreements but make no assumption for changes after the contracts end (agreements with three of the agency’s four labor unions expire by the end of FY 2022, and the last one, with ATU, expires in September 2022). Beginning in FY 2024 labor expenses are assumed to grow at 3.0% annually.
• Non-labor costs are escalated at 3.0% annually starting in FY 2024, except in cases where existing contracts continue beyond that date (e.g., security contracts with law enforcement).
• The agency’s contribution to capital costs is assumed to total $40 million annually in FY 2024 and FY 2025, and then grow by $2 million biennially thereafter.

Operating Balance
• The 10-year projection show that expenses outpace revenues in each fiscal year during the projection period, growing from a deficit of $17.7 million in FY 2022 to $47.4 million in FY 2031. As a result of the federal funding that has already been granted to transit operators during the pandemic, the agency is able to use the funds to balance the budget for several fiscal years, through FY 2027.

Federal Relief Funding Balance
• The federal funding shown in the projection reflects $180.9 million received through April 2021 through the CARES Act and CRRSSA legislation. It does not reflect any funding from the American Rescue Plan Act (ARPA), because no appropriations have yet been made by MTC.
VTA Transit

Capital Program Overview

The VTA Transit Capital Program strives to maintain capital infrastructure; keep VTA assets in a state of good repair; and invest in targeted improvements to improve the safety, security, and efficiency of the transit system. In support of these objectives, VTA staff has revamped the agency’s capital planning and prioritization process to include development and Board adoption of a mid- to long-term comprehensive capital plan called the VTA Strategic Capital Investment Plan (SCIP).

The primary objective of the SCIP process is enhance the Board’s involvement and policy-level input at all phases of the capital budgetary process. It has a 20-year horizon that includes (1) the first five-year period, known as CAP5, that consists of capital projects that are prioritized and fiscally constrained, the first two years of which could become the VTA Transit Biennial capital budget; and (2) the subsequent 15-year projection of capital needs that is neither prioritized nor fiscally constrained. SCIP is intended to be updated every two years as a vanguard of VTA’s biennial budgetary process, with the Board adopting the priorities at the onset to guide each renewal process.

In late 2020, VTA staff submitted 127 projects for consideration for the SCIP’s first five-year period. These projects are being scored and ranked using the scoring criteria approved by the Board in September 2020 by the Capital Improvement Program Working Group (CIPWG), which consists of twelve experienced VTA executives and mid-level managers, with at least one representative from each VTA division. The CIPWG’s scoring and ranking were then used for further prioritization by the Capital Improvement Program Oversight Committee (CIPOC), which is composed of the Division Chiefs and Directors. The group organizes projects by a combination of primary fund source and project management responsibility to streamline the prioritization, and considers additional factors, such as:

- Financial aspects including cost, funding availability, and affordability
- Ability to maximize and leverage external grants and other contributions to minimizing VTA’s share of funding
- Maximizing retention, or preventing potential loss or reduction of existing external funding
- Integration and sequencing with other current and planned projects
- Completing existing projects
- Current and future operating cost implications

The Proposed Biennial Transit Fund Capital Budget for the initial two years of the SCIP was presented to the Board’s Capital Program Committee (CPC) on April 8, 2021 and again on April 29, at which time they recommended projects for inclusion in the Biennial Budget. At the May 6 Board meeting, the VTA Board of Directors approved the recommended projects for inclusion in the Biennial Budget totaling $212.0 million, $136.6 million from grants or other outside funding and a VTA Transit Fund commitment of $75.4 million. The FY 2022 and FY 2023 Recommended Biennial Budget incorporates the capital projects approved by the Board.
Any shortfall in anticipated grant funding could require either the use of additional VTA Transit funds if alternate sources are not available, or a reduction in project scope.

The $212.0 million VTA Transit Capital appropriation, which creates 44 new VTA Transit Capital projects and augments 17 existing projects, reflects the planned capital spending to be incurred or committed in the next two years. Project funding for the two-year period is appropriated in FY 2022 to facilitate administration of the program.

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The local share of capital carryover is specifically earmarked for previously appropriated capital needs in VTA’s Annual Comprehensive Financial Report.

The table on the following pages lists each project by category and general funding source.
## VTA Transit
**Schedule of FY 2022 & FY 2023 Appropriation**
*(Dollars in Thousands)*

<table>
<thead>
<tr>
<th>Project</th>
<th>Funding Source</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Federal</td>
<td>State</td>
<td>2016 Measure B Formula Fund</td>
<td>Other</td>
<td>VTA Local</td>
<td></td>
</tr>
<tr>
<td>1. Purchase of Electric Buses</td>
<td>240</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>60</td>
<td>300</td>
</tr>
<tr>
<td>2. LRV Electronic Equipment Modernization</td>
<td>0</td>
<td>3,057</td>
<td>0</td>
<td>0</td>
<td>1,705</td>
<td>4,761</td>
</tr>
<tr>
<td>3. Light Rail Platform CCTV Replacement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>4. Purchase of Hybrid and Electric Buses</td>
<td>65,640</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>12,660</td>
<td>78,300</td>
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<td>5. Paratransit Fleet Procurement FY22 &amp; FY23</td>
<td>5,417</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,355</td>
<td>6,772</td>
</tr>
<tr>
<td>6. Collision Avoidance Deployment Program</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,800</td>
<td>1,800</td>
</tr>
<tr>
<td>7. Video Analytics on Paratransit Accessible Fleet</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>763</td>
<td>763</td>
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<tr>
<td><strong>Revenue Vehicles &amp; Equipment Total</strong></td>
<td><strong>71,297</strong></td>
<td><strong>3,057</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>18,842</strong></td>
<td><strong>93,196</strong></td>
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<td>8. Facilities Assessment FY2 &amp; FY23</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>9. Drain Inlet Filter Project</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>881</td>
<td>881</td>
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<tr>
<td>10. Expand Bus Charging Capacity at Cerone Yard for Electric Buses</td>
<td>280</td>
<td>0</td>
<td>0</td>
<td>70</td>
<td>0</td>
<td>350</td>
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<tr>
<td>11. Axle Press Replacement Project</td>
<td>1,736</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>434</td>
<td>2,170</td>
</tr>
</tbody>
</table>
## VTA FY 2022 & FY 2023 Proposed Budget

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Project</th>
<th>Federal</th>
<th>State</th>
<th>2016 Measure B</th>
<th>Other</th>
<th>VTA Local</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Guadalupe Steam Rack Improvements and Liner Replacement</td>
<td>160</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>40</td>
<td>200</td>
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<tr>
<td>13. HVAC Replacement</td>
<td>1,623</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>406</td>
<td>2,028</td>
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<td>14. Guadalupe Second Entrance - Single Point of Failure</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>200</td>
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<tr>
<td>15. Chaboya Yard Well Removal</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,150</td>
<td>1,150</td>
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<tr>
<td>16. Facilities Equipment Replacement Program FY22-FY23</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>436</td>
<td>2,178</td>
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<td>17. Overhead Fall Protection on all Bus Bays</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>1,590</td>
<td>1,590</td>
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<tr>
<td>18. Security Enhancements at Chaboya Parking Lot</td>
<td>480</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>120</td>
<td>600</td>
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<tr>
<td>19. Expand VTA's North Yard for Electric Buses</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>20. Expand VTA's Chaboya Yard for Electric Buses</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,524</td>
<td>1,524</td>
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<tr>
<td>21. Roofing Management Program FY22 &amp; FY23</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>2,215</td>
<td>2,215</td>
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<tr>
<td>22. North Yard Pavement Rehabilitation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>630</td>
<td>630</td>
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<tr>
<td>23. Painting Management Program FY22 &amp; FY23</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,000</td>
<td>1,000</td>
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<td>24. Paving Management Program FY22 &amp; FY23</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,000</td>
<td>1,000</td>
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<td>25. Electrical Equipment Survey &amp; Replacements FY22 &amp; FY23</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>1,509</td>
<td>1,509</td>
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<tr>
<td><strong>Operating Facilities &amp; Equipment Total</strong></td>
<td><strong>6,021</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>70</strong></td>
<td><strong>14,034</strong></td>
<td><strong>20,125</strong></td>
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<td>26. Bridge and Structures Repairs FY22 &amp; FY23</td>
<td>1,312</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>328</td>
<td>1,640</td>
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<tr>
<td>27. Downtown San Jose Speed Improvements</td>
<td>3,560</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>890</td>
<td>4,450</td>
</tr>
</tbody>
</table>

23
VTA FY 2022 & FY 2023 PROPOSED BUDGET

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Project</th>
<th>Federal</th>
<th>State</th>
<th>2016 Measure B</th>
<th>Other</th>
<th>VTA Local</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>28. North 1st Street/Tasman Drive - EB Track Switch Addition Proj. - TSP</td>
<td>1,640</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>410</td>
<td>2,050</td>
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<tr>
<td>29. OCS Rehab &amp; Replacement Program FY22 &amp; FY23</td>
<td>13,120</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,280</td>
<td>16,400</td>
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<tr>
<td>30. Laser Intrusions Detection System (LIDS) Replacement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4,280</td>
<td>4,280</td>
</tr>
<tr>
<td>31. Signal Improvements Guadalupe</td>
<td>4,140</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,035</td>
<td>5,175</td>
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<tr>
<td>32. Guadalupe Elevator And Escalator Drainage Improvement</td>
<td>820</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>205</td>
<td>1,025</td>
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<tr>
<td>33. Traction Power Substation Replacement FY22 &amp; FY23</td>
<td>4,160</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,040</td>
<td>5,200</td>
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<tr>
<td>34. Safety Enhancements at Grade Crossings FY22 &amp; FY23</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,869</td>
<td>3,869</td>
</tr>
<tr>
<td>35. Track Intrusion Abatement FY22 &amp; FY23</td>
<td>2,227</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>557</td>
<td>2,784</td>
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<tr>
<td>36. Rail Replacement/Rehabilitation FY22 &amp; FY23</td>
<td>14,880</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,720</td>
<td>18,600</td>
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<tr>
<td>37. Systemwide Stray Current and Corrosion Control</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>382</td>
<td>382</td>
</tr>
</tbody>
</table>

**Light Rail Way, Power & Signal Total**

| Funding Source | 45,859 | 0 | 0 | 0 | 19,996 | 65,855 |

| 38. Better Bus Stops 2023                                             | 0       | 0 | 1,300 | 0 | 0 | 1,300 |
| 39. Transit Center, Park and Ride and Bus Stop Rehabilitation FY22 & FY23 | 1,600   | 0 | 0 | 0 | 400 | 2,000 |
| 40. E-Locker Upgrade and Replacement                                 | 0       | 0 | 0 | 784 | 280 | 1,064 |

**Passenger Facilities Total**

| Funding Source | 1,600 | 0 | 1,300 | 784 | 680 | 4,364 |
### VTA FY 2022 & FY 2023 Proposed Budget

*(Dollars in Thousands)*

<table>
<thead>
<tr>
<th>Project</th>
<th>Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Federal</td>
</tr>
<tr>
<td>Transit Enterprise System Server Replacement</td>
<td>0</td>
</tr>
<tr>
<td>Dry Fire Suppression for Communication and Data Rooms</td>
<td>0</td>
</tr>
<tr>
<td>GIS &amp; Advanced Data Analytics Program Development</td>
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</tr>
<tr>
<td>Network Switch Replacement/Upgrade</td>
<td>3,680</td>
</tr>
<tr>
<td>Advanced Cyber Security</td>
<td>0</td>
</tr>
<tr>
<td>Network and Gigabit Fiber Upgrade</td>
<td>0</td>
</tr>
<tr>
<td>Server Refresh</td>
<td>0</td>
</tr>
<tr>
<td>VTA Network Cabling</td>
<td>0</td>
</tr>
<tr>
<td>SAP Enterprise Asset Management Enhancement</td>
<td>0</td>
</tr>
<tr>
<td>Enterprise Database for Key Performance Indicators (TransitDB)</td>
<td>0</td>
</tr>
</tbody>
</table>

**Information Systems & Technology Total**

|                                                                       | 3,680   | 0     | 0     | 0   | 12,024   | 15,704 |

51. ADA Transition Plan
52. Integrated Land Use-Transportation Model Phase II
53. 2022 Transit Asset Management Plan
54. Diridon Integrated Concept Plan (DISC)
55. Climate Action and Adaptation Plan
## VTA FY 2022 & FY 2023 Proposed Budget

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Project</th>
<th>Funding Source</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Federal</td>
<td>State</td>
<td>2016 Measure B</td>
<td>Other</td>
<td>VTA Local</td>
<td>Total</td>
</tr>
<tr>
<td>56. Next Generation High Capacity Transit Study - Phase 2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,247</td>
<td>1,247</td>
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<tr>
<td>57. On-Demand Paratransit Pilot</td>
<td>0</td>
<td>0</td>
<td>400</td>
<td>1,600</td>
<td>0</td>
<td>2,000</td>
</tr>
<tr>
<td>58. Fast Transit Program Implementation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,868</td>
<td>1,868</td>
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<tr>
<td>59. High Capacity Transit Corridors Implementation</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>1,781</td>
<td>1,781</td>
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<tr>
<td>60. Downtown Transit Study</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>1,361</td>
<td>1,361</td>
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<tr>
<td><strong>Miscellaneous Total</strong></td>
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<td>0</td>
<td>400</td>
<td>1,695</td>
<td>9,437</td>
<td>11,532</td>
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<tr>
<td>61. Non-Revenue Vehicle Replacement Program FY22 &amp; FY23</td>
<td>800</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>400</td>
<td>1,200</td>
</tr>
<tr>
<td><strong>Non-Revenue Vehicles Total</strong></td>
<td>800</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>400</td>
<td>1,200</td>
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<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>129,257</td>
<td>3,057</td>
<td>1,700</td>
<td>2,549</td>
<td>75,413</td>
<td>211,976</td>
</tr>
</tbody>
</table>

26
VTA Transit Program
Descriptions of FY 2022 & FY 2023 Appropriated Projects

Revenue Vehicles & Equipment
1. Purchase of Electric Buses
Project Scope
Purchase (48) electric buses to replace 2010 40' hybrid buses, including (8) express style buses.

Funding (in millions)

<table>
<thead>
<tr>
<th>Federal</th>
<th>VTA Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.240</td>
<td>$0.060</td>
</tr>
</tbody>
</table>

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs

Operating Budget Impact
Lower cost per mile for fuel by using electric in place of hybrids in the buses being replaced will save at least $270k per year.

Estimated Total Project Cost $56.578 million
Anticipated Completion Date December 2025

2. LRV Electronic Equipment Modernization
Project Scope
This project is for the upgrading and replacement of the VTA light rail vehicle fleet primary DC to AC propulsion system, auxiliary power equipment, and fault monitoring system network on the light rail vehicles. Instead of overhauling or continuing to maintain the aging technology, this capital project will phase-in a replacement technology on the existing vehicle fleet to maintain operability of the Kinkisharyo fleet for an additional number of years.

Funding (in millions)

<table>
<thead>
<tr>
<th>State</th>
<th>VTA Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.057</td>
<td>$1.705</td>
</tr>
</tbody>
</table>

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact
Moving to a new primary and auxiliary technology will reduce the maintenance costs of these components, estimated at $2,000k per year and escalating quickly as the technology is outdated.

Estimated Total Project Cost $55.744 million
Anticipated Completion Date June 2026
3. Light Rail Platform CCTV Replacement

**Project Scope**
This project is to replace the Closed Circuit Television (CCTV) systems that are 5 years or older, exceeding the end of their useful life. The scope includes removal of the old CCTV systems, furnishing, installing, programming and testing of updated fully functional CCTV systems compatible with the existing VTA CCTV systems.

**Funding (in millions)**

```
<table>
<thead>
<tr>
<th>VTA Local</th>
<th>Federal</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.500</td>
<td>$65.640</td>
</tr>
</tbody>
</table>
```

**Business Line(s) Supported**
- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

**Operating Budget Impact**
On-going annual expenditure of $7k.

**Estimated Total Project Cost** $1.057 million

**Anticipated Completion Date** June 2023

---

4. Purchase of Hybrid and Electric Buses

**Project Scope**
Project is intended to purchase 40 forty-foot hybrid buses and 37 electric forty-foot buses along with spare parts, training, training equipment, tools and manuals. All items purchased will be in accordance with VTA contract specifications which are based on the APTA standard Bus Procurement Guidelines.

**Funding (in millions)**

```
<table>
<thead>
<tr>
<th>VTA Local</th>
<th>Federal</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12.660</td>
<td>$65.640</td>
</tr>
</tbody>
</table>
```

**Business Line(s) Supported**
- Faster Frequent Reliable Transit
- Delivering Projects and Programs

**Operating Budget Impact**
Lower cost per mile for fuel by using hybrid and electric buses in place or straight diesel in the buses being replaced will save at least $400k per year, lower brake maintenance costs due to regeneration feature of hybrid and electric buses will save at least $200k per year.

**Estimated Total Project Cost** $78.300 million

**Anticipated Completion Date** December 2023
5. Paratransit Fleet Procurement FY22 FY23
Project Scope
In FY22 procure: 25 dodge caravans & supplemental hardware/services, 25 cutaway & supplemental hardware/services. In FY23 procure: 20 Toyota Prius & supplemental hardware/services, 10 dodge caravans & supplemental hardware/services, 20 cutaways & supplemental hardware/services

Funding (in millions)

<table>
<thead>
<tr>
<th></th>
<th>Federal</th>
<th>VTA Local</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5.417</td>
<td>$1.355</td>
</tr>
</tbody>
</table>

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $16.171 million
Anticipated Completion Date June 2023

6. Collision Avoidance Deployment Program
Project Scope
The Safety System will be installed on vehicles which consists of a multi-vision-sensor system, sensor housings/mountings, driver interface displays and control units. In addition, a new on-board video system will also be installed on the transit bus. The project will also modify the Collision Avoidance system and will integrate into the new on-board Video system.

Funding (in millions)

<table>
<thead>
<tr>
<th></th>
<th>VTA Local</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1.800</td>
</tr>
</tbody>
</table>

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
Maintenance on software and hardware $35k/year

Estimated Total Project Cost $1.800 million
Anticipated Completion Date June 2023
7. Video Analytics on Paratransit Accessible Fleet

Project Scope
The project scope is to install the Video Analytics Software on the Paratransit fleet of 50 vehicles. In addition, 27 Smarter Artificial Intelligence Models will be deployed like Detecting Mobility Device; Checking Ramp Area Clearance; Monitoring Ramp Deployment; Monitoring Customer Boarding, etc.

Funding (in millions)

| VTA Local | $0.763 |

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
Maintenance and licensing cost on the software and hardware. Annual hosting of the software and networking and 4G/5G LTE costs where the wired connections are not available.

Estimated Total Project Cost $2.206 million

Anticipated Completion Date June 2023

8. Facilities Assessment FY22 FY23

Project Scope
As VTA facilities age, it is important to assess the condition of our infrastructure to plan our rehabilitation or replacement program to maintain our assets in a state of good repair. These assessments will evaluate the condition of the assets and determine the investment required to bring the assets to a state of good repair. FTA requires such assessments to be done every four years.

Funding (in millions)

| VTA Local | $0.400 |

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $2.000 million

Anticipated Completion Date June 2023
9. Drain Inlet Filter Project
Project Scope
The Retractable Drain Inlet Screens Project will consist of installing retractable drain inlet screens on VTA's storm drain inlets to address the trash capture requirements of VTA's MS4 Stormwater Permit.

Funding (in millions)

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<th>Business Line(s) Supported</th>
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<td>• Delivering Projects and Programs</td>
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Operating Budget Impact
The estimated cost includes two years of maintenance. Maintenance for subsequent years will be included in the landscaping maintenance contracts and is estimated to be approximately $30k per year.

Estimated Total Project Cost $0.881 million
Anticipated Completion Date September 2022

10. Expand Bus Charging Capacity at Cerone Yard for Electric Buses
Project Scope
VTA is mandated to transition to a zero emission bus fleet by 2040. Since buses have a 12 year minimum service life, the last nonzero emission bus will be purchased in 2027 at the latest. This project is for the installation of a 1 OMW transformer for charging up to 130 buses, along with the chargers and needed electrical infrastructure at Cerone yard, where ongoing projects will be accomplishing the first phase of electrical infrastructure.

Funding (in millions)

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<th>Business Line(s) Supported</th>
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<td>• Delivering Projects and Programs</td>
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Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $31.000 million
Anticipated Completion Date December 2025
11. Axle Press Replacement Project

Project Scope
The current Axle Press is over 30 years old, is passed its useful life, and needs to be replaced. The Axle Press is a critical piece of equipment for Guadalupe Vehicle Maintenance. This project will replace the Ajax-Ceco Axle Press for the LRVs at the Guadalupe Division.

Funding (in millions)

<table>
<thead>
<tr>
<th>Federal</th>
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<tr>
<td>$1.736</td>
<td>$0.434</td>
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Business Line(s) Supported
- Faster Frequent Reliable Transit

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $2.170 million

Anticipated Completion Date March 2023

12. Guadalupe Steam Rack Improvements and Liner Replacement

Project Scope
The project will replace and upgrade the existing steam rack track with a new liner system, and overhead roof structure. This includes removal of existing liner, install/construct new liner system, rebuild trackwork, and construct overhead roof structure. New roof structure will be installed long and wide enough to reduce the unnecessary collection and treatment of rainwater.

Funding (in millions)

<table>
<thead>
<tr>
<th>Federal</th>
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<tbody>
<tr>
<td>$0.160</td>
<td>$0.040</td>
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Business Line(s) Supported
- Faster Frequent Reliable Transit

Operating Budget Impact
The estimated cost savings are due to the cost of the chemicals used to treat the rain water in the water treatment plant. The annual ongoing expenses are the chemicals needed to process the water through the water treatment plant.

Estimated Total Project Cost $3.200 million

Anticipated Completion Date June 2022
13. HVAC Replacement
Project Scope
Make physical and programming changes to agency wide HVAC systems to suggested safety functionalities as recommended by ASHRAE and the Centers for Disease Control (CDC). Install 22 A/C units to the light rail SCADA Cabinets.

Funding (in millions)

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<tr>
<th></th>
<th>Federal</th>
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<tr>
<td></td>
<td>$1.623</td>
<td>$0.406</td>
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Business Line(s) Supported
- Transportation System Management

Operating Budget Impact
Cost saving will occur because of increased efficiency standards applied to the new equipment via Title 24 but is difficult to determine due to the way VTA is metered by PG&E.

Estimated Total Project Cost $5.830 million

Anticipated Completion Date June 2023

14. Guadalupe Second Entrance - Single Point of Failure
Project Scope
Provide secondary access from the North First Street mainline into the Guadalupe Depot. This has been identified as a single point of failure that can impact operations. The request for this cycle is for preliminary and final engineering.

Funding (in millions)

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<thead>
<tr>
<th></th>
<th>VTA Local</th>
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<tr>
<td></td>
<td>$0.200</td>
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Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
The additional track and systems components will incur additional maintenance costs which are difficult to accurately estimate at this time.

Estimated Total Project Cost $40.000 million

Anticipated Completion Date October 2026
15. Chaboya Yard Well Removal

Project Scope

This project is intended to obtain case closure and demolish the ground water remediation system and wells at the Chaboya Yard. This project includes the abandonment (removal) of 50 monitoring wells, abandonment of 5 extraction wells, closure for 2 groundwater extraction trenches and closure of 1 recharge trench.

Funding (in millions)

![Graph showing funding sources with VTA Local $1.150]

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $4.735 million
Anticipated Completion Date March 2023

16. Facilities Equipment Replacement Program

FY22 FY23

Project Scope


Funding (in millions)

![Graph showing funding sources with Federal $1.742 and VTA Local $0.435]

Business Line(s) Supported
- Faster Frequent Reliable Transit

Operating Budget Impact
The annual cost savings of $50k includes any repairs that would have to be made if the equipment breaks since it is no longer under the manufacturer's warranty. The ongoing annual expense of $25k will be for regularly scheduled preventive maintenance per the manufacturer recommendations.

Estimated Total Project Cost $4.281 million
Anticipated Completion Date June 2023
17. Overhead Fall Protection on all Bus Bays
Project Scope
All VTA buses will soon be either hybrid or electric powered. All hybrid and all electric buses have a significant amount of key equipment mounted on the roof. This project will add fall protection harnesses and the necessary structure reinforcement as needed to 12 bays at Cerone, 12 bays at North yard and 14 bays at Chaboya yard.

Funding (in millions)

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Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $1.590 million

Anticipated Completion Date December 2024

18. Security Enhancements at Chaboya Parking Lot
Project Scope
In coordination with Protective Services and System Safety & Security, the employee parking lot was identified as a location with an opportunity to enhance security. This project will address the next phase of security and safety enhancement/hardening of the yard, in particular the employee parking lot.

Funding (in millions)

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<td>• Transportation System Management</td>
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Operating Budget Impact
Difficult to quantify cost savings from deterring vandalism.

Estimated Total Project Cost $0.600 million

Anticipated Completion Date July 2023
19. Expand VTA's North Yard for Electric Buses
Project Scope
VTA is mandated to transition to a zero emission bus fleet by 2040. Since buses have a 12 year minimum service life, the last nonzero emission bus will be purchased in 2027 at the latest. Zero emission buses require much more space for “fueling”; either dozens of electric bus chargers or major storage tanks for hydrogen. Expansion of yard space is required to physically fit the required infrastructure.

Funding (in millions)

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs

Operating Budget Impact
Zero emission bus technology continues to evolve. It is not currently possible to assess the operational costs of the vehicles in the future.

Estimated Total Project Cost $36.950 million
Anticipated Completion Date December 2024

20. Expand VTA's Chaboya Yard for Electric Buses
Project Scope
VTA is mandated to transition to a zero emission bus fleet by 2040. Since buses have a 12 year minimum service life, the last non-zero emission bus will be purchased in 2027 at the latest. Zero emission buses require much more space for “fueling”; either dozens of electric bus chargers or major storage tanks for hydrogen. Expansion of yard space is required to physically fit the required infrastructure.

Funding (in millions)

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs

Operating Budget Impact
Zero emission bus technology continues to evolve. It is not currently possible to assess the operational costs of the vehicles in the future.

Estimated Total Project Cost $46.950 million
Anticipated Completion Date December 2024
21. Roofing Management Program FY22 FY23

Project Scope
The project will fund two years of the roofing maintenance contract. The project will also fund the replacement of 4 roofs at Cerone Division and 3 roofs at Guadalupe Division that have reached or are beyond their intended lifespans.

Funding (in millions)

Business Line(s) Supported
- Transportation System Management

Operating Budget Impact
Cost savings varies on the type of building and its purpose.

Estimated Total Project Cost $6.261 million

Anticipated Completion Date June 2023

22. North Yard Paving Rehabilitation

Project Scope
This project will provide the pavement rehabilitation and repair for the North Yard Operating Facility. The scope will include but not limited to the following: removal and replacement of AC and concrete pavement; pavement slurry seal; adjust the grade of inlets, vaults, pull boxes, manholes; and installation of pavement striping and legends.

Funding (in millions)

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $4.067 million

Anticipated Completion Date January 2022
23. Painting Management Program FY22 FY23

Project Scope
This project funds the Painting Management Program's Painting Maintenance contract, from which all large scale painting projects are scoped and executed. This program provides maintenance and repair to the exteriors and interiors of all VTA operational, administrative, and passenger facilities.

Funding (in millions)

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<th>Business Line(s) Supported</th>
<th>VTA Local $1.000</th>
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Operating Budget Impact
The costs are specifically detailed in painting tasks issued to the contractor. The current budget is approximately $650,000 per year.

Estimated Total Project Cost $3.833 million
Anticipated Completion Date June 2023

24. Paving Management Program FY22 FY23

Project Scope
The current maintenance and maintenance construction schedules for various types of work is that the Bus Yards should be seal coated every 5 years, and erosion of asphalt by fluids that leak out of the buses removed and replaced every 8 to 10 years.

Funding (in millions)

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<th>Business Line(s) Supported</th>
<th>VTA Local $1.000</th>
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Operating Budget Impact
Cost savings varies on the particular paved asset and it design purpose. Material costs are linked to the commodity market and price fluctuates daily.

Estimated Total Project Cost $6.860 million
Anticipated Completion Date June 2023
25. Electrical Equipment Survey & Replacements FY22 FY23

Project Scope
Review, manage, and replace main electrical equipment throughout VTA. Many of VTA's main power equipment is the age of the facilities themselves and are in need of review and possible replacement.

Funding (in millions)

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<td>No operating cost impact.</td>
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Estimated Total Project Cost $1.509 million

Anticipated Completion Date June 2023

26. Bridge and Structures Repairs FY22 FY23

Project Scope
A biennial inspection of the VTA Light Rail Bridge and Structure has been completed in accordance with CPUC requirements. The findings indicate that a number of structures are showing defects that either need further detailed investigation or require corrective actions.

Funding (in millions)

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<td>Operating Budget Impact</td>
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<td>No operating cost impact.</td>
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Estimated Total Project Cost $10.640 million

Anticipated Completion Date March 2022
27. Downtown San Jose Speed Improvements

Project Scope
Extend safety enhancements tested in the Downtown San Jose Light Rail Safety and Speed Pilot project to the rest of the transit mall on 1st and 2nd streets between Devine and St. John. This includes procuring and installing two types of railing between the sidewalk and the trackway, also includes but not limited to adding or updating driveway warning signals that cross the trackway, moving crosswalks away from trackway, and applying paint and signage to prevent vehicles from driving in the trackway.

Funding (in millions)

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<tr>
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<td>$0.890</td>
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</table>

Business Line(s) Supported
- Faster Frequent Reliable Transit

Operating Budget Impact
The railings, signs, and street paint will require cleaning and occasional maintenance. The annual maintenance cost is $5k.

Estimated Total Project Cost $11.500 million

Anticipated Completion Date April 2024

28. North 1st Street/Tasman Drive - EB Track Switch Addition Proj - TSP Enhancements

Project Scope
This project seeks to add an eastbound trackway circuit at the Champion station to trigger the eastbound transit signal priority (TSP) service calls earlier for the N. First Street/Tasman Drive intersection with the goal of reducing delays for eastbound light rail vehicles.

Funding (in millions)

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<td>$0.410</td>
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Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $2.050 million

Anticipated Completion Date January 2024
29. OCS Rehab & Replacement Program FY22 FY23

Project Scope

The Overhead Catenary System (OCS) originally installed for the Tasman West corridor is approaching 25 years old. In 2017, an assessment study identified elements of the OCS that need to be rehabilitated and/or replaced. Further assessment was performed during Phase 2 in 2017 to determine contact wire wear for the entire system. The first phase of rehabilitation was completed in early 2014 through project P-0707. Each future budget request for OCS Rehabilitation is expected to be a new project number.

Funding (in millions)

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<th>Business Line(s) Supported</th>
<th>Federal</th>
<th>VTA Local</th>
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<tr>
<td>Faster Frequent Reliable Transit</td>
<td>$13.120</td>
<td>$3.280</td>
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Operating Budget Impact

Though difficult to quantify, there is savings in maintenance costs and emergency repair costs with maintaining the OCS in state of good repair.

Estimated Total Project Cost $38.350 million

Anticipated Completion Date June 2023

30. Laser Intrusions Detection System (LIDS) Replacement

Project Scope

Design, procure and replace/upgrade the laser intrusion detection system (LIDS) on elevated guideways to enable VTA's Protective Services Department and Operations Control Center (OCC) to remotely monitor unauthorized access. The LIDS systems at various locations installed around 2010 has a life expectancy of 10 years and is now due for replacement.

Funding (in millions)

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<td>Transportation System Management</td>
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</table>

Operating Budget Impact

No operating cost impact.

Estimated Total Project Cost $4.280 million

Anticipated Completion Date July 2023
31. Signal Improvements Guadalupe

Project Scope
Based on a recent assessment and study analysis of the Light Rail Transit Signal system funded under P-0762, a need for the replacement/improvement of the signal system along the Guadalupe Corridor was identified in order to maintain a state of good repair. This assessment recommended replacement and/or improvements to the system which include new switches and control equipment, new cabling, and new signal shelters with microprocessor control and standby battery backup.

Funding (in millions)

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<td>Delivering Projects and Programs</td>
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Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $26.590 million
Anticipated Completion Date January 2026

32. Guadalupe Elevator and Escalator Drainage Improvement

Project Scope
The light rail platforms along the Guadalupe South line alignment includes elevators and escalators to access the grade separated platforms. The scope of this project is to intercept the waste water into a bio-retention filter system.

Funding (in millions)

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Operating Budget Impact
Annual additional expenditure to clean the bio retention system once a year is estimated to be $2k per system.

Estimated Total Project Cost $1.025 million
Anticipated Completion Date March 2023
33. Traction Power Substation Replacement FY22 FY23

Project Scope
This is a continuation of the traction power substation (TPSS) replacement program to replace TPSS along the Guadalupe Corridor. Previous projects P-0689 and P-0928 replaced ten (10) of the fourteen (14) substations and installed one new substation along the Guadalupe Corridor.

Funding (in millions)

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Operating Budget Impact
There could be potential maintenance savings associated with replacing older substations. There could also be ongoing/annual expenditures for the regular maintenance of the replacement TPSS.

Estimated Total Project Cost $77.500 million
Anticipated Completion Date May 2024

34. Safety Enhancements at Grade Crossings FY22 FY23

Project Scope
This project will install automatic pedestrian back gates, emergency swing gates, railings, at various VTA Light Rail at-grade crossing. The scope will also include civil improvements and related signal modifications as necessary.

Funding (in millions)

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Operating Budget Impact
The railings, pedestrian back gate and emergency swing gate will require occasional inspection and maintenance. The annual maintenance cost is $10,000 for all10 Crossings/15 Quadrants.

Estimated Total Project Cost $5.230 million
Anticipated Completion Date June 2025
35. Track Intrusion Abatement FY22 FY23
Project Scope
This is part of a continuing program to enhance light rail safety by taking steps to prevent track intrusion into the light rail trackway at locations subject to trespassing as identified and approved by VTA’s Safety Committee including light rail infrastructure such as substations and light rail facilities.

Funding (in millions)

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<tr>
<th></th>
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Business Line(s) Supported
- Faster Frequent Reliable Transit

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $10.910 million
Anticipated Completion Date December 2023

36. Rail Replacement and Rehabilitation FY22 FY23
Project Scope
The scope for this request includes further rehabilitation and replacement of various track components at various locations including special track work switches, embedded/panelized grade crossings, heel blocks, timber ties and defective/worn-out rail and is derived from a long term program for rehabilitation of the rail system.

Funding (in millions)

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Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs

Operating Budget Impact
Though difficult to quantify, there is savings in maintenance costs and emergency repair costs associated with maintaining the track system in state of good repair. Moreover, there are unquantifiable costs due to reduced ridership impacted by a slower light rail system due to various defects.

Estimated Total Project Cost $239.170 million
Anticipated Completion Date May 2025
37. Systemwide Stray Current and Corrosion Control

Project Scope
A detailed systemwide assessment of stray current conditions under the supervision of a Corrosion Engineer who is a Registered Professional Corrosion Engineer or a NACE CP4 (CP Specialist) performing detailed track-to-earth resistance testing, stray current control measurement, testing, data analysis as necessary to develop corrective actions reports for a stray current and corrosion control program.

Funding (in millions)

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<tr>
<th>Business Line(s) Supported</th>
<th>Funding (in millions)</th>
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<tr>
<td>VTA Local $0.382</td>
<td>2016 Meas B $1.300</td>
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Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs

Operating Budget Impact
Annual savings are realized in terms of predictive maintenance of VTA's bridges and structures by extending their useful life through effective stray current monitoring and corrosion control thus preventing degradation and improving system safety.

Estimated Total Project Cost $1.470 million
Anticipated Completion Date December 2025

Passenger Facilities
38. Better Bus Stops 2023

Project Scope
2023 Better Bus Stops project is part of a bi-annual Better Bus Stops program to upgrade bus stops throughout the VTA system by improving amenities to increase safety, security and access. The project will physically construct wider sidewalks for improved transit passenger boarding areas, concrete bus pads, and purchase & install new solar shelters, solar lighting, transit signage, trash receptacles and real time information signs.

Funding (in millions)

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<td>2016 Meas B $1.300</td>
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Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
Ongoing/ annual cost savings include increased potential marketing advertisement revenue at bus stop shelters with advertisement cases. Ongoing/ annual expenditures include VTA regular maintenance and storage of spare parts of each new shelter installed.

