2016 Measure B Citizens' Oversight Committee

Annual Report

FY 2022

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2016 MBCOC Finding

It is the conclusion of the 2016 Measure B Citizens' Oversight Committee that for Fiscal Year 2022, 2016 Measure B funds were spent in accordance with the intent of the measure.

Overview

In November 2016, Santa Clara County voters approved 2016 Measure B, a 30-year, half-cent countywide sales tax devoted to enhancing transit, highways, expressways, and active transportation (bicycles, pedestrian, and complete streets) within Santa Clara County. The ballot states that: (A) VTA would be the administrator of the tax; and (B) 2016 Measure B revenues would fund nine defined program categories of transportation projects (Section D). The VTA Board of Directors is responsible for 2016 Measure B policy decisions.

By passing the Measure, voters entrusted the 2016 Measure B Citizens' Oversight Committee (2016 MBCOC), comprised of community members, with oversight to ensure that 2016 Measure B funds are being spent consistent with the ballot language and to inform voters on Program compliance as described in 2016 Measure B. The ballot also lists the specific duties and responsibilities of the 2016 MBCOC (click **here** for 2016 MBCOC bylaws).

Although 2016 Measure B sales tax collection began April 1, 2017, the process to deliver the projects and programs defined in the ballot did not begin until late January 2019, having been delayed by an unsuccessful court challenge to the measure.

This report, which is a snapshot in time, covers the period of Fiscal Year (FY) 2022 (07/01/21–06/30/22). Foremost, this report presents the 2016 MBCOC finding that 2016 Measure B funds spent during FY 2022 were in accordance with the intent of the measure. It also summarizes significant 2016 Measure B accomplishments during the period. Additionally, the report includes the independent auditor's report commissioned by the 2016 MBCOC (Section C).

Additional information on 2016 Measure B is available at the Transparency Website 2016measureb.vta.org and on the MBCOC at vta.org/2016-measure-b-citizens-oversight-committee.

2016 Measure B Accomplishments During FY 2022

- Completed a variety of projects throughout Santa Clara County through programs such as Local Streets & Road and Bicycle & Pedestrian – Education and Encouragement, examples of which include local streets repaving, repainting of bike lanes, and community bike events.
- For Oregon/Page Mill Intersection Improvements between Hansen and Porter project, completed microsurfacing and striping.
- For Innovative Transit Service Models, (A) County of Santa Clara launched the RYDE service, and (B) Mountain View expanded the hours for the Community Shuttle service.
- VTA Board approved (A) FY 2022 – FY 2031 10-Year Program and (B) Highway Interchanges Program Category prioritized project list.

More information on the 2016 Measure B Program, its accomplishments and current status can be found in the 2016 Measure B Program Annual Report for FY 2022 (click **here** to view).





These photos (left) show one example of local street and road improvements, this one completed in Campbell





Photos from Walk-N-Roll event in San José.

About the 2016 MBCOC

- Voter-entrusted responsibilities to ensure 2016 Measure B funds are being spent consistent with the ballot and to inform voters on compliance with the Program as described in 2016 Measure B.
- Comprised of eight membership positions from the community, each competitively appointed from defined areas of expertise and with required experience.
- Members must be registered voters of Santa Clara County, cannot hold elected or appointed office, and cannot be staff of VTA or its Member Agencies (the 15 cities/towns in the county and the County of Santa Clara).

2016 MBCOC Accomplishments Supporting FY 2022

- Held five 2016 MBCOC meetings to provide opportunity for community input.
- Commissioned and evaluated results of audit of FY 2022.
- Conducted a hearing on May 24, 2023 to gather input from public.
- Issued and broadly communicated availability of MBCOC Annual Report on FY 2021.
- Provided input on several 2016 Measure B work processes and reports.
- Developed recommended additional responsibilities to enhance Committee effectiveness and contributions to the 2016 Measure B Program, and these modifications to the MBCOC bylaws were approved by the VTA Board of Directors.
- Provided recommendations on ways to further enhance 2016 Measure B Program transparency and reporting effectiveness.
- Evaluated and implemented certain enhancements to better inform the public on 2016 Measure B compliance and positive impact of quality of life in Santa Clara County.