Estimated Total Project Cost $1.300 million
Anticipated Completion Date December 2023
39. Transit Center, Park and Ride and Bus Stop Rehabilitation FY22 FY23

Project Scope
The project will provide the rehabilitation and repair of maintenance issues outlined in the condition assessment as well as rehabilitation and improvements for various bus stops. The scope will include but is not limited to the following: asphalt pavement replacement and slurry seal; striping and pavement legend replacement; sidewalk, curb ramp, curb and gutter replacement.

Funding (in millions)

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Operating Budget Impact
Potential savings exist by keeping transit center and park-and-ride lot locations in a state of good repair.

Estimated Total Project Cost $20,000 million
Anticipated Completion Date January 2024

40. E-Locker Upgrade and Replacement

Project Scope
This project will replace 189 bicycle lockers (providing 378 secure bicycle parking spaces) located at VTA park and ride lots, Light Rail Stations and Transit Centers (the "enterprise fleet"). This CPRF does not include the new e-lockers at the Milpitas and Berryessa BART Stations.

Funding (in millions)

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Operating Budget Impact
We estimate additional annual operating costs for 135 new e-lockers to be $37k. These additional annual service costs are partially offset by approximately $6k in VTA labor savings that we will realize by eliminating the rental locker program and outsourcing all locker customer support to a vendor.

Estimated Total Project Cost $1,910 million
Anticipated Completion Date June 2025
**Information Systems & Technology**

41. Transit Enterprise System Server Replacement

**Project Scope**
Replace/Procure servers and associated storage and software licenses for Mission Critical transit systems. Replace/Procure servers and associated storage and software licenses for the following mission transit systems: CAD-AVL and Trapeze.

**Funding (in millions)**

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<tr>
<th>VTA Local</th>
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**Business Line(s) Supported**
- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

**Operating Budget Impact**
Cost Savings from Operational Efficiencies. Additional Expenditure from Annual Maintenance.

**Estimated Total Project Cost** $9.200 million

**Anticipated Completion Date** June 2023

42. Dry Fire Suppression for Communication and Data Rooms

**Project Scope**
Convert water based fire suppression system to dry fire suppression technology in Guadalupe light rail communication rooms and install sprinkler cages to prevent accidental damage to unprotected sprinklers causing water leaks in communication rooms in River Oaks, Cerone, Chaboya, Downtown and North Yard.

**Funding (in millions)**

<table>
<thead>
<tr>
<th>VTA Local</th>
<th>$0.460</th>
</tr>
</thead>
</table>

**Business Line(s) Supported**
- Delivering Projects and Programs

**Operating Budget Impact**
No operating cost impact.

**Estimated Total Project Cost** $0.460 million

**Anticipated Completion Date** June 2023
43. GIS & Advanced Data Analytics Program Development

**Project Scope**
This project will, by funding on-site contractors, continue to fund the program that provides the essential cartographic and geospatial (location-based) data analytic services and products to VTA and its partners. In addition to delivering geospatial services, customized and user-friendly GIS-based applications will also be developed to meet specific needs of different user groups.

**Funding (in millions)**

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
<th>VTA Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faster Frequent Reliable Transit</td>
<td>$1.982</td>
</tr>
<tr>
<td>Delivering Projects and Programs</td>
<td></td>
</tr>
<tr>
<td>Transportation System Management</td>
<td></td>
</tr>
</tbody>
</table>

**Estimated Total Project Cost** $8.482 million

**Anticipated Completion Date** June 2031

44. Network Switch Replacement/Upgrade

**Project Scope**
Based on a 2019 assessment and study analysis of the SCADA Fiber Network System funded under P-0762, a need for the replacement/improvement of the SCADA Fiber Optic Network through the VTA Light Rail system was identified in order to maintain a state of good repair. The currently installed SCADA network backbone Cisco switches are approaching their end-of-support date of October 2021.

**Funding (in millions)**

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
<th>Federal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faster Frequent Reliable Transit</td>
<td>$3.680</td>
</tr>
<tr>
<td>Delivering Projects and Programs</td>
<td>$0.920</td>
</tr>
</tbody>
</table>

**Estimated Total Project Cost** $4.6000 million

**Anticipated Completion Date** March 2024
45. Advanced Cyber Security

Project Scope
Project scope includes but is not limited to purchasing of software, hardware, network monitoring tools, anti-malware tools, consulting services, audit services, testing services, development and/or purchasing of user awareness training, and development & update of policies and procedures to mitigate risk.

Funding (in millions)

| VTA Local | $0.353 |

Business Line(s) Supported
- Advanced Cyber Security

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $2.085 million
Anticipated Completion Date June 2026

46. Network and Gigabit Fiber Upgrade

Project Scope
The goals of this project are to: 1) Provide a highly reliable, load balanced internet connection to support VTA’s use of cloud services and internet communication. 2) Upgrade the depth and capability of the network security system. 3) Provide optic fiber installation as well as equipment and materials in helping augment the VTA's existing fiber wide area network infrastructure.

Funding (in millions)

| VTA Local | $1.850 |

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
$120k annual savings. $800k annual expenditure.

Estimated Total Project Cost $3.500 million
Anticipated Completion Date June 2023
47. Server Refresh
Project Scope
Procurement of hardware, software and storage to support VTA Enterprise Datacenters at River Oaks and Light Rail facility for over 4000 Active Directory accounts and 1800 mailboxes. Server replacement of aging systems. VTA utilizes HP server equipment to provide VTA staff access to File/Print services, applications, Intranet sites (the Hub) internal resources and communications.

**Business Line(s) Supported**
- Faster Frequent Reliable Transit

**Operating Budget Impact**
$85k annual savings. $65k annual expenditure.

**Estimated Total Project Cost** $23.000 million

**Anticipated Completion Date** December 2024

48. VTA Network Cabling
Project Scope
VTA Locations, Yards, and Building all have outdated copper & fiber data cabling. The scope is to replace the old cabling to furnish CAT6 Cable, Fiber Optic, and new communications room infrastructure. This is required to support newer technology like VOIP (Voice-over-IP) and higher networking speeds.

**Business Line(s) Supported**

**Operating Budget Impact**
No operating cost impact.

**Estimated Total Project Cost** $2.610 million

**Anticipated Completion Date** July 2023
49. SAP Enterprise Asset Management Enhancement

Project Scope
The scope of this project is to convert the simple Plant Maintenance (PM) module that was implemented in 1999 to the more sophisticated Enterprise Asset Management (EAM) module offered from SAP. VTA will procure licenses for Linear Asset Management (LAM), Integration with Geographic Information Systems (GIS), a new Mobile/Accessibility Platform which will vastly improve the User Experience (UX) of Operations employees.

Funding (in millions)

- **VTA Local** $1.809

Business Line(s) Supported

- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
VTA will purchase the Hydrogen Suite (User Experience/Mobility Functionality) that will have an annual maintenance fee associated. This new functionality will improve work efficiency across all operating divisions, creating an associated cost saving in operating productivity.

Estimated Total Project Cost $4.035 million

Anticipated Completion Date December 2021

50. Enterprise Database for Key Performance Indicators (TransitDB)

Project Scope
To build a VTA’s Transit Enterprise Database for purposes of business intelligence, dashboarding, and reporting and implement a reporting mechanism.

Funding (in millions)

- **VTA Local** $0.150

Business Line(s) Supported

Operating Budget Impact
Savings- $26k Operational Efficiencies. Expenditure- $8k Annual Maintenance

Estimated Total Project Cost $0.650 million

Anticipated Completion Date June 2022
51. ADA Transition Plan

Project Scope
VTA has completed an ADA inventory of its transit facilities and will engage the public to assist with the development of a Transition Plan to build a schedule and budget for improvements to facilities that are not ADA compliant. Funds will be used to make ADA improvements to, bus stops, curb cuts, bathrooms, among other improvements identified in the inventory.

Funding (in millions)

<table>
<thead>
<tr>
<th>Business Line(s)</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faster Frequent Reliable Transit</td>
<td></td>
</tr>
<tr>
<td>Delivering Projects and Programs</td>
<td></td>
</tr>
<tr>
<td>Transportation System Management</td>
<td></td>
</tr>
</tbody>
</table>

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $4.921 million

Anticipated Completion Date June 2023

52. Integrated Land Use-Transportation Model Phase II

Project Scope
This funding request is to complete Phase II of the development of the Integrated Land Use-Transportation Model (CUBE LAND). About two-thirds of the budget is for professional services for a consultant to complete model development. The remaining one-third of the budget is to account for VTA labor, the administration cost of the project, procurement of data and/or software, and contingency.

Funding (in millions)

<table>
<thead>
<tr>
<th>Business Line(s)</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering Projects and Programs</td>
<td></td>
</tr>
</tbody>
</table>

Operating Budget Impact
The land-use model would obviate the need to convey an expert panel to study the long-term land-use impacts every time VTA conducts a transportation impact study for projects on a state highway.

Estimated Total Project Cost $0.245 million

Anticipated Completion Date June 2022
53. 2022 Transit Asset Management Plan

Project Scope
This planning project will develop the 2022 Transit Asset Management (TAM) Plan, required by FTA as the four year renewal to the 2018 TAM Plan. The project will also review and update as necessary the TAM Policy, the TAM Inventory, and TERM Lite updates and improvements, as well as produce a VTA TAM Procedures document.

Funding (in millions)

Business Line(s) Supported

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $0.418 million

Anticipated Completion Date March 2022

54. Diridon Integrated Concept Plan (DISC)

Project Scope
In FY23-24 and FY25-26 VTA will procure professional services for Architectural, Engineering, and Environmental Assessment. During this period of 4 years, Conceptual and Preliminary design will be completed; Environmental Impact analysis documentation will be completed, and portions of Final Design will be completed or started. A funding Plan will be developed and grant funding will be pursued and secured.

Funding (in millions)

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $531.730 million

Anticipated Completion Date June 2037
55. Climate Action and Adaptation Plan
Project Scope
The project will study climate change impacts to VTA's system and operations. This may include extreme heat, wildfire, flooding, sea level rise, storm surge, and other hazards. This information will be used to identify actions to reduce greenhouse gas emissions, prepare for extreme weather events, and adapt to climate change in a cost-effective and proactive manner.

Funding (in millions)

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $0.494 million
Anticipated Completion Date June 2023

56. Next Generation High Capacity Transit Study Phase 2
Project Scope
Study would be a follow up to the existing Next Generation High Capacity Transit Study. Exact scope of the study is dependent on direction given by VTA Board of Directors (BOD) at the completion of the current study.

Funding (in millions)

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $1.797 million
Anticipated Completion Date December 2022
57. On-Demand Paratransit Pilot
Project Scope
VTA is in search with partnering with a TNC provider to provide an On-Demand transit option for Paratransit riders. This would enhance the consumer’s experience.

Funding (in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Measure B</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$0.400</td>
<td></td>
</tr>
</tbody>
</table>

Business Line(s) Supported
- Transportation System Management

Operating Budget Impact
The goal for the on-demand program is to reduce the number of trips on the ADA paratransit and place them on the on-demand program. Our goal is to get this program is to offset between 2,000 & 4,000 trips monthly. This would be an annual savings up to $960k.

Estimated Total Project Cost $2.000 million
Anticipated Completion Date June 2022

58. Fast Transit Program Implementation
Project Scope
1) Build tactical bus lanes to make transit faster in corridors where transit is most impacted from congestion; 2) Implement next wave of countywide transit signal priority improvements for light rail and bus to reduce delay at intersections; 3) Develop a Fast Transit Program dashboard to report on transit speed and reliability needs, improvements, results.

Funding (in millions)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTA Transit</td>
<td>$1.868</td>
</tr>
</tbody>
</table>

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $84.565 million
Anticipated Completion Date June 2041
59. High Capacity Transit Corridors Implementation

Project Scope
The first phase of this project will undertake a community-led process to inform the project definition and develop up to 30% engineering design necessary to implement the corridor recommendations from the Strategic Plan for Advancing High Capacity Transit Corridors. This new approach to transit corridor investment focuses on phased steps to high capacity transit that are triggered as ridership increases and land uses change to stop support transit.

Funding (in millions)

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $540.848 million
Anticipated Completion Date June 2041

60. Downtown Transit Study

Project Scope
Study would be a follow up to a number of existing efforts related to Transit Planning in Downtown San Jose including the Downtown West Plan, the Diridon Station Area Plan update, the Downtown Transportation Plan. With the completion of these plans, VTA along with the City of San Jose will be considering many infrastructure intensive transit solutions for Downtown San Jose in an effort to provide faster, frequent, and more reliable transit.

Funding (in millions)

Business Line(s) Supported
- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
No Operating cost impact

Estimated Total Project Cost $1.361 million
Anticipated Completion Date December 2022
Non-Revenue Vehicles
61. Non-Revenue Vehicle Replacement Program
FY22 FY23

Project Scope
This program replaces Non-Revenue Vehicles (NRVs) in the VTA fleet that have either been lost due to accidents, decommissioned because of mechanical failures which were not cost-effective to repair, or replace vehicles that have exceeded their useful life. This project also includes an option to replace retired vehicles with vehicles that are hybrid/electric and higher mile per gallon (MPG) when possible per our Sustainable Fleet Policy.

Funding (in millions)

<table>
<thead>
<tr>
<th></th>
<th>Federal</th>
<th>VTA Local</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0.800</td>
<td>$0.400</td>
</tr>
</tbody>
</table>

Business Line(s) Supported
- Transportation System Management

Operating Budget Impact
The annual estimated savings are due to less critical maintenance repairs of the aging fleet. Ongoing annual expenses are incurred by routine, preventative maintenance and any expenses not covered under warranty.

Estimated Total Project Cost $8.955 million
Anticipated Completion Date June 2023
2000 MEASURE A TRANSIT IMPROVEMENT PROGRAM
2000 Measure A Transit Improvement Program

Overview

The 2000 Measure A Transit Improvement Program, a 30-year plan of major transit improvement capital projects, was approved by Santa Clara County voters in November 2000. The 2000 Measure A Ordinance implemented a 30-year half-cent sales tax that became effective on April 1, 2006 and is scheduled to expire on March 31, 2036. Pursuant to the ballot measure, revenues from the Tax are limited to the following uses:

- Fund operating and maintenance costs for increased bus, rail and paratransit service.
- Extend BART from Fremont through Milpitas to Downtown San Jose and the Santa Clara Caltrain Station.
- Provide connections from Mineta San Jose International Airport to BART, Caltrain and VTA light rail.
- Extend Light Rail from Downtown San Jose to the East Valley.
- Purchase low-floor light rail vehicles.
- Improve Caltrain: double-track to Gilroy and electrify from Palo Alto to Gilroy.
- Increase Caltrain service.
- Construct a new Palo Alto Intermodal Transit Center.
- Improve bus service in major bus corridors.
- Upgrade Altamont Commuter Express (ACE).
- Improve Highway 17 Express bus service.
- Connect Caltrain with Dumbarton Rail Corridor.
- Purchase Zero Emission buses and construct service facilities.
- Develop new light rail corridors.

The 2000 Measure A Transit Improvement Program budget appropriation is broken into two major components. The operating budget includes appropriation for non-project specific expenditures such as professional services, debt service, and operating assistance to VTA Transit. The capital budget appropriation is comprised of the anticipated expenditures and commitments on capital projects for the two-year budget period.
### 2000 Measure A Transit Improvement Program

**Comparison of Revenues and Expenses**

*(Dollars in Thousands)*

<table>
<thead>
<tr>
<th>Line</th>
<th>Category</th>
<th>FY20 Actual</th>
<th>FY21 Adopted Budget</th>
<th>FY21 Projected Actual</th>
<th>FY22 Proposed Budget</th>
<th>Variance from FY21 Projection</th>
<th>% Var</th>
<th>FY23 Proposed Budget</th>
<th>Variance from FY22 Budget</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2000 Half-Cent Sales Tax</td>
<td>209,885</td>
<td>229,254</td>
<td>207,815</td>
<td>236,381</td>
<td>28,566</td>
<td>13.7%</td>
<td>251,631</td>
<td>15,250</td>
<td>6.5%</td>
</tr>
<tr>
<td>2</td>
<td>Federal BABs Subsidy</td>
<td>8,837</td>
<td>8,700</td>
<td>8,747</td>
<td>8,271</td>
<td>(476)</td>
<td>-5.4%</td>
<td>7,737</td>
<td>(534)</td>
<td>-6.5%</td>
</tr>
<tr>
<td>3</td>
<td>Investment Earnings</td>
<td>12,963</td>
<td>9,026</td>
<td>6,483</td>
<td>575</td>
<td>(5,908)</td>
<td>-91.1%</td>
<td>495</td>
<td>(80)</td>
<td>-13.9%</td>
</tr>
<tr>
<td>4</td>
<td>Other Income</td>
<td>835</td>
<td>446</td>
<td>428</td>
<td>1,519</td>
<td>1,091</td>
<td>254.7%</td>
<td>441</td>
<td>(1,079)</td>
<td>-71.0%</td>
</tr>
<tr>
<td>5</td>
<td>Total Revenue</td>
<td>232,521</td>
<td>247,426</td>
<td>223,473</td>
<td>246,747</td>
<td>23,274</td>
<td>10.4%</td>
<td>260,304</td>
<td>13,557</td>
<td>5.5%</td>
</tr>
<tr>
<td>6</td>
<td>VTA Operating Assistance</td>
<td>43,551</td>
<td>47,570</td>
<td>43,122</td>
<td>49,049</td>
<td>5,928</td>
<td>13.7%</td>
<td>52,213</td>
<td>3,164</td>
<td>6.5%</td>
</tr>
<tr>
<td>7</td>
<td>Professional &amp; Special Services</td>
<td>470</td>
<td>585</td>
<td>384</td>
<td>559</td>
<td>175</td>
<td>45.6%</td>
<td>664</td>
<td>105</td>
<td>18.8%</td>
</tr>
<tr>
<td>8</td>
<td>Miscellaneous</td>
<td>11</td>
<td>31</td>
<td>16</td>
<td>30</td>
<td>14</td>
<td>90.2%</td>
<td>30</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>9</td>
<td>Contributions to Other Agencies</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>(3)</td>
<td>-100.0%</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>10</td>
<td>Debt Service</td>
<td>42,810</td>
<td>44,759</td>
<td>44,759</td>
<td>71,934</td>
<td>27,175</td>
<td>60.7%</td>
<td>71,581</td>
<td>(353)</td>
<td>-0.5%</td>
</tr>
<tr>
<td>11</td>
<td>Repayment Obligation</td>
<td>14,731</td>
<td>14,665</td>
<td>14,665</td>
<td>17,593</td>
<td>2,928</td>
<td>20.0%</td>
<td>17,553</td>
<td>(40)</td>
<td>-0.2%</td>
</tr>
<tr>
<td>12</td>
<td>Total Expense</td>
<td>101,573</td>
<td>107,610</td>
<td>102,948</td>
<td>139,165</td>
<td>36,217</td>
<td>35.2%</td>
<td>142,042</td>
<td>2,876</td>
<td>2.1%</td>
</tr>
<tr>
<td>13</td>
<td>Revenues Over (Under) Expenses</td>
<td>130,948</td>
<td>139,816</td>
<td>120,525</td>
<td>107,581</td>
<td>118,262</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding

1 Projection as of April 1, 2021

2 Represents remittance from the federal government for a portion of the interest cost for 2010 Sales Tax Revenue Bonds, 2010 Series A, Build America Bonds (BABs) which were issued in November 2010
2000 Measure A Capital Program Overview

The Proposed FY 2022 & FY 2023 2000 Measure A Capital Program utilizes cash-on-hand and projected cash receipts and does not anticipate incurring additional debt in the two-year period. The total additional appropriation for the identified projects for FY 2022 and FY 2023 is $2.1 billion, which reflects the planned capital spending to be incurred or committed in the next two years. Project funding for the two-year period is appropriated in FY 2022 in order to facilitate administration of the program.

The table below lists each project by category and general funding source. The subsequent pages provide a brief description of each project, identified funding sources for the FY 2022 and FY 2023 requested appropriation, potential operating cost impacts, estimated total project cost, and anticipated completion date.

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year.

Schedule of FY 2022 & FY 2023 Appropriation
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Project</th>
<th>Federal</th>
<th>State</th>
<th>2000 Measure A</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BART Silicon Valley Extension Phase 2</td>
<td>769,000</td>
<td>779,700</td>
<td>386,800</td>
<td>166,000</td>
<td>2,101,500</td>
</tr>
<tr>
<td><strong>SVRT Program Total</strong></td>
<td>769,000</td>
<td>779,700</td>
<td>386,800</td>
<td>166,000</td>
<td>2,101,500</td>
</tr>
<tr>
<td>2. Eastridge to BART Regional Connector</td>
<td>0</td>
<td>0</td>
<td>24,213</td>
<td>15,161</td>
<td>39,374</td>
</tr>
<tr>
<td><strong>Light Rail Program Total</strong></td>
<td>0</td>
<td>0</td>
<td>24,213</td>
<td>15,161</td>
<td>39,374</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>769,000</td>
<td>779,700</td>
<td>411,013</td>
<td>181,161</td>
<td>2,140,874</td>
</tr>
</tbody>
</table>
### SVRT Program

#### 1. BART Silicon Valley Extension Phase 2

**Project Scope**

BSV Phase II work to be undertaken in the FY 2022 & FY 2023 timeframe includes, engineering, right-of-way and advance utility relocation efforts, award of three of the four construction contracts (Systems, Stations and Support Facilities, and Newhall Yard Santa Clara Station and Parking Garage Project), as well as management of these activities. A small portion of the Tunnel and Trackwork will also be awarded.

**Funding (in millions)**

<table>
<thead>
<tr>
<th></th>
<th>2000 Measure A</th>
<th>Federal</th>
<th>State - TIRCP</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>$386.8</td>
<td>$769.0</td>
<td>$779.7</td>
<td>$166.0</td>
</tr>
</tbody>
</table>

- **Business Line(s) Supported**
  - Faster Frequent Reliable Transit
  - Delivering Projects and Programs
  - Transportation System Management

- **Operating Budget Impact**

  Ongoing/annual expenditures are covered in the Operations and Maintenance Agreement executed between VTA and BART. 2008 Measure B sales tax proceeds will be the funding source of most such costs attributable to VTA.

- **Estimated Total Project Cost** $6.9 billion

- **Anticipated Completion Date** May 2030
**Light Rail Program**

2. Eastridge to BART Regional Connector Project

**Project Scope**
This project will extend the light rail system to Eastridge Transit Center with a continuous elevated guideway. The Eastridge extension will include LRT stations at Story Road (aerial) and Eastridge (at-grade). Per current project schedule, construction contract is expected to be awarded in mid-2021. FY 2022 & FY 2023 budget request will increase the total budget to equal current estimated total project cost including design, construction, construction management, utility relocation and property acquisition.

**Funding (in millions)**

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
<th>Operating Budget Impact</th>
<th>Estimated Total Project Cost</th>
<th>Anticipated Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faster Frequent Reliable Transit</td>
<td>$2.0 million annual expenditure. The additional track, systems and station components associated with this expansion will incur additional maintenance costs.</td>
<td>$468.0 million</td>
<td>March 2027</td>
</tr>
<tr>
<td>Delivering Projects and Programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation System Management</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CONGESTION MANAGEMENT PROGRAM
Congestion Management Program

Overview

Congestion Management Agencies (CMAs) were created in 1990 by Proposition 111 and its accompanying legislation, which required that every county with an urbanized population of more than 50,000 establish a CMA. CMAs were designed to meet the goals of increasing the efficiency of existing transit and roadway systems, planning the best capital improvements to these systems, and improving the local land use decision-making process to support and complement the transportation system investments.

In 1994, VTA was designated as the CMA for Santa Clara County through a Joint Powers Agreement entered into by the 15 cities and the County of Santa Clara. VTA’s Congestion Management Program (CMP) serves as the CMA for Santa Clara County. The CMP, which is fiscally separate from VTA Transit, is funded through assessments to local jurisdictions (Member Agencies), federal and state planning grants, grant program manager administration fees, State Transportation Improvement Program (STIP) Planning Programming and Monitoring Funds, and fees for services provided.

The Proposed FY 2022 and FY 2023 CMP Budget is a result of a number of inputs including statutory requirements, Board initiated activities, Member Agency requested activities, and staff recommended initiatives regarding federal, state and regional issues. Based on these inputs, the budget reflects major focus on tasks and activities related to coordination and advocacy of funding for local projects, capital project initiatives, state/regional advocacy, land use coordination due to new state mandates, and Member Agency assistance.

Member Agency Fees are based on the fee schedule adopted by the Board in June 2005, which specifies annual increases of 3.5%. The Proposed Budget reflects this increase for both FY 2022 and FY 2023.
# Congestion Management Program
## Comparison of Revenues and Expenses
(Dollars in Thousands)

Note: Totals and percentages may not be precise due to independent rounding

<table>
<thead>
<tr>
<th>Line</th>
<th>Category</th>
<th>FY20 Actual</th>
<th>FY21 Projected Actual</th>
<th>FY21 Proposed Budget</th>
<th>Variance from FY21 Projection</th>
<th>% Var</th>
<th>FY22 Proposed Budget</th>
<th>Variance from FY22 Budget</th>
<th>% Var</th>
<th>FY23 Proposed Budget</th>
<th>Variance from FY23 Budget</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Federal Operating Grants</td>
<td>2,171</td>
<td>2,222</td>
<td>2,054</td>
<td>1,465</td>
<td>1,265</td>
<td>-28.7%</td>
<td>1,265</td>
<td>-13.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>State Operating Grants</td>
<td>164</td>
<td>1,072</td>
<td>1,435</td>
<td>1,402</td>
<td>252</td>
<td>-2.3%</td>
<td>252</td>
<td>-82.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Investment Earnings</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0.0%</td>
<td>2</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Member Agency Fees</td>
<td>2,880</td>
<td>2,843</td>
<td>2,843</td>
<td>2,943</td>
<td>3,046</td>
<td>3.5%</td>
<td>3,046</td>
<td>3.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Other Income</td>
<td>251</td>
<td>360</td>
<td>252</td>
<td>760</td>
<td>550</td>
<td>201.5%</td>
<td>550</td>
<td>201.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Total Revenue</td>
<td>5,473</td>
<td>6,499</td>
<td>6,585</td>
<td>6,572</td>
<td>5,115</td>
<td>-0.2%</td>
<td>5,115</td>
<td>-22.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Professional &amp; Special Services</td>
<td>311</td>
<td>779</td>
<td>376</td>
<td>650</td>
<td>1,251</td>
<td>73.1%</td>
<td>1,251</td>
<td>92.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Other Services</td>
<td>15</td>
<td>0</td>
<td>15</td>
<td>0</td>
<td>15</td>
<td>0.0%</td>
<td>15</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Data Processing</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>8</td>
<td>141</td>
<td>N/A</td>
<td>141</td>
<td>1622.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Employee Related Expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Contribution to Other Agencies</td>
<td>195</td>
<td>442</td>
<td>166</td>
<td>357</td>
<td>420</td>
<td>114.6%</td>
<td>420</td>
<td>114.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>VTA Staff Services</td>
<td>4,909</td>
<td>5,014</td>
<td>5,474</td>
<td>5,166</td>
<td>7,043</td>
<td>30.2%</td>
<td>7,043</td>
<td>13.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Total Expense</td>
<td>5,430</td>
<td>6,241</td>
<td>6,031</td>
<td>6,196</td>
<td>7,043</td>
<td>2.7%</td>
<td>7,043</td>
<td>13.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Revenues Over (Under) Expenses</td>
<td>43</td>
<td>258</td>
<td>554</td>
<td>376</td>
<td>(1,928)</td>
<td>N/A</td>
<td>(1,928)</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding

## Congestion Management Program
### Sources and Uses of Funds Summary
(Dollars in Thousands)

Note: Totals and percentages may not be precise due to independent rounding

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY20 Actual</th>
<th>FY21 Projected Actual</th>
<th>FY22 Proposed Budget</th>
<th>FY23 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Revenues</td>
<td>5,473</td>
<td>6,585</td>
<td>6,572</td>
<td>5,115</td>
</tr>
<tr>
<td>2</td>
<td>Total Expenses</td>
<td>(5,430)</td>
<td>(6,031)</td>
<td>(6,196)</td>
<td>(7,043)</td>
</tr>
<tr>
<td>3</td>
<td>Revenues Over (Under) Expenses</td>
<td>43</td>
<td>554</td>
<td>376</td>
<td>(1,928)</td>
</tr>
<tr>
<td>4</td>
<td>Beginning Fund Balance</td>
<td>2,000</td>
<td>2,043</td>
<td>2,597</td>
<td>2,973</td>
</tr>
<tr>
<td>5</td>
<td>Revenues Over (Under) Expenses</td>
<td>43</td>
<td>554</td>
<td>376</td>
<td>(1,928)</td>
</tr>
<tr>
<td>6</td>
<td>Ending Fund Balance</td>
<td>2,043</td>
<td>2,597</td>
<td>2,973</td>
<td>1,045</td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding

1 Projection as of April 2, 2021
2 The CMP Work Program detailing the specific revenues and expenditures for the main activities will be presented to the committees in May and the Board in June 2021.
### Congestion Management Program
#### Member Assessments

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>FY 2022 Assessment</th>
<th>FY 2023 Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of Santa Clara</td>
<td>$332,162</td>
<td>$343,787</td>
</tr>
<tr>
<td>Campbell</td>
<td>61,765</td>
<td>63,926</td>
</tr>
<tr>
<td>Cupertino</td>
<td>94,890</td>
<td>98,211</td>
</tr>
<tr>
<td>Gilroy</td>
<td>46,166</td>
<td>47,782</td>
</tr>
<tr>
<td>Los Altos</td>
<td>30,468</td>
<td>31,535</td>
</tr>
<tr>
<td>Los Altos Hills</td>
<td>8,125</td>
<td>8,409</td>
</tr>
<tr>
<td>Los Gatos</td>
<td>42,051</td>
<td>43,523</td>
</tr>
<tr>
<td>Milpitas</td>
<td>94,104</td>
<td>97,398</td>
</tr>
<tr>
<td>Monte Sereno</td>
<td>2,443</td>
<td>2,528</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>30,687</td>
<td>31,761</td>
</tr>
<tr>
<td>Mountain View</td>
<td>152,820</td>
<td>158,169</td>
</tr>
<tr>
<td>Palo Alto</td>
<td>172,929</td>
<td>178,981</td>
</tr>
<tr>
<td>San Jose</td>
<td>958,264</td>
<td>991,803</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>253,120</td>
<td>261,979</td>
</tr>
<tr>
<td>Saratoga</td>
<td>26,514</td>
<td>27,442</td>
</tr>
<tr>
<td>Sunnyvale</td>
<td>303,890</td>
<td>314,527</td>
</tr>
<tr>
<td><strong>Subtotal:</strong></td>
<td><strong>$2,610,396</strong></td>
<td><strong>$2,701,761</strong></td>
</tr>
<tr>
<td><strong>VTA - Managing Agency Contribution:</strong></td>
<td><strong>332,162</strong></td>
<td><strong>343,787</strong></td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$2,942,558</strong></td>
<td><strong>$3,045,547</strong></td>
</tr>
</tbody>
</table>
VTP TRANSPORTATION PROGRAM
VTP Transportation Program

Overview

VTP (Valley Transportation Plan) 2040 is the current approved long-range countywide transportation plan for Santa Clara County. Developed by the Congestion Management Program (CMP) and adopted in October 2014, projects must be included in the plan as a prerequisite for eligibility to receive federal, state, regional, and local discretionary fund programming. VTA enters into construction agreements with cities in the County for various projects that are included in VTP 2040. The next update of the long-range countywide transportation plan, VTP 2050, is scheduled for adoption by the VTA Board in mid-2023.

The appropriation for the identified VTP Transportation Program Capital Projects for FY 2022 and FY 2023 totals $228.3 million, which reflects the planned capital spending to be incurred or committed in the next two years. The proposed $228.3 million appropriation includes funding from several sources. Since the VTA Board will not consider appropriations for 2016 Measure B for Need/Capacity-based projects until later this summer, the VTP appropriations contained in this program are contingent on finalizing that process.

Project funding for the two-year period is appropriated in FY 2022 in order to facilitate administration of the program and includes projects related to express lanes, freeway and highway improvements, complete streets, and bicycle/pedestrian improvements.

The table on the following page lists each project and its general funding source category. The subsequent pages provide a brief description of each project, identified funding sources for the FY 2022 and FY 2023 requested appropriation, potential operating cost impacts, estimated total project cost, and anticipated completion date.

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year.
# VTP Transportation Program

## Schedule of FY 2022 & FY 2023 Appropriation

*(Dollars in Thousands)*

<table>
<thead>
<tr>
<th>Project Description</th>
<th>State</th>
<th>2016 Measure B Formula Fund</th>
<th>Senate Bill 1</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. SR87/Capitol Expressway Interchange Improvement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5,670</td>
<td>5,670</td>
</tr>
<tr>
<td>2. US101/Dela Cruz Blvd/Trimble Rd Interchange Improvement</td>
<td>0</td>
<td>0</td>
<td>16,863</td>
<td>0</td>
<td>16,863</td>
</tr>
<tr>
<td>3. US101/SR25 Interchange Improvement - Phase 1</td>
<td>0</td>
<td>0</td>
<td>35,100</td>
<td>0</td>
<td>35,100</td>
</tr>
<tr>
<td>4. SR237/Caribbean Drive/Lawrence Express Interchange Improvement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6,700</td>
<td>6,700</td>
</tr>
<tr>
<td>5. US101/Ellis St Interchange Improvement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4,100</td>
<td>4,100</td>
</tr>
<tr>
<td>6. I-680 Soundwalls</td>
<td>2,400</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,400</td>
</tr>
<tr>
<td>7. I-280 Soundwalls</td>
<td>5,201</td>
<td>0</td>
<td>0</td>
<td>439</td>
<td>5,640</td>
</tr>
<tr>
<td><strong>Highways Total - Fully Funded Projects</strong></td>
<td>7,601</td>
<td>0</td>
<td>51,963</td>
<td>16,909</td>
<td>76,473</td>
</tr>
<tr>
<td>8. Homestead Corridor Improvements</td>
<td>0</td>
<td>1,168</td>
<td>0</td>
<td>350</td>
<td>1,518</td>
</tr>
<tr>
<td>9. Bernardo Caltrain Bike/Ped Undercrossing</td>
<td>0</td>
<td>3,000</td>
<td>0</td>
<td>0</td>
<td>3,000</td>
</tr>
<tr>
<td>10. Expressway Bike Superhighway Feasibility Study</td>
<td>0</td>
<td>0</td>
<td>124</td>
<td></td>
<td>124</td>
</tr>
<tr>
<td><strong>Bicycle &amp; Pedestrian Total - Fully Funded Projects</strong></td>
<td>0</td>
<td>4,168</td>
<td>0</td>
<td>474</td>
<td>4,642</td>
</tr>
</tbody>
</table>

| Sub-Total Fully Funded Projects | 7,601 | 4,168 | 51,963 | 17,383 | 81,115 |
## VTA FY 2020 & FY 2021 PROPOSED BUDGET

### (Dollars in Thousands)

<table>
<thead>
<tr>
<th>Project</th>
<th>State</th>
<th>2016 Measure B</th>
<th>Senate Bill 1</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-280/Bird Ave Interchange Improvement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td><strong>Highways Total - Contingent Projects</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Silicon Valley Express Lanes - US 101 Phase 5</td>
<td>7,961</td>
<td>0</td>
<td>0</td>
<td>108,604</td>
<td>116,565</td>
</tr>
<tr>
<td>Silicon Valley Express Lanes - US101/SR85 - Phase 4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11,000</td>
<td>11,000</td>
</tr>
<tr>
<td>I-880 Express Lanes (SR237 to US101)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Silicon Valley Express Lanes - Future Phase Project B</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Express Lanes Total - Contingent Projects</strong></td>
<td>7,961</td>
<td>0</td>
<td>0</td>
<td>136,104</td>
<td>144,065</td>
</tr>
<tr>
<td>East Channel Trail Feasibility Study</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>178</td>
<td>178</td>
</tr>
<tr>
<td><strong>Bicycle &amp; Pedestrian Total - Contingent Projects</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>178</td>
<td>178</td>
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<tr>
<td>Countywide Traffic Signal Network Project</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>451</td>
<td>451</td>
</tr>
<tr>
<td><strong>Complete Streets Total - Contingent Projects</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>451</td>
<td>451</td>
</tr>
<tr>
<td><strong>Sub-Total Contingent Projects</strong></td>
<td>7,961</td>
<td>0</td>
<td>0</td>
<td>139,233</td>
<td>147,194</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>15,562</td>
<td>4,168</td>
<td>51,963</td>
<td>156,616</td>
<td>228,308</td>
</tr>
</tbody>
</table>
Fully Funded - Highways

1. SR 87/Capitol Expressway Interchange Improvement

Project Scope
The project proposes to modify the existing SR 87/Capitol Expressway interchange with standard northbound on and off ramps that connect directly to Capitol Expressway instead of Narvaez Avenue. The requested funds are for the completion of the project initiation document (PID) required by Caltrans.