2016 MBCOC Members

- **Jason Baker**, *Member* (Regional Business Organization)
- **Rose Herrera**, *Chairperson* (Municipal/Public Finance)
- **Emily Lo**, *Member* (Municipal/Public Finance)
- **Bonnie Packer**, *Member* (Community Organization)
- **Christine Pfendt**, *Vice Chairperson* (Financial Policy Administration)
- **Martin Schulter**, *Member* (Educational Administration)
- **Ed Von Runnen**, *Member* (Organized Labor)

Respectfully submitted,

Rose Herrera

Rose Herrera, *Chairperson*

2016 Measure B Citizens' Oversight Committee

2016 MEASURE B

Annual Report

FY 2022



Valley Transportation Authority

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1. Executive Summary

True to VTA's mission, *"Solutions that move you",* the **2016 Measure B Program** provides funding opportunities for transportation planning, infrastructure, and education & outreach activities throughout Santa Clara County. With nine different categories, 2016 Measure B works with cities, towns, and the County of Santa Clara to create solutions for diverse local transportation concerns – from walking and biking to innovative transit connectivity. The 2016 Measure B Program aids in the delivery of voter-supported projects and initiatives through both competitive and non-competitive funding pools.

This annual report focuses on Fiscal Year 2022, starting July 1, 2021, to June 30, 2022 – detailing the measure's continued development and growth, and funding allocations and expenditures. Additionally, it highlights Program achievements – such as the approval of the project lists for the Highway Interchanges and Innovative Transit programs.

VTA looks forward to continued collaboration with the community and our partners to deliver 2016 Measure B eligible programs and projects throughout Santa Clara County.

2. Introduction: What is 2016 Measure B?

Santa Clara County voters approved **2016 Measure B**, a 30-year, half-cent countywide sales tax to enhance transit, highways, expressways, and active transportation (bicycles, pedestrians, and Complete Streets) in November 2016. The measure passed by nearly 72%, the highest level of support for any Santa Clara County transportation sales tax. 2016 Measure B Program funds are available to Member Agencies — the sixteen local jurisdictions that are signatories of the Congestion Management Agency (VTA)'s Joint Powers Agreement. The Joint Power Agreement signatories include all cities and towns within the county, Santa Clara County, and the Santa Clara Valley Transportation Authority. Program funds are divided into nine different program categories, as introduced to voters in the ballot language. These nine program categories are:

- Local Streets & Roads
- BART Phase II
- Bicycle & Pedestrian
- Caltrain Grade Separation
- Caltrain Corridor Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor
- Transit Operations

Member Agencies may access 2016 Measure B Program funds for projects that fit within the program category guidelines – which are detailed in Section 5.1 of this report.

At the time of 2016 Measure B's passage, it was anticipated to generate $6.3 billion in 2017 dollars over the next 30 years. The actual revenues to be received over the 30-year life of the tax will be affected by various economic factors, such as inflation and economic growth or decline. Collection of the tax began on April 1, 2017.

2.1 History

- **Poll Results**
  After the VTA Board of Directors adopted a resolution to place the measure on the ballots on June 24, 2016, it was successfully placed on the November 8, 2016, General Election ballot. The measure garnered 487,539 "YES" votes out of a total of 679,596 votes – resulting in a 72% approval rate (see Appendix 11.1 for ballot language).
- **Lawsuit**
  Following the election, an individual challenged the validity of the 2016 Measure B Sales Tax – a hurdle that would last nearly two years, causing delays in the implementation and distribution of funds. On October 18, 2018, the California 6th District Court of Appeal decided to throw out the lawsuit. The decision was appealed to the State Supreme Court, where the appeal was rejected on January 23, 2019.
- **Principles**
  The VTA Board of Directors adopted the 2016 Measure B Program Biennial Budget and 10-year Program Principles in April 2021. These Principles set the ground rules for how the biennial budget and 10-year program are developed.