Funding (in millions)

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $43.000 million

Anticipated Completion Date December 2026

2. US101/Dela Cruz Blvd/Trimble Rd Interchange Improvement

Project Scope
The Project’s improvements include: replace the existing overcrossing structure over US 101, construct new onramps and offramps, modify existing local street intersections, install Class I bicycle and pedestrian facilities along De La Cruz Boulevard, and construct retaining walls. The requested funds are for completion of construction of the US 101/De La Cruz Blvd/Trimble Rd Interchange Improvement Project (Project) in the City of San Jose.

Funding (in millions)

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $76.450 million

Anticipated Completion Date November 2024
3. US101/SR25 Interchange Improvement - Phase 1

**Project Scope**
The project located just south of the City of Gilroy, will reconstruct the US101/SR 25 interchange slightly north of the current interchange, replace the SR 25 two-lane overcrossing with a four-lane overcrossing spanning the existing as well as the future widened US 101, increase the length of the southbound US 101 off-ramp to SR 25 to eliminate traffic back-ups onto US 101, upgrade the northbound US 101 ramps to improve exit and merging operations, add bike lanes, and install new traffic signals at the ramp intersections to improve traffic flow.

**Funding (in millions)**

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
<th>Operating Budget Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering Projects and Programs</td>
<td>No operating cost impact.</td>
</tr>
</tbody>
</table>

**Estimated Total Project Cost** $101.000 million
**Anticipated Completion Date** December 2024

4. SR 237/Caribbean Drive/Lawrence Expressway Interchange Improvement

**Project Scope**
The requested funds are for the completion of the Project Initiation Document as required by Caltrans and Project Approval/Environmental Document phases of the SR 237/Caribbean Drive/Lawrence Expressway Interchange Improvement project in the City of Sunnyvale.

**Funding (in millions)**

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google $6.700</td>
</tr>
</tbody>
</table>

**Operating Budget Impact**
No operating cost impact.

**Estimated Total Project Cost** $72.000 million
**Anticipated Completion Date** December 2028
5. US 101/ Ellis St Interchange Improvement
Project Scope
The project proposes to modify the US 101/Ellis Street interchange. Improvements include but not limited to: modify onramps and offramps and complete streets elements including sidewalks, bikeways and intersections improvement. The requested funds are for the completion of the Project Initiation Document as required by Caltrans and Project Approval/Environmental Document phases of the US 101/Ellis Street Interchange Improvement project in the City of Mountain View.

Funding (in millions)

Business Line(s) Supported
• Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $25.000 million
Anticipated Completion Date December 2028

6. I-680 Soundwalls
Project Scope
The project will construct sound walls on I-680 between Capitol Expressway and Mueller Avenue. It is in the design phase and is funded with State Transportation Improvement Program (STIP) funds. The requested funds are for the completion of the construction phase of sound walls for this project.

Funding (in millions)

Business Line(s) Supported
• Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $9.500 million
Anticipated Completion Date June 2023
7. I-280 Sound Walls

Project Scope
This project will construct sound walls along I-280 between Los Gatos Creek Bridge and State Route (SR) 87 in San Jose. The requested funds are for the PS&E and Construction phases of the project.

Funding (in millions)

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
<th>Operating Budget Impact</th>
<th>Estimated Total Project Cost</th>
<th>Anticipated Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering Projects and Programs</td>
<td>No operating cost impact</td>
<td>$9.000 million</td>
<td>December 2025</td>
</tr>
</tbody>
</table>

8. Homestead Corridor Improvements

Project Scope
The multi-jurisdictional project upgrades pedestrian and bicycle infrastructure on Homestead Road between Foothill Expressway and Hollenbeck Avenue. The improvements were developed to respond to local concerns about youth bicycle and pedestrian safety and include bike paths, separated bike lanes, widened sidewalks, high-visibility crosswalks, curb ramps, and pedestrian and bicycle detection upgrades.

Funding (in millions)

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
<th>Operating Budget Impact</th>
<th>Estimated Total Project Cost</th>
<th>Anticipated Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering Projects and Programs,</td>
<td>No operating cost impact</td>
<td>$14.671 million</td>
<td>August 2024</td>
</tr>
<tr>
<td>Transportation System Management</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9. Bernardo Caltrain Bike/Ped Undercrossing

Project Scope
This project will provide a new across-border bicycle and pedestrian connection to close a north-south gap across the Caltrain railroad tracks and County's Central Expressway at the border of Sunnyvale and Mountain View. The project includes design of a pedestrian/bicycle undercrossing and associated access points between Evelyn Avenue/S Bernardo Avenue intersection and the north side of Central Expressway at N Bernardo Avenue, with possible third ramp for advanced cyclists to access Central Expressway.

Funding (in millions)

![Graph showing funding distribution]

Business Line(s) Supported
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $23.000 million
Anticipated Completion Date December 2026

10. Expressway Bike Superhighway Feasibility Study

Project Scope
VTA has been developing a Bicycle Superhighway Implementation Plan, building off efforts from the 2018 Countywide Bicycle Plan. VTA will work with the County Roads and Airports Division to develop a study to determine the feasibility of installing high-quality bikeways that fall into the definition of a bike superhighway along a select number of the county expressways.

Funding (in millions)

![Graph showing funding distribution]

Business Line(s) Supported
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $0.232 million
Anticipated Completion Date June 2024
**Contingent - Highways**

11. I-280/ Bird Ave Interchange Improvement Project Scope

The project proposes to improve the bike and ped facilities from Virginia Street, northward through the interchange, to San Carlos Street. The project would also consider signal and signal timing improvements and other roadway and interchange ramp modifications.

Funding (in millions)

![Chart showing Funding](chart)

**Business Line(s) Supported**
- Delivering Projects and Programs

**Operating Budget Impact**
No operating cost impact.

**Estimated Total Project Cost** $9.000 million

**Anticipated Completion Date** December 2028

---

**Contingent - Express Lanes**

12. Silicon Valley Express Lanes - US 101 Phase 5 Project Scope

The US 101 Express Lanes Phase 5 project will implement a roadway pricing system on US 101 by converting the existing carpool lane to Express Lane on US 101 (between SR 237 and I-880 interchanges), and add a second Express Lane to create a dual Express Lanes system within this segment of US 101. The requested funds are for the construction phase of this project.

Funding (in millions)

![Chart showing Funding](chart)

**Business Line(s) Supported**
- Delivering Projects and Programs

**Operating Budget Impact**
$3.000 million additional revenue and $1.000 annual expenditure. Cost savings are realized in the form of toll revenues collected from the express lanes.

**Estimated Total Project Cost** $155.000 million

**Anticipated Completion Date** June 2025
13. Silicon Valley Express Lanes - US101/SR85 Phase 4

Project Scope
The US 101/SR 85 Express Lanes Phase 4 project will implement a roadway pricing system on SR 85 and US 101 by converting the existing carpool lanes to Express Lanes on SR 85 from US 101/SR 85 interchange in San Jose to SR 87, including the existing US 101/SR 85 direct HOV to HOV connector ramps and the approaches to/from US 101.

Funding (in millions)

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $55.000 million
Anticipated Completion Date July 2023


Project Scope
The I-880 Express Lanes Project will implement a roadway pricing system on I-880 by converting the existing carpool lanes to express lanes from the US 101/I-880 interchange to the Alameda County Line. The requested fund is for completion of Project Initiation Document (PID) and Project Approval/Environmental Document (PA/ED) phases.

Funding (in millions)

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
No operating cost impact.

Estimated Total Project Cost $60.000 million
Anticipated Completion Date June 2029
15. Silicon Valley Express Lanes - Future Phase Project B

Project Scope
This project will construct a future phase of the Silicon Valley Express Lane Program on the US 101 or State Route (SR) 85 corridor. There are 4 possible segments that can be selected for this phase: 1) SR 85 from 1-280 to SR 17; 2) SR 85 from SR 17 to SR 87; 3) US 101 from 1-880 to SR 85; 4) US 101 from SR 85 to Dunne Avenue. The requested fund will fund the final civil design for this project.

Funding (in millions)

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
<th>Operating Budget Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering Projects and Programs</td>
<td>$3.000 million additional revenue and $1.000 annual expenditure. The Express Lanes project will generate revenues to VTA through toll collection. Revenues are projected to exceed the operation and administration costs.</td>
</tr>
</tbody>
</table>

Estimated Total Project Cost $156.000 million

Anticipated Completion Date June 2028

16. East Channel Trail Feasibility Study Project Scope
VTA will lead a study (funded in large part by Google) to determine the feasibility of building a north-south bikeway (trail) along the Santa Clara Valley Water District's East Channel between the Bay Trail in northern Sunnyvale to Inverness Way in Cupertino, then traveling south along on-street routes to eventually connect to Joe's Trail along the Union Pacific Railroad in Saratoga.

Funding (in millions)

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
<th>Operating Budget Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering Projects and Programs</td>
<td>$250k one-time annual savings.</td>
</tr>
</tbody>
</table>

Estimated Total Project Cost $0.362 million

Anticipated Completion Date June 2024
Contingent - Complete Streets
17. Countywide Traffic Signal Network Project

Project Scope
Build a countywide traffic signal network model with all signalized intersections (2,000) on a database platform that will be procured as part of the project. The original work scope of conducting a countywide traffic signal coordination study is being updated to reflect new technology software that is available to do the same work with better accuracy and efficiency.

Funding (in millions)

<table>
<thead>
<tr>
<th>Business Line(s) Supported</th>
<th>Operating Budget Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Faster Frequent Reliable Transit</td>
<td>The estimated annual software subscription fee beyond the development period is $10,000 per license + $10,000 for work to update the model through the existing CMP Monitoring contract.</td>
</tr>
<tr>
<td>• Delivering Projects and Programs</td>
<td>$0.498 million</td>
</tr>
<tr>
<td>• Transportation System Management</td>
<td>Anticipated Completion Date December 2023</td>
</tr>
</tbody>
</table>

Anticipated Completion Date December 2023
TRANSIT-ORIENTED DEVELOPMENT PROGRAM
Transit-Oriented Development Program

Overview

The VTA Board of Directors, based on staff recommendations, has adopted a Transit-Oriented Development (TOD) Policy that establishes an innovative and entrepreneurial real estate development program on VTA-owned sites aimed at increasing transit ridership, catalyzing private TOD on sites around VTA transit centers, and generating long-term revenues.

VTA has identified 26 sites pursuant to Board action and criteria in the Board-adopted TOD Policy that create a TOD Portfolio with more than 200 acres where VTA seeks to create mixed-use, mixed-income TOD pursuant to long-term ground leases in public-private partnerships with developers. Many of these sites are parking lots or facilities that have a federal interest due to federal funding for the original construction pursuant to a FTA (Federal Transit Administration) grant; for these sites FTA approval is required for TOD pursuant to its Circular on Joint Development. Since reactivation of the TOD program in 2016, the Board of Directors has authorized three contracts for TOD projects, and exclusive negotiations for another two TOD projects. A Memorandum of Understanding with Santa Clara County, pending future Board approval of individual projects, is projected to result in four additional affordable housing TOD projects in the next two-year cycle.

The FY 2022 and FY 2023 Proposed Budget for the Transit-Oriented Program represents current and anticipated lease revenues, as well as the level of effort (expenditures) required to implement multiple TOD projects with the goal of generating a substantial new long-term revenue source for the Agency. Prior to FY 2012, activities related to the TOD Program were captured solely in the VTA Transit Operating Budget. Based on the anticipated level of future activities, they are now being captured separately and reported in the Transit-Oriented Development Fund.

The TOD Program budget is broken into two major components. The operating budget includes appropriation for program-wide planning and analysis. The capital budget captures costs for site analysis, entitlement processing, developer solicitation, and Transit-Oriented agreements for individual properties. The work program is focused on accomplishing close to full build-out of the current Transit-Oriented portfolio. The current work effort in a given fiscal year reflects the interaction between obtaining entitlements to support TOD project, current market and economic conditions, developer interest, and VTA staff capacity to initiate as well as complete new Transit-Oriented projects.

The table on page 63 shows the capital budget appropriation requested for FY 2022 and FY 2023 and is followed by a brief project description, funding sources, and potential operating cost impact. Project funding for the two-year period is appropriated in FY 2022 in order to facilitate administration of the program. Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed.
### Transit-Oriented Development Program

#### Comparison of Revenues and Expenses

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Category</th>
<th>FY20 Actual</th>
<th>FY21 Adopted Budget</th>
<th>FY21 Projected Actual¹</th>
<th>FY22 Proposed Budget</th>
<th>Variance from FY21 Projection</th>
<th>% Var</th>
<th>FY23 Proposed Budget</th>
<th>Variance from FY22 Budget</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Investment Earnings</td>
<td>1,301</td>
<td>729</td>
<td>620</td>
<td>69</td>
<td>(551)</td>
<td>-88.9%</td>
<td>99</td>
<td>30</td>
<td>43.5%</td>
</tr>
<tr>
<td>2</td>
<td>Property Rental</td>
<td>734</td>
<td>346</td>
<td>564</td>
<td>1,017</td>
<td>453</td>
<td>80.3%</td>
<td>1,037</td>
<td>20</td>
<td>2.0%</td>
</tr>
<tr>
<td>3</td>
<td>Total Revenue</td>
<td>2,035</td>
<td>1,075</td>
<td>1,184</td>
<td>1,086</td>
<td>(98)</td>
<td>-8.3%</td>
<td>1,136</td>
<td>50</td>
<td>4.6%</td>
</tr>
<tr>
<td>4</td>
<td>Professional &amp; Special Services</td>
<td>152</td>
<td>280</td>
<td>124</td>
<td>275</td>
<td>151</td>
<td>121.9%</td>
<td>185</td>
<td>(90)</td>
<td>-32.7%</td>
</tr>
<tr>
<td>5</td>
<td>Other Services</td>
<td>29</td>
<td>0</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>53.0%</td>
<td>5</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>6</td>
<td>Utilities</td>
<td>(1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>7</td>
<td>Data Processing</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>12</td>
<td>11</td>
<td>2465.0%</td>
<td>12</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>8</td>
<td>Miscellaneous</td>
<td>1</td>
<td>10</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>104.7%</td>
<td>3</td>
<td>0</td>
<td>6.7%</td>
</tr>
<tr>
<td>9</td>
<td>VTA Staff Services</td>
<td>2</td>
<td>20</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>457.6%</td>
<td>3</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>10</td>
<td>Total Expense</td>
<td>184</td>
<td>311</td>
<td>130</td>
<td>297</td>
<td>167</td>
<td>129.2%</td>
<td>207</td>
<td>(90)</td>
<td>-30.2%</td>
</tr>
<tr>
<td>11</td>
<td>Revenues Over (Under) Expenses</td>
<td>1,851</td>
<td>764</td>
<td>1,054</td>
<td>789</td>
<td>929</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding

### Transit-Oriented Program

#### Sources and Uses of Funds Summary

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY20 Actual</th>
<th>FY21 Projected Actual¹</th>
<th>FY22 Proposed Budget</th>
<th>FY23 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Operating Revenues</td>
<td>2,035</td>
<td>1,184</td>
<td>1,086</td>
<td>1,136</td>
</tr>
<tr>
<td>2</td>
<td>Total Operating Expenses</td>
<td>(184)</td>
<td>(130)</td>
<td>(297)</td>
<td>(207)</td>
</tr>
<tr>
<td>3</td>
<td>Total Site-Specific Expenses²</td>
<td>1,423</td>
<td>(1,263)</td>
<td>(1,423)</td>
<td>(1,263)</td>
</tr>
<tr>
<td>4</td>
<td>Revenues Over (Under) Expenses</td>
<td>3,274</td>
<td>(209)</td>
<td>(635)</td>
<td>(335)</td>
</tr>
<tr>
<td>5</td>
<td>Beginning Net Position</td>
<td>31,116</td>
<td>34,390</td>
<td>34,181</td>
<td>33,546</td>
</tr>
<tr>
<td>6</td>
<td>Revenues Over (Under) Expenses</td>
<td>3,274</td>
<td>(209)</td>
<td>(635)</td>
<td>(335)</td>
</tr>
<tr>
<td>7</td>
<td>Ending Net Position</td>
<td>34,390</td>
<td>34,181</td>
<td>33,546</td>
<td>33,212</td>
</tr>
<tr>
<td>8</td>
<td>Transit-Oriented Program Share of Capital³</td>
<td>(4,656)</td>
<td>(1,861)</td>
<td>(4,145)</td>
<td>(3,192)</td>
</tr>
<tr>
<td>9</td>
<td>Uncommitted Net Position</td>
<td>29,734</td>
<td>32,320</td>
<td>29,401</td>
<td>30,020</td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding

¹ Projection as of April 2, 2021
² Expenses for site specific development costs that are managed in the Capital Program
³ Transit-Oriented funded share of previously appropriated projects not yet expended

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Transit-Oriented Capital Program
Schedule of FY 2022 & FY 2023 Appropriation
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Project</th>
<th>FY 2022 &amp; FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Funding Source</td>
</tr>
<tr>
<td></td>
<td>Transit-Oriented Development</td>
</tr>
<tr>
<td>1. Transit-Oriented Predevelopment Activities</td>
<td>14,767</td>
</tr>
<tr>
<td>Grand Total</td>
<td>14,767</td>
</tr>
</tbody>
</table>

Description of FY 2022 & FY 2023 Appropriated Project

1. Transit-Oriented Development Predevelopment Activities - $17.0 million

Project Scope
This placeholder project reserves appropriation for various predevelopment and project assistance activities on TOD sites. These activities include, but are not limited to, development feasibility, CEQA (California Environmental Quality Act) analysis, land entitlements, site design, parking and circulation analysis, financial feasibility, legal review, peer review, transactional support, solicitation documentation, and construction management. As expenditure needs are identified, appropriation is reallocated from this placeholder project to the respective site-specific project.

Funding (in millions)

<table>
<thead>
<tr>
<th>Transit-Oriented Development</th>
<th>Other-Developers</th>
</tr>
</thead>
<tbody>
<tr>
<td>$14,767</td>
<td>$2,218</td>
</tr>
</tbody>
</table>

Business Line(s) Supported
- Delivering Projects and Programs

Operating Budget Impact
None

Estimated Total Project Cost-$18.7 million
Anticipated Completion Date-December 2040
SILICON VALLEY EXPRESS LANES PROGRAM
Silicon Valley Express Lanes Program

Overview

In December 2008, the VTA Board of Directors approved the Silicon Valley Express Lanes (SVEL) Program that had been under development since 2003. The SVEL Program, as approved, was the result of 18 months of coordination, analysis, and outreach on both technical and policy areas related to implementing express lanes to address congestion levels on highways while also looking towards new solutions to accommodate future growth in travel demand.

The primary objectives of the SVEL Program are to provide congestion relief through more effective use of existing roadways; provide commuters with a new mobility option; and provide a new funding source for transportation improvements including public transit. Currently, due to limited funding availability, VTA is delivering the SVEL network in phases. VTA has pursued several options to leverage funding for these projects including grants and private financing to accelerate the delivery of the SVEL Program. Ultimately, the SVEL Program could be one of the primary sources of revenue to support transit operations to help address long-term sustainability and equity concerns related to travel options in Santa Clara County.

In line with these objectives, combining VTA’s role as a transit service provider and a Congestion Management agency, the express lanes projects implement a roadway pricing system to allow for the use of unused capacity in the carpool lanes to provide congestion relief and a new mobility option for some commuters. The roadway pricing system allows solo commuters to use the available capacity in the carpool lanes for a fee. The fee changes dynamically in response to existing congestion levels and available capacity in the carpool lanes. When solo commuters choose to use express lanes, this in turn also provides for traffic congestion relief in the general-purpose lanes.

The SVEL Program is comprised of two corridors: the SR 237 corridor between I-880 and SR 85, and the US 101/SR 85 corridor within Santa Clara County up to the San Mateo County line. VTA has legislative authority to convert existing carpool lanes on two corridors within the county. The legislation also calls for revenues collected within a corridor to be used within the corridor in which the revenues were generated.

SR 237 Corridor

The SR 237/I-880 Express Connectors project was the first phase of the SR 237 Express Lanes project and involved converting existing carpool lane connector ramps at the SR 237/I-880 interchange to express lanes operations. The SR 237 Express Lanes opened for tolling on March 20, 2012.

In September 2017, VTA entered into a loan agreement with Western Alliance Bank (WAB) to provide up to a $24 million loan to fund construction costs to complete conversion of the remaining carpool lanes on SR 237 to express lanes operations (referred to as the Phase 2 project), pay capitalized interest and fund issuance costs of the loan. The loan is secured solely
by toll revenues and any other related revenues received from the operation of the SR 237 Express Lanes. Using this financing, this second phase of the SR 237 Express Lanes project extending express lanes operations further to the west on SR 237 to near US 101 opened for service on November 15, 2019.

With the Phase 2 opening, SR 237 Express Lanes now operates under expanded hours of operation (from 5 a.m. to 8 p.m.) and business rules consistent with the long-term vision for all Bay Area express lanes that includes: the requirement that users carry a transponder, the operation of a video-based toll enforcement system; and a toll discount for clean air vehicles (CAVs). The transponder requirement was approved by the VTA Board of Directors in September 2016 whereas the hours of operations are set by the California Department of Transportation (Caltrans). In December 2018, the VTA Board of Directors adopted a toll ordinance for express lanes allowing for the collection of toll violation penalties as well as providing discounted tolls for single occupant CAVs and for two-person carpools where the vehicle occupancy for a carpool is defined as three persons or more.

On October 2, 2020, the SR 237 Express Lanes increased with the minimum vehicle occupancy requirement to HOV 3+ to be consistent with the I-880 Express Lanes operated by the Bay Area Infrastructure Financing Authority (BAIFA) and managed by the Metropolitan Transportation Commission (MTC). The SR 237 Express Lanes seamlessly connects to the I-880 Express Lanes at the Santa Clara/Alameda Countyline.

The map below illustrates the Silicon Valley Express Lanes Program.
US 101/SR 85 Corridor
The US 101 Express Lanes project is the first phase of the US 101/SR 85 Express Lanes project converting the existing dual carpool lanes on US 101 and the carpool connector ramps at the US 101/SR 85 interchange in Mountain View to express lanes operations (referred to as the Phase 3 project). The Phase 3 segment extends from Santa Clara/San Mateo Countyline to SR 237 including the conversion of the existing single-lane carpool lane between the US 101/SR 85 interchange and SR 237. The Phase 3 project is scheduled to open by the end of 2021 and will be seamlessly connected to the San Mateo County US 101 Express Lanes that initially extends to Whipple Avenue.

The Proposed FY 2022 and FY 2023 SVEL Program budget represents the anticipated revenues and expenditures over the next two fiscal years for both the SR 237 Express Lanes and the US 101 Express Lanes (Phase 3). The SVEL Program budget also includes information related to the repayment of loan principal and interest, set-aside amounts for debt service, and other loan related expenses as outlined in the WAB loan agreement. In addition, it also lists information on set-aside amounts for express lanes toll system replacement, expansion of the SVEL Program, equity program funding to provide assistance to low-income residents within the corridor, funding to provide support for VTA transit operations, and future express lanes pavement rehabilitation work by Caltrans along the express lanes corridors. The primary revenue source for these programs is tolls.

Operations
For express lanes operations, the anticipated expenditures incorporate operations and maintenance (O&M) costs including, but are not limited, to labor, professional and special services (such as toll processing fees, enforcement, electronic toll system maintenance, and Caltrans roadway maintenance), utilities, debt service, and contingency.
## Silicon Valley Express Lanes Program
### Comparison of Revenues and Expenses

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Category</th>
<th>FY20 Actual</th>
<th>FY21 Adopted Budget</th>
<th>FY21 Projected Actual&lt;sup&gt;1&lt;/sup&gt;</th>
<th>FY22 Proposed Budget</th>
<th>Variance from FY21 Projection</th>
<th>% Var</th>
<th>FY23 Proposed Budget</th>
<th>Variance from FY22 Budget</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Toll Revenues</td>
<td>3,466</td>
<td>3,050</td>
<td>2,700</td>
<td>5,830</td>
<td>3,130</td>
<td>115.9%</td>
<td>8,620</td>
<td>2,790</td>
<td>47.9%</td>
</tr>
<tr>
<td>2</td>
<td>Investment Earnings</td>
<td>81</td>
<td>51</td>
<td>30</td>
<td>60</td>
<td>30</td>
<td>100.0%</td>
<td>120</td>
<td>60</td>
<td>100.0%</td>
</tr>
<tr>
<td>3</td>
<td>Total Revenue</td>
<td>3,547</td>
<td>3,101</td>
<td>2,730</td>
<td>5,890</td>
<td>3,160</td>
<td>115.8%</td>
<td>8,740</td>
<td>2,850</td>
<td>48.4%</td>
</tr>
<tr>
<td>4</td>
<td>Professional &amp; Special Services</td>
<td>1,149</td>
<td>1,427</td>
<td>1,204</td>
<td>3,450</td>
<td>2,246</td>
<td>186.5%</td>
<td>4,762</td>
<td>1,312</td>
<td>38.0%</td>
</tr>
<tr>
<td>5</td>
<td>Utilities</td>
<td>10</td>
<td>10</td>
<td>25</td>
<td>118</td>
<td>93</td>
<td>372.0%</td>
<td>148</td>
<td>30</td>
<td>25.4%</td>
</tr>
<tr>
<td>6</td>
<td>Data Processing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7</td>
<td>Office Expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>8</td>
<td>Communications</td>
<td>15</td>
<td>50</td>
<td>22</td>
<td>120</td>
<td>98</td>
<td>445.5%</td>
<td>152</td>
<td>32</td>
<td>26.7%</td>
</tr>
<tr>
<td>9</td>
<td>Miscellaneous</td>
<td>3</td>
<td>13</td>
<td>5</td>
<td>26</td>
<td>21</td>
<td>420.0%</td>
<td>26</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>10</td>
<td>VTA Staff Services</td>
<td>318</td>
<td>330</td>
<td>340</td>
<td>684</td>
<td>344</td>
<td>101.2%</td>
<td>594</td>
<td>(90)</td>
<td>-13.2%</td>
</tr>
<tr>
<td>11</td>
<td>Debt Service</td>
<td>0</td>
<td>1,083</td>
<td>1,205</td>
<td>1,254</td>
<td>49</td>
<td>4.0%</td>
<td>1,265</td>
<td>12</td>
<td>0.9%</td>
</tr>
<tr>
<td>12</td>
<td>Contingency</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>175</td>
<td>175</td>
<td>N/A</td>
<td>200</td>
<td>25</td>
<td>14.3%</td>
</tr>
<tr>
<td>13</td>
<td>Sub-total Operating Expense</td>
<td>1,495</td>
<td>3,013</td>
<td>2,801</td>
<td>5,826</td>
<td>3,025</td>
<td>108.0%</td>
<td>7,147</td>
<td>1,321</td>
<td>22.7%</td>
</tr>
<tr>
<td>14</td>
<td>Contribution to Other Agencies - Ph 2</td>
<td>6,732</td>
<td>0</td>
<td>3,463</td>
<td>0</td>
<td>(3,463)</td>
<td>-100.0%</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>15</td>
<td>Sub-total Program-wide Expense</td>
<td>6,732</td>
<td>0</td>
<td>3,463</td>
<td>0</td>
<td>(3,463)</td>
<td>-100.0%</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>16</td>
<td>Total Expense</td>
<td>8,227</td>
<td>3,013</td>
<td>6,264</td>
<td>5,826</td>
<td>(438)</td>
<td>-7.0%</td>
<td>7,147</td>
<td>1,321</td>
<td>22.7%</td>
</tr>
<tr>
<td>17</td>
<td>Revenues Over (Under) Expenses</td>
<td>(4,680)</td>
<td>88</td>
<td>(3,534)</td>
<td>64</td>
<td>1,593</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Totals may not be precise due to independent rounding

<sup>1</sup> Projection as of April 5, 2021
Silicon Valley Express Lanes Program
Summary of Changes in Net Position
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY20 Actual</th>
<th>FY20 Projected</th>
<th>FY21 Actual</th>
<th>FY21 Projected</th>
<th>FY22 Proposed Budget</th>
<th>FY23 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Beginning Net Position</td>
<td>(10,911)</td>
<td>(13,014)</td>
<td></td>
<td>13,014</td>
<td>(16,548)</td>
<td>(16,484)</td>
</tr>
<tr>
<td>2</td>
<td>Operating &amp; Program-wide Revenues</td>
<td>3,547</td>
<td>2,730</td>
<td>5,890</td>
<td>8,740</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Operating &amp; Program-wide Expenses</td>
<td>(8,227)</td>
<td>(6,264)</td>
<td>(5,826)</td>
<td>(7,147)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Transfer of Completed Assets to Program&lt;sup&gt;2&lt;/sup&gt;</td>
<td>2,578</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Ending Net Position</td>
<td>(13,014)</td>
<td>(16,548)</td>
<td>(16,484)</td>
<td>(14,891)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Totals may not be precise due to independent rounding

<sup>1</sup> Projection as of April 5, 2021

<sup>2</sup> Express Lane assets completed by VTP Transportation Program are transferred to Express Lane Program

In FY 2022, the SVEL Program is projected to end the fiscal year with a positive operating balance of about $64,000. Staff is proposing to set-aside a portion of the positive balance as Restricted Reserves for debt service and other loan related expense as outlined in the WAB loan agreement.

**Set Asides**
A portion of the SVEL Program net revenues would be set aside for future expenses to be incurred by the Program. These include set aside amounts for future express lanes toll system replacement, expansion for future phases of SVEL Program, an equity program, and reserves for emergency and for transit operations, which are described below.

The need for express lanes toll system replacement is due to existing toll systems requiring upgrade and replacement about every seven to ten years. Setting aside toll revenues to deliver future phases of the SVEL Program is crucial since there is no other source of funds to implement the SVEL Program.

VTA sales tax measures do not support funding of the SVEL Program. With the limited sources of funding available, it is prudent that toll revenues are set aside to build a collateral amount to help leverage grant and financing opportunities to deliver the SVEL Program quicker, even though in phases. The set aside for the future expansion of the SVEL Program is limited by legislative authority to remain within the corridor from where the tolls were collected. For example, toll revenues collected from the US 101/SR 85 corridor can only be used within the US 101/SR 85 corridor and cannot be used to pay debt services for SR 237 Express Lanes without a legislative change.
VTA is also proposing to set aside revenues to support a future equity program. As the VTA SVEL Program matures, funding to provide assistance to low-income residents using express lanes could be established. Such an equity program in the Bay Area is being studied.

Set aside funding to provide support for VTA Transit Operations is the goal of the SVEL Program. VTA, as both a transit operator and the Congestion Management agency for Santa Clara County, is in a unique position to use the SVEL Program to help support the transit to provide travel options that are both sustainable and equitable. The revenues could be used to increase service, provide new services, and/or reduce transit fares. To achieve this goal, it is imperative that VTA first delivers the entire SVEL Program, allowing the Program to mature and generate sufficient revenues to support transit operations in a substantial manner.

**Caltrans**

Caltrans is the owner of the state roadway system. Based on the legislative authority, VTA is the owner/operator of express lanes on SR 237 and US 101/SR 85. VTA has an operations and maintenance (O&M) agreement with Caltrans that includes VTA paying Caltrans to provide roadway maintenance support for express lanes. In addition, VTA would set aside an amount to pay for future express lanes pavement rehabilitation along the express lanes corridors.

The final set aside amount would be to accumulate the remaining balance as undesignated reserves that could be used as directed by the VTA Board including for emergency uses.

### Silicon Valley Express Lanes Program

#### Set Asides

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY21 Projected</th>
<th>FY22 Proposed</th>
<th>FY22 Cumulative</th>
<th>FY23 Proposed</th>
<th>FY23 Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td>Cumulative Budget</td>
<td>Budget</td>
<td>Cumulative Budget</td>
</tr>
<tr>
<td>1</td>
<td>SR 237 Express Lanes</td>
<td>150</td>
<td>0</td>
<td>150</td>
<td>0</td>
<td>150</td>
</tr>
<tr>
<td>2</td>
<td>Electronic Toll System Replacement</td>
<td>150</td>
<td>0</td>
<td>150</td>
<td>0</td>
<td>150</td>
</tr>
<tr>
<td>3</td>
<td>Roadway Rehabilitation Account</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Equity Program</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>VTA Transit Operations</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Other Undesignated Reserves</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Total Set Aside for SR 237 Express Lanes</td>
<td>300</td>
<td>0</td>
<td>300</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td>8</td>
<td>US 101/SR 85 Express Lanes</td>
<td>N/A</td>
<td>214</td>
<td>214</td>
<td>479</td>
<td>693</td>
</tr>
<tr>
<td>9</td>
<td>Electronic Toll System Replacement</td>
<td>N/A</td>
<td>214</td>
<td>214</td>
<td>479</td>
<td>693</td>
</tr>
<tr>
<td>10</td>
<td>Expansion of Future Phases of Express lanes</td>
<td>N/A</td>
<td>214</td>
<td>214</td>
<td>479</td>
<td>693</td>
</tr>
<tr>
<td>11</td>
<td>Roadway Rehabilitation Account</td>
<td>N/A</td>
<td>144</td>
<td>144</td>
<td>319</td>
<td>463</td>
</tr>
<tr>
<td>12</td>
<td>Equity Program</td>
<td>N/A</td>
<td>71</td>
<td>71</td>
<td>159</td>
<td>230</td>
</tr>
<tr>
<td>13</td>
<td>VTA Transit Operations</td>
<td>N/A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>Other Undesignated Reserves</td>
<td>N/A</td>
<td>71</td>
<td>71</td>
<td>159</td>
<td>230</td>
</tr>
<tr>
<td>15</td>
<td>Total Set Aside for US 101/SR 85 Express Lanes</td>
<td>714</td>
<td>714</td>
<td>1,595</td>
<td>1,595</td>
<td>2,309</td>
</tr>
<tr>
<td>16</td>
<td>Total</td>
<td>300</td>
<td>714</td>
<td>1,014</td>
<td>1,595</td>
<td>2,609</td>
</tr>
</tbody>
</table>
2008 MEASURE B—BART OPERATING SALES TAX PROGRAM
2008 Measure B - BART Operating Sales Tax Program

Overview

On November 4, 2008, the voters of Santa Clara County approved 2008 Measure B (Measure), a 30-year one-eighth cent sales and use tax dedicated solely to providing the operating and maintenance expenses and VTA’s share of capital improvement cost for VTA’s BART Silicon Valley Extension. Per the measure, the tax would only commence collection if sufficient state and federal funds were secured to match local construction dollars. Federal funds would be considered secured and matched when the Federal Transit Administration (FTA) executed a Full Funding Grant Agreement (FFGA), or its equivalent, in an amount of at least $750 million. State funds would be considered secured and matched when the California Transportation Commission (CTC) approved an Allocation Request, or its equivalent, in an amount of at least $240 million.

The FFGA for $900 million was signed on March 12, 2012, and State funding has been secured and matched through state statute, administered by the CTC. With both the federal and state funding requirements met, the tax commenced collection on July 1, 2012.

Phase I of VTA’s BART Silicon Valley project, the 10-mile extension to Milpitas and Berryessa, began passenger service on June 13, 2020. The service levels, maintenance, and costs for the extension are managed under a VTA/BART Operations and Maintenance (O&M) Agreement. The O&M Agreement, which defines each agency’s roles, responsibilities, and costs, as well as the revenue allocation for operation of the extension, was finalized on May 22, 2020.

FY 2021 (including the last three weeks of FY 2020) was the first year of revenue service for Phase I of VTA’s BART Silicon Valley project. The Proposed FY 2022 and FY 2023 Budget represents a continuation of those costs in areas such as the contributions to BART for operating and maintenance costs and capital improvement projects, as well as VTA operating expenses in security, insurance, staff time, and other services. Fare revenue for the segment came in significantly lower than forecasted as a result of the COVID-19 pandemic, but there is optimism for recovery in FY 2022 and FY 2023.

Contributions to for operating and maintenance costs and capital improvement projects are subject to an annual true-up process. Any remaining appropriation to BART capital improvement projects will not expire and will be carried over to the subsequent fiscal year.
## 2008 Measure B - BART Operating Sales Tax Program

### Comparison of Revenues and Expenses

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Actual Projected Budget Projected Budget Proposed Budget Proposed Budget Var</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Sales Tax Revenues</td>
<td>50,748</td>
<td>55,021</td>
<td>32,809</td>
<td>56,774</td>
</tr>
<tr>
<td>2</td>
<td>Investment Earnings</td>
<td>5,782</td>
<td>5,997</td>
<td>582</td>
<td>5,415</td>
</tr>
<tr>
<td>3</td>
<td>Total Revenue</td>
<td>67,388</td>
<td>63,516</td>
<td>65,797</td>
<td>57,356</td>
</tr>
<tr>
<td>4</td>
<td>Materials &amp; Supplies</td>
<td>17</td>
<td>16</td>
<td>60</td>
<td>44</td>
</tr>
<tr>
<td>5</td>
<td>Security</td>
<td>133</td>
<td>76</td>
<td>1,889</td>
<td>1,754</td>
</tr>
<tr>
<td>6</td>
<td>Professional &amp; Special Services</td>
<td>1,044</td>
<td>401</td>
<td>561</td>
<td>166</td>
</tr>
<tr>
<td>7</td>
<td>Other Services</td>
<td>721</td>
<td>374</td>
<td>743</td>
<td>369</td>
</tr>
<tr>
<td>8</td>
<td>Utilities</td>
<td>183</td>
<td>68</td>
<td>80</td>
<td>12</td>
</tr>
<tr>
<td>9</td>
<td>Insurance</td>
<td>223</td>
<td>315</td>
<td>418</td>
<td>102</td>
</tr>
<tr>
<td>10</td>
<td>Data Processing</td>
<td>0</td>
<td>37</td>
<td>31</td>
<td>(0)</td>
</tr>
<tr>
<td>11</td>
<td>Communications</td>
<td>0</td>
<td>37</td>
<td>31</td>
<td>(0)</td>
</tr>
<tr>
<td>12</td>
<td>Miscellaneous</td>
<td>0</td>
<td>30</td>
<td>30</td>
<td>(0)</td>
</tr>
<tr>
<td>13</td>
<td>Contribution to Other Agencies</td>
<td>9,697</td>
<td>73,469</td>
<td>94,425</td>
<td>19,955</td>
</tr>
<tr>
<td>14</td>
<td>VTA Staff Time</td>
<td>18</td>
<td>3,330</td>
<td>1,313</td>
<td>2,591</td>
</tr>
<tr>
<td>15</td>
<td>Contingency</td>
<td>0</td>
<td>465</td>
<td>0</td>
<td>666</td>
</tr>
<tr>
<td>16</td>
<td>Total Expenses</td>
<td>407</td>
<td>95,971</td>
<td>76,130</td>
<td>100,524</td>
</tr>
<tr>
<td>17</td>
<td>Revenues Over (Under) Expenses</td>
<td>66,981</td>
<td>(32,455)</td>
<td>(17,333)</td>
<td>(43,165)</td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding.

## 2008 Measure B - BART Operating Sales Tax Program

### Sources and Uses of Funds Summary

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>FY20 Actual</th>
<th>FY21 Projected Actual</th>
<th>FY22 Proposed Budget</th>
<th>FY23 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Revenues</td>
<td>67,388</td>
<td>58,797</td>
<td>57,356</td>
<td>61,144</td>
</tr>
<tr>
<td>2</td>
<td>Total Expenses</td>
<td>(407)</td>
<td>(76,130)</td>
<td>(100,524)</td>
<td>(103,524)</td>
</tr>
<tr>
<td>3</td>
<td>Revenues Over (Under) Expenses</td>
<td>66,981</td>
<td>(17,333)</td>
<td>(43,165)</td>
<td>(42,135)</td>
</tr>
<tr>
<td>4</td>
<td>Beginning Unrestricted Net Position</td>
<td>359,600</td>
<td>426,581</td>
<td>366,081</td>
<td>323,700</td>
</tr>
<tr>
<td>5</td>
<td>Revenues Over (Under) Expenses</td>
<td>66,981</td>
<td>(17,333)</td>
<td>(43,165)</td>
<td>(42,380)</td>
</tr>
<tr>
<td>6</td>
<td>Ending Net Position</td>
<td>426,581</td>
<td>409,248</td>
<td>366,081</td>
<td>323,700</td>
</tr>
</tbody>
</table>

Note: Totals may not be precise due to independent rounding.

1. Projections as of March 30, 2021
2. FY20 Ending Net Position is from FY20 Comprehensive Annual Financial Report, Page 2-21
### BART Operating Sales Tax Program

**Total Contribution to Other Agencies**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Category</th>
<th>FY20 Actual</th>
<th>FY21 Adopted Budget</th>
<th>FY21 Projected Actual</th>
<th>FY22 Proposed Budget</th>
<th>Variance from FY21 Projection</th>
<th>Variance from FY22 Budget</th>
<th>% Var</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>O&amp;M Cost Payment to BART Contribution to BART Capital</td>
<td>0</td>
<td>49,043</td>
<td>49,043</td>
<td>51,145</td>
<td>2,102</td>
<td>52,179</td>
<td>1,034</td>
<td>2.0%</td>
</tr>
<tr>
<td>2</td>
<td>Improvement Projects</td>
<td>0</td>
<td>40,654</td>
<td>24,426</td>
<td>42,280</td>
<td>17,854</td>
<td>43,971</td>
<td>1,691</td>
<td>4.0%</td>
</tr>
<tr>
<td>3</td>
<td>Total Contribution to Other Agencies</td>
<td>0</td>
<td>89,697</td>
<td>73,469</td>
<td>93,425</td>
<td>19,956</td>
<td>96,150</td>
<td>2,725</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

1 Projections as of March 30, 2021
2016 MEASURE B PROGRAM
2016 Measure B Program

Overview

On November 8, 2016, the voters of Santa Clara County approved 2016 Measure B, a 30-year, one-half cent countywide sales and use tax to enhance transit, highways, expressways and active transportation (bicycles, pedestrians and Complete Streets). The measure passed by nearly 72%, the highest level of support for any Santa Clara County transportation tax. Collection of the tax began on April 1, 2017.

The 2016 Measure B ballot measure identified nine program categories that use two different methodologies for the purpose of allocating funds:

Formula-based Program Categories

- Local Streets and Roads
- Bicycle and Pedestrian
- Transit Operations

Need/Capacity-based Program Categories

- BART Phase II
- Caltrain Grade Separation
- Caltrain Corridor Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor

The FY 2022 and FY 2023 Proposed 2016 Measure B Program Fund Budget on the following page represents the anticipated program revenues and expenditures for the three Formula-based program categories over the next two fiscal years. Allocations for the Need/Capacity-based programs are on a separate schedule and will be considered for approval in summer 2021. The Biennial Budget will be amended later to reflect those allocations. Funding for the two-year period is appropriated in FY 2022 in order to facilitate administration of the program. Appropriations for the program will not expire at the end of the fiscal year and will be carried forward until the 2016 Measure B Program is completed.
2016 Measure B Program
Projected Revenues
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>Category</th>
<th>FY20 Actual</th>
<th>FY21 Projected</th>
<th>FY22 Proposed</th>
<th>FY23 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sales Tax Revenues</td>
<td>209,324</td>
<td>207,815</td>
<td>236,381</td>
<td>251,631</td>
</tr>
<tr>
<td>2</td>
<td>Investment Earnings</td>
<td>22,800</td>
<td>11,238</td>
<td>1,421</td>
<td>2,247</td>
</tr>
<tr>
<td>3</td>
<td>Total Revenue</td>
<td>232,124</td>
<td>219,053</td>
<td>237,802</td>
<td>253,878</td>
</tr>
</tbody>
</table>

Note: Totals and percentages may not be precise due to independent rounding

Proposed Funding Allocation
(Dollars in Millions)

<table>
<thead>
<tr>
<th></th>
<th>FY22(^1)</th>
<th>FY23(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Costs</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Program Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Streets &amp; Roads</td>
<td>52.96</td>
<td>47.74</td>
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<tr>
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\(^1\) Staff Projections as of April 5, 2021
\(^2\) These amounts are included in the VTA Transit Fund Operating Budget
APPENDIX
VTA Administrative Code requires that the Proposed Budget include a list of all employee position classifications and pay ranges. The table below lists the minimum and maximum annual salary for each VTA job classification as of March 1, 2021.

### Job Classifications and Pay Ranges

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<th>Maximum Annual Salary</th>
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<td>114,388</td>
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<tr>
<td>Assistant Board Secretary</td>
<td>107,453</td>
<td>141,838</td>
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<tr>
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<td>209,544</td>
</tr>
<tr>
<td>Assistant Cost &amp; Schedule Coordinator</td>
<td>94,067</td>
<td>114,388</td>
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<td>164,186</td>
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### VTA FY 2022 & FY 2023 PROPOSED BUDGET

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## VTA FY 2022 & FY 2023 Proposed Budget

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Resolution No. 2021.06.xx

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
ADOPTING A BIENNIAL BUDGET OF VTA
FOR THE PERIOD JULY 1, 2021 THROUGH JUNE 30, 2023
(FY 2022 AND FY 2023)

WHEREAS:

1. Section 100071(b) of the California Public Utilities Code requires the Board of Directors to adopt an annual budget for VTA.

2. Pursuant to Section 11-2(d) of the VTA Administrative Code, the General Manager has proposed that the Board of Directors adopt a biennial (two-year) budget.

3. The Board of Directors desires to adopt a biennial budget for the period July 1, 2021 through June 30, 2023 (FY 2022 and FY 2023).

4. Pursuant to Section 11-2(a) of the VTA Administrative Code the General Manager presented the FY 2022 and FY 2023 Proposed Budget to the Board of Directors and provided a copy to each City Manager in the County of Santa Clara, and to the County Executive.

5. The Proposed/Recommended Budget was reviewed by the Administration and Finance Committee on May 20, 2021, and by the Board of Directors on April 16 and June 3, 2021, and at public meetings conducted through video and teleconferencing.

6. The Recommended Budget includes all administrative, operational and capital expenses for the Congestion Management Program together with the apportionment of Congestion Management Program expenses by levy against the Managing Agency and each Member Agency to the extent necessary to fund the Congestion Management Program.

7. A list of employee position classifications and pay ranges is included in the Recommended Budget, and the amount of funds budgeted for wages, salaries and benefits for FY 2022 and FY 2023 is based upon VTA’s position classification and pay ranges and is set forth in the Statement of Revenues and Expenses in the Recommended Budget.
8. The General Manager proposes an Operating Budget for the VTA Transit Fund for FY 2022 in the amount of $531,875,978 and for FY 2023 in the amount of $543,848,114.

9. The General Manager proposes a Capital Budget for the VTA Transit Fund for FY 2022 in the amount of $211,976,371.

10. The General Manager proposes an Operating Budget for the 2000 Measure A Transit Improvement Program Fund for FY 2022 in the amount of $139,165,279 and for FY 2023 in the amount of $142,041,650.


12. The General Manager proposes an Operating Budget for the Congestion Management Program Fund for FY 2022 in the amount of $6,195,900 and for FY 2023 in the amount of $7,042,850.

13. The General Manager proposes a Capital Budget for the VTP Highway Improvement Program Fund for FY 2022 in the amount of $228,308,425.

14. The General Manager proposes an Operating Budget for the Transit-Oriented Development Program Fund for FY 2022 in the amount of $297,000 and for FY 2023 in the amount of $207,200.


16. The General Manager proposes an Operating Budget for the Silicon Valley Express Lanes Program Fund for FY 2022 in the amount of $5,826,263 and for FY 2023 in the amount of $7,147,165.

17. The General Manager proposes an Operating Budget for the 2008 Measure B—BART Operating Sales Tax Program Fund for FY 2022 in the amount of $100,523,796 and for FY 2023 in the amount of $103,524,356.

18. The General Manager proposes a partial Program Budget for the 2016 Measure B Program Fund for FY 2022 in the amount of $171,950,000, consisting of the three Formula-based Programs only (Local Streets and Roads, Bicycle and Pedestrian, and Transit Operations).
19. The General Counsel, pursuant to Section 6-2 of the VTA Administrative Code has prepared and recommended a Budget for the Office of General Counsel for FY 2022 and for FY 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Transportation Authority that:

1. The Recommended Biennial Budget for the Santa Clara Valley Transportation Authority (incorporated herein as though set forth at length), is hereby adopted as VTA’s budget for FY 2022 and FY 2023 as stated in the attached Board Memorandum.

2. Effective July 1, 2021, positions may be authorized and filled, as required, by the General Manager and General Counsel, as appropriate, provided that total VTA-wide budget is not exceeded.

3. As necessary for efficient administration, position classifications may be added, modified, or deleted and salary ranges adjusted with the approval of the General Manager or General Counsel, as appropriate, provided that the changes are in accordance with applicable VTA personnel policies and procedures and are consistent with pay practices in the transportation industry. Such changes shall include pay and classification adjustments arising from agreements between VTA and its recognized labor organizations.

4. Operating appropriations will expire at the end of each fiscal year.

5. Capital and Program appropriations which are not expended during the fiscal year shall carry-over to successive fiscal years until the projects/programs are completed or otherwise terminated.


7. The budget shall consist of eight Funds: the VTA Transit Fund, the 2000 Measure A Transit Improvement Program Fund, the Congestion Management Program Fund, the VTP Highway Improvement Program Fund, the Transit-Oriented Development Program Fund, the Silicon Valley Express Lanes Program Fund, the 2008 Measure B—BART Operating Sales Tax Program Fund, and the 2016 Measure B Program Fund. For Operating and Capital Budgets, the General Manager may reallocate appropriations between budget types (Operating or Capital) and budget units (Projects or Cost Centers)
within each Fund up to the limits of each Fund’s annual appropriation. Any net increase in authorized appropriations to any Fund (including an allocation from reserves) shall require an affirmative vote of at least eight Directors.

8. For the 2016 Measure B Program, the FY 2022 and FY 2023 Funding Allocations for the three Formula-based Program Areas and sub-areas (Local Streets and Roads, Bicycle and Pedestrian, and Transit Operations) are hereby approved. The VTA Board of Directors will approve Funding Allocations for the Need/Capacity-based Program Areas and sub-areas at a later date.

9. The Recommended Assessments of member agencies for the Congestion Management Program are hereby approved.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 3, 2021 by the following vote:

AYES:

NOES:

ABSENT:

________________________
Glenn Hendricks, Chairperson
Board of Directors

I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the vote of a majority of the Board of Directors of the Santa Clara Valley Transportation Authority, California, at a meeting of said Board of Directors on the date indicated, as set forth above.

Date: ____________________

________________________
Elaine Baltao, Secretary
Board of Directors

APPROVED AS TO FORM:

_________________________________
Evelynn Tran
General Counsel
Recommended Biennial Budget
Fiscal Years 2022 and 2023

Board of Directors Meeting

June 3, 2021

Updated 5/26/21
VTA Budgeted Funds

- VTA Board approves operating & capital budgets every 2 years, effective July 1

- VTA budget includes funding for fixed route transit and paratransit services, congestion management programs, specific highway improvement projects, and countywide transportation activities

- Below are the eight independent funds included in the VTA budget:

<table>
<thead>
<tr>
<th>Program Funds</th>
<th>Operating</th>
<th>Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTA Transit</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2000 Measure A Transit Improvement Program</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2008 Measure B - BART Operating Sales Tax Program</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>2016 Measure B Program</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Congestion Management Program</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Valley Transportation Plan (VTP) Transportation Program</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Transit-Oriented Development Program</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Silicon Valley Express Lane Program</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
Highlights of Changes in Recommended Budget

1. Increased funding in FY 2022 to accommodate funding for 100% of pre-pandemic service hours as early as July 2021, should there be sufficient operators available to perform the work.

2. Added one new position in the legal department, paid entirely by the Transit-Oriented Development Program.

3. Revised Reimbursements budget to reflect updated estimates of labor and benefits charged to capital and reimbursable projects.

4. As recommended by the Capital Program Committee (CPC) and approved by the Board on May 6, 2021:
   • Incorporated revisions to the VTA Transit Fund Capital Budget
   • Deleted references in the Valley Transportation Plan (VTP) to future allocations of 2016 Measure B for Need/Capacity Programs
Recommended Biennial Operating Budget Highlights

1. Increase transit service to pre-pandemic level during FY 2022
2. Maintain current staffing level
3. No proposed change in current fare structure
4. Supports VTA’s Strategic Plan
### VTA Transit – FY20 to FY23 Operating Balances

(Federal Relief Funding will be used to bridge budget gaps)

<table>
<thead>
<tr>
<th>FY</th>
<th>Revenues</th>
<th>Expenses / Contingency / Capital Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY20 Actual</strong></td>
<td><strong>$467.8</strong></td>
<td><strong>($5.4)</strong></td>
</tr>
<tr>
<td><strong>FY21 Projection</strong></td>
<td><strong>$455.7</strong></td>
<td><strong>($26.1)</strong></td>
</tr>
<tr>
<td><strong>FY22 Proposed</strong></td>
<td><strong>$481.8</strong></td>
<td><strong>($17.6)</strong>*</td>
</tr>
<tr>
<td><strong>FY23 Proposed</strong></td>
<td><strong>$514.2</strong></td>
<td><strong>($13.9)</strong>*</td>
</tr>
</tbody>
</table>

Note: Numbers may not be precise due to independent rounding

*Does not include impact of labor negotiations
VTA Transit – 10-Year Projection

10-Year Projections (in Millions)

<table>
<thead>
<tr>
<th>FY</th>
<th>Revenues</th>
<th>Expenses</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$514.2</td>
<td>$531.9</td>
<td>$(17.7)</td>
</tr>
<tr>
<td>2023</td>
<td>$529.9</td>
<td>$543.8</td>
<td>$(14.0)</td>
</tr>
<tr>
<td>2024</td>
<td>$540.3</td>
<td>$559.1</td>
<td>$(18.8)</td>
</tr>
<tr>
<td>2025</td>
<td>$556.7</td>
<td>$573.9</td>
<td>$(17.2)</td>
</tr>
<tr>
<td>2026</td>
<td>$567.6</td>
<td>$590.2</td>
<td>$(22.6)</td>
</tr>
<tr>
<td>2027</td>
<td>$561.3</td>
<td>$589.1</td>
<td>$(27.8)</td>
</tr>
<tr>
<td>2028</td>
<td>$572.6</td>
<td>$606.4</td>
<td>$(33.8)</td>
</tr>
<tr>
<td>2029</td>
<td>$584.0</td>
<td>$619.2</td>
<td>$(35.2)</td>
</tr>
<tr>
<td>2030</td>
<td>$595.6</td>
<td>$637.4</td>
<td>$(41.9)</td>
</tr>
<tr>
<td>2031</td>
<td>$607.2</td>
<td>$655.2</td>
<td>$(47.9)</td>
</tr>
</tbody>
</table>

Notes: Federal Relief Funding awarded to VTA is projected to be exhausted by FY 2028. Numbers may not be precise due to independent rounding.
Operating Budget Risks

- Does not include impact of forthcoming labor negotiation outcome
- Economic volatility
  - Sales tax revenue growth
  - Diesel fuel prices
  - Utilities
  - Healthcare costs
  - Pension costs
- Transit ridership/Fare Revenues
Capital Program Budgets Summary

- VTA Transit: $212.0M
  - Transit Fund’s share: $75.4M
- 2000 Measure A: $2.1B
  - Measure Fund’s share: $411.0M
- 2016 Measure B: $172.0M
  - Formula-based Program Areas only; Need/Capacity-based Program Areas pending
- VTP Transportation Program: $228.3M
Capital Budget Assumptions

- Represents planned spending to be incurred or committed in the next two fiscal years
- Appropriation carries forward and does not expire
- VTA Transit capital program as recommended by the CPC and approved by the Board on May 6, 2021
- Appropriate all Biennial capital budgets in FY 2022 to facilitate administration of programs
### Recommended Budget Summary

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fiscal Year 2022</th>
<th>Fiscal Year 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTA Transit-Operating</td>
<td>531,876</td>
<td>543,848</td>
</tr>
<tr>
<td>VTA Transit-Capital</td>
<td>211,976</td>
<td>---2</td>
</tr>
<tr>
<td>2000 Measure A Transit Improvement Program-Operating</td>
<td>139,165</td>
<td>142,042</td>
</tr>
<tr>
<td>2000 Measure A Transit Improvement Program-Capital</td>
<td>2,140,874</td>
<td>---2</td>
</tr>
<tr>
<td>Congestion Management Program-Operating</td>
<td>6,196</td>
<td>7,043</td>
</tr>
<tr>
<td>VTP Transportation Program-Capital</td>
<td>228,308</td>
<td>---2</td>
</tr>
<tr>
<td>Transit-Oriented Development Program-Operating</td>
<td>297</td>
<td>207</td>
</tr>
<tr>
<td>Transit-Oriented Development Program-Capital</td>
<td>16,985</td>
<td>---2</td>
</tr>
<tr>
<td>Silicon Valley Express Lanes Program-Operating</td>
<td>5,826</td>
<td>7,147</td>
</tr>
<tr>
<td>BART Operating Sales Tax Program-Operating</td>
<td>100,524</td>
<td>103,524</td>
</tr>
<tr>
<td>2016 Measure B Program</td>
<td>171,9503</td>
<td>---2</td>
</tr>
</tbody>
</table>

1 Includes transfers between funds
2 Total appropriation for FY 2022 and FY 2023 reflected in FY 2022
3 Includes only the portion of Formula Based Program Areas
# Meeting Schedule

- **Meetings Held**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friday, April 16</td>
<td>10:30 am</td>
<td>Board of Directors Budget Workshop</td>
</tr>
<tr>
<td>Wednesday, April 21</td>
<td>12:00 pm</td>
<td>Community Meeting (Video and Teleconference)</td>
</tr>
<tr>
<td>Tuesday, April 27</td>
<td>6:00 pm</td>
<td>Community Meeting (Video and Teleconference)</td>
</tr>
<tr>
<td>Thursday, April 29</td>
<td>11:00 am</td>
<td>Capital Program Committee</td>
</tr>
<tr>
<td>Wednesday, May 12</td>
<td>1:30 pm</td>
<td>Technical Advisory Committee</td>
</tr>
<tr>
<td>Wednesday, May 12</td>
<td>4:00 pm</td>
<td>Citizens’ Advisory Committee</td>
</tr>
<tr>
<td>Thursday, May 13</td>
<td>4:00 pm</td>
<td>Policy Advisory Committee</td>
</tr>
<tr>
<td>Thursday, May 20</td>
<td>10:00 am</td>
<td>Congestion Management Program &amp; Planning Committee</td>
</tr>
<tr>
<td>Thursday, May 20</td>
<td>12:00 pm</td>
<td>Administration &amp; Finance Committee</td>
</tr>
</tbody>
</table>

- **Board Meeting ~ Biennial Budget Adoption**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday, June 3</td>
<td>5:30 pm</td>
<td>Video and Teleconference Meeting</td>
</tr>
</tbody>
</table>
QUESTIONS/DISCUSSION
Strengthening Transit in Santa Clara County

Comments on the VTA Fiscal Year 2022/23 Operating and Capital Budget
Challenge & Opportunity

VTA has faced many challenges since the pandemic started. However, there are opportunities for the agency to come back from this crisis and thrive. As transit users, we have a strong interest in a healthy, financially stable agency as we are the most affected by fluctuations in service.

Based on over ten years of data from VTA’s adopted budget documents and Comprehensive Annual Financial Results,¹ we offer in this document perspective on and context for the 2022/23 budget, analyze revenue and expense trends and highlight specific budgetary issues. Most importantly we want to offer some preliminary suggestions that would invest in a better transit future for Santa Clara County.

Overall, our analysis shows:

- **It seems problematic to speak of an “operations” deficit** without acknowledging that VTA transit’s operating and capital budget are deeply intertwined. Any statement on budget balances needs to be highly conscious of the various intra-agency funding flows. (See chapters A.1, A.2 & C.5)
- **Projections that are based on linear extrapolation carry a significant risk of misrepresenting possible long-term outcomes.** It seems more helpful to provide various scenarios instead of singular projections. (See A.3)
- **A drop in fare revenue and simultaneous above-average increases in specific expense categories such as services and data processing need to be addressed** for the benefit of the long-term financial health of the agency (see B.1-B.4. & C.1-C.6)
- **Transfers from the VTA transit operations budget to the transit capital fund are inconsistent with the identified funding need of the capital budget.** (See C.5)
- **VTA has an outstanding debt of over $880M and will spend more than $280M dollars on interest payments alone between 2022 and 2030.** (See D.1)
- **VTA capital projects (e.g., VTP highway projects) see significant cost-overruns and delays which are not communicated transparently.** (See D.4)
- **VTA has several reserves including relief funding that could potentially be used in the short-term to put VTA on a successful long-term track.** (See D.2 & D.3)

We appreciate the many conversations with elected officials, VTA and city staff as well as with our fellow residents that have contributed to this document and look forward to collaborating with VTA staff and the Board of Directors on supporting VTA’s effort to build back stronger.

Note: The essence of the document was drafted before the tragic shooting on May 26, 2021.

¹ Both can be found at https://www.vta.org/business-center/financial-investor-information#accordion-comprehensive-annual-financial-report
Analysis of VTA’s financial situation

A. VTA transit overall financial health

A.1. Historic overall trends

The graph below shows both VTA operating revenue and total expenses from 2006 through to the current 2023 projections.

It shows revenues exceeding expenses for every year from 2006 to 2016 apart from the recession in 2009. Only recently has this trend been reversed.

It is frustratingly difficult to determine the reason for this development because there are several factors contributing to it that are not always sufficiently transparent or distinguished.

Among those factors are:

- Changes in the revenue sources outside of VTA’s control (e.g., in-/decrease in sales tax revenue, changes by the state in STA allocation) (see B)
- Changes over time in internal VTA allocation of revenues from the same source, e.g.
  - Changes to how federal grant funding is used.
  - Over time the VTA Board has changed the percentage of Measure A revenue that is allocated to support transit operations
- Changes in the actual cost of operating expenses (e.g., salary increases, consultant fees) (see C)
- Changes in contributions to other funds outside of operations (e.g., transit capital fund, reserves) or agencies (see C.5)
- Changes in service levels

The issue is even more pronounced when trying to analyze projections for the future. (See A.2)
A.2. Short-term projections

The graph “VTA Transit - FY 20 to FY 23 Operating Balances” included in the staff presentation is problematic (see next page).

Its y-axis does not start at zero but rather at $350 million. This misleads readers about the size of the budget deficit relative to the absolute size of the budget.

As the slide notes, the graph also does not include any federal relief funding received in FY20/21. It seems inconsistent to include Covid-related one-time expenses such as additional staff time or costs for additional cleaning on the expense side but not one-time funding on the revenue side. The special nature of the federal relief funding is certainly noteworthy, and this can easily be achieved by showing it in a slightly different shade than the typical VTA revenues.
It is also worth emphasizing more that the “operating expenses” include transfers to the capital budget ($35M in each of FY 20/21, $40M in each of FY22/23).

Obviously, there is a strong interdependence as capital projects support operations, and not funding certain capital projects would severely impede VTA’s ability to provide services in the future. But, since VTA is making a distinction between operations and capital budget, it seems highly misleading to present an “operating budget deficit” if that deficit is solely due to transfers to the capital fund.

Additionally, the FY22/23 budget proposals each include a contingency of $3M dollars. While there are administrative benefits to including contingencies in a budget, for the purpose of discussing projected balances their inclusion seems problematic or should at least be made very transparent.

---

**Revenue, Relief Funding, Expenses and Transfer to Capital (in M)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Transfer to Capital</th>
<th>Expenses</th>
<th>Relief Funding</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>467.8</td>
<td>438.3</td>
<td>445.5</td>
<td>445.7</td>
</tr>
<tr>
<td>FY21</td>
<td>445.2</td>
<td>514.2</td>
<td>488.9</td>
<td>529.9</td>
</tr>
<tr>
<td>FY22</td>
<td>500.8</td>
<td>500.8</td>
<td>500.8</td>
<td>500.8</td>
</tr>
<tr>
<td>FY23 Expenses</td>
<td>500.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Public Comment
A.3. 10-year projection

The 10-year projections shown in the staff presentation is - especially in the later years - more based on mathematical calculations than on known actual developments.

The general assumptions for the projections are:
- Revenue increase by 2% annually (average)
- Operating expenses increase by 3% annually (average)

The main conclusion that can therefore be drawn is that if expenses are increasing faster than revenues, it will result in a growing deficit over time — a conclusion that is trivial. The major questions are: how likely this scenario is and what are the actual underlying drivers of this potential gap.

These questions will be explored further in section “Revenues & Expense Trends” (B.1 & B.2) below.

VTA staff themselves have noted that this is only one potential scenario and that, for example, the 10-year projection presented in the last budget cycle showed operating surpluses of $3 to $7.1 million dollars for all years in that projection (see chart below).

---

2 Page 18-19, Item 11a, VTA Administration & Finance Committee May 20, 2021
VTA staff also emphasized at the Administration & Finance committee on May 20th, 2021, that **VTA - despite the drastic projections - does not necessarily have a “structural deficit.”**

It should also be noted again that the “operating” deficit shown includes transfers to the capital fund of $40-50M per year and that the absolute size of the deficit is in large part determined by the deficit in the early years.

Staff has also stated that its assumption of an only 2% growth for revenue is based on very conservative forecasts and is likely to underestimate actual increases.

A 2% growth rate annually for 2024-26 is also much lower than what, for example, the City of San José assumes in its base scenario for their current budget. San José staff projects a 4.4% increase per year on average for sales tax revenue.³

---

Lastly, FY20 and FY21 have been exceptional due to the Covid pandemic. It seems useful to provide additional historical data to allow the public to better contextualize the impact and development of the VTA budget and operating balance.

A historic look at VTA’s budget projections shows that staff has typically budgeted very conservatively, and in most years the budget surplus was much larger than expected. According to its budget documents, VTA Transit Operations created a surplus of over $286M between 2006 and 2021. This is in stark contrast to a projected total deficit of $47M in the same timeframe.

---

For example, due to larger than expected increases in sales tax revenue or by not filling all budgeted staff positions.

---
B. Operating Revenues

B.1. Sales taxes
VTA has seen a relatively stable increase in various sales tax revenue sources.

It needs to be noted that the spike in 2019 compared to 2018 is partly due to a budget anomaly\(^5\) which means the numbers for 2018 are likely underreporting and the numbers for 2019 are overstated.

*TDA: Transportation Development Act (TDA) funds are derived from a quarter-cent sales tax levied by the State.*

B.2. Fares
Fare revenue has (in nominal terms) been down by 50-60% in FY21 compared to the 2010-2018 averages. The budget deficit that staff projects for FY2022/23 is smaller than the drop in fare revenue compared to pre-pandemic average.

Should VTA ridership (and fare revenue) quickly return to pre-pandemic levels, the projected budget deficit would be eliminated.

---

\(^5\) Starting in FY2018 Q3 the California Department of Tax and Fee Administration (CDTFA) transitioned to a reporting system that resulted in unprocessed returns in FY2018 Q3 and FY2018 Q4. CDTFA is actively working through the backlog of unprocessed returns resulting in FY2019 Q1 and FY2019 Q2 receipts that are higher than normal.
B.3. Other revenue sources

Other revenue sources for the VTA operating budget include State Transit Assistance (STA), federal and state grants, investment, and advertising income.

B.4. Absolute revenue

Comparing how many dollars various revenue sources contributed to the VTA Transit budget, it is noteworthy that fares used to provide a significant source of income and more financial support to VTA transit operations than Measure A. Now this relationship is reversed with Measure A providing twice as much funding as fare revenue.
C. Operating Expenses

C.1. Labor costs

Labor costs have generally grown slower than sales tax revenue (TDA shown as an example in the chart below).

Between 2011 and 2020, non-operations departments have added staffing at a slightly faster rate (11%, 409 to 454) than the operations division (6%, 1,576 to 1,668).

Base salaries for many blue-collar jobs (e.g., operators, facilities and maintenance workers, electro-mechanics, but also human resource managers) have increased by 29% from 2012 to 2020, while base salaries for many white-collar jobs (e.g., Sr. Account/Financial Analyst, Purchasing Manager, Contracts Administrators, Sr. Environmental Engineer, but also electricians) have increased by 36-38%.

Base salary for the GM seems to have increased by only 21% ($290K in 2012 to $350K on July 12, 2021).

Bus operators (and trainees) have the lowest minimum base salary of all VTA staff positions:

- Operators: $47,091 minimum annual salary (equals to $22.67/h)
- Trainees: $43,190 minimum annual salary (equals to 20.75/h)

These hourly rates are lower than what the City of San José has identified as a “living wage” in their living wage policy.6

---

Reimbursements
The VTA Transit Fund includes an offset under expenses called "Reimbursements" because currently all VTA staff costs are captured first in the transit operating budget and then reimbursed back based on anticipated staff hours that should be charged to capital and other reimbursable projects (e.g., from CMP, TOD).

The reimbursements have remained nominally stable despite overall salary and staffing increases. This suggests that reimbursements are potentially underreported.

If reimbursements had risen at the same rate as labor costs in general that alone would reduce the projected transit operations deficit by $22M in 2023. The percentage of labor costs reimbursed also varies widely between departments/divisions.

It is also not transparent though if within VTA transit itself capital projects are reimbursing staff time back to the transit operations budget.

<table>
<thead>
<tr>
<th>FY 2020 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Office of the General Manager</td>
</tr>
<tr>
<td>Office of the General Council</td>
</tr>
<tr>
<td>External Affairs</td>
</tr>
<tr>
<td>Finance &amp; Administration</td>
</tr>
<tr>
<td>Operations</td>
</tr>
<tr>
<td>Planning &amp; Engineering</td>
</tr>
<tr>
<td>System Safety &amp; Security</td>
</tr>
</tbody>
</table>
C.2. Fuel, Materials, Tires

In 2010, fuel is expected to be on a similar level as in 2010 (~$10M annually). The same is true for tires (~$1.6M), after generally increasing at a similar rate as sales tax till 2019. Materials started to increase by more than sales tax revenue but in recent years has fallen back to levels slightly lower ($23M down from $34M in 2018).

C.3. Services

Security and professional services have more than tripled since 2010 and by far outpaced increases in sales tax revenue. Security went from $7.2M in 2010 to $25.7M in the 2023 projection. Professional services went from $2.8M to $9.3M.
C.4. Data Processing

Expenses for data processing ($2.1M in 2010) have increased by 350% since 2010 (to $7.5M in 2023) and with that, have widely outpaced sales tax revenue.

It is unclear if this is the result of increases in existing contracts (potentially suffering from lock-in effects) or because of additional activities (e.g., additional software licenses).
C.5. Transfers to Capital

Looking at the expenses that are specifically reported in the “Other Expenses - Transfers to Capital Reserve” category, it can be noted that transfers seem to have increased significantly. In the last three budget cycles transfers from operating have also exceeded capital funding needs as disclosed in the VTA Transit Capital budget. It is not transparent into which fund the surplus was transferred.

For example, the FY22/23 budget shows in the operating budget transfers of $80M to capital reserves. Yet the capital budget identifies a funding need for the VTA local share of only $75.413M. We were unable to identify where the balance of $4.588M is transferred to or what the balance of that target fund is.

It is further unclear why the remainder of the balance is not used for either additional capital projects or transferred back to the operating budget to reduce any operating deficit.

Similarly, the 2016 Measure B budget shows an allocation of $1.9M to improve transit amenities, yet the capital budget only allocates $1.7M to specific projects.

<table>
<thead>
<tr>
<th>Transfers to capital vs. actual funding needs (in M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTA local funding need (in capital budget)</td>
</tr>
<tr>
<td>FY10/11</td>
</tr>
<tr>
<td>10.2</td>
</tr>
</tbody>
</table>

---

7 VTA has made changes to how transfers from the operating fund to the capital fund are reported in the budget and audited financials. In the early 2010s some transfers were reported as reductions in revenues instead of as an expense, making it difficult to compare trends.

8 Line 42 on page 16

9 Last line on page 26

10 Page 110

11 $1.3M to #38 “Better Bus Stops 2023” and $4M to #57 “On-Demand Paratransit Pilot”
It is also worth noting that the capital budget has significant carry-overs of funds that were allocated but not expended. At the end of FY19 the projected total carry-over was $262M\textsuperscript{12} - $103 million dollars of which were from local VTA funds. Those $103M could have been used (at least partly) to, for example, augment service in the operating budget."\textsuperscript{13} These carry-overs have also been growing significantly since 2012.

While there certainly is a benefit to building up reserves for larger capital expenditures (e.g., light rail vehicle replacement), many of the carry-overs are in much smaller projects, some even stretching multiple years.

Given this significant backlog of projects, it is unclear why staff is requesting further significant transfers into the capital budget, especially for projects that are 100% funded locally and despite a projected operating deficit.