2.2 Citizens' Oversight Committee

The 2016 Measure B ballot measure specified formation of an independent citizens' oversight committee, its purpose being to ensure that 2016 Measure B funds are being expended consistent with the approved Program and to inform voters on Program compliance.

Given this, the 2016 Measure B Citizens' Oversight Committee (MBCOC) was established. It is comprised of eight membership positions from defined areas of expertise. Appointments are competitive and made by the VTA Board of Directors. Members are appointed based on possessing required relevant experience and expertise.

The ballot defines the specific duties and responsibilities of the MBCOC. Among them is the requirement that the committee annually have an audit conducted by an independent auditor to review the receipt of revenue and expenditure of funds. In May 2020, the 2016 MBCOC approved awarding a contract to Moss Adams LLP to provide compliance/performance auditor services to the Committee. Moss Adams has completed the program performance annual audits from Program inception to current, and recently completed the audit for fiscal year 2022. They issued an unqualified, or "clean", opinion for each, meaning that in their professional opinion VTA complied, in all material respects, with the requirements applicable to the 2016 Measure B Program. All independent audits of the 2016 Measure B program since inception have received clean opinions.

Other ballot-defined duties and responsibilities of the MBCOC include the requirement to annually conduct a public hearing, the purpose being to provide a forum for community members to express their thoughts on the 2016 Measure B Program and the results of the annual performance audit of 2016 Measure B revenues and expenditures. The MBCOC is also responsible for issuing an annual report to inform Santa Clara County residents on how Program funds are being spent.

Additional information on the MBCOC can be found in Appendix 11.2, or at **vta.org/2016-measure-b-citizens-oversight-committee**, which includes, among other items, all Program performance audits and MBCOC Annual Reports since Committee inception.

3. Program Tax Revenues

Tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for the satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management are referred to as **Program Tax Revenues**.

Using the dollar amounts identified for each program category in the ballot, ratios for each program category were calculated – which are then used to calculate future allocations and to determine the appropriate distribution of 2016 Measure B funds to each program category over the life of the measure.

The nine program categories ratios were calculated by dividing the identified amount of the program category on the measure by the total projected 2016 Measure B Program Tax Revenues.

Program Category ratio = Program Category amount ÷ Total projected 2016 Measure B Program Tax Revenue amount

Example:

1. Total projected 2016 Measure B Program Tax Revenue: $6.3 Billion in 2017 dollars
2. Local Streets & Roads (LSR) program category amount: $1.2 Billion in 2017 dollars
3. LSR ratio = $1.2 Billion ÷ $6.3 Billion
4. LSR percentage share of total 2016 Measure B Program Tax Revenues = 19.05%