<table>
<thead>
<tr>
<th>Projected FY18/19 carry-over to FY20/21 in M (local VTA &amp; external funding combined)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Sys &amp; Technology</td>
</tr>
<tr>
<td>Light Rail Way, Power &amp; Signal</td>
</tr>
<tr>
<td>Non-Revenue Vehicles</td>
</tr>
<tr>
<td>Operating Facilities &amp; Equipment</td>
</tr>
<tr>
<td>Passenger Facilities</td>
</tr>
<tr>
<td>Revenue Vehicles &amp; Equipment</td>
</tr>
<tr>
<td>Miscellaneous</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
</tr>
</tbody>
</table>

![Funds allocated to capital projects left unused at end of FY (in $M)](chart.png)

\textsuperscript{12} Latest available data. FY20/21 Adopted Budget, page 171.

\textsuperscript{13} “Local share of capital projects - VTA Transit Fund” e.g., CAFRFY2020, page 2-36.
C.6. Expenses overall

Due to the differing growth rates of the various expense categories, the distribution of costs among categories has shifted. While in 2010, labor costs were 80.5% of overall operating expenses in 2023, they now contribute only about 75.7% of the operating expenses. Costs for materials, fuel and traction power have slightly decreased from 9.4% to 8.7%.

Mostly fixed cost categories such as security and other services, data processing and insurance continue to take up a growing share of VTA expenses as they have grown from a share of 7.8% in 2010 to 13.3% in 2023.

All other expenses have remained stable at 2.3%.

---

14 Operating Expenses excluding "Other Expenses" (such as transfers to the capital fund)
## Overview of VTA operating expenses budgeted for 2023 (ordered by size)

<table>
<thead>
<tr>
<th>Expense</th>
<th>2023 Cost in Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Cost (minus reimbursements)</td>
<td>323,963</td>
</tr>
<tr>
<td>Transfer to Capital</td>
<td>40,000</td>
</tr>
<tr>
<td>Paratransit</td>
<td>30,093</td>
</tr>
<tr>
<td>Security</td>
<td>25,731</td>
</tr>
<tr>
<td>Materials</td>
<td>25,211</td>
</tr>
<tr>
<td>Debt Service</td>
<td>20,831</td>
</tr>
<tr>
<td>Other Services</td>
<td>12,990</td>
</tr>
<tr>
<td>Fuel</td>
<td>10,734</td>
</tr>
<tr>
<td>Professional Services</td>
<td>9,313</td>
</tr>
<tr>
<td>Insurance</td>
<td>8,989</td>
</tr>
<tr>
<td>Data Processing</td>
<td>7,527</td>
</tr>
<tr>
<td>Traction Power</td>
<td>6,327</td>
</tr>
<tr>
<td>ACE</td>
<td>6,242</td>
</tr>
<tr>
<td>Utilities</td>
<td>4,439</td>
</tr>
<tr>
<td>Communications</td>
<td>1,912</td>
</tr>
<tr>
<td>Tires</td>
<td>1,685</td>
</tr>
<tr>
<td>Employee Related</td>
<td>1,106</td>
</tr>
<tr>
<td>Contribution to other agencies</td>
<td>1,061</td>
</tr>
<tr>
<td>Mics</td>
<td>986</td>
</tr>
<tr>
<td>Leases &amp; Rents</td>
<td>983</td>
</tr>
<tr>
<td>Hwy 17 Express</td>
<td>439</td>
</tr>
<tr>
<td>Office Expense</td>
<td>287</td>
</tr>
<tr>
<td><strong>COMPARED WITH TOTAL REVENUE</strong></td>
<td><strong>529,882</strong></td>
</tr>
</tbody>
</table>

## D. Specific issues

### D.1. Outstanding debt and debt payments
Out of the eight independent funds of VTA, three of them have outstanding debt balances - taken together totaling almost a billion dollars ($884M) as of July 2021 (see table below).

Their debt balances at the beginning of the FY 2022 & FY 2023 biennial budget cycle, and interest expenses budgeted in the two fiscal years are tabulated below.

During FY 2022/23 VTA will pay over $80M in interest alone, not including payments to the principal. For comparison, 2016 Measure B will spend annually about $50M on local roads and streets in all of Santa Clara County during this period.

Looking ahead, VTA is expected to spend $761M on debt service ($285M on interest and $476M on principal) between 2022 and 2030.

D.2. Existing Reserves

This does not include any potentially additional bonding for Measure B projects which would further increase the amount of revenues that VTA spends on debt service instead of operating or capital projects.

Note: On an annual basis, the Measure A Program reimburses the VTA Transit Fund for debt principal, interest and related expenditures incurred for the VTA transit fund debt. The reimbursement will continue until the debt obligations are extinguished in 2026. For reason left unexplained, the VTA transit budget shows debt service expenses that are higher ($20.9M) than the corresponding Measure A repayment obligations ($17.6M).

---

15 Source: VTA staff
16 Based on VTA CAFR 2020, 2-59 & 2-60
17 Line 12, p. 16 “Proposed Budget 2022/23”
18 Line 39, p. 16
VTA is projected to have about $347.4 million in four reserve funds at the end of FY2021. Because of expected federal relief CRRSAA funding this balance is expected to increase to $355.2 million by the end of fiscal year 2023.\(^{19}\)

<table>
<thead>
<tr>
<th></th>
<th>End of FY21 (projected actual(^{20}))</th>
<th>End of FY23 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve</td>
<td>$75.8M</td>
<td>$75.8M</td>
</tr>
<tr>
<td>Sales Tax Stabilization</td>
<td>$35.0M</td>
<td>$35.0M</td>
</tr>
<tr>
<td>Debt Reduction(^{21})</td>
<td>$135.7M</td>
<td>TBA</td>
</tr>
<tr>
<td>Federal Relief Funding Balance(^{22})</td>
<td>$100.9M</td>
<td>$108.7M</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$347.4M</strong></td>
<td><strong>$355.2M</strong></td>
</tr>
</tbody>
</table>

The **Operating Reserve** goal is 15% of the subsequent year’s final operating budget in the VTA Transit Enterprise Fund. These funds are to remain unappropriated for any operating or capital use except to meet emergency needs that cannot be funded from any other source. The purpose of this reserve is to ensure that sufficient funds are always available in the event of either unanticipated shortfalls or unavoidable expenditure needs.

The **Sales Tax Stabilization** reserve mitigates the impact of sales tax receipt volatility on service levels and the operating budget. VTA Transit Sales Tax Stabilization reserve is at its current ceiling.

The **Debt Reduction** reserve may be used to reduce long-term liabilities or provide funding for approved transit-related capital improvements and replacement of capital assets. This reserve is used to fund the local portion of the VTA Transit capital program to keep assets in a state of good repair.

\(^{19}\) Assuming no use of the debt reduction fund is made.
\(^{20}\) Projection as of March 31, 2021.
\(^{21}\) As of June 30, 2020, based on VTA FY2020 audited financial report, Fund balance for end of FY21 was not available.
\(^{22}\) The Federal Relief Funding Balance does **not** include any ARPA funding.
\(^{23}\) If Debt Reduction balance remains $135.7M.
D.3. Other Fund balances

Other major fund balances are projected to be as shown below.

The current fund balances for 2000 Measure A and 2016 Measure B are not included in the FY22/23 budget proposal.

At a budget community meeting, VTA staff stated that the balance for the Measure A fund was $394.1 million on June 30th, 2020. This seems to be corresponding to the current cash balance excluding long-term debt obligation.

<table>
<thead>
<tr>
<th>Fund</th>
<th>End of FY21 (projected actual)</th>
<th>End of FY23 (projected)</th>
<th>Change (absolute)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Management Program</td>
<td>$2.6M</td>
<td>$1.0M</td>
<td>(1.6M)</td>
</tr>
<tr>
<td>Transit-Oriented</td>
<td>$32.3M</td>
<td>$30.0M</td>
<td>(2.3M)</td>
</tr>
<tr>
<td>Express Lanes Program</td>
<td>($16.5M)</td>
<td>($14.9M)</td>
<td>1.6M</td>
</tr>
<tr>
<td>2008 Measure B - BART Operating Sales Tax</td>
<td>$426.6M</td>
<td>$323.7M</td>
<td>(102.9M)</td>
</tr>
<tr>
<td><strong>Not provided in the FY 22/23 budget</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000 Measure A</td>
<td></td>
<td>$394.1M$\textsuperscript{24}</td>
<td></td>
</tr>
<tr>
<td>2016 Measure B</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{24} End of FY20, source: VTA staff

Comparing cost estimates and completion dates for capital projects in various budget documents show significant cost increases and delays especially regarding the VTP highway program.

For example, and as shown below, the costs for the I-680 sound wall project have more than doubled since 2016 and the project has been delayed by 3.5 years. It is notoriously about two million dollar short and 24 months away from completion. None of these delays or cost increases are made transparent in the budget documents.

<table>
<thead>
<tr>
<th>I-680 Soundwalls</th>
<th>Total cost in million $</th>
<th>Cost increase in million $</th>
<th>Anticipated completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 16/17 budget</td>
<td>4.5</td>
<td></td>
<td>December 2019</td>
</tr>
<tr>
<td>FY 18/19 budget</td>
<td>5.5</td>
<td>1.0</td>
<td>November 2019</td>
</tr>
<tr>
<td>FY 20/21 budget</td>
<td>7.0</td>
<td>1.5</td>
<td>August 2021</td>
</tr>
<tr>
<td>FY 22/23 budget</td>
<td>9.5</td>
<td>2.5</td>
<td>June 2023</td>
</tr>
</tbody>
</table>
Other selected VTP projects that have recently seen significant increases are:

101/Trimble/De La Cruz:
- In 2020, total cost was estimated to be $60M and completion in 2023.
- The FY22/23 shows costs of $76.45M and completion delayed till 2024.

101/Zanker/4th:
- In 2016, total cost was estimated to be $125M and completion in 2021.
- The FY22/23 shows costs of $240M and completion delayed till 2027.\(^{25}\)

101/SR 85 Express Lanes Phase 4:
- In 2016, total cost was estimated to be $11.4M and completion in 2019.
- In 2020, total cost was estimated at $34.0M and completion in 2022.

280/Winchester Blvd:
- In 2020, total cost was estimated to be $90M and completion in 2025.
- The FY22/23 shows costs of $151.44M and completion delayed till 2027.\(^{26}\)

The budget provides not only no transparency regarding the cost increases but also no explanation (e.g., is it based on a change in scope, construction bids coming in overestimates).

A systematic analysis of cost developments in the VTP program is difficult as projects are not continuously included in the budget, but only in budget cycles where they receive appropriations. It is also not always clear if cost estimates refer to a whole project or only the current project phase.

The VTA Transit Capital budget suffers from a similar transparency issue. Due to the number of projects and seemingly changing project names, tracking these projects is even more difficult, but for example, the “Chaboya Yard Well Removal” was in 2020 estimated to cost $0.395M and to be completed in June 2021. According to the new proposal, costs have ballooned by 267% to $1.445M. Also, the completion of the project has been delayed by about two years. The difference in cost will need to be covered from funds originating with the VTA transit operating budget.

\(^{25}\) Based on FY22/23 booklet presented in April 2021. May 2021 booklet does not include the project. Specifically, the booklet presented at the April 16 board workshop item III.1.a

\(^{26}\) As with the 101/Zanker/4th estimates, these numbers were only available in an early draft of the budget booklet.
Transparency is especially needed in the 2016 Measure B highway interchange program, whose FY22/23 allocation will be coming to the Board later this year.

The ballot defined 24 project areas often encompassing several distinct projects, e.g., “SR 237 Corridor Improvements in the cities of San Jose, Santa Clara and Milpitas to address mainline congestion and regional connectivity by addition of SR 237 westbound/eastbound auxiliary lanes between Zanker Road and North First Street, improvements at the SR 237/Great America Parkway westbound off-ramp, and replacement/widening of the Calaveras Boulevard structures over the UPRR tracks.”

Due to the involvement of numerous jurisdictions and varying project leads, it is difficult to gather sound cost estimates for a number of these projects. Also, often cost estimates are given only for the next project phase but not the total project cost until final completion.

But even with these limitations, it is certain that funding needs of all projects combined widely outstrip the available funding of $750M. Based on the latest available cost estimates in VTA budget and 2016 Measure B documents as well considering that $200M have already been allocated to various projects such as the 880/Charcot overcrossing, the 101/Trimble/de la Cruz Interchange, 101/Blossom Hill interchange, and 101/Mathilda, only about $550M dollars remain to be allocated to the remaining project costs of $1.3B.
<table>
<thead>
<tr>
<th>Projects according to ballot (abbreviated)</th>
<th>Latest Available Cost Estimate (in $M)</th>
<th>Current Cost Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>US 101/San Antonio Road, US 101/Rengstorff/Charleston Road and US 101/Shoreline Boulevard interchanges.</td>
<td>40.0</td>
<td>2.00</td>
</tr>
<tr>
<td>SR 85/SR 237 connector, SR 85/El Camino Real interchange, and the SR 237/El Camino/Grant Road interchange.</td>
<td>70.0</td>
<td></td>
</tr>
<tr>
<td>SR 237/US 101/Mathilda Avenue Area Improvements</td>
<td>47.0</td>
<td>22.00</td>
</tr>
<tr>
<td>Addition of SR 237 westbound/eastbound auxiliary lanes between Zanker Road and North First Street, improvements at the SR 237/Great America Parkway westbound off-ramp, and replacement/widening of the Calaveras Boulevard structures over the UPRR tracks.</td>
<td>33.0</td>
<td>2.30</td>
</tr>
<tr>
<td>West County Improvements along I-280 with mainline and interchange improvements from Magdalena Avenue to the San Mateo County line.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I-280 braided ramp between SR 85 and Foothill Boulevard</td>
<td>5.5</td>
<td>3.50</td>
</tr>
<tr>
<td>US 101/Trimble Road/De La Cruz Boulevard interchange improvements, southbound</td>
<td>319.5</td>
<td>59.00</td>
</tr>
<tr>
<td>US 101/SB 87 connector improvements, and a new US 101/Zanker Road interchange.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US 101/Old Oakland Road Improvements</td>
<td>25.0</td>
<td>0.00</td>
</tr>
<tr>
<td>US 101/Mabury Road</td>
<td>95.0</td>
<td>3.00</td>
</tr>
<tr>
<td>I-680/Alum Rock Avenue and I-680/McKee Road interchange</td>
<td>40.0</td>
<td></td>
</tr>
<tr>
<td>I-280/Lawrence Expressway/Stevens Creek Parkway Interchange</td>
<td>120.0</td>
<td></td>
</tr>
<tr>
<td>I-280/Saratoga Avenue Interchange</td>
<td>60.0</td>
<td></td>
</tr>
<tr>
<td>I-280/Winchester Boulevard Area</td>
<td>151.4</td>
<td>9.00</td>
</tr>
<tr>
<td>SR 87 Corridor Technology-based Improvements/12V bypass</td>
<td>40.0</td>
<td>2.70</td>
</tr>
<tr>
<td>Upgrade Highway 17/9; deploy advanced transportation technology to reduce freeway cut through traffic in Los Gatos.</td>
<td>101.7</td>
<td>5.40</td>
</tr>
<tr>
<td>SR 17 Southbound/Hamilton Avenue Off-ramp Widening Improvements</td>
<td>1.0</td>
<td>1.00</td>
</tr>
<tr>
<td>SR 17/San Tomas Expressway Improvements</td>
<td>1.0</td>
<td>1.00</td>
</tr>
<tr>
<td>US 101/Blossom Hill Boulevard</td>
<td>40.5</td>
<td>35.00</td>
</tr>
<tr>
<td>US 101/Buena Vista Avenue interchange and US 101/SR 152 10th Street ramp and intersection improvements.</td>
<td>17.5</td>
<td>1.00</td>
</tr>
<tr>
<td>SR 152 Corridor Improvements in Gilroy including US 101/SR 25 interchange improvements</td>
<td>129.5</td>
<td>10.00</td>
</tr>
<tr>
<td>I-280/Wolfe Road Interchange Improvements</td>
<td>86.0</td>
<td>7.50</td>
</tr>
<tr>
<td>I-880/Charcot Avenue Overcrossing in San Jose</td>
<td>50.0</td>
<td>27.50</td>
</tr>
<tr>
<td>Noise Abatement Projects in Santa Clara County</td>
<td>50.0</td>
<td>4.00</td>
</tr>
<tr>
<td>Intelligent Transportation Systems (ITS) Projects in Santa Clara County</td>
<td></td>
<td>3.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1523.6</strong></td>
<td><strong>198.9</strong></td>
</tr>
</tbody>
</table>

*does not include administrative cost (0.4) and allocation to 237/Middlefield Rd (6.3)*
D.5. Congestion Management Member Agency fee

According to the FY22/23 budget proposal “Member Agency Fees are based on the fee schedule adopted by the Board in June 2005, which specifies annual increases of 3.5%. The Proposed Budget reflects this increase for both FY 2022 and FY 2023.”

In past years, VTA has applied this policy inconsistently. If member fees had increased steadily at 3.5%, the CMP fund would have received an additional $11M between 2007 and 2023.

<table>
<thead>
<tr>
<th>(in '000)</th>
<th>Member Agency Fees (acc. to budget)</th>
<th>Change in %</th>
<th>Agency fees if 3.5% increase had been applied</th>
<th>Difference (absolute)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2,326</td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>2,489</td>
<td>7.0%</td>
<td>2,407</td>
<td>82</td>
</tr>
<tr>
<td>2008</td>
<td>2,410</td>
<td>-3.2%</td>
<td>2,492</td>
<td>-82</td>
</tr>
<tr>
<td>2009</td>
<td>2,495</td>
<td>3.5%</td>
<td>2,579</td>
<td>-83</td>
</tr>
<tr>
<td>2010</td>
<td>2,495</td>
<td>0.0%</td>
<td>2,669</td>
<td>-174</td>
</tr>
<tr>
<td>2011</td>
<td>2,582</td>
<td>3.5%</td>
<td>2,763</td>
<td>-181</td>
</tr>
<tr>
<td>2012</td>
<td>2,407</td>
<td>-6.8%</td>
<td>2,859</td>
<td>-452</td>
</tr>
<tr>
<td>2013</td>
<td>2,407</td>
<td>0.0%</td>
<td>2,959</td>
<td>-552</td>
</tr>
<tr>
<td>2014</td>
<td>2,407</td>
<td>0.0%</td>
<td>3,063</td>
<td>-656</td>
</tr>
<tr>
<td>2015</td>
<td>2,407</td>
<td>0.0%</td>
<td>3,170</td>
<td>-763</td>
</tr>
<tr>
<td>2016</td>
<td>2,407</td>
<td>0.0%</td>
<td>3,281</td>
<td>-874</td>
</tr>
<tr>
<td>2017</td>
<td>2,407</td>
<td>0.0%</td>
<td>3,396</td>
<td>-989</td>
</tr>
<tr>
<td>2018</td>
<td>2,528</td>
<td>5.0%</td>
<td>3,515</td>
<td>-987</td>
</tr>
<tr>
<td>2019</td>
<td>2,654</td>
<td>5.0%</td>
<td>3,638</td>
<td>-984</td>
</tr>
<tr>
<td>2020</td>
<td>2,747</td>
<td>3.5%</td>
<td>3,765</td>
<td>-1,018</td>
</tr>
<tr>
<td>2021</td>
<td>2,843</td>
<td>3.5%</td>
<td>3,897</td>
<td>-1,044</td>
</tr>
<tr>
<td>2022</td>
<td>2,943</td>
<td>3.5%</td>
<td>4,033</td>
<td>-1,090</td>
</tr>
<tr>
<td>2023</td>
<td>3,046</td>
<td>3.5%</td>
<td>4,174</td>
<td>-1,128</td>
</tr>
<tr>
<td>Total</td>
<td>46,000</td>
<td></td>
<td>59,986</td>
<td>(10,986)</td>
</tr>
</tbody>
</table>
D.6. Comparison of Selected Revenues and Expenses for FY23

The chart below compares selected expenses from across all VTA funds and categories. Not shown is, for example, BART Silicon Valley Extension Phase 2, which will receive $387M from 2000 Measure A and more than four times as much ($1,715M) from other sources, mostly federal and state grants. It is noteworthy to contrast that with the VTP highway program that is scheduled to attract less than $10M of state and federal funding.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTP Highway Projects (including Measure B allocations as shown in April budget proposal)</td>
<td>253.8</td>
</tr>
<tr>
<td>VTP Highway Projects (before Measure B allocations)</td>
<td>76.5</td>
</tr>
<tr>
<td>Debt Service (total)</td>
<td>189.4</td>
</tr>
<tr>
<td>Debt Service (interest only)</td>
<td>81.4</td>
</tr>
<tr>
<td>Security</td>
<td>50.5</td>
</tr>
<tr>
<td>Professional &amp; other services</td>
<td>45.2</td>
</tr>
<tr>
<td>Fare revenue</td>
<td>36.1</td>
</tr>
<tr>
<td>IT (data processing expenses plus capital projects)</td>
<td>30.7</td>
</tr>
<tr>
<td>2016 Measure B bike &amp; pedestrian allocation</td>
<td>23.1</td>
</tr>
<tr>
<td>Operating facilities (capital projects)</td>
<td>20.1</td>
</tr>
<tr>
<td>Purchase of revenue vehicles (e.g. electric buses) - VTA share of cost only</td>
<td>18.8</td>
</tr>
<tr>
<td>Total revenue</td>
<td>14.5</td>
</tr>
<tr>
<td>VTP bike &amp; pedestrian projects</td>
<td>4.6</td>
</tr>
<tr>
<td>Passenger facilities (e.g. bus stops)</td>
<td>4.4</td>
</tr>
<tr>
<td>Climate action and adoption plan</td>
<td>0.5</td>
</tr>
<tr>
<td>Revenue from highway interchange improvements</td>
<td>0.0</td>
</tr>
</tbody>
</table>
E. Conclusions and Solutions

Part of the purpose of this document is simply to highlight the complexity and interconnectedness of the budget. If debt service for Measure A were not as high, more revenue could go towards VTA transit operations which could be used to make it more attractive to riders, which would lead to increased fare revenue, which reduces the need to use supplemental express lane revenue, which instead could be used to accelerate the express lane program and with that, address congestion.

We are optimistic. While there are financial issues that need to be addressed, a detailed analysis of the budget projections for transit operations shows that projected deficits are likely overstated or only the result of operations support other programs of VTA. Labor costs, which are a significant cost factor have risen less slowly than sales tax revenue. Also, there are significant reserve funds that allow VTA to bridge any short-term revenue shortfalls - especially from lower fare revenues.

The current FY22/23 budget would have us keep the stimulus funding in the bank as, in essence, a rainy-day fund. We believe that is not an effective allocation of the money--there are other rainy-day funds available, and there is every possibility that the projected operations deficit will evaporate once our projections improve anyway.

At the same time, Santa Clara County residents have very immediate needs for transportation that the stimulus funding can address. There are a variety of ways that this could be used, but we would urge VTA to put much of its focus into drawing ridership back to (or ideally above) pre-pandemic levels. In addition to allowing VTA to better serve more people, this will help to stabilize VTA’s financial health by providing a solid ridership base for future fare revenues and address VTA’s climate goals.

Among possible uses of the available resources including relief funding are:

- Targeted and limited reduced fares such as those piloted by BART and SMART
- Accelerating transit speed projects with a local competitive grant program
- Accelerating improvements to passenger facilities such as bus stops

Some of these are focused on short-term effects (e.g., free or reduced fares for a short time to get people back onto buses, which would then be followed by a return to normal fare collection), whereas others are less immediate but will help to keep ridership in the long-term (e.g., bus stop improvements).

As stated at the outset, we look forward to collaborating with VTA staff and the Board of Directors at the appropriate time to support VTA’s effort to build back stronger, and we thank you for the opportunity to be part of this important discussion.
From: Eugene Bradley  
Sent: Thursday, June 3, 2021 12:47 PM  
To: VTA Board Secretary <Board.Secretary@vta.org>; Tran, Evelynn <Evelynn.Tran@vta.org>; Kelly, Kathleen <Kathleen.Kelly@vta.org>  
Subject: [EXTERNAL] Re: Agenda Item 7.3 for 6/3/2021 VTA Board meeting

Santa Clara Valley Transportation Authority (VTA) Board Of Directors  
3331 N. First St.  
San Jose, CA 95134-1906

To: All VTA Board Of Directors Members, Ms. Tran, Ms. Kelly, and Staff:

RE: Agenda Item 7.3 (Proposed Fiscal Year 2022 & 2023 Biennial Budget)

At the April 1st VTA Board Of Directors' meeting, we learned that more than 1,000 riders per day are being left stranded ("passed up") at bus stops. This is due to buses reaching their legal capacity limits due to federal guidelines from the CDC re: mask wearing and social distancing on public transit.  

https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fcommunity%2Forganizations%2Fbus-transi&amp;data=04%7C01%7C7C440b4194d0be45ace3be08d926c871c7%7C24dbe85b01054c8c8c3c6ace9a06133%7C0%7C637583464611338161%7CUnknwon%7CTWFpbGZsb3d8eyJVWkJoiMC4wLjA4MDAilLCJOjoiV2luMzIiLCJBTUtl0MiV2luQnMiLCJwO19C1000&amp;sdata=wcXYo%2FV4AMvhhXCKcNL9ieJyaHlQcDDFDmPoxEuRQ%3D&amp;reserved=0

t-operator.html

VTA's reduction of social distancing on public transit May 26th still leaves some riders stranded at bus stops. Riders obtaining their COVID-19 vaccinations who are left stranded at bus stops must reschedule or cancel their vaccination appointment. Workers in the retail, health care, and service sectors of our economy left stranded at VTA bus stops end up late for work. Worse, workers left stranded by VTA buses face docked pay, denied promotion, or even getting fired for excessive tardiness. Those who can afford the privilege are forced to drive a private automobile or obtain an expensive "ride share" and ride back into returning traffic gridlock. As Board member Magdalena Carrasco of San Jose pointed out at that same April 1st Board meeting, these people don't have the privilege of working from home. VTA continuing to leave riders stranded ultimately helps put them on the path to homelessness. This is unacceptable. How can VTA provide "Solutions That Move You" while people are being left stranded at bus stops?

As more residents are getting COVID-19 vaccinations, Silicon Valley's economy is recovering from the COVID-19 pandemic. Businesses throughout Silicon Valley are slowly reopening or
expanding their service hours. This is especially as Governor Newsom seeks to fully reopen California on June 15th. VTA leaving riders stranded at bus stops helps delay that economic recovery. Currently, VTA is unprepared for when California is scheduled to fully reopen on June 15.

VTA has more than $110 million in COVID relief money from the Federal government right now. VTA’s May 18 Policy Advisory Committee meeting revealed that VTA has the money right now to restore transit service back to pre-pandemic levels in July, pending operator availability. Yet, VTA staff continues to refuse proposals by John Courtney of ATU Local 265 to restore transit service immediately thru expanded bus driver training. This is also unacceptable.

VTA must work with Mr. Courtney and ATU Local 265 to get more bus drivers trained and quickly restore bus service, as Board member Cindy Chavez recently suggested. On June 3, VTA’s Board Of Directors must vote to spend the $110 million cash in hand to restore transit service back to what it was before the COVID-19 pandemic - NOW. It will ensure VTA public transit is fully prepared when California reopens for business on June 15th.

Sincerely,

Eugene Bradley
Founder & CEO, Silicon Valley Transit Users
https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.svtransitusers.org%2F&amp;data=04%7C01%7C%7C440b4194d0be45ace3be08d926c871c7%7C24dbe85b01054c8caac6ace9aa06133%7C0%7C0%7C0%7C63758346461338161%7CUnknown%7CTWFpbGZsb3d8eyJWljoiMC4wLjAwMDAiLCJQIjoV2IuMzhiLCJBTiI6Il1haWwiLCJXVCI6Mn0%3D%7C000&amp;sdata=Ub0N2sKg6wGxVc%2Bwj2RREQqiGRvoPkrvGdcusIsce%3D&amp;reserved=0
Mr. Glenn Hendricks, Chair  
Santa Clara Valley Transportation Authority  
3331 North 1st Street  
San Jose, CA 95134  

June 2, 2021

Re: Approval of Biennial Budget for Fiscal Years 2022 and 2023

Dear Chair Hendricks VTA Board of Directors,

As the region reopens, the fastest way to bring riders back to transit and improve the experience of current riders is to restore and increase transit service. If service is too sparse, people will not use it. To that end:

1. **We encourage VTA to restore service hours.** Federal rescue packages are intended to stabilize and sustain transit service despite revenue shortfalls. The focus must be ensuring that riders, especially people with low-incomes and people of color, have access to frequent and reliable transit service. In some cases, it may be more equitable to increase the frequency of service on routes where there remains high demand and where people are currently being passed up.

2. **We encourage VTA to continue to support Caltrain’s operating and maintenance needs in this biennial budget.** Due to unprecedented declines in ridership and operating revenue, uncertainty about near term ridership recovery, and the need to win back riders, it is critical that Caltrain service be available when people are ready to return to transit. Additionally, there may be a mismatch in the availability of sales tax receipts and other funds necessary to keep Caltrain running reliably and in good working order.

Thank you for your work to steward public transit through this challenging period and work to enhance service for all.

Sincerely,

Laura Tolkoff  
Transportation Policy Director
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Counsel and Interim General Manager/CEO, Evelynn Tran

FROM: Interim Chief Financial Officer, Kathleen Kelly

SUBJECT: Downtown Design Development Framework (DDF) for VTA Block

Policy-Related Action: No

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Accept the Design Development Framework (DDF) for the Transit-Oriented Development (TOD) site located on the VTA Block in Downtown San Jose.

EXECUTIVE SUMMARY:

• VTA owns 70%+ of the full block bounded by West Santa Clara Street, North 1st Street, West St. John Street, and North Market Street. The future Downtown San Jose BART Station will be located on this block.

• The Santa Clara Valley Transportation Authority (VTA) retained the internationally renowned architecture and planning firm of Foster+Partners to formulate an architectural and planning vision for future world class TOD on the VTA Block.

• Board acceptance of the DDF would guide future work on the VTA Block.

• The DDF illustrates the potential for up to 1.8 million square feet of new world-class TOD on the entire VTA Block (including parcels owned by others).

• Staff will present recommendations on a development strategy to implement the DDF vision at a subsequent Board of Directors meeting.

STRATEGIC PLAN/GOALS:

The TOD Program can significantly advance all three Business Lines in VTA’s Strategic Plan.
through the growth in ridership and farebox revenues from VTA TOD projects and Transit-Oriented Communities that supports increased transit service and generates funding for operations and capital improvements to sustain enhanced service. TOD projects and Transit-Oriented Communities plans integrate VTA’s multimodal projects, including Complete Streets and the Bicycle Program. TOD projects fundamentally advance better integration of land use and transit and helps steer growth in the region to transit corridors in order to sustain and increase transit service while reducing the traffic congestion and increases in Vehicles Mile Traveled (VMT), and Greenhouse Gases (GHG) that would otherwise result.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with accepting the DDF.

**BACKGROUND:**

The Board previously received an in-progress presentation by Fosters+Partners on the DDF at the August 2nd, 2019 Board meeting. Since then, staff and Foster+Partners have continued to refine and finalize the DDF. This included a final meeting in a series of four meetings with a group of key Downtown San Jose stakeholders. Staff will also present findings from an online public engagement and commenting platform for DDF that was set up concurrent with the final draft DDF being circulated to committees.

**DISCUSSION:**

The final draft DDF is attached to this memorandum as Attachment A. A visual presentation of the DDF content will be made at the committee and Board meeting. Foster+Partners work incorporated into the DDF includes site analysis; site planning and programing options including massing concepts; ground floor activation strategies; district parking opportunities; and anticipated sustainability goals. The DDF is intended to guide future VTA TOD developer solicitations and review of developer proposals and plans.

**ALTERNATIVES:**

The Board could provide further direction for staff and Fosters+Partners to incorporate in the DDF prior to acceptance by the Board.

**CLIMATE IMPACT:**

The DDF provides guidance for reducing the climate impact of TOD, with the objective of achieving Net Zero Energy consumption and carbon neutrality.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Congestion Management Program & Planning Committee, meeting as a Committee of the Whole at its May 20, 2021 meeting, received an informal update on the Draft Design Development Framework for the VTA Block. Committee members expressed their appreciation and support for the content of the document.

The Administration & Finance Committee, at its regular meeting of May 20, 2021, unanimously
approved the staff recommendation to the Board of Directors to accept the Draft Design Development Framework for the VTA Block, with the following modifications: (1) Mayor Liccardo's request that staff be explicit on future decisions points to allow consideration of larger floorplates for development, and an elevated plaza; and (2) Chairperson Chavez's referral that staff return to the August or September meeting with a presentation on a policy and strategies that could allow staff to opportunistically pursue purchases of properties at or adjacent to VTA TOD sites where such purchases would increase the benefits to VTA from TOD.

Chairperson Chavez requested that for the presentation to the Board of Directors, staff provide a more explicit outline on the purpose of the Design Development Framework and how it differs from the Disposition & Development Agreements commonly used by local governments; an expanded discussion on implementation and next steps, and the Board of Director's role during creation of the Development Master Plan guided by the Design Development Framework; an explicit explanation of the City of San Jose's role in review and approval of future TOD; and a framework for discussion on financing for the project and its component parts that highlights the Board's role in relation to project risk and review of proposed transactions.

Prepared by: Ron Golem
Memo No. 7807

ATTACHMENTS:
- Attachment A DDF for VTA Block (PDF)
- BART DOWNTOWN-TOD BD Presentation (PDF)
Executive Summary

1.1 Overall Goals
1.2 Value is Greater than the Sum of Parts
1.3 Design Guidelines
1.4 Applying the Design Guidelines
1.5 Sustainable Approach to Development
1.6 Flexible Approach to Parking
1.7 Coordination with Future Station
1.8 Looking Forward

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Chapter 2

Chapter 3

Chapter 4

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2.1 Santa Clara Valley’s Original Business Center
2.2 Driving Growth Outward and a Declining Downtown Center
2.3 Back to the Future: Towards a New Downtown

Design Guidelines

3.1 Public Realm Activation
3.2 Improve Access and Connectivity
3.3 Urban Character and Public Interfaces
3.4 Historic Podium
3.5 Social Equity and Environmental Responsibility

Applying the Design Guidelines

4.1 Target Density, Program and Surrounding Context
4.2 Summary of Massing Approach
4.3 Future Flexibility of the DDF

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Chapter 3

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Design Guidelines 03

Applying the Design Guidelines 04
1.0 Purpose

The Design Development Framework (DDF) arose from a straightforward question posed by members of the VTA Board of Directors:

*How can VTA ensure world-class Transit-Oriented Development (TOD) is built on the block that will house the Downtown San José BART Station, where VTA owns most of the block?*

The DDF is the result of extensive analysis of the Downtown VTA Block, VTA and City goals and requirements, and other factors that go into creating world-class TOD. It is not intended to serve as a plan, rather as a resource for VTA, other property owners, developers, members of the public, and others to use to inform future work to develop the Block.

The VTA Block, which includes the future Downtown San José BART station, represents an incredible development opportunity, one which will draw upon the rich history of the city center and reinforce its key location between transit and institutional, cultural, and recreational destinations. The heart of this new development will be focused around the creation of a bustling zone of pedestrian activity and a shared common space, with commuters mixing with residents, students, workers, and visitors to create an active urban environment, both day and night.
1 Executive Summary

1.1 Overall Goals

With the vision in mind for the VTA Block to contribute to a vibrant urban environment while building from Downtown’s rich history, VTA commissioned this DDF document to outline potential opportunities for the VTA Block and identify key elements that will produce world-class TOD. The DDF document provides guidance for a variety of design approaches and offers criteria by which these design approaches can be evaluated for the most successful outcomes. This document is the result of design exercises and conversations which ran in parallel with BART Silicon Valley Phase II Extension Project (BSV Phase II Project) processes, and DDF content has been shared with the public at BSV Phase II Project Community Working Group (CWG) meetings and other forums for feedback. VTA engaged key stakeholders, including the City of San José, adjacent property owners, the Downtown Business Association, the Downtown Residents Association, and others during this process to gather their input and feedback on the proposed framework.

The key goals of the DDF document are:

- To provide a framework for developers to create world-class TOD to optimize the balance between development opportunities and the creation of high-quality public spaces.

- To align with VTA’s goals of promoting public transit and bicycle use and pedestrian activity.

- To generate revenue for VTA to support ridership and VTA services through the highest and best use of property owned by VTA.

- To outline key decisions and opportunities for future developers regarding critical issues such as parking, site access, shared amenities, and overall program structure for the future development.

- To identify the key design constraints related to building adjacent to (or over the top of) the future BART station, including structural requirements, egress requirements, services, bicycle storage, and other items that will need to be coordinated and integrated with future TOD on the site.

- To explore how VTA and future development partners can engage in public-private partnerships to create successful TOD.

- To provide a tool that allows VTA, members of the public, interested stakeholders, City representatives, and others to understand the approach to creation of world-class TOD, and how to evaluate development plans and design proposals as they are presented.
Fig. 1-02 Artistic Impression of BART Plaza.
In addition to providing a framework for future developers, this document provides historical context, key elements for successful outcomes, sustainability goals, massing studies, and potential approaches to the challenges on the site, such as parking and phasing of future construction.

Integrating mixed-use development with public transit, including development above transit stations, has been accomplished all over the US and globally. The benefits of this approach are well established, including reduction in vehicular traffic, and a more pedestrian friendly, mixed-use urban environments. World-class TOD can be evaluated by what it gives back to the community, and how it enhances the station area, as well as the revenue it generates to support transit use overall.

1.2 Value is Greater than the Sum of Parts

Why has VTA gone through the exercise of creating a Design Development Framework? How does this further advance the goals already set out in VTA’s TOD Policy?

The DDF specifically addresses the unique challenges and opportunities of the VTA Block, where VTA is the majority owner of the city block in Downtown which will house the new BART station. However, there are multiple property owners on the block, and if all parties went about developing their land independently and in isolation, without a coherent vision or shared interests, the ultimate result would likely be a disjointed development with redundant elements and less than optimal shared benefits for the community. It would also result in less buildable area and a less diverse development program. In short, it would be a missed opportunity for everyone.

By thinking about the VTA Block as a whole, the principal concept of the DDF is to develop shared visions and aspirations for the block which work to the benefit of all property owners and the overall community in order to provide enhanced value to all parties compared to outcomes associated with uncoordinated approaches. Of course, the mechanisms for accomplishing this vision will require significant work beyond the scope of the DDF, and if parties can work toward a collective framework for future TOD on the block, the value of the block will indeed be greater than the sum of its individual parts.
1.3 Design Guidelines

The heart of the DDF is a series of Design Guidelines, which help define what successful development means on the VTA Block. These guidelines are not intended to be rigid requirements, but rather to establish priorities and criteria for evaluation of different proposed design concepts. While the document goes into more detail on each topic, below is a summary of the key design guidelines that form the core of the DDF:

Public Realm Activation

At the heart of the VTA block will be a publicly accessible plaza which is easily accessed directly and from all directions. The critical aspect for the success of the project is that both the plaza and the various street frontages are active and vibrant at all times of day. The new BART station will bring thousands of people to and from the site each day, which will strongly contribute to an active public realm. The mix of uses will also contribute to office workers, residents, and guests utilizing the public spaces at different times of day. The DDF proposes having a broad mix of retail, food, beverage, and other active functions at street level that are sized appropriately to support local businesses, including an event performance space at the northern end of the plaza. Public art can also create a unique sense of place and community within the plaza. With a combination of these strategies and components, the VTA Block will create a new gathering place and focal point of the community.

Improve Access and Connectivity

The plaza is connected to adjacent streets via a series of ‘paseos,’ which are pedestrian-only walkways that also subdivide the VTA Block into a series of distinct parcels. These paseos follow a historic urban pattern in Downtown to break up large city blocks to create a more walkable environment. The paseos also allow for active frontages on multiple sides of the buildings.

Urban Character and Public Interfaces

Along Santa Clara Street and other key corridors in Downtown, there is a historic pattern of a consistent ‘podium’ of 40 to 60 foot high buildings. While some recent developments have created gaps and provided setbacks along the street frontage, the City of San José’s design guidelines and the DDF both incorporate the idea that respecting and reinforcing this historic podium improves the overall urban fabric and provides a consistent architectural expression while still allowing for design flexibility.

It is important to maintain flexibility for design of individual buildings in order to allow for variety and creative expression, and there are significant benefits to the DDF giving some guidance regarding material selection that provides consistency and ensures high quality and durable materials are used. It is also important to align material choices with the sustainability goals of the project, and materials that are locally sourced have lower amounts of embodied carbon. In addition, the DDF identifies and distinguishes more solid materials for the podium bases of the buildings (such as stone or concrete) from the towers above, which can have lighter and more open façades. This guidance helps integrate the project with its historic urban frontage context, particularly along Santa Clara Street, while still allowing for design flexibility and variation along the different streets and buildings.

Historic Sensitivity

As part of careful evaluation of the historical context of the site, there are two key historical factors considered in the DDF: the historic Building and Loan structure and the St James Park historic district.

The historic Building and Loan structure at 81 West Santa Clara Street dates back to 1926. The DDF assumes no development on this parcel, and describes the implications for the future of the block if this site remains in its current state.

The DDF also notes that the northwest corner of the site lies within the St James Park historic district, which will require further discussion and coordination with the City of San José to determine how this might impact the development of the proposed building on that parcel.

Social Equity and Environmental Responsibility

The DDF is aligned with VTA’s TOD Policy in advocating for more housing units to be built close to public transit, at a range of densities and affordability levels. This is complemented by a range of guidelines which enhance the publicly accessible spaces at ground level, including the plaza with public art and a community center to host events and performances.

Environmental responsibility guidelines include a target of net-zero energy, and encouragement of a holistic approach to sustainability, including low carbon materials, centralized utilities and improved mobility and accessibility.
1 Executive Summary

Public Realm Activation

Urban Character and Public Interfaces

Social Equity and Environmental Responsibility

Improve Access and Connectivity

Historical Sensitivity

Contribution to Downtown’s Skyline
1 Executive Summary

1.4 Applying the Design Guidelines

The DDF also explores multiple massing configurations and creates a series of parameters by which development options could be evaluated for their adherence to the design guidelines. Among the parameters that are utilized to evaluate different options are:

- Comfort in the outdoor environment of the plaza, including access to daylight, shaded space, and protection from wind
- Access to views, both of St James Park and the mountains beyond
- Resource management, including embodied carbon and benefits of construction phasing
- Spatial and urban performance metrics, including floor area ratio (FAR), optimizing outdoor amenity space (e.g., rooftops and terraces), and compatibility with adjacent space and development

1.5 Sustainable Approach to Development

This section discusses the DDF’s sustainability goals, including net-zero energy. It includes options to design, build, operate, and maintain the block to be more sustainable, with focuses on materials, health, wellness, technology, and water, mobility, and energy management.

1.6 Flexible Approach to Parking

Parking is one of the key areas where all property owners can benefit by working together on a shared strategy. Given how rapidly demand for parking is shifting, the DDF provides a framework that embraces options rather than proposing one fixed parking solution. The parking options provided by the DDF take into account parking provided in the area as a whole, understands that the future BART station will also change demand for parking, and follows trends that are in-line with parking provided by other recent developments in the area. The DDF also assesses what could be provided in terms of parking on site without compromising the public plaza and other urban character components. The concepts envisioned in the DDF are within ranges currently being explored by other proximate developments. Parking provided could also be repurposed for other uses later.

Fig. 1-11 Proposed Site Plan Ground Floor (Not shown: TOD Above BART Station)
1 Executive Summary

1.7 Coordination with Future Station

The DDF team worked closely with the BSV Phase II Project team to coordinate future BART station requirements with future TOD on the VTA block. The depth of the basement level below the plaza has been sized to allow for planting and landscaping on the plaza above. There are some back-of-house components that need to surface at the plaza level, and it is proposed that those elements be integrated into a pavilion building in the plaza, which would also house a café or restaurant to further activate the plaza and station area.

1.8 Looking Forward

The DDF provides a framework for development of the VTA Block, and it is intended to provide flexibility. VTA intends to use the DDF to inform future work with developers, and as with any other development in Downtown, as the local land use jurisdiction, the City of San José would be responsible for processing applications to develop the VTA Block and ensuring that the community is appropriately engaged in the process. This document lays the foundation for successful, world-class TOD on the VTA Block that helps maximize the benefits associated with the BSV Phase II Project. By working together to establish and achieve shared visions, we can transform Downtown for the benefit of generations to come.

DDF Contents

Chapter 2 – Historical Context
Chapter 3 – Design Guidelines
Chapter 4 – Applying the Design Guidelines
Chapter 5 – Sustainable Approach to Development
Chapter 6 – A Flexible Approach to Parking
Chapter 7 – Integration of Station Design with TOD
Chapter 8 – Looking Forward

Fig. 1-12 Artistic Impression of Future TOD on VTA Block from Santa Clara Street
Historical Context

Back to the Future: Downtown San José Past, Present, and Future

Downtown San José has a long history as the commercial, cultural, and civic heart of San José. This chapter provides context for the Design Development Framework (DDF) within the historical evolution of Downtown San José, and the lessons it provides to create a vibrant future.

While the region has been inhabited since pre-Columbian times, modern occupation of the Downtown area began in the late 1700’s. Downtown’s history is rooted in public transportation, including an electric streetcar system that circulated throughout the city center starting in the nineteenth century. Through the middle of the twentieth century, the Downtown area thrived with a mix of retail and commercial uses and many visitors. Downtown’s retail hub rapidly declined after the 1960s when suburban development, including shopping centers, proliferated throughout the South Bay, enabled by the newly created Santa Clara County Expressway system.

The following pages contain a series of historical maps and images that document and illustrate the importance of the VTA block within Downtown’s historical framework. One of the key goals of the DDF is to provide dense mixed-used urban development adjacent to the future Downtown BART station to help restore vital and historic links between public transit and lively urban communities. The DDF draws upon historically successful strategies to create vibrant public spaces – including integration of a central plaza and connecting pedestrian paseos – in order to entice people to walk, interact, and further activate the area. The DDF also respects historic and current urban frontages, which is especially important along Santa Clara Street.
2 Historical Context

2.1 Santa Clara Valley’s Original Business Center

Prior to the 1950s, Downtown San José was the main business, civic, and social center of the agriculturally rich Santa Clara Valley, also known as “Valley of the Heart’s Delight”. Like many historic downtowns in the United States, Downtown was the city’s primary shopping district through World War II, including for local farmers and visitors from outside the area.

During this period, First Street was one of the principal commercial streets: J.C. Penney was at the corner of First and Santa Clara streets and (heading south) was Hart’s, Blum’s, Woolworth’s, Hale Brothers, Goldeen’s and Sears, Roebuck and Co.

In 1887, the first City Hall was built in the middle of what is today Plaza de César Chávez, one of the oldest public spaces in California – a space that also housed on its perimeter California’s first State Capital (see Fig. 2-04).

2.2 Driving Growth Outward and a Declining Downtown Center

As farmland was converted to subdivisions and office parks, the Valley of the Heart’s Delight eventually became the Silicon Valley, and San José’s Downtown became just one node in a series of walkable town centers between San José and Palo Alto, 16 miles away. San José’s pro-growth machine was focused more on annexation and outward suburban growth rather than the vitality of Downtown.

San José’s population ballooned from 95,000 in 1950 to 450,000 in 1970, and what was once a 17-square-mile city mushroomed to 136 square miles. As San José grew both in size and population, the notion of what comprised the city expanded and dispersed to the point where the historic Downtown became much less of a focal point for commercial and civic activity.

Fig. 2-01 Funding for the Santa Clara County Expressway System was secured in 1961. This photo shows the Interstate 280 and Highway 87 in the 1970s.
2 Historical Context

1850, San José became the first State Capital and has been an important place in California history.

San José debuted its electric streetcar system in 1888, replacing the horse-drawn carts that had been the dominant mode since 1868.

Downtown was the business, civic and social center of the agriculturally rich Santa Clara Valley.

In 1934, the city moved its rail tracks from Fourth Street to the west end of Downtown, where it built Cahill Station, which is now Diridon Station.

With the streetcar taken away from the city center, streets were dominated by cars.
2 Historical Context

Funding for the Santa Clara County Expressway System was secured in 1961.

In 1980 investment for adding, extending and upgrading highways was secured.

When light rail opened in 1987, it wasn't met with expected success. People still preferred to drive to their jobs, which were mostly concentrated in North San José.

3 years after this photo was taken, San José moved its city hall out of Downtown. This exodus removed hundreds of workers from Downtown.

View of San Pedro street. Competition between city and suburbs led to a deserted city center.

San José today, where a new downtown cultural district emerges.
Through the 1960s, City leaders continued to pursue an outward growth agenda. In 1958, San José moved its City Hall out of Downtown to a newly built office park and civic center on North First Street, nearly 2 miles to the north. Santa Clara County offices followed City Hall out of Downtown. This exodus removed hundreds of public sector and newspaper workers from Downtown. Such jobs are typically a core part of the critical mass of employees in a Downtown, typically providing a solid base of retail customers.

San José converted two-way neighborhood streets in and around Downtown into pairs of high-capacity one-way streets in order to accommodate large volumes of vehicles for people who drove from south San José to the north through Downtown and adjacent neighborhoods. These two-way to one-way conversions were intended to protect the Downtown from being overrun with traffic, but, in practice, these changes allowed car travelers to pass through — and around — Downtown at higher speeds, thereby degrading the quality of these streets for non-drivers and the quality of Downtown generally.

During this period, the City Council also reversed its policy of opposing large-scale retail development outside of Downtown, and many shopping centers began opening outside of Downtown. Every new neighborhood had orchard land that was converted into a neighborhood shopping center with a supermarket and a dozen or more stores. The continued growth of the Valley Fair Mall and establishment of Santana Row created a new retail center in the center of the Santa Clara Valley that is likely to sustain that role in the decades to come.
2 Historical Context

2.3 Back to the Future: Towards a New Downtown

The planned Phase II extension of VTA’s BART to Silicon Valley project through Downtown San José has catalyzed a renaissance for Downtown San José. Businesses like Adobe have recently built flagship headquarters here. Historic locations like San Pedro Square have been transformed into active, pedestrian-friendly destinations. The proposal by Google to create Downtown West as a new district with high-rise mixed-use development in the Diridon Station area shows the potential for public transit paired with dense mixed-use transit-oriented development to breathe new life into Downtown San José.

By understanding Downtown’s history, the VTA Block DDF aims to build upon these recent actives. Another focal point for urban life in Downtown San José will be revitalized, right at the core of where it all began over a century ago.

Fig. 2-08 Historical Sites: First Street (Left) and Bank of Italy (Right)
Source: San José Downtown Design Guidelines and Standards, 2019

Fig. 2-09 Historical Landmark Location Map
Note: This historic inventory map is provided for convenience. For the most updated information refer to the City of San José Historic Resources Inventory or consult the City of San José Historic Preservation Officer.
The core purpose of the DDF is to provide design guidelines that can be used by VTA, development partners, and others to inform and evaluate efforts to advance development of the VTA Block to create successful world-class TOD. For each of the guidelines, precedent studies, references to the City of San José’s Downtown Design Guidelines, and/or site specific analysis are provided where relevant to explain how the DDF design guidelines can best be applied to efforts to advance development of the VTA Block.

The DDF design guidelines provide concrete guidance for realizing the DDF vision. The DDF is built from five guiding principles, each of which explained in more detail in this chapter:

- Public Realm Activation
- Improve Access and Connectivity
- Urban Character and Public Interfaces
- Historical Sensitivity
- Social Equity and Environmental Responsibility
3.1 Public Realm Activation

One of the guiding principles of the DDF is the notion that the future development will provide active public spaces that are designed and programmed in ways that are inviting to the community.

VTA’s majority ownership of the block, and collaboration with other owners on the block, provides unique opportunities to redesign the block in a coordinated and complementary manner. Rather than each property owner developing their property independently, the DDF advocates for a unified approach that also promotes flexibility, variety, and distinct architectural forms for each building. Such an approach ensures the creation of higher-quality TOD, and it allows each property owner to develop more square footage on its property than would be possible with each owner acting independently.

As Downtown’s growth in the early twentieth century was focused around transit and pedestrians, Downtown’s future is also very connected to restoring a vibrant mix of pedestrians, transit, and commercial, cultural, and social activities. The Downtown BART station will generate tens of thousands of new pedestrians daily. The DDF design guidelines seeks to leverage this transformational uptick in activity to create a dynamic and thriving urban environment on and around the VTA Block. Placing a plaza at the center of the VTA Block helps achieve this goal by:

- Providing direct entry to/from the BART station from/to the plaza
- Creating multiple connections and links between Downtown destinations through the VTA Block
- Simplifying links to public transit, including to BART, and VTA light-rail on First and Second streets and public bus services all around the block and throughout Downtown
- Providing pleasant and dynamic outdoor space and amenities for the public and occupants and users of adjacent development
- Housing other elements and functions, such as public art, performance spaces, and retail uses that will help keep the site and area active, safe, and inviting 24/7

San José, the greater Bay Area, and beyond have many precedents for public plazas, and some aspects are more successful than others. A few plaza precedents are shown in figures 3-08 through 3-15.
3 Design Guidelines

Fig. 3-05 Existing Site Conditions and Dimensions

- Reduce block size to promote better architecture, increase views, increase wind flow for natural ventilation, and create multiple transportation routes for people who walk and bike and emergency and service vehicles.

Fig. 3-06 Guidelines for Relationship to Transit

- Place high density development near transit, particularly rail transit stations, to facilitate transit use.
- Locate commercial building lobbies near transit stops and stations.
- Do not create parking or vehicular access on streets with light rail or bus rapid transit.
- Locate vehicular curb cuts away from bus stops, rail stations, and light rail corridors.
- Place a building’s active frontages and amenities near rail transit stations and bus stops.

Fig. 3-07 Guidelines for Activation Around Transit

- Emphasize transit by orienting activities and amenities to stations.
- Place high density of development near transit.
- Keep transit stops and station areas active to promote safety and integrate transit into the activity of nearby development.
- Add benches and landscaping to benefit transit patrons.
Fig. 3-08 Plaza de César Chávez

The Plaza de César Chávez is one of the oldest public spaces in the city, has a rich landscape, and is relatively well used. It is also surrounded by busy roads that separate it from its surrounding urban context, thereby limiting its potential for greater activation.

Fig. 3-09 City Hall Plaza

The City Hall plaza is a partially enclosed functional public space. It suffers from a lack of landscape design and activation features such as shaded/sheltered areas and amenities such as café or retail spaces that would enhance experiences for visitors to the space. This plaza does successfully host many large-scale events and is reasonably well-suited for large events.

Fig. 3-10 Transbay Transit Center, San Francisco

The Salesforce Transit Center Park sits atop the roof of the transit facility, and this configuration has both pros and cons. An advantage of being on the rooftop is that the park becomes a quiet oasis removed from the busy, vehicular-oriented street. A disadvantage of being on the rooftop is that the park is less accessible to the public, and it does not directly connect with pedestrian-oriented activities.

3 Design Guidelines
Perhaps most critical to the successful activation of the plaza space is the fact that the new BART station will bring tens of thousands of passengers to and from the station every day.

Plaza activation will be further enhanced by creating the right mix of programming to the space. This could include both food and beverage (above) as well as event spaces for performances and informal gatherings (below).

Public art is another key feature to activate the plaza and allow for community involvement.

Providing mid-block pedestrian links into the plaza will enhance connectivity and allow for additional active storefront spaces in the design.
3 Design Guidelines

Precedent Project: City Center, Washington, DC

City Center in Washington, DC has a scale, density, and mix of uses that is similar to the VTA Block envisioned in the DDF. City Center is located one block from the Gallery Place/Chinatown Metro Station, and it sits at a crossroads between multiple cultural, institutional, and retail destinations. City Center utilizes its prime location and proximity to transit to leverage pedestrian activity and attract high-end retail tenants at ground level and integrate a range of commercial and residential spaces into the buildings above.

Previously enclosed by a single, vast structure, the new City Center breaks the site down into smaller, more pedestrian friendly blocks that bridge new connections between diverse downtown communities. Drawing inspiration from European street patterns that have more connectivity in the pedestrian grid, the scheme reinstates and expands upon the original alleyways system.

The tree-lined avenues, complete with classic Washington ‘globe’ streetlights, are re-planted with local species that integrate seamlessly with the historic context.

The following strategies from the City Center precedent are also fundamental to the design guidelines for the VTA Block included in the DDF:

• Dense mixed-use urban development
• Street-facing retail and residential units on upper levels
• Public art and water features set within a central plaza/courtyard
• Retail area and outdoor seating occupy the ground level for activation, connected by a series of pedestrian streets.
3 Design Guidelines

**Guideline:** The DDF places great emphasis on activating the ground plane around the station by creating a dynamic public space at the heart of the VTA Block. The creation of a plaza is therefore essential. The plaza should be surrounded by buildings, provide clear and direct access to the BART station, be active day and night, have good access to sun and daylight, protection from wind, be fully accessible with no steps or grade separations, and create easy connections to adjacent destinations.

Fig. 3-18 City Center Urban Design Precedent

Site Area: 266,187 sq.ft.
Ground Floor Area: 168,636 sq.ft.
Site Coverage: 63.4%
Total Building Area: 1,482,971 sq.ft.
FAR: 5.6

Fig. 3-19 City Center Urban Design Precedent
3 Design Guidelines

3.2 Improve Access and Connectivity

Understanding foreseeable pedestrian activity within and around the site is critical to understanding how the VTA Block can be designed to fit within, complement, and enhance a heart of Downtown’s urban fabric. Many popular destinations are within a short five minutes or less walk of the VTA Block. Figure 3-20 shows the ‘Four Cornerstones,’ the cultural, civic, recreational, and academic/institutional destinations that surround the site. One of the core goals of VTA Block development is to simplify pedestrian movements to create more easy pedestrian connections to and from public transit. The figures that follow all demonstrate how vital connectivity is to the success of the VTA Block.

Compared to other urban grids, Downtown San José has large blocks that create longer walking distances. New mid-block pedestrian connections, or paseos, are critical to creating a more walkable Downtown and to bring it closer to other more walkable urban centers, like New York, Washington DC, or San Francisco (see fig. 3-24 through 3-26). There is already a partial network of paseos in Downtown, although the existing paseos tend to be isolated fragments, rather than a coordinated and connected paseo network (see fig. 3-27). Paseo connections like those envisioned in the DDF could provide inviting alternative routes for people who walk through Downtown, including by providing new options to access transit, like that which will be available at the future Downtown BART station.

![Fig. 3-20 Downtown Four Cornerstones](image-url)
3 Design Guidelines

- Use paseos to create routes to transit stations
- A paseo may have built space above or below the pedestrian surface as long as the paseo appears public and safe
- Design paseos with end-to-end visibility from connecting Public Space. Align and connect the ends of paseos with streets, other paseos, or open spaces
- A new paseo may be created only on a block that is over 3 acres in size with over 400 feet between streets on the longest side

Fig. 3-22 Guidelines for Mid-Block Connections

- Create a streetwall* along at least 70% of the property or setback line when facing a Primary Addressing Street, at least 50% when facing a Secondary Addressing Street and at least 30% when facing any other street
- Use buildings to create edges for streets and public parks
- Place buildings to preserve view corridors crossing the site, especially designated view corridors
- Bring buildings to the sidewalk to frame the street

* Streetwalls are the front walls of buildings along the street edge.

Fig 3-23 Guidelines for Building Placement

Fig. 3-21 Guidelines for Block Sizes

- When developing parcels that make up more than 75% of the area of a block that exceeds the maximum size of 250 feet, divide the block so that all resulting blocks are less than 200 feet in length
- When feasible, connect the ends of new streets or paseos with existing streets and paseos in adjacent blocks
- Do not vacate (sell or give away) or construct buildings upon an existing public street right-of-way that lies along a view corridor

Fig. 3-24 Guidelines for Block Sizes
3 Design Guidelines

Downtown San José

- San José City scores 33rd in walkability (50.5/100) compared to all USA cities
- Downtown San José has walk score of: 77/100, transit score of: 62/100 and a bike score of: 89/100

Downtown San Francisco

- San Francisco has the 3rd highest walk score (86.0/100) of all USA cities
- Downtown-Union Square has walk score of: 99/100, transit score of: 100/100 and a bike score of: 84/100

Washington DC

- Washington DC scores 9th in walkability (77.3/100) compared to all USA cities
- Downtown Washington has walk score of: 97/100, transit score of: 100/100 and a bike score of: 90/100

Fig. 3-24 (5) min. Walk Radius in Downtown San José.

Fig. 3-25 (5) min. Walk Radius in Downtown San Francisco

Fig. 3-26 (5) min. Walk Radius in Washington DC.
3 Design Guidelines

Paseo Network Today - Existing and Proposed

Vision for New Slow Movement Network

Fig. 3-27 Existing Passages

Fig. 3-28 Proposed Passages
Precedent Project: Laneway Revitalization, Melbourne, Australia

“Laneways” are narrow streets and pedestrian paths established in Melbourne in the Victorian era. During the nineteenth and twentieth centuries the laneways were privatized, closed off, and neglected. Today, the newly revitalized laneways are popular attractions with high-quality paving materials and lighting, cafes, bars, street art, and cultural events. The revitalization of Melbourne’s laneways began in the early 1990s when the City of Melbourne and state government worked to protect and upgrade the remaining laneways. This was part of a larger laneway regeneration program intended to bring people back to the city after work hours by making the city an exciting, safe, and hospitable environment.

Before: During the 19th and 20th centuries the laneways were privatized, closed off, built in, and neglected.

After: Pedestrian-priority spaces with no vehicular traffic, quality paving materials and custom designed lighting; obstacles, bollards, curbs, and redundant street elements removed; and activation programming like cultural and arts events instituted.

Methods used:

- Incentivize university population to live in the city: The city worked with universities to encourage the large international student population to live in the city and bring along cultural diversity and energy to public areas.
- Invitation to local retailers to take up laneway spaces: The streets were cleaned up, and active street frontages and mixed-use development were encouraged. Small local retailers, particularly cafes, were encouraged to move into the CBD and take up laneway spaces facing the street.
- Public art program: An ongoing, temporary public art program was developed, bringing a sense of excitement and discovery to the laneways.
- Nighttime activities: Nighttime activity was encouraged with incentives for retailers to stay open for longer hours.
Nighttime activities

Nighttime activity was encouraged with incentives for retailers to stay open for longer hours.

Incentivize university population to live in the city and bring along a cultural vibe

The city worked with universities to encourage the large international student population to live in the city and bring along cultural diversity and energy to public areas.

Invitation to local retailers to take up laneway spaces

The streets were cleaned up, and active street frontages and mixed-use development were encouraged. Small local retailers, particularly cafés, were encouraged to move into the CBD and take up laneway spaces facing the street.

Public Art program

An ongoing, temporary public art program was developed, bringing a sense of excitement and discovery to the laneways.

Nighttime activities

Nighttime activity was encouraged with incentives for retailers to stay open for longer hours.
The Downtown BART station has entrances and exits on both the north and south sides of the station, with visual connectivity through the station to and from the plaza. The BART station has direct access to and from the plaza. The paseos envisioned in the DDF for the VTA block make the central plaza, BART station, and general area more accessible, walkable, and desirable from multiple directions.

Based on our site analysis and precedent studies, the paseos have been sized to be greater than 25 feet wide with a wider paseo to the north of the station, as it will also provide periodic emergency and service access of the north entrance to the station, but be closed to all other vehicular traffic.

The DDF envisions that people will be able to easily access the site and its central plaza. The blue arrows in Fig. 3-32 represent pedestrian access routes which allow a convenient path of travel to and from all directions and potential destinations.
3 Design Guidelines

**Paseo de San Antonio** (1:3 to 1:4 ratio)

**Paseo between 2nd and 3rd Street** (1:3 to 1:4 ratio)

**Towers @ 2nd Paseo** (1:2.5 to 1:5 ratio)

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Fig. 3-33 Paseo de San Antonio Analysis

Fig. 3-34 Paseo Between 2nd and 3rd Street Analysis

Fig. 3-35 The Mercury News Paseo Analysis
3 Design Guidelines

Precedent Project: Santana Row

A more local example is Santana Row, a high-end shopping center that recreates a European urban shopping experience with sidewalk cafes and a “park once” strategy that is enabled by structured parking at access points. Recognizing that this is not a precedent from a historic downtown, Santana Row’s commercial success is partially based on the fact that it replicates the small-scale pedestrian-friendly experience of a nineteenth century tree-lined European city street with human-scale and active storefronts. Santana Row’s building heights and street and sidewalk widths are scaled to complement each other nicely. Wider sidewalks provide space for outdoor seating and dining, and trees on the edge of the sidewalk provide shade and beauty.

Another important aspect of pedestrian connectivity and access is intuitive circulation and easy navigation through public spaces. VTA has been engaged with the City of San José on wayfinding efforts that will help people navigate Downtown by making it easier to identify and find key destinations, including transit stops. This program should be consulted as part of continuing efforts to make Downtown more accessible, understandable, and enjoyable for all.

Guideline: The DDF recommends that the existing paseo network in Downtown be expanded and enhanced, including by dividing the VTA Block into a discrete set of developable parcels that help create an environment for better connectivity. The paseos should be pedestrian friendly and sufficiently wide to allow for landscaping, outdoor seating, and other amenities.
3 Design Guidelines
3.3 Urban Character and Public Interfaces

As described in Chapter 2 - Historical Context, development in Downtown is commonly not set back from the sidewalk, and there is a historic building height datum of 40 to 60 feet (or three to four stories), particularly along the historic Santa Clara Street corridor. The City of San José’s Downtown Design Guidelines reference this historic precedent, and recommend a 40 to 60 foot datum for a ‘podium’ of front-facing construction, and towers should be set back above this point. To align with city guidelines and create a unified approach for VTA Block development, the DDF embraces the ‘podium’ concept included in the City of San José’s Downtown Design Guidelines.

The DDF envisions more solid building bases up to the podium level and that the towers above are set back and articulated with geometry and materials that are different than the podium base. The point of transition between the podium base and the setback towers above also creates opportunities for occupiable amenity spaces at the podium level, such as landscaped terraces, recreation space, and outdoor seating areas with retail uses like food and beverage.
3 Design Guidelines

**Fig. 3-40 Guidelines for Podium Level Massing**

**STANDARDS**
- Divide Podium Level building massing facing Public Space that creates a facade wider than 100 feet into visibly articulated smaller masses no wider than 80 feet using projections and recesses, materials, shadow relief, or other architectural elements (refer to diagram).

**Fig. 3-41 Guidelines for Creating Massing**

**STANDARDS**

a. Height transition (see illustration a): If a new building 100’ feet tall or more is across the street from or adjacent to either:
   1. A historic building 45 feet tall or less
   2. A site in a residential use that is limited to a building 45 feet tall or less

   The new building must step back its street facing facade 5 feet minimum from the front parcel or setback line at an elevation between 25 and 50 feet.

**Fig. 3-42 Guidelines for Arrangement of Activities**

**STANDARDS**

- Place a ground level building facade along 70% of each parcel’s Public-Space-facing property lines (within 10 feet) or setback lines (within 3 feet). Streets for this standard do not include Highways 87 or 280, highway ramps, or railroad alignments. For a project located within a historic district or context, refer to adopted historic district guidelines and to Guideline (f) in Section 4.2.4.
b. Width Transition (see Illustration b): If a new building is across the street from or adjacent to a historic building that is both:

1. 45 ft tall or less
2. More than 30 ft narrower than the new building

The new building must create gaps in the Podium Level above the ground floor to divide its street-facing massing into segments no more than 30 ft wider than the widest of the applicable historic buildings. Gaps must be 5 ft minimum width and depth.

Note: There is no need to limit the massing width of a building adjacent to historic buildings that occupy their full lot width, such as historic storefronts. Thus, if a historic building’s street-facing facade continues to within 5 ft of its parcel edges, it does not trigger the Width Transition requirement.

c. Rear Transition (see Illustration c): If a new building 100 ft tall or more is across a parcel line interior to a block from either:

1. A historic building 45 ft tall or less
2. A site for residential use that is limited to a building 45 ft tall or less

The rear portion of new building must maintain a transitional height of 70 ft or less within the first 20 ft from the property line.

RELATED GUIDELINES
4.2.3 - Civic Icon Adjacency
4.2.4 - Historic Adjacency

GENERAL PLAN REFERENCE

Fig. 3-43 Revised TOD Massing
A historical datum of 40 to 60 feet exists along Santa Clara Street as a podium, and the DDF is aligned with the City of San Jose guidelines in recommending that this feature of the urban frontage be respected.
3 Design Guidelines

Precedent Project: Hearst Tower, New York, NY

In this project, a new tower was constructed on top of an existing historic building. The tower above has a distinctly modern glass façade with a different geometry and material expression that clearly distinguishes it from the more solid masonry materials expressed in the historic building below. The way the building meets the ground and the pedestrian experience at street level remains at a human scale, and is not impacted by the new development above.

It is likely that all buildings on the block will not be developed at the same time, and VTA would prefer that world-class TOD on the block be realized in a manner that promotes a variety of creative expressions (e.g., by different architects, with distinct characteristics from one building to another, etc.). However, VTA also recognizes that the most successful TOD is integrated with the community around it while adhering to certain common principles that provide unity and coordination within and between developments. Creating a framework to establish coherence while maintaining flexibility is at the core of the DDF.
Guideline: To maintain cohesive urban character and public interfaces, the DDF recommends the following:

- All new buildings should adhere to an approximately 60-foot podium height from ground level.
- Lower podium buildings should be clad with high-quality solid materials like stone or concrete that are appropriate for the historic context.
- Towers above the podium should be architecturally distinguished from the podium building through setbacks, changes of material, or other methods. Material selected for the towers should be high-quality, convey permanence, and be environmentally appropriate (both in their sourcing and their embodied carbon).
- Rooftop space created from stepping-back towers at the top of podium levels should be utilized as outdoor amenity spaces, such as landscaped terraces or recreation space for commercial or residential uses, or food and beverage outdoor seating areas for retail use, as feasible.
- Rooftop spaces on top of towers should also be occupiable wherever feasible and appropriate in order to provide outdoor amenity spaces that have views of the surrounding city and landscape.
- The massing of the towers should be stepped in ways that maximize daylight to the plaza, provide views for occupants, and avoid casting shadows on St. James Park.

Fig. 3-48 Artistic Impression of BART TOD
3 Design Guidelines

3.4 Historic Sensitivity

Given the site’s prominent location in Downtown and the varied character of the architecture along the four adjacent streets that bound the site, it is important that new development on the VTA Block remains of a scale and character that complements neighboring developments. To some extent, the use of the aforementioned guidelines in this chapter regarding podium height, materials, and setbacks will all contribute to the creation of new buildings which feel appropriate within their context.

A few other key historic factors are highlighted by the DDF for future consideration:

First, the historic Building and Loan structure located at 81 West Santa Clara has been listed as a potential historic resource and eligible for listing in the National Register of Historic Places (NRHP) through a formal process involving federal agencies. The building sits at the middle of the block, adjacent to the future BART station. This property is also privately owned and not under VTA’s control. The building is of a scale and quality that it could fit very well within the podium concept already articulated in the DDF. Any future development that interacts with this site requires sensitivity regarding the historic building so that its historic character is not diminished.
3 Design Guidelines

Fig. 3-50 Historic San Jose Building and Loan Association Building Parcel Analysis
Another key historic consideration is that the northwest corner of the site, which is diagonally opposite St James Park, falls within the boundaries of the St James Park Historic District. While the existing building on this site does not appear to be historic, the St James Park Historic District guidelines would limit the building height for any new development on this site to only one story taller than any adjacent buildings, or, in any case, no greater than 70 feet. The future buildings that would be adjacent to a future building at the corner of St John and First Street would likely be taller than 70 feet.

The St James Park Revitalization Strategy has been developing plans to renovate and activate St James Park including plans for event spaces, playgrounds and a Park Paseo and Monument Walk. Last updated in 2019, the 25% Plans show a children’s playground facing the corner of St Johns and First streets. The Levitt Pavilion is also planned for the park; it would be a venue for future performances and events. Revitalization of St James Park would create valuable amenities for the community that would complement the VTA Block.

With St James Park’s proximity in mind, another key consideration for future development of the VTA Block is to minimize shadows cast over the park, which could happen in the afternoons during winter months when the angle of the sun is lower.

All of these factors should be considered as part of future activities to advance development of the VTA Block.
3 Design Guidelines

Guideline: While neither of the two properties with constraints created by historic buildings or districts are owned by VTA, sensitivities associated with these sites must be taken into account as part of activities to advance development of the VTA Block. Further consultation with the City of San José will also be needed to ensure that VTA Block massing adheres to local regulations, including the following recommendations of the DDF:

- The corner parcel at St. John and First Street, diagonally opposite St. James Park, must be designed in a manner that considers its impact on the park and the St. James Park Historic District. A shadow study should be undertaken to determine any potential impact on the public park.
- The treatment of the buildings adjacent to the Building and Loan building, located at 81 West Santa Clara Street, should be explored further and reviewed with the City of San José to avoid diminishing any contributing features of the historic building.
- Site access to 81 West Santa Clara Street should be retained in its current configuration.
- Strategies to be considered for adjacencies to the historic building may include setbacks and adjustment to podium height(s) to align with the roofline of historic building.