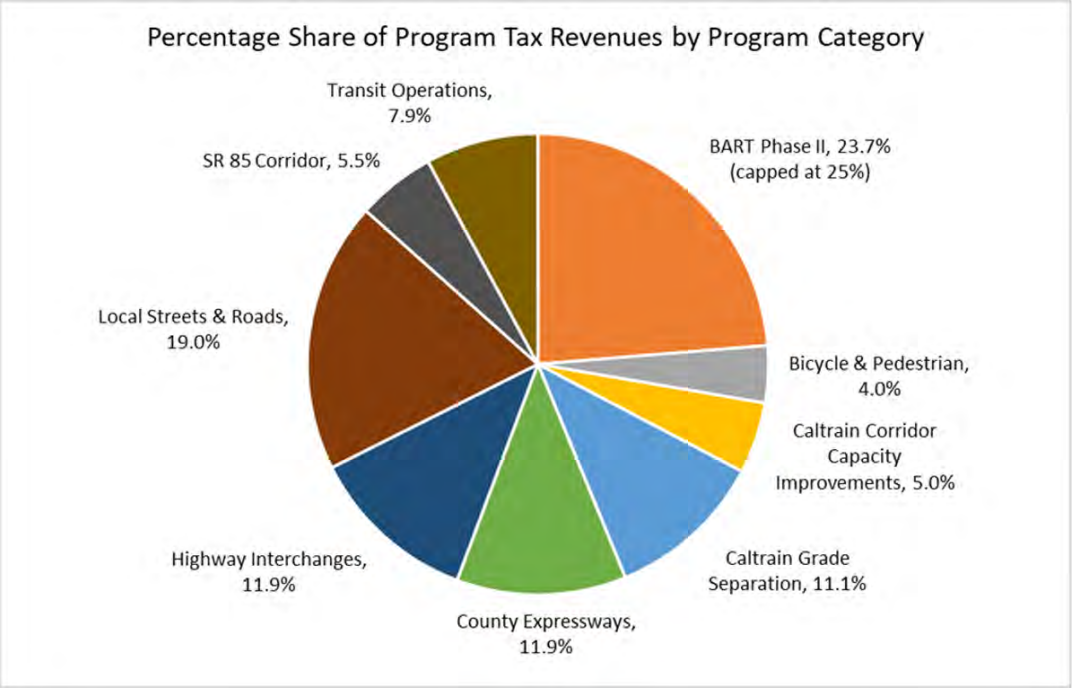


Figure 3.1 – Figure shows a breakdown of Program Tax Revenues by program category.

4. Program Revenues Received through FY 2022

2016 Measure B revenues include net receipts from sales in Santa Clara County collected by the California Department of Tax and Fee Administration (CDTFA) and any interest earned on the receipts. Sales tax revenue collection for 2016 Measure B started on April 1, 2017, and the measure will continue collecting revenue through March 31, 2047. VTA's fiscal year (FY) begins on July 1 and ends on June 30 of the following calendar year and is referred to by the year the period ends (for example, FY 2022 is July 1, 2021, to June 30, 2022).

4.1 Total Receipts for FY 2022

The table below reports the total sales tax revenues for the 2016 Measure B Program by fiscal year and since inception.

2016 Measure B Sales Tax Revenues by Fiscal Year	
Fiscal Year	**Net Receipts**
FY 2017*	$50,126,395
FY 2018	$204,986,077
FY 2019	$236,672,349
FY 2020	$209,323,832
FY 2021	$220,353,906
FY 2022	**$258,000,059**
Total Since Inception	**$1,179,462,618**

**April 1, 2017 to June 30, 2017 only.*

4.2 Total Income Earned for FY 2022

The table below reports the total income earned for FY 2022. Per the VTA FY 2022 Annual Comprehensive Financial Report (ACFR), income earned is "...associated with interest income, unrealized gains/losses, and trading gains/losses...[and] derived from three primary sources: short, mid, and long-term investment portfolios," as shown in the table below.

However, when calculating the Program Tax Revenues only interest and realized trading gains/losses are included. Unrealized gains/losses are not included in the calculations, as they are not actual revenues or losses in hand. The previous fiscal years have been updated to reflect this change and to ensure consistency in reporting moving forward.

2016 Measure B Income Earned by Fiscal Year		
Fiscal Year	**Income Earned**	**Unrealized Income****
FY 2017*	$0	$0
FY 2018	$0	$0
FY 2019	$4,833,749	$137,013
FY 2020	$16,270,856	$6,529,136
FY 2021	$12,713,074	-$10,885,812
FY 2022	**$7,080,419**	**-$28,222,407**
Total Since Inception	**$40,898,098**	**-$32,412,070**

** April 1, 2017 to June 30, 2017 only.*
*** Unrealized income earned captures unrealized gains/losses and amortization, which are not included when calculating the Program Tax Revenue.*

4.3 Program Revenue Totals and Percentage Shares of Program Tax Revenues

The following table shows the Program Tax Revenue total for FY 2022 by adding the revenue earned and income earned then subtracting the Administration costs.