These figures show other key destinations within a 15 min walking distance of the VTA Block. These destinations make up the ‘4 cornerstones’ of critical adjacencies: University/Education ([4] San Jose State University), Civic and Iconic Buildings ([1] City Hall and [2] SAP Center), Cultural and Arts ([8] Center for Performing Arts and [6] Museum of Innovation) and Historical/Cultural landmarks (Post Office building, San Pedro Square, Bank of Italy).
3.5 Social Equity and Environmental Responsibility

The VTA Block represents one of the greatest opportunities for VTA to ensure that TOD addresses issues of social equity and ensures that new development is undertaken in an environmentally sustainable manner. The DDF is shaped by VTA’s Transit-Oriented Communities work that occurred concurrently with the BSV Phase II Project and VTA’s TOD Policy, particularly its commitments to the creation of affordable housing.

Adopted in 2016, VTA’s TOD Housing policy sets a minimum of 20% affordable housing units within any TOD development. Within this requirement, of the 20% affordable units, at least half should be targeted to extremely-low or very low income households. The policy does not allow for payment of in-lieu fees, off-site development, or other actions that sidestep the objective to create mixed-income residential development.

Updated in November 2019, VTA’s TOD Policy reinforces VTA’s commitment to the following goals that are most relevant to the DDF:

- Provide housing at a range of density and affordability levels and guarantee affordable and workforce housing units across targeted income levels
- Support commercial and retail spaces that support local businesses and living wage jobs
- Enhance mobility choices
- Community services and other amenities should be integrated into safe and walkable neighborhoods
- Generate revenue to sustain transit capital investments and operations
- Incorporate a comprehensive approach to sustainable design, construction, operations, and maintenance to advance net-zero development policies.

The list above is not comprehensive, but it serves as a sample of VTA’s sustainability and equity goals that TOD can help to achieve.

To further VTA’s achievement of its equity goals, the DDF also proposes that the ground-floor retail spaces be sized to support small-scale local businesses, that some portion of the ground-floor spaces be allocated to a community center, and/or that space be reserved for community events, performances, exhibits, and/or meetings.

For more information about VTA’s goals for sustainable development and corresponding content in the DDF, please refer to Chapter 5 – Sustainable Approach to Development which addresses this topic in more detail. For sustainability-focused design guidelines, the following is a sampling of potential strategies that the DDF recommends be explored and prioritized in future RFP/RFQs:

- Target net zero energy as a goal for future development on the block.
- Explore structural solutions for the building that will reduce embodied carbon, such as mass timber, light-weight concrete admixtures, and recycled material content.
- Explore opportunities for efficiencies by centralizing utility services and exploring energy distribution strategies like micro-grids to further reduce energy consumption.
- Implement strategies that promote transit use and minimize single-occupant vehicle trips to reduce congestion and pollution.

Guideline: Social equity and environmental responsibility are vitally important, and VTA’s policies document VTA’s consistent commitment to sustainable and equitable approaches and outcomes. VTA will seek public-private partnerships that advance achievement of VTA’s sustainability and equity goals when reviewing and approving proposals to advance development of the Downtown VTA Block.
3 Design Guidelines

Measuring Success

As a tool to evaluate and balance the various priorities of the DDF guidelines, a system of visual ‘Dials’ has been developed. Some of the key measurable criteria for successful TOD have been translated into the graphics as shown in figure 3-57, and this tool has been utilized to evaluate different test fits and massing options which are shown in Chapter 4 – Applying the Guidelines. These guidelines will also be used in the future by VTA, as the project develops, to evaluate different proposals and determine how successfully they adhere to the DDF principles.

### Matrix Evaluation Criteria

<table>
<thead>
<tr>
<th>Thermal Analysis</th>
<th>Views</th>
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<tr>
<td>Winter Solar Hours</td>
<td>Winter Solar Hours</td>
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<tr>
<td>Index Value</td>
<td>Index Value</td>
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<tr>
<td>Indexed solar performance (More is better)</td>
<td>Indexed inverse solar performance (More is better)</td>
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<tr>
<td>Summer Solar Hours</td>
<td>Summer Solar Hours</td>
</tr>
<tr>
<td>Index Value</td>
<td>Index Value</td>
</tr>
<tr>
<td>Indexed solar performance (More is better)</td>
<td>Indexed inverse solar performance (More is better)</td>
</tr>
<tr>
<td>Views of Green Space</td>
<td>Views of Green Space</td>
</tr>
<tr>
<td>Index Value</td>
<td>Index Value</td>
</tr>
<tr>
<td>Facade that can see green space, weighted by amount of green space visible (More is better)</td>
<td>Facade that can see mountains, weighted by amount of green space visible (More is better)</td>
</tr>
<tr>
<td>Views of Mountains</td>
<td>Views of Mountains</td>
</tr>
<tr>
<td>Index Value</td>
<td>Index Value</td>
</tr>
<tr>
<td>Contextual Integration</td>
<td>Contextual Integration</td>
</tr>
<tr>
<td>Index Value</td>
<td>Index Value</td>
</tr>
<tr>
<td>Indexed qualitative response of the massing to the immediate context</td>
<td>Indexed qualitative response of the massing to the immediate context</td>
</tr>
</tbody>
</table>

Solar performance calculated based on average sunlight hours to the rooftops, facades, and ground plane for each of the schemes. The inverse of this performance is used for summer-based evaluations, as fewer sunlight hours is more desirable during the summer.

<table>
<thead>
<tr>
<th>Spatial/Urban</th>
<th>Resource Management</th>
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<tbody>
<tr>
<td>FAR</td>
<td>Embodied Carbon</td>
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<tr>
<td>Index Value</td>
<td>Tons Carbon/Sq Ft</td>
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<tr>
<td>Floor area ratio</td>
<td>Overall embodied carbon in scheme (Less is better)</td>
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<tr>
<td>Urban Performance</td>
<td>Construction Phasing</td>
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<tr>
<td>Index Value</td>
<td>Benefit of Potential Construction Phasing (Higher is better)</td>
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<tr>
<td>Indexed network analysis, including length of paths, density of intersections and shortest path analysis</td>
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</table>
Applying the Design Guidelines

This chapter describes how the design guidelines presented in Chapter 3 can be applied in order to develop and evaluate world-class TOD options for the VTA Block, and how they were applied to identify the baseline development concept presented in the DDF – VTA will use this DDF baseline concept to evaluate future development proposals for the VTA Block, while remaining open and flexible to proposals that are improvements from the DDF baseline.

The DDF process developed and evaluated multiple “test fits” to determine the best ways to achieve development goals within environmental, regulatory, and political frameworks. These test fit options for world-class TOD on the VTA Block were evaluated using criteria that were established as part of the DDF process. Figure 4-07 shows the array of different massing options studied and the four massing scenarios chosen for further consideration.

Based on input and feedback from stakeholders, one of the schemes was further developed, shown in Figure 4-15. It is important to note that this massing does represent a “recommended” massing or plan for the VTA Block, rather the latest iteration of an ongoing process of refinement that will continue. VTA will ultimately work with a master developer to develop the principles and concepts expressed within the DDF into a master development plan for the Block, with broad-based involvement by the public, stakeholders, and City, that will provide the final massing, design, development strategies, and actions needed to create world-class TOD on the VTA Block.
4.1 Target Density, Program and Surrounding Context

Development massing options were evaluated in coordination with development feasibility analyses that identified a target floor area ratio (FAR) of approximately eight square feet of occupiable space for every square foot of land area within the VTA Block. This 8 FAR is in line with other recent developments in Downtown. The mix of occupiable space uses was also derived from prior financial market analyses.
4 Applying the Design Guidelines
4 Applying the Design Guidelines

Max Height: 267.5 ft (per FAA height restrictions)
4 Applying the Design Guidelines

4.1 Target Density, Program and Surrounding Context (cont.)

The four corridors which frame the VTA Block accommodate different needs and have different characters (e.g., transit-oriented, pedestrian-oriented, car-oriented, historic, civic, urban park, etc.). Uniform 60-foot building podium heights would complement the character of all framing corridors with a design element that unifies developments on the block. The distinctive character of each side of the block also suggests certain uses for the buildings that face them. Figure 4-05 shows suggestions for how building massing and occupiable uses might be integrated with the context of the block.

The DDF envisions that all parcels fronting Santa Clara and Market streets, which are major commercial thoroughfares, would house commercial and office uses. The DDF also envisions that quieter First and St John streets that connect to St James park are better suited for residential and hospitality uses. In the test fit shown in figure 4-06, the corner site at St John and First streets is shown as a hotel use, although the viability of a hotel at this site is dependent on discussions with the City regarding the recommended building heights in the St James Park Historic District Guidelines, as noted in Chapter 3.

Fig. 4-05 Surrounding Streets Analysis
4 Applying the Design Guidelines

Fig. 4-06 Functions Diagram
4 Applying the Design Guidelines

Fig. 4-07 Massing Studies
4 Applying the Design Guidelines

Fig. 4-08 Stakeholder Meeting, February 2020

Fig. 4-09 Massing Model
4 Applying the Design Guidelines

4.2 Summary of Massing Approach

This series of diagrams begins with a solid mass that is the full size of the site and 267 feet tall, the maximum allowed height (Step 1).

From this theoretical mass, the central plaza is carved away to create a public space at the heart of the development for all of the reasons outlined elsewhere in this document (Step 2).

Pedestrian paseos are then introduced to provide access to the plaza, particularly on the long north-south city blocks (Step 3).

Setbacks are provided at the historic Building and Loan building on Santa Clara Street and for the BART station (Step 4).

A 60 foot podium height is established, with outdoor amenity space created where towers are set back from podiums (Step 5).

The towers set back from the podium bases will have a lighter more transparent architectural expression. (Step 6).

Fig. 4-10 Massing Studies
Proposed floor-to-floor heights vary depending on the interior program, with residential floor-to-floor heights of 13ft and commercial at 15ft. Ground floor retail will have 18ft clear. (Step 7)

The DDF suggests that building heights should be lowered near the corner of Santa Clara and Market streets in order to allow more sunlight into the plaza and provide better views of Downtown for building occupants. (Step 8)

The DDF also suggests that building heights should be lowered near the corner of St John and North First streets in order to provide better views of St James Park and the east hills. (Step 9)

To avoid units looking into each other via facing windows, the two residential towers at the northeast of the site are merged above podium level. (Step 10)

The DDF suggests further terracing the residential towers to provide enhanced views and more usable outdoor amenity space. (Step 11)

The DDF also suggests that building frontages be articulated to have more aesthetically pleasing buildings that better contribute to Downtown's urban character. (Step 12)
4 Applying the Design Guidelines

Fig. 4-11 Pedestrian Circulation Diagram

Fig. 4-12 From BART Station to other Transportation Links

Fig. 4-13 From BART Station to Open Spaces
4 Applying the Design Guidelines

Fig. 4-14 Proposed Site Plan Ground Floor (Not shown: TOD Above BART Station)
4 Applying the Design Guidelines

4.2 Summary of Massing Approach (cont.)

Within this conceptual massing shown in Fig. 4-15, the overall project can achieve the FAR 8 target and also meets the FAR 4 minimum shown in Fig 4-15 that is required for this site by City of San José’s regulations.

The massing for the test fit solution was evaluated using the design guidelines described in Chapter 3. It achieves high scores for thermal comfort at the plaza, the quantity and quality of views from the residential units, and access to rooftop amenity spaces. The terracing down of the buildings to the southwest and northeast corners aligns closely with the guidelines regarding access to views, outdoor spaces, and not casting shadows on the plaza or St James Park. The inclusion of a significant number of residential units will contribute to an active public realm, and advance VTA's social equity goals by creating much-needed affordable housing close to public transit. Finally, the dual-oriented retail spaces at the ground floor can be configured in smaller footprints to support small business enterprises.

Fig. 4-15 Illustrative Massing

*Note: All numbers are indicative and subject to further development.
4 Applying the Design Guidelines

**Fig. 4-17 Site Concept**

**Fig. 4-16 View from North-East**

---

<table>
<thead>
<tr>
<th>FAR (Winter)</th>
<th>Solar (Summer)</th>
<th>Views (Park)</th>
<th>Views (Mountains)</th>
<th>Accessible Roof Area</th>
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</thead>
<tbody>
<tr>
<td>8</td>
<td>3.0</td>
<td>6.1</td>
<td>17%</td>
<td>18%</td>
</tr>
</tbody>
</table>

*Note: All numbers are indicative and subject to further development.*

**Plot Area (sf.)**

228,162

<table>
<thead>
<tr>
<th>Usage</th>
<th>GFA (sf.)</th>
<th>GFA%</th>
<th>FAR</th>
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</thead>
<tbody>
<tr>
<td>Retail</td>
<td>115000</td>
<td>6.3</td>
<td>0.6</td>
</tr>
<tr>
<td>Office</td>
<td>815000</td>
<td>44.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Hotel</td>
<td>160,000</td>
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<td>0.7</td>
</tr>
<tr>
<td>Total Commercial</td>
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<td>Market Rate Res.</td>
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<tr>
<td>Affordable Res.</td>
<td>146000</td>
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<td>0.6</td>
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<tr>
<td>Total Residential</td>
<td>730,000</td>
<td>40</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Grand total:</strong></td>
<td>1,825,000</td>
<td>55</td>
<td>8.0</td>
</tr>
</tbody>
</table>

**FAR 8.0**

GFA 1,825,000 sq ft (appr)

**Fig. 4-18 Total FAR Chart**

*Fig. 4-19 These ‘dials’ show the performance of the massing. Based on our study of the various options, this iteration of the design scored highest overall.*
4 Applying the Design Guidelines

![Podium/Tower Splits Chart](image_url)

**Area Summary**

<table>
<thead>
<tr>
<th>Use</th>
<th>Area (sqft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
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</tr>
<tr>
<td>Office</td>
<td>719000</td>
</tr>
<tr>
<td>Hotel</td>
<td>143400</td>
</tr>
<tr>
<td>Residential (Market Rate)</td>
<td>552500</td>
</tr>
<tr>
<td>Residential (Affordable)</td>
<td>138100</td>
</tr>
<tr>
<td>Core</td>
<td>166000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1825000</strong></td>
</tr>
</tbody>
</table>

*Note: All numbers are indicative and subject to further development.*
4 Applying the Design Guidelines

4.2 Summary of Massing Approach (cont.)

Figures 4-24, 4-25 illustrate the viewshed from the development to St James Park and the mountains beyond. These views have been optimized, particularly for the residential units, through orientation and terracing of building masses. Outdoor amenity spaces could be provided, both at the podium level and on rooftops. The desire for activated rooftop space was a key goal from discussions with stakeholders that stemmed from the lack of publicly accessible rooftop spaces in Downtown.
4 Applying the Design Guidelines

Fig. 4-30 Sectional Organization

South Development
4 Applying the Design Guidelines

Fig. 4-31 VTA Block TOD Visualization
4 Applying the Design Guidelines
4 Applying the Design Guidelines

Fig. 4-34 Sectional Organization
4 Applying the Design Guidelines

4.2 Summary of Massing Approach (cont.)

To further test the validity of the test-fit massing, understand the potential for a basement shared by the different property owners, and further develop the parking scenarios discussed in Chapter 6, a preliminary 30 foot by 30 foot structural grid was applied to the different parcels (a common sizing for cost-effective construction), with provisional core sizing and location also indicated per figure 4-34. The preliminary structural grid analysis helped to shape the treatment and dimensions of setbacks above the podium and the layout of the parking bays below ground to avoid transfer structures. This proof-of-concept study also provided early guidance that informed TOD interface discussions with the BART station, as discussed in Chapter 7.

While the DDF test fit is not a complete design, it does reflect many of VTA’s goals for the block, and it will be used by VTA as a baseline from which to compare and evaluate future massing schemes and test their effectiveness relative to the design guidelines.

*Note: All dimensions are indicative and subject to further development.

Fig. 4-35 Grid Study
4 Applying the Design Guidelines

Fig. 4-36 Typical Floor Plan

Hotel Development

Residential Development

Fig. 4-43

Hotel Room keys per floor: 16
Area per Room: 560 sqft
Floor Area per floor: 9000 sqft

2 Bedroom
Type A : 1600 sqft
Type B : 1900 sqft

1 Bedroom
Type C : 1000 sqft
Type D : 1400 sqft

Units per floor: 14
Floor Area per floor: 20800 sqft
4 Applying the Design Guidelines

4.3 Future Flexibility of the DDF

The DDF is intended to be a flexible framework for the development of the VTA Block. The test fit massing can be adjusted to accommodate changing priorities.

For example, if one area of mass on the site needs to be reduced in order to provide more buffer to the historic building, this mass could be shifted to another portion of the block and the block could retain the overall FAR balance (see figure 4-38). Especially considering that VTA owns most of the block, massing swaps like these could occur throughout the block.

Due to anticipated market demand for larger sized floorplates on some of the buildings, there are opportunities to integrate buildings above the podium level to accommodate larger floorplates that potentially achieve greater efficiency in terms of number of cores (i.e., vertical building infrastructure shaftways for things like electricity, water, elevators, and staircases). These concepts would need to be explored further as development of the VTA Block is advanced in order to determine the optimal configurations for development that is expected to advance. Figure 4-37 shows how different parcels could be combined to achieve larger floorplates.

Fig. 4-37 Larger Floorplate Options
4 Applying the Design Guidelines

Fig 4-38 Opportunity for Additional Massing

Fig 4-39 View from North

Fig 4-40 Site Plan
The built environment – including buildings, streets, highways, transit systems, parking lots and all the physical elements of cities – accounts for roughly three quarters of greenhouse gas emissions, with buildings alone accounting for about 40%. Over the next decade, government agencies are expected to release more stringent building standards, including revisions to Title 24, California’s Building Energy Efficiency Standards, which is likely to enforce increasingly stringent sustainability requirements. By 2030, the same year BART revenue service is projected to commence, the CA Energy Efficiency Strategic Plan is expected to mandate all residential and commercial construction to be Zero Net Energy.

The VTA Block provides an opportunity to reimagine how urban development can complement the environment. Through technological innovation and thoughtful design, it is possible for the block to generate more renewable energy than it consumes, release less carbon, reduce water demands, divert construction materials from the waste stream, and promote transit and active transportation. This document outlines strategies and key areas of focus to integrate sustainable practices into the VTA Block.
5 Sustainability Approach to Development

5.1 Sustainability Guidelines

Feature Goal: Net Zero Energy
A net–zero community is designed and organized to balance emissions and promote best–practices in sustainable development.

The vision for this site is net-zero energy. Achieving this goal requires thoughtfully designed buildings that maximize energy efficiency and embrace infrastructure systems that balance, integrate, and optimize energy and water demands between users.

A Step Further: Regenerative Design
Regenerative design takes net–zero a step further by repairing and regenerating environmental and human systems, leaving a net positive impact.

This more holistic approach strategically finds ways to restore ecosystem processes and reverse environmental damage. Regenerative design is rooted in the reproduction of natural processes and remediation harm. Regenerative design should be considered through a commitment to water self–sufficiency through rainwater catchments and treatment and green wall and roof design. Additionally, a key goal is to generate more renewable energy than the buildings consume.

Key Sustainability Focus Areas
This document identifies six overarching areas that should be used to evaluate efforts to advance sustainable development of the VTA Block:

- Energy Management
- Mobility Management
- Water management
- Materials, Resources, & Waste
- Health & Wellness
- Information and Communications Technology

Fig. 5-01 Key Sustainability Focus Areas

Fig. 5-02 Regenerative Design at McGilvra Place Park - Seattle, WA

Fig. 5-03 Regenerative Design at Hassalo on Eighth - Portland, OR
5 Sustainability Approach to Development

5.2 City and Regional Perspective

VTA and the City of San José’s Sustainability Efforts

VTA and the City of San José are strong proponents of sustainability, and some of their sustainability efforts that frame why the DDF has been developed and what is included in it are below.

Dense urban environments facilitate the sharing of resources through economies of scale, thereby conserving resources and reducing waste on a per capita basis. By prioritizing dense transit-oriented infill development, VTA and San José are making the region more environmentally sustainable.

VTA and San José regularly work together to create dense mixed-use transit-oriented development that promotes transit, walking, and biking. VTA and San José also regularly work together to develop more sustainable travel options, including interconnected networks of green open spaces, and to provide real-time information to individuals so they can make more informed and sustainable travel decisions that reduce vehicle miles traveled and greenhouse gas emissions.

Further, San José is committed to providing 100% clean energy by 2021, which addresses the goals of the Paris Agreement, see Fig. 05-05. In addition, VTA has already taken steps to electrify its transit fleets and construct zero net energy transit facilities, as seen in Fig. 05-04.

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1 [https://www.sanjoseca.gov/home/showpublisheddocument/66591/637401786995170000](https://www.sanjoseca.gov/home/showpublisheddocument/66591/637401786995170000)
5 Sustainability Approach to Development

5.3 Energy Management - Net Zero Energy

The VTA Block should consider leveraging energy conservation strategies that benefit from economies of scale. For example, combined heat and power systems are significantly more energy efficient because they recover heat from energy generation to provide space heating. There are also various geothermal technologies that can be leveraged to reduce heating and cooling loads across seasons and increase the efficiency of HVAC systems. While these systems may be cost prohibitive in small-scale applications, savings associated with these approaches over the life cycle of the block should be further considered.

Energy needs can also be balanced across the block, and smart metering and sub-metering helps to understand consumption and facilitate predictive analytics.

The natural climate for San José also offers high levels of sunlight, which provides opportunity to harvest daylight and capture solar energy, including through a centralized, block-level energy management system that collects, stores, and redistributes energy and heat based on various demands through the block across different seasons, days, and times.

Solar heat gain can lead to uncomfortable urban heat island effects and increased cooling needs. Solar heat gain should also be balanced with daylight harvesting opportunities, which reduce electrical lighting demand for the building. To help reduce unwanted heat gain, the block should incorporate plenty of landscaping and native vegetation, both at the ground level and on the building roofs. Specifying materials with high albedos also helps reflect light and heat away from the block. The VTA Block should also further consider leveraging summer winds and evaporative cooling to passively cool outdoor public spaces.
5 Sustainability Approach to Development

Future efforts to advance development of the VTA Block should consider room placement, natural airflows, building envelope performance, and exceeding insulation requirements mandated by code, as well as utilizing non-thermal bridging assemblies\(^1\), green roofs, blue roofs\(^2\), double skin facades\(^3\), and thermal massing.

Given that San José has significant diurnal temperature swings, future efforts to advance development of the VTA Block should also consider opportunities for night flushing to dissipate heat stored in the buildings thermal mass. Passivhaus concepts further enhance building envelope performance by ensuring an air-tight building envelope. Mechanical rooms that generate heat should also generally be located on the north side of the building, where temperatures are naturally cooler. The natural climate of San Jose also lends itself to natural ventilation. The year-round mild to warm temperatures create an excellent opportunity to bring in outside air and reduce reliance on HVAC. Natural ventilation systems options include atriums, solar chimneys, Trombe walls\(^4\), double skinned facades, and cross ventilation\(^5\).

After passive energy management strategies have been selected, active energy management strategies should be considered. When properly maintained, intelligent building systems can provide powerful insights and optimizations. Intelligent building systems to consider include asset management platforms, building automation systems, sub metering and smart metering, daylight harvesting lighting controls, digital twins, and ongoing virtual commissioning systems\(^6\).

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Fig. 5-10 Climatic Analysis of the VTA Block
5 Sustainability Approach to Development

5.4 Mobility Management

Shared parking strategies that integrate sensors, counters, and real-time information guidance that can track parking utilization over time and facilitate shared or pooled parking resources should be explored as part of future efforts to advance development of the VTA Block.

The VTA Block could also incorporate dynamic and flexible curbsides that can be designated for different uses for things like different times of day, special events, and changing needs within the community. This approach could facilitate resolution of competition for limited curbside between BART-station related activity and activity at new development on the block.

Future efforts to advance development of the VTA Block should also consider providing access to locker rooms and showers for users of secured bike storage.
5 Sustainability Approach to Development

5.5 Water Management

The first consideration for water management should be to protect natural hydrology systems, including by reducing runoff and improving site permeability. Rainwater harvesting, stormwater capture systems, and greywater reuse systems can help reduce the amount of water that leaves the block, especially with block level centralized systems. Biofiltration and groundwater recharge strategies can also contribute to site permeability and promote healthy soils while filtering common runoff pollutants out of the water, providing localized evaporative cooling, and generally contribute to the quality of place – green roofs, bioswales and rainwater gardens are specific treatments that can help achieve these outcomes. Greywater collection and filtration systems, collect polluted water, filter it, responsibly recycle it, and release it.

Landscaping should generally incorporate xeriscaping practices specifying native and adapted plants that require less artificial watering. Light, moisture, weather, and predictive sensing systems can also create additional water conservation opportunities.

Plumbing systems should prioritize low-flow fixtures, aerators, and WaterSense labels. Where possible, the building should connect to recycled water purple lines and greywater reuse systems. Sub-metering and smart sensors can monitor consumption and help identify leaks early. Anonymized water consumption data can also be shared with building users alongside conservation goals through interactive displays to inspire the community to implement water conservation strategies.

Fig. 5-16 Bentemplein Water Square as a Case Study in Centralized Water Management

Fig. 5-15 Weather and soil monitoring systems conserve water and ensure that plantings stay alive and healthy
5 Sustainability Approach to Development

5.6 Materials, Resources, & Water

The most important consideration in optimizing resources and reducing waste is to increase the useful life of equipment, materials, and assemblies. This can be done by selecting higher quality materials that age gracefully and don’t need to be replaced as often – they may cost more up front, but less throughout the life of the project. In addition, well-maintained products that are regularly cleaned and repaired do not have to be replaced as often, not only reducing costs over time, but decreasing waste.

Materials with low embodied carbon that reduce their impact on the planet throughout their entire life cycle – from extraction to manufacturing, to their use and reuse – should be further considered, as should local and renewable materials that can be easily upcycled or recycled at the end-of-life.

Future efforts to advance development of the VTA Block should also consider strategies to sequester carbon, such as planting trees. The VTA Block should also have various waste, recycling, and compost collection points throughout, with centralized collection point(s) for specialized waste items such as mercury, batteries, and electronics. Future efforts to advance development of the VTA Block should also consider strategies to consolidate and streamline waste movement through the side and pickup services. Construction waste diversion plans that meet or exceed local regulations should also be considered.

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**Embodied Carbon**

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**Operational Carbon**

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**Ecofootprint**

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**Embodied Carbon (TONS CO2)**

- Hybrid Timber: -35%
- Steel and Concrete: -40%
- HVAC reduction from Natural Ventilation: -40%

**Paris Agreement Updated**

- 1.5°C
- 2.0°C

**Fig. 5-17 Reduce Embodied Carbon of Construction to Optimize Long-Term, Cradle-to-Cradle Impact**
5 Sustainable Approach to Development

As alternatives to traditional concrete or steel building structural systems, mass timber and hybrid systems are recommendations for developers to explore further due to the potential environmental and structural benefits summarized below.

**Mass Timber Structures**
When permitted by local codes and TOD programming requirements, reducing loads through the use of timber can be of significant benefit. In these instances, it may be possible to support the light TOD structure directly on top of the transit facility, as the loads imposed are considered much more manageable than the loads imposed by heavier concrete or steel structures. While these types of structures may be capable of spanning over a facility, they are less likely to be used as transfer structures, due to their limited material strengths and more complex connection requirements.

**Hybrid Systems**
Often hybrid type systems are utilized, where the advantages of each of the different structural materials are used in combination with one another, to the benefit of the structure overall. For example, light weight timber could be supported on a concrete slab which in turn is supported directly on top of a transit facility. This type of over-site development will be needed to meet the essential facility safety factors of the station. Hence, the lighter structure is more efficient and could allow for taller development with the same loading on the station foundations as a smaller traditional steel or concrete frame building.

Advantages to using mass timber are:
- Lighter structure, resulting in reduced seismic forces and less concrete in the foundations, therefore less embodied carbon (40% potential reduction of weight)
- Timber production requires less energy compared to other building materials, and often timber products are produced using renewable energy.
- Timber sourced from forests certified by FSC will typically have a lower embodied carbon than timber from forests that aren’t, due to responsible forestry practices and not just clear cutting, though there are also some smaller companies that can’t afford the certification but who follow the recommended practices.
- Timber buildings contribute to better energy efficiency due to wood’s thermal properties (an insulator), resulting in lower operational carbon and lower operational costs.
- Wood construction on site is typically very quick compared to a poured concrete structure, therefore reducing the length of construction and the associated emissions of operating a construction site.
- Incentive to undertake better forest management practices, since mass timber can make use of the smaller or lower quality wood removed from a forest as part of regular thinning/health efforts.
- Allows for designing in modules and taking advantage of prefabricated/modular design and construction. Elements are made in a factory which allows for reduced material waste and more efficient construction on site.
- Economic/social impact: Can provide employment and economic opportunities and benefits for timber-dependent communities
- Social Impact: Improved occupant wellness, comfort, and wellbeing with exposed mass timber/biophilia
5.7 Health and Wellness

Strategies to support and promote health and wellness on the VTA Block could include strategies for clean air and water. Air and water could be monitored for pollutants and people informed when thresholds are exceeded, and filtering systems can be used to clean air and water. Windows could also be programmed to automatically close when outside air quality is poor and opened when it is good, and air intakes and exhausts can be positioned to not contaminate occupied spaces. Efforts to advance development of the VTA Block should also include noise reduction strategies such as space programming that is designed around a sound mapping plan, mechanical and electrical systems that reduce background noise levels, walls and doors with high sound transmission class (STC) ratings, noise buffers, and acoustic materials and treatments on walls, floors, and ceilings.

Open space and active transportation options also support health and wellness by supporting physical activity, encouraging social connections, and/or offering respite.

5.8 Information and Communications Technology

Information and communications technologies could be used within the VTA Block to enable and support sustainable outcomes by collecting and applying data to inform building management system operations and influence users’ decisions like which transportation option to take and when and how much energy and water to consume.

Fig. 5-19 Health and Wellness Features and Information and Communications Technology to Achieve Sustainability
A long-term decline of parking demand is underway, driven by generational change, an increase in multi-modal mobility, and interest in more urban and less impactful lifestyles. Real estate developers are concerned about the risk of building hugely expensive structured and underground spaces that may not be in demand in the long-term. Rather than putting forward one prescriptive parking solution, this document provides context, guidance, and options to be considered as part of future efforts to advance development of the VTA Block.

The DDF considers it likely that the City of San José will dramatically reduce, or even eliminate, minimum parking requirements within Downtown. It also appears likely that the market will want at least some parking for future TOD on the VTA Block, even with a BART station immediately adjacent. This document provides a summary of parking provided by other recent developments in the area and then evaluates options for parking to serve the development envisioned by the DDF on the VTA Block.

In contrast to the block today, which is dominated by surface parking, the creation of a dynamic and walkable ground plane that accommodates pedestrian and community activities requires a compatible and complementary parking strategy.
6 Flexible Approach to Parking

6.1 District Approach to Parking

One component of such a parking strategy could be a district parking approach. There are over 7,500 parking stalls within a five minute walk of the site, including an existing city-owned parking garage across Market Street from the VTA Block. Some percentage of the parking demand for the block could well be accommodated off-site by employing a district approach to parking.

Figure 6-03 shows transit stops near the VTA Block and public and private parking within a third of a mile of the block.

6.2 Underground Parking

The DDF also explored options for underground parking. Underground parking is often twice or more the cost of above ground parking structures, however it does more than above-grade or surface parking to enable vibrant walkable places.

6.3 Shared Parking

Shared parking could also benefit developers, property owners, and tenants because it could reduce the amount of costly underground parking that may need to be built. Shared parking is most successful when developments have a mix of uses that require parking at different times of day (e.g., residential parked at night and office parked during the day), and there are many examples of operating and successful shared parking configurations. Shared parking also typically requires a lot of upfront coordination, especially regarding sharing of construction costs and agreement on management and operations approaches.
6 Flexible Approach to Parking

6.4 Other Approaches: No Parking and Adaptable Parking

Other approaches to parking for the VTA block could include ‘zero parking’ or ‘adaptable parking’ approaches. Under a zero parking approach, all off-street parking for the block could be provided via a district approach like that described above. An adaptable parking approach could create options that could work within the uncertainty of future demand. One option for an adaptable parking approach is to provide above grade structured parking with larger floor-to-floor heights that could eventually accommodate occupiable uses, and this space could later be converted from parking to space for something else.

6.5 Parking Capacity

Figure 6-02 outlines the wide range of different parking requirements and options, from the current San José requirements on the left side to a more market-driven approach shown on the right. As noted above, the City of San José is considering reducing minimum parking requirements for Downtown.

The studies described herein all take into account the fact that no parking can be provided above or below the BART station facilities.

As shown in figures 6-04 given an assumed structural grid and core layout for the buildings above, including the need for parking to wrap around BART station “back of house” support facilities, analysis conducted as part of DDF development determined that two levels of underground parking can accommodate approximately 670 standard parking stalls. With the use of specific parking management techniques (i.e., valet parking in drive aisles to increase capacity) and double stackers in parking stalls, and taller parking structure floor-to-floor heights (which also require deeper excavation), two levels of underground structured parking could accommodate up to 1145 parked vehicles. The figures 6-05, 6-06 that follow show conceptual layouts of two levels of underground parking in more detail and relationship of these parking facilities to the BART station footprint. Of course, the operational cost of a parking management system would need to be factored into any cost analysis.

<table>
<thead>
<tr>
<th>Current City Requirement</th>
<th>Current Market Demand</th>
<th>Cost Effective TOD Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>1688 Carpark Spaces</td>
<td>1688 Carpark Spaces</td>
<td>800-1000 Carpark Spaces</td>
</tr>
<tr>
<td>standard single</td>
<td>double stacker</td>
<td>double stacker</td>
</tr>
<tr>
<td>7 Levels</td>
<td>4 Levels</td>
<td>2 Levels</td>
</tr>
<tr>
<td>81 feet below grade</td>
<td>64.5 feet below grade</td>
<td>32 feet below grade</td>
</tr>
<tr>
<td>high carbon cost</td>
<td>high/mid carbon cost</td>
<td>mid carbon cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>lower carbon cost</td>
</tr>
</tbody>
</table>

Fig. 6-02 Parking Requirement Diagram
6 Flexible Approach to Parking

Fig. 6-03 Downtown San José Parking Map
One approach the DDF has taken to understand options for parking capacity is to understand how much can be provided in a two level basement. The answer ranges from appx 670 standard parking stalls to appx 1150 stalls using double stackers and valet parking.

- Base for two levels: 670 Total Spaces
- Using Double Stackers: 915 Total Spaces
- Using Double Stackers + Valet: 1145 Total Spaces
6 Flexible Approach to Parking

This page shows a detailed parking layout for the B1 basement level, along with the current station footprint.

**B1 Level Plan**

**Base Summary:**

- 175 Standard
- 25 ADA Spaces
- 45 Parallel
- 60 Tandem

**Total Spaces:** 305 Total Spaces

Using Double Stackers:

- 550 Total Spaces

Using Double Stackers + Valet:

- 660 Total Spaces

*Note: Stall count is not final and are subject to development.*
6 Flexible Approach to Parking

This page shows a detailed parking layout for the B2 basement level, along with the current station footprint.

B2 Level Plan

Base Summary:

<table>
<thead>
<tr>
<th>Type</th>
<th>Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>265</td>
</tr>
<tr>
<td>Parallel</td>
<td>45</td>
</tr>
<tr>
<td>Tandem</td>
<td>55</td>
</tr>
<tr>
<td>Total Spaces</td>
<td>365</td>
</tr>
</tbody>
</table>

With Valet:

| Total Spaces | 485 |

*Note: Stall count is not final and are subject to development.
6 Flexible Approach to Parking

6.6 Access and Loading

Two vehicular access points to underground structured parking have been provisionally located off Market and St John streets. This is to avoid the existing light rail and narrow width of First Street and the BART station, bus traffic, and pedestrian traffic along Santa Clara Street. Two entry and exit points should be adequate for a two-level basement of this size.