Program Tax Revenue Total		
	FY 2022	Total Since Inception (FY 2017 — FY 2022)
Revenue Earned	$258,000,059	$1,179,462,618
Income Earned	$7,080,418	$40,898,098
Sub-total	**$265,080,477**	**$1,220,360,716**
Administration Expenditures	-$2,081,040	-$7,810,834
Program Tax Revenue Total	**$262,999,437**	**$1,212,549,882**

The next table highlights the 2016 Measure B Program Category allocations as their ballot-established ratios of the Program Tax Revenues and as a percentage of Program Tax Revenues through the end of the reporting fiscal year. It is important to note that the ballot-established ratios are based on the 30-year life of the Measure, and the program category allocation ratios shown at the end of a fiscal year are a snapshot in time. Program category allocations will fluctuate over the 30 years, and this will be reflected in the ratios that are shown at the end of a fiscal year.

Program Category Allocations as Percentage Share of Program Tax Revenues				
Program Category		**Allocation through FY 2022**	**% of Program Tax Revenues** (Ballot Measure Language)[2]	**% of Program Tax Revenues through FY 2022**
Formula-Based	**Local Streets & Roads**	$222,960,000	19.05%	18.39%
	Bicycle & Pedestrian			
	Education & Encouragement	$6,970,000	3.97%	4.53%
	Capital Projects[1]	$45,110,000		
	Planning Studies[1]	$2,820,000		
	Transit Operations			
	Enhance Core Network	$67,650,000	7.94%	7.73%
	Innovative Transit Service Models	$7,600,000		
	Expand Mobility & Affordable Fares	$13,940,000		
	Improve Amenities	$4,500,000		
Need/ Capacity-Based[1]	BART Phase II	$150,000,000	23.81%	12.37%
	Caltrain Grade Separation	$71,000,000	11.11%	5.86%
	Caltrain Corridor Capacity Improvements	$25,440,000	4.98%	2.10%
	Highway Interchanges	$364,790,000	11.90%	30.08%
	County Expressways	$50,000,000	11.90%	4.12%
	State Route 85 Corridor	$14,500,000	5.56%	1.20%

[1] *These allocations are available to the program category or subcategory at the beginning of the first fiscal year of the Biennial Budget. They are not distributed on a fiscal year basis.*

[2] *The 2016 Measure B ballot measure language identifies Program Tax Revenue ratios for the life of the measure, not by fiscal year. See Section 3 for details.*

5. Program Categories

There are nine program categories within the 2016 Measure B Program – three of which include subcategories. Figure 5.1 presents an overall summary of 2016 Measure B Program Categories, differentiated by allocation types. Allocation types are formula-based and need/capacity-based. Three of the program categories – Local Streets & Roads, Bicycle & Pedestrian, and Transit Operations – have sub-categories whose funds are distributed either through a formula process, competitive application process, or a need/capacity-based selection process.

2016 Measure B FY 2022 & FY 2023 Program Category Allocations

		FY 2022	FY 2023
Administrative Costs		$1,000,000	$1,000,000
Program Category			
Formula-Based	**Local Streets & Roads**	$52,960,000	$47,740,000
	Bicycle & Pedestrian		
	Education & Encouragement	$1,970,000	$1,490,000
	Capital Projects	$18,450,000	
	Planning Studies	$1,160,000	
	Transit Operations		
	Enhance Core Network	$19,650,000	$14,520,000
	Innovative Transit Service Models	$1,600,000	$1,590,000
	Expand Mobility & Affordable Fares	$3,940,000	$2,980,000
	Improve Amenities	$1,900,000	
Need/Capacity-Based	**BART Phase II**	$0	
	Caltrain Grade Separation	$33,000,000	
	Caltrain Corridor Capacity Improvements	$12,340,000	$17,010,000
	Highway Interchanges	$157,890,000	
	County Expressways	$0	
	State Route 85	$0	
	Total:	**$392,190,000**	

5.1 Program Category Guidelines

To administer each of the nine 2016 Measure B Program Categories, VTA established guidelines that outline the distribution (or allocation) of funds for each program category (and its subsequent sub-categories if applicable), implementation steps, and project and program criteria and requirements. The VTA Board of Directors adopted the nine program categories in fall 2017 and can modify them as needed.

The 2016 Measure B Program Category Guidelines establish two types of distributions for funds: formula-based and need/capacity-based. Formula-based distribution means funds are distributed each fiscal year, as best as possible, by multiplying the program category's percentage share of Program Tax Revenue and the projected Program Tax Revenue of that fiscal year. Need/Capacity-based distribution means the allocation of funding to projects are based on 2016 Measure B funding capacity, project readiness, and timing of project funding need.

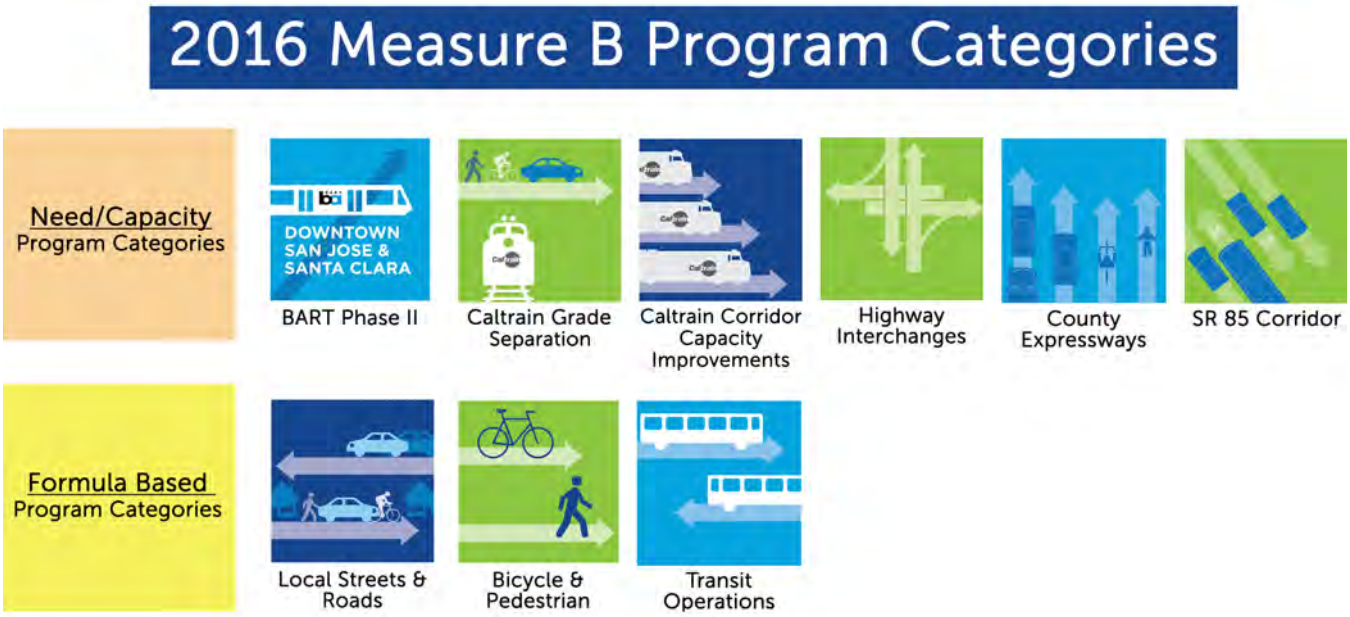


Figure 5.1 – 2016 Measure B Program Categories.