In terms of service access and loading, the ramps envisioned in the DDF would be sufficient for small trucks and delivery vans. Larger axle vehicles would need to load and unload at street level due to the tight turning radii resulting from the tight footprint of the basement. There could also be some service access to the plaza and the back of the buildings via the new paseos. These routes would be closed to public vehicular access; however, they can still provide periodic access for service and emergency vehicles to the TOD sites, just as they would for the station. An effective curb management approach for TOD at the street level will need to be well coordinated with the BART station to ensure the space needed for both uses is well balanced.

6.7 Parking Demand

Figure 6-03 maps out a number of recent developments in the project vicinity and demonstrates the wide range of parking ratios for these new developments. Given VTA’s goals of promoting transit use, the future BART station being part of the block, and the many other transit options in very close proximity, the DDF assumes that excessive and costly parking is not desirable. A ratio of 0.5 parking stalls per 1000 square feet of development can be achieved with the proposed two-levels of underground structured parking.

Ultimately, the DDF seeks a flexible approach to parking that can adapt to uncertain futures for parking demand and evolve over time. The DDF also seeks to enable solutions where parking does not dominate the VTA Block ground plane in order to promote a walkable urban environment that encourages public transit use.

Fig. 6-07 Line Graph of Parking supply at other recent developments near VTA Block
Figures 6-08 and 6-09 show the excavation depth required for two levels of double stackers or triple stackers. Note that the deeper depth required for triple stackers also requires longer ramps, which make it inefficient or impractical.

6 Flexible Approach to Parking

Fig. 6-08 Alt. Floor to Floor : 18' - Double Car Stackers

Fig. 6-09 Current Floor to Floor 25' : Triple Car Stackers

Fig. 6-10 Double Stacker Options

Fig. 6-11 Triple Stacker Options
Integration of Station Design with TOD

Development of the DDF involved close coordination with preliminary BART station design in order to ensure that future BART station requirements are taken into account in a manner that will enhance both projects as they advance.
7 Integration of Station Design with TOD

7.1 Structural Coordination

BART requires that its new stations be designed to an “essential services building,” level of seismic performance, per Article 1 in Chapter 4 of the California Division of the State Architect (DSA) regulations on Structural Safety (DSA-SS). These enhanced requirements ensure that stations can quickly resume operation after a maximum potential earthquake. This is a much stricter standard than what is applied to commercial buildings — it is focused on ensuring that occupants can safely evacuate, and it reduces the potential for more extensive damage that may take a considerable amount of time to repair before occupancy and operations can resume.

BART standards require that development above a station be designed to the same “essential service” standard. This requires a more intensive structural design, with structural elements carried down through the station to the ground and extra work done at the time of station construction. Issues related to locations of structural elements, building mass and height, and associated extra costs require careful study and focused attention to address these issues.

Work performed to date by VTA’s BSV Phase II Project team includes a structural analysis and feasibility study that has to date identified a nine-story building as the maximum feasible TOD over the station. It is shown directly on top of the BART station in the test fit massing shown in Chapter 4, with shear wall locations and seismic analysis validating the structural design for the TOD above the station at a conceptual level. The station design work is ongoing, and if future analysis determines that a TOD building above the station is not feasible, then the DDF allows for whatever office floor area lost to be accounted for elsewhere on the VTA block in order to meet the City of San José’s FAR 4 commercial use requirement. As shown at the end of Chapter 4, the test fit massing is flexible and can be adjusted, then re-evaluated to balance the various guidelines and criteria for TOD.

7.2 Access, Egress, and Services

Shear walls for the nine story TOD building that carry down through the basement level of the station have been studied, and the ground floor plan of the station has been adjusted so that the entrance and service cores for the TOD building can be accommodated at the north end of the station, including vertical transportation to a second floor office lobby space.

Fig. 7-01 Nine Story TOD Massing above BART Station

Fig. 7-02 BART Station with no TOD Massing

One of the key elements of an underground station is ventilation, and there are a number of chillers and service ducts that also need to be integrated into the TOD building. These elements have been designed and positioned to have minimal impact on the TOD building by locating them on the level directly above the BART station; they do not carry through the rest of the structure. However, there will need to be service access with an accompanying easement to this equipment for routine maintenance and future replacement by BART.
Integration of Station Design with TOD

Fig. 7-03 Nine Story TOD Elevation
7 Integration of Station Design with TOD

7.3 Plaza Features

The depth of the basement level below the plaza, which contains back-of-house spaces to serve the BART station, has been sized to allow for planting and landscaping on the public plaza above. Parking or other TOD facilities cannot be located beneath the back-of-house spaces.

There are some back-of-house components that will likely need to surface at the plaza level, including an emergency egress staircase and a ventilation shaft. The DDF envisions that these elements be integrated into a pavilion building in the plaza, which would also house a café or restaurant as well as public restrooms to further activate the plaza and station area.

7.4 Parking, Emergency and Service Access to the Station

The BART station also requires a few vehicular parking stalls for BART staff, as well as spaces for a range of bicycle parking options, as space for parking does not exist in the underground BART station. Vehicular parking stalls for BART staff (approximately four to six stalls) need to be integrated into the overall TOD parking solution strategy, which could include options that utilize space on adjacent city streets, or within a TOD basement parking garage. Bicycle parking requirements, as shown on figure 7-04, show the approximate number of bicycle parking spaces that will need to be provided for the station. Prior to TOD being built on the VTA Block, bicycle parking will be located within the block in a temporary location. Subsequently, bicycle parking could be housed in a nearby retail space leased by BART, as occurs at other BART stations, which could be one of the retail spaces facing onto the plaza. Once the TOD strategy is further developed and the schedule is known, a final location for bicycle parking will need to be coordinated between VTA, BART and the City of San José.

DDF and station requirements include the paseo to the north of the station that links Market and First streets. This paseo will be approximately 40 feet wide in order to allow access for emergency vehicles and authorized service vehicles. Removable bollards would prevent unauthorized vehicles from accessing this paseo. The BSV Phase II station project will also need to coordinate their construction logistics so that the adjacent property owners all retain access to their property during construction in the same manner as their current access.

Note: Indicative space required for bicycle parking shown below. Actual position to be determined later.

Class I bicycle parking - Racks (64x4) = app. 250 (250 req.)
Class II bicycle parking (13x7) = app. 100 (90 req.)
Total = app. 350 (340 req.)
Fig. 7-05 Artist's visualization of the VTA Block plaza
Plaza Pavilion Precedents

There are numerous examples of pavilion structures in squares or plazas that provide activation and programming for the plaza and the people in it, while also housing functional elements like restrooms and/or service risers. Examples include Union Square in New York (Fig 7-06,07,08) and the Quartermile plaza in Edinburgh, Scotland (Fig 7-09,10).
7 Integration of Station Design with TOD
7 Integration of Station Design with TOD

7.5 Ongoing Coordination

While work to advance development of the VTA Block will soon transition to the next phase with deeper coordination with developers and other development partners, design and engineering for the BART station will continue into late 2022. VTA Block development efforts will be coordinated with VTA BSV Phase II Project design implementation efforts. The design and coordination work that has been done to date is preliminary, and subsequent adjustments will likely be required. VTA will ensure its station construction and TOD teams coordinate their work in order to achieve the best possible outcome for a highly efficient station design and successful TOD.
The intention of the DDF is to provide a tool that serves as a starting point, informational resource, and guide for evaluating design proposals in the ongoing planning and development of the future VTA Block TOD. By initiating this process in parallel with initial coordination and preliminary design for the BART station, VTA seeks to ensure that the station structure will facilitate TOD around the station. The DDF also incorporates elements and requirements for the station into the future plaza and surrounding area, so that the two projects can support one another.

As VTA begins selection of a development partner(s) to take these concepts to the next level of refinement, the DDF document will be used to evaluate different proposals and determine which options best align with the design guidelines and goals of the DDF. How different proposals approach the DDF guidelines will inevitably vary from one proposal to the next, and this is what is desired—a variety of concepts and designs that will yield a better result than an overly rigid set of requirements and constraints. The DDF provides the criteria by which VTA can evaluate and select the most successful option. In this sense, the DDF is a critical document for all future partners to absorb and understand in the development of their design concepts.

Once VTA selects its development partner(s) for the VTA Block, the first next step will be preparation of a master development plan for the block that obtains and includes the approval of the other property owners of the block. The other principal property owners and VTA are aligned on the need for a shared master development plan to ensure the highest quality design and maximum developable area for each property owner. There are a number of potential strategies to accomplish this goal, ranging from a single joint-venture type approach to one that focuses on shared investment in jointly used facilities while allowing each owner to independently pursue its own projects.
8 Looking Forward

Future Steps (cont.)

The master development plan will need to address a number of items that contribute to achievement of world-class TOD on the block, including but not limited to: shared parking; plaza design and operation; overall development program that meets city requirements and can evolve with market opportunities; building design; revised parcel map that is consistent with the development plan; the entity(ies) that will be responsible for design, funding, construction and operation of jointly used facilities; and phasing and implementation of the jointly used facilities as well as individual development projects.

VTA’s intent for the future master development plan is for it to be developed with broad opportunities for public and stakeholder involvement. It will need to meet the objectives of VTA and the other property owners as well as be consistent with City of San José requirements. VTA will work with the city so that upon completion of environmental review and city approval of the master development plan, work can immediately commence on the first phase of buildings with the goal for construction to be well underway by the start of revenue service for BART Phase 2.

The ‘dials’ included earlier in the DDF set out VTA’s key priorities for the block and will help VTA determine which schemes for the Block are preferred. Development options which adhere to the guidelines and goals of the DDF (i.e., contain active public spaces, programmed outdoor amenity spaces where possible, improve pedestrian connectivity, etc.) will be evaluated favorably compared to those which do not address these priorities. (see Fig. 8.-01).

While the DDF informally references items such as City of San José requirements and design guidelines, FAA height restrictions, and other regulatory constraints, it is in no way comprehensive, and any future project will still need to undertake their own due diligence to validate any regulations or restrictions that may not have been addressed directly in the DDF.

Evaluation Criteria Key Points

- Quality of public space, presence of central plaza, and programing and activation of the ground floor
- Allowing daylight and limiting wind impacts to the public outdoor spaces, both summer and winter
- Walkability and pedestrian links to and from public transit, including mid-block connections
- Effective activation of the ground plane through different approaches to programming, day and night
- Provision of rooftop and podium-top outdoor amenity space
- Creation of views to green spaces from the towers by stepping massing, or other methods
- Integration of the podium concept into the design, including a solid material expression at the base
- Use of high-quality, sustainable materials
- Achieving approximately 8 FAR, with the inclusion of a mixed program of commercial, residential, and other potential uses, such as hotel, community center, or other. The mix should be based on market analysis and forecasts for future demand
- Meeting City requirement for 4 FAR* of commercial space (* this requirement will need to be discussed further with the City to understand how it applies to the block as a whole, as opposed to individual parcels)
- Showing sensitivity to the historic Building and Loan building, as well as further negotiations with the City to adhere to the intent of the St James Park Historic District
- Achieving sustainability goals for VTA Block TOD, which might include:
  - Net zero energy
  - Low carbon (or zero carbon) construction methods, such as cross-laminated timber structures
  - Exceeding statutory environmental requirements, such as CalGreen and LEED
  - Centralizing utility services distribution and other efficiencies across the block
  - Use of natural ventilation and daylighting to reduce energy consumption
  - Use of green roofs or rainwater collection to avoid runoff and minimize impact on City infrastructure
- A creative approach to parking, which might include:
  - District parking approach that leverages existing off-site parking
  - Underground structured parking to avoid the ground floor level being dominated by vehicles.
  - Parking management systems to reduce footprint and excavation needed per parking stall.
- Alignment with VTA’s Social Equity goals for housing at a range of affordability levels, and encourage local job creation and walkable communities.

Fig. 8-01 Evaluation Criteria Points
8.1 Phasing

The VTA Block TOD project will need to be phased and coordinated with the construction of the BART station. According to the most recent schedule estimates, the substantial completion of the BART station construction will occur at some point in 2028 (system integration, testing and inspection, and safety certification will occur beyond that time, before revenue service will begin; however TOD efforts could commence in parallel with this period). Based on the needs for staging areas during construction, it is unlikely that the site can be significantly opened up for work on TOD prior to that date. There is a possibility, depending on future work by VTA’s design-build stations contractor, that some small portion of the site could be cleared and prepared for TOD development prior to 2028.

VTA will work closely with its development partners to plan out the phasing of future development work. If there is to be basement parking shared between different property owners, then any development agreements, property acquisitions or other negotiations will need to be resolved prior to any work on TOD projects commencing. The basement structure will impact the structure of the buildings above, so this work needs to be carefully coordinated as perhaps the first step of any future development. Work on the basement for the station facilities will occur significantly earlier than any TOD work.

The decision as to which portion of the site to develop first will need to be assessed once more of the station design and construction methods are known. Fig 8-04 shows different scenarios for how the site could be built-out in the future to highlight the flexibility that can be maintained for viable development plans. There are many different scenarios that could be developed based on a variety of priorities and dependencies.
8 Looking Forward

**Directional-based Project Phasing**

West to East

Station Completion 2028

Station and Tower West

Tower North

Tower East

Plaza and Pavilion

**Program-based Project Phasing**

Station Completion 2028

Station and Commercial

Residential

Hotel

Plaza and Pavilion

Fig. 8-04 Phasing Strategy Diagram
8 The Post-Pandemic Era

Since DDF work began in late 2018, the world has changed due to the ongoing pandemic. However, many of the concepts and principles that are fundamental to the DDF have become even more critical as a result of the pandemic. For instance, the need for high-quality outdoor amenity spaces is even greater now that it was before. This priority applies not only to the large publicly accessible plaza at ground level, but also to the outdoor amenity spaces that are envisioned for the podium level and rooftops can take advantage of San José's mild climate and have outdoor spaces with expansive views in which to work, socialize, or relax in a safe environment. The terracing of the building mass to create additional outdoor spaces and views continue to be important for people's health and wellness.

Some of the other factors that support the DDF work will need to be reconsidered as the city emerges from current restrictions and life returns to an adjusted sense of normality. Plans will need to be updated and adapted to current market conditions and the program mix of hotel, commercial, and residential uses will need to be adjusted. The size of residential units may also be impacted by the way people choose to live and work in the future, and the demand for parking for both commercial and residential occupants may change. These trends and adjustments will be an ongoing process for a project of this scale and duration, and while the pandemic may shift those trends in a slightly different direction, the goals and priorities of the DDF remain as relevant now as they were two years ago. The approaches highlighted in the DDF, including a focus on sustainability and resilient design, will help prepare for other future pandemics that seem increasingly more likely. The concept of building high-quality, dense, mixed-use development adjacent to public transit connections continues to be a valuable long-term investment into a healthy and vibrant future for Downtown San José.

8.3 Conclusion

The process of creating the Design for Development Framework has involved periods of extensive research, outreach, coordination, and discussions with a variety of stakeholders and interested parties. VTA would like to thank everyone who engaged in this process and contributed to the guidelines and aspirations as envisioned in this document. As this project moves forward towards the next stage in its development, and the discussions and concepts become more concrete, we hope that the overarching vision as outlined in this framework document will remain relevant and help to shape a transformative and dynamic future for this significant site in the heart of Downtown San José.
Fig. 8-05 Artistic Impression of Rooftop Amenity Space
Acknowledgements

This document was prepared for VTA by Foster + Partners, under the supervision of the SVTC consultant team. IBI prepared the contents of Chapter 5 on Sustainability Approach to Development. Watry contributed content to Chapter 6 Flexible Approach to Parking. Kimley-Horn also provided feedback and facilitation of the DDF Stakeholder meetings. VTA staff across multiple divisions have also provided their input and feedback. We also want to acknowledge all of the participants in our stakeholder meetings, which included a range of representatives of Downtown businesses, residents, neighbors, San José City staff, and others. It has been a team effort, and we appreciate everyone’s important contributions to making the DDF a success.
Bentemplein Water Square as a Case Study in Centralized Water Management
http://rdcrotterdam.com/projects/water-square-bentemplein/

City of San José’s Contribution to California & Paris Agreement Goals
https://www.sanjoseca.gov/home/showpublisheddocument/32171/6367092690400000

City of San José Downtown Design Guidelines, 04/23/2019
https://www.sanjoseca.gov/home/showpublisheddocument/38781/63726887554770000

City of San José Downtown Future Vision link, 07/2019
https://www.sanjoseca.gov/home/showpublisheddocument/41983/63707873511330000

City of San José Wayfinding report, 11/2015
https://www.sjeconomy.com/home/showpublisheddocument/53649/63717118970300000

St James Historic District Guidelines, 06/1989
https://www.sanjoseca.gov/home/showpublisheddocument?id=15623

St James Park Future Plans, 03/04/2019

State of California Div of State Architect – Essential Facilities
Article 1 in Chapter 4 of the California Division of the State Architect (DSA) regulations on Structural Safety (DSA-SS), 11/19/2018

VTA Affordable Housing Policy, 04/2016

VTA BART Silicon Valley- Phase II Extension Project, Findings of Effects for Architectural Resources, prepared by JRP Historical Consulting

VTA - Downtown San José BART Station Area Playbook, 09/2019

VTA - Downtown San José Station Community Working Group, ongoing
https://www.vta.org/projects/documents?project=1298

VTA - Sustainability Plan, 2020
https://www.vta.org/sites/default/files/2020-06/SustainabilityPlan2020_Accessible_0.pdf

VTA - Transit-Oriented Development Policy, 11/22/2019
VTA Block
Design Development Framework

Board of Directors
June 3, 2021
The VTA Block: Opportunities & Challenges

• VTA owns ~70% of the 5-acre Downtown San Jose block between Santa Clara, Market, St. John, N. 1st Streets
  o Location of Downtown BART Station primary headhouse
  o Construction Staging Area for BART Phase 2
  o TOD Site when Phase 2 construction complete mid-2028

• Potential – in collaboration with other owners – to develop up to 1.8M+ sf Mixed-Use, Mixed-Income TOD
  o Private investment at completion nearly $2 Billion
  o "Go It Alone" approaches reduce TOD potential by 20%+

• VTA's challenge as a public agency is how to:
  o Engage other owners in a flexible, feasible, joint plan
  o Create world class TOD that leverages the BART Station
  o Run a competitive offering attracting largest developers experienced with projects at this scale, complexity
The First Step: Design Development Framework

- Lesson from other public-private partnerships: VTA needs to define its expectations for world class TOD on the block
  - Starting point for intensive work spanning several years needed to reach multiple development agreements
- Foster + Partners, internationally recognized architects and part of BART Phase II team engaged for this effort
- The resulting Design Development Framework (DDF) provides guidance to VTA, developers, and the community
  - Framework for key design, development decisions: site plan; circulation; parking; integration with BART Station; etc.
  - Not a plan or proposal, does not make any commitments on design or financing. Informs and shapes subsequent work
  - Allows flexibility for future engagement with developers, master planning and building design, review of proposals
Foster + Partners
International Transit-Oriented Experience

Oceanwide Center, Transbay Development District San Francisco, California

Pitt Street Station and Over Station Development, Sydney, Australia
Previous Stakeholder Engagement

- September 12, 2019
- November 22, 2019
- January 22, 2020
- March 5, 2020
- March 10, 2021
Downtown San Jose TOD

Contribution

- Existing public transportation has available capacity
- Oversized, non-permeable blocks reduce walkability
- Great potential to draw 33,000 university students
- Opportunities for greater mixed-use development

Context analysis
- Challenges
- Opportunities

Vision

Design process

City Plans 2040
- Office: 6,500,000 sqf
- Hotel: 1,100,000 sqf
- Retail: 210,000 sqf

Vision

23% 23% 27%
Historical Analysis

Timeline

1930's
- Moving the train station away from downtown

1960's
- An outward growth agenda

1970's
- Growing areas with existing infrastructure

1980's
- Competition between city and suburbs

1990's
- Efforts to bring businesses back to Downtown

Today
- A new Downtown cultural district emerges

Urban Analysis

1800's

1869

1875

1901

Historic records

Date unknown

1910

1930

1950
Design process
Policies and City Guidelines

- Create Legibility
- Focus on the Ground Floor
- Promote higher accessibility
- Promote better connectivity

- DO NOT create a long building that breaks the human scale rhythm of the street.
- DO NOT leave the Skyline Level unanchored to the ground.
- DO - Extend Skyline Level tower massing to ground level.
- DO - Maintain Streetwall within 20' of corners for all street types
- DO - Use 50 foot minimum depth for 50% of Commercial Space along a Primary Addressing Street.
Design Guideline: Public Realm Activation

- Creation of a public plaza at the heart of the VTA Block
- Passengers, workers, residents, visitors
- Vibrant, mixed-use development
- Public art, event space
- Easy access to transit
- Comfortable, well-lit, protected from heat and wind
Design Guideline: Improve Access and Connectivity

- Pedestrian *paseos* to sub-divide the VTA block and improve connectivity
- Walkable and easy to navigate
- Opportunity to connect and expand existing network of paseos
- Connection to St James Park
Design Guideline: Historical Sensitivity

- St James Park Historic District overlaps NE corner of VTA Block
- Avoid shadowing the park
- Features of 1926 Historic Building and Loan building at 81 W Santa Clara should not be diminished
- Work with podium concept to develop sensitive massing
Design Guideline: Urban Character and Public Interfaces

- Respect 60ft podium height at perimeter
- Base of solid, high-quality material
- Towers above to contrast from base and provide varied articulation
- Rooftop amenity spaces
- Stepped massing to allow sunlight to the plaza, and better views
Design Guideline: Social Equity and Environmental Responsibility

- Housing at range of affordability and targeted income levels
- Retail spaces that promote small businesses and living wage jobs
- Community services and amenities
- Net Zero Energy target
- Reduce embodied and operational carbon
The Dials
Matrix of Evaluation Criteria

- **Natural ventilation potential:**
  - Too humid
  - Too hot
  - Natural ventilation
  - Too cold

- **Thermal Analysis**
  - Summer Solar Hours
  - Winter Solar Hours

- **Views**
  - View of Green Space
  - Views of Mountains

- **Spatial/Urban**
  - FAR
  - Urban Performance
  - Green Roof Area
  - Contextual Integration

- **Resource Management**
  - Embodied Carbon
  - Construction Phasing
Applying the Design Guidelines
Test fit scenarios
Applying the Design Guidelines
Test Fit Massing
Applying the Design Guidelines
Test Fit Program orientation
Test Fit Massing
Total Area: Appx. 1,825,000 ft²     FAR: 8

From Santa Clara Street

From St. James Park

<table>
<thead>
<tr>
<th>Usage</th>
<th>GFA (st)</th>
<th>GFA%</th>
<th>FAR</th>
<th>GFA%</th>
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<td>115000</td>
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<td>Office</td>
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<td>44.7</td>
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<td>Total Commercial</td>
<td>1,090,000</td>
<td>60</td>
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<td>Total Residential</td>
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<td>Grand total:</td>
<td>1,825,000</td>
<td>55</td>
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</table>
Test Fit Massing
Design Guidelines

Views to St James part

Santa Clara Street Elevation
Option E
Opportunities to refine the dials without affecting FAR

View from South

Site plan

View from North

267.5 ft
# Preliminary Parking Capacity and Cost Analysis

<table>
<thead>
<tr>
<th>Current City Requirement</th>
<th>Current Market Demand</th>
<th>Cost Effective TOD Approach</th>
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<tbody>
<tr>
<td>1688 Carpark Spaces</td>
<td>800-1000 Carpark Spaces</td>
<td>400-500 Carpark Spaces</td>
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<tr>
<td>standard single</td>
<td>double stacker</td>
<td>double stacker</td>
</tr>
<tr>
<td>7 Levels</td>
<td>4 Levels</td>
<td>2 Levels</td>
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<tr>
<td>81 feet below grade</td>
<td>64.5 feet below grade</td>
<td>32 feet below grade</td>
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<tr>
<td>high carbon cost</td>
<td>high/mid carbon cost</td>
<td>mid carbon cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>lower carbon cost</td>
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</table>

Note: All figures are preliminary and subject to further design development.
Test Fit Parking
Preliminary Range for Parking Capacity

Car parking subject to design development. All figures are indicative only

2 Level Basement self-park 610 stalls
With Double stackers 915 stalls
Double Stackers w/ valet 1150 stalls
San Jose VTA Block TOD
Parking Precedents

Stalls per 1000 sf

- 0.49 DTSJ TOD
  900 spaces

- 0.75 Google Downtown West
  7160 spaces

- 1.06 Alamaden Office
  1354 spaces

- 1.21 Woz Way Project
  1249 spaces

- 1.5 Almaden Boulevard Tower
  749 spaces

- 1.675 27 West
  253 spaces

- 1.6 Cityview
  5107 spaces

- 2.02 Adobe
  N Tower
  1185 spaces

- 2.5 Block 8
  1298 spaces

- 2.0 200 Park
  1755 spaces

- 440 W. Julian
  1746 spaces
District Parking Approach
Parking Within Five Minute Walk
VTA Block DDF
Phasing

Directional-based Project Phasing
West to East

- Station Completion
- Station and Tower West
- Tower North
- Tower East
- Plaza and Pavilion

2028

Program-based Project Phasing

- Station Completion
- Station and Commercial
- Residential
- Hotel
- Plaza and Pavilion

2028
Overview of Implementation Timeline

• Study underway on strategies for public-private partnership – presentation at September Board

• Start VTA developer selection in Fall, with Board award for Exclusive Negotiations Summer 2022

• VTA developer and BSV II Stations Contractor work on TOD integration through Winter 2023

• VTA developer kicks off development master plan with staff, owners, and stakeholders by early 2023

• VTA Board review and approval of master planning, development negotiations, 2023 – 2024
  o City approval, environmental clearance for all TOD

• Goal: start construction on VTA sites mid-2028
Key Implementation Considerations

- VTA’s core principles for work with its developer, other property owners:
  - All VTA TOD Policy requirements are met
  - VTA’s property will be ground leased, not sold
  - No subordination of VTA's interest to financing
  - VTA requires a superior outcome from collaboration

- To create developable parcels, ownership needs to be pooled (joint venture); or exchanged, sold, and/or made available through binding agreements
  - VTA to consider all approaches consistent with its core principles, risk profile, subject to Board approval

- Master plan for VTA-owned parcels should create opportunities for other developers (future RFPs)
Potential Milestones for Board of Directors

• Review joint TOD implementation work by VTA’s developer and BART Phase II Stations contractor

• Presentations at Board meetings during master planning, including updates on community engagement

• Reviews during negotiations, approvals for key steps:
  o Agreement on collaboration with other owners
  o Plans for parking, plaza, site services and circulation
  o Development program, site plan, and parcel map
  o Project financing and community benefits
  o Terms and conditions for agreement with VTA’s developer, RFPs for other VTA parcels not in developer agreement

• Others as determined by the Board or identified from staff’s work with VTA’s developer
• Accept the Design Development Framework (DDF) for the Transit-Oriented Development (TOD) sites located on the VTA Block in Downtown San Jose
Project Labor Agreements: Definitions

- PLAs are pre-hire labor agreements, specifically permitted for use in the construction industry by Section 8(f) of the National Labor Relations Act.

- Basic bargain in PLAs on public projects:
  - Public entity gets assurance of labor peace
  - Participating unions get broad application of terms of collective bargaining agreements
Project Labor Agreements: Types of Projects

- PLAs are often negotiated for:
  - Particular large publicly-funded projects (e.g., the 2019 Airport PLA)
  - Categories of publicly-funded projects (e.g. this negotiation – construction contracts over $2M)
  - Private projects
The legality of use of PLAs under federal law is well-established.

- PLAs applicable to multiple projects: *Rancho Santiago*
Basic Terms of the PLA

Every PLA contains the following key provisions:

1. an agreement by unions not to strike or take other collective action against the project or contractors working on it;

2. requirements that any contractor working on the project (whether or not it is signatory to a collective bargaining agreement) abide by terms of the relevant trade’s collective bargaining agreement in performance of project work;
Basic Terms of the PLA cont.

3. dispute resolution systems for quickly resolving any jurisdictional disputes between unions; and

4. dispute resolution systems for quickly resolving disputes between workers and contractors.

5. requirement that virtually all craft employees be referred by a union hiring hall

6. Requirement that contractors contribute to joint labor/management pension and health & welfare trust funds
Basic Terms of the PLA cont.

7. Under state law, contractors who are not signatory to a master labor agreement must be permitted to bid on work; however, the work will be covered by master labor agreements only while workers perform work on VTA projects.

8. Many, but not all PLAs, contain some form of local or targeted apprenticeship programs or hiring programs.
Community Workforce Agreements Resolution – BSD-002

- VTA adopted a Community Workforce Agreement (CWA) policy in 2016 to promote careers in the construction industry for underrepresented workers.

- For construction contracts with an estimated value of at least $2 million, this policy allows VTA to determine, on a contract-by-contract basis, whether VTA would benefit from a CWA or PLA that includes targeted hiring provisions.

- All construction projects determined to benefit from a PLA shall include, as a provision of the PLA, a hiring program for underrepresented individuals to be hired as registered apprentices in local construction.

- The hiring program must also establish utilization rates for hours to be performed by underrepresented workers, who are graduates from local pre-apprenticeship programs.
Negotiation History

- VTA staff have been negotiating with the Santa Clara and San Benito Counties Building & Construction Trades Council on and off for approximately three years.
- Negotiations have been delayed by staff changes on both sides.
- Staff is now prepared to recommend a draft PLA to the Board for adoption on June 18.
- The timing has become critical because VTA is preparing to issue an RFP on BART Phase II work.
This PLA – Key Terms -- Coverage

– *Contracts over $2 million*
  • Plus, all work on the same site as contracts over $2 million

– Work controlled by VTA’s operating division not covered

– Any Project may be excluded if VTA Board determines interests of VTA not advanced by application of PLA

– Only Contracts that are awarded by VTA
This PLA – Key Terms -- Exclusions

- Non-construction employees
- Work performed by private utilities up to the main point of entry
- Off-site maintenance of leased equipment
- Work performed by VTA’s own employees
- Professional service providers, except for craft work during construction phase
- Emergency repairs
This PLA – Key Terms – Exclusions cont.

- Manufacturer’s warranties
- Calibration, programming, testing, and operation of computerized systems
- Federally funded work where PLA is prohibited
- Any provision of PLA prohibited by a funding source will be modified
- Work jointly performed with another public agency, unless agreement otherwise
- VTA Board of Directors Joint Development Portfolio
This PLA – Key Terms -- Workforce

- 25% goal for hiring from pre apprenticeship programs managed by Community Workforce Coordinator
  - Focused on underrepresented workers

- Union cooperation on federally mandated affirmative action

- Support for VTA’s use of disadvantaged business enterprises
Advantages of this PLA

- PLAs are commonly used in large-scale construction.
- The PLA allow access to union hiring halls, a vital source of trained labor.
- It prevents work stoppages, which can be very costly on major projects.
Advantages of this PLA cont.

• It leverages large projects to enable disadvantaged workers access to apprenticeship opportunities

• It ensures that workers on VTA projects receive good health care and pensions

• Cost impacts are mitigated through the exclusions, and by categorically excluding work controlled by the operating division – coverage will primarily be capital projects
Questions

Jonathan Holtzman
jholtzman@publiclawgroup.com
415.810.9447
VTA’s BART Silicon Valley Phase II Extension

VTA Board of Directors
June 3, 2021
Highlights During the Month:

• VTA’s application for federal funding accepted by FTA on May 15, 2021; response expected by September

• VTA, FTA and their Project Management Oversight Consultant (PMOC) continue coordination meetings; technical workshops held in May

• Real estate acquisition process continues with negotiations underway for key properties required for station, mid-tunnel and ventilation facilities

• VTA and BART working jointly to complete Design Criteria/Requirements Manuals to be included with procurement documents; undergoing final reviews and sign-offs

• Cooperative agreements with Cities of San Jose, Santa Clara and Caltrans completed
  • City of San Jose – scheduled June 8th City Council meeting
  • City of Santa Clara – planned August City Council meeting
Construction Outreach Management Program (COMP):

Construction Education and Outreach Plan (CEOP): communication during construction between VTA, cities of San José and Santa Clara, and the public.

Construction Transportation Management Plan (CTMP): coordinate circulation and access needs within and around the construction areas for all transportation options.

Emergency Services Coordination Plan (ESCP): coordinate with local emergency services to minimize impact to emergency service routes and response times due to construction activities.
**CEOP – Sample Communications Matrix:**

<table>
<thead>
<tr>
<th>Information</th>
<th>Information Category</th>
<th>Timing</th>
<th>Potential Communication Methods</th>
<th>Suggested Tools</th>
<th>Suggested Materials</th>
</tr>
</thead>
</table>
| Residents, Businesses, & Institutions | • Expected effects  
• Rerouting options  
• Proactive notice | • Closures  
• Routing  
• Transit Changes  
• Noise & Vibration  
• Air Quality/Dust  
• Heavy Vehicle Traffic | • 1-month advance notice  
• Continuous updates  
• Weekly notice  
• Reminders day of event | • Briefings  
• Door-to-Door Visits  
• Field office hours  
• Other group meetings  
• Personal communications  
• Public meetings  
• TV, newspaper, social media and radio advertisements  
• Tours  
• Word-of-mouth | • Phone Calls  
• Press Events  
• Public Service Announcements (PSAs)  
• Real Time Information  
• Social Media Sites  
• Project Website  
• Live Stream | • Advertisements  
• Brochures  
• Electronic Newsletters  
• Emails  
• Flyers  
• Presentations  
• Rider Notices  
• Signage – Construction areas  
• Signage-placemaking  
• Signage – project corridor  
• “Take One” customer newsletter  
• Visuals (maps, graphics, etc.) |
CTMP Development:

Draft CTMP

- Created by VTA, the City of San José and the City of Santa Clara jointly to minimize public disruptions as required in the SEIS/SEIR (environmental document)
- Includes Final Emergency Services Coordination Plan (ESCP) as an appendix
- Included in CP2, CP3, and CP4 contract specifications

Final CTMPs

- Developed by the individual contract package teams, collaboratively with VTA, the City of San José and the City of Santa Clara
- Builds from the draft plan and contains site-specific details for mitigating public impacts
- Includes Final ESCP as an appendix

Traffic Control Plans

- Based on Final CTMPs
- Site specific requirements on access routes, signage, notifications, parking, etc.
Procurement Update:

- **Systems** (Contract Package 1)
  - Statement of Qualifications (SOQ) received on May 18, 2021
  - SOQs under review and evaluation; shortlist to be issued this month

- **Tunnel & Trackwork** (Contract Package 2)
  - Three teams have been selected for shortlist
  - Request for Proposal (RFP) to be issued this Summer

- **Newhall Yard/Santa Clara Station** (Contract Package 3)
  - Request for Industry Feedback (RFIF) meetings held week of May 24th
  - Request for Qualifications (RFQ) to be issued August 2021

- **Stations** (Contract Package 4)
  - RFQ to be issued this month
  - RFP under development
### Framework to Completion:

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<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
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<th>2026</th>
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<th>2028</th>
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<td>Engineering &amp; Procurement</td>
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<td><strong>BART System Testing/ Rail Acceptance/ CPUC Certification</strong></td>
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**Legend**

- RFIF
- RFQ
- RFP
- NTP

*Subject to change based on RFIF/industry feedback*
## Ridership

### May 2021 (preliminary)

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<thead>
<tr>
<th></th>
<th>May 2021</th>
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<th>April 2021</th>
<th>Percent change</th>
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<td>699,291</td>
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<td>23,881</td>
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<td>83,102</td>
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<td>% of Scheduled Service Operated</td>
<td>May 2021</td>
<td>May 2020</td>
<td>Difference</td>
<td>Percent Change</td>
<td>Current Jan' 21- May 21</td>
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<td>99.39%</td>
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<td>99.50%</td>
<td>0.30%</td>
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<td>99.50%</td>
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<td>Service Recovery</td>
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<td>Bus</td>
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<td>59 mins</td>
<td>-43 mins</td>
<td>-72.9%</td>
<td>4 mins</td>
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<td>7 mins</td>
<td>48 mins</td>
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<td>Miles Between Mechanical Failure</td>
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<td>Bus</td>
<td>38,720</td>
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<td>Chargeable Accidents per 100k miles</td>
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<tr>
<td>Transportation</td>
<td>10.4%</td>
<td>14.4%</td>
<td>-4.0%</td>
<td>-27.8%</td>
<td>14.8%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>3.3%</td>
<td>10.0%</td>
<td>-6.7%</td>
<td>-67.0%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>
BOARD OF DIRECTORS SPECIAL CLOSED SESSION MEETING

Thursday, June 3, 2021

CLOSED SESSION ITEM

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

Name of Case: Sharks Sports & Entertainment LLC v. Santa Clara Valley Transportation Authority
(Santa Clara County Superior Court Case No. 18CV327687, CA 6th District Court of Appeal Case No. H049010)