The nine program categories eligible for 2016 Measure B funds and their ratios of the Program Tax Revenues are shown below



Local Streets and Roads: 19.1%

This category distributes funds according to a population-based formula and Santa Clara County's road and expressway lane mileage. This category dedicates funds to be used for the repair and maintenance of street systems; it also requires agencies to apply Complete Streets best practices – therefore improving bicycle and pedestrian elements of their street system. Individual cities and the County may use their share of funds for either pavement rehabilitation or congestion relief if they have a Pavement Condition Index of 70 or higher.



BART Silicon Valley Phase II: 23.8%*

This category dedicates funding to the planning, engineering, construction, and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th street, downtown San Jose, San Jose Diridon Station and Santa Clara.

**capped at a maximum of 25% of Program Tax Revenues*



Bicycle and Pedestrian: 4.0%

This category helps to fund priority bicycle and pedestrian projects of countywide significance, as identified by the cities, County, and VTA. The funds will prioritize projects that: connect to schools, transit, and employment centers; fill gaps in the existing bike and pedestrian networks; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. This also includes educational programs such as Safe Routes to Schools. Eligible projects are identified in Attachment A of 2016 Measure B. (See Appendix 11.1)

- *Sub-category Grant Program: Education and Encouragement*
  - This program allows member agencies to fund projects and programs that will encourage the use of bicycling and walking and/or provide education regarding

these modes. These include, but are not limited to, Safe Routes to School, walk audits, open streets events, and bicycle/pedestrian safety campaigns. Funds for this program are distributed to each Member Agency via a population-based formula.

- *Sub-category Grant Program: Capital Projects*
  - o This competitive grant program will provide funds to awarded applicants for activities leading to/including: Environmental Clearance; Design; Right of Way; and Construction for bicycle and pedestrian projects currently identified in 2016 Measure B.
- *Sub-category Grant Program: Planning Studies*
  - o This competitive grant program will allow the cities, County and VTA to apply for funds that allows them to advance planning studies that support capital project development for bicycle and pedestrian projects of countywide significance.



Caltrain Grade Separation: 11.1%

This category will help to fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians while also reducing congestion at the intersections.



Caltrain Corridor Capacity Improvements: 5.0%

This category will help 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.



Highway Interchanges: 11.9%

This category will help to fund highway projects across Santa Clara County to provide: congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, the deployment of advanced technology through Intelligent Transportation Systems (ITS). Eligible projects are identified in Attachment B of 2016 Measure B. (See Appendix 11.1)



County Expressways: 11.9%

This category will help to fund Tier 1 improvement projects in the County's Expressway Plan to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Eligible projects are identified in Attachment C of 2016 Measure B. (See Appendix 11.1)



State Route 85 Corridor: 5.6%

This category will fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. It will also fund noise abatement along SR 85 and provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps, Light Rail Transit, and other future transportation technologies.



Transit Operations: 7.9%

The goals of this category are to increase ridership, improve efficiency, enhance mobility services for seniors and individuals with disabilities, and improve affordability for the underserved and vulnerable populations in the County. Funds may be used to maintain and

expand core bus route service frequencies, extended hours of operations to early mornings, evenings, and weekends to improve mobility, safe access, and affordability to residents that rely on bus service for critical transportation mobility needs – specifically for vulnerable, underserved, and transit-dependent populations throughout the county. Sub-categories for eligible Transit Operations efforts are identified in Attachment D of 2016 Measure B. (See Appendix 11.1)

- *Sub-category Grant Program: Frequent Core Bus Network*
  - This sub-category will directly fund VTA's core bus network of services increasing core bus route service frequencies, and expanding or adding evening, late-night, and weekend service.
- *Sub-category Grant Program: Innovative Transit Service Models*
  - This competitive grant program seeks to support affordable new innovative transit service models to address first/last mile connections including FLEX type services, dynamic on-demand subscription shuttles and partnerships with other demand-responsive services providers serving vulnerable, underserved and transit-dependent populations.
- *Sub-category Grant Program: Expand Mobility & Affordable Fares*
  - Funds to expand mobility services and affordable fare programs for seniors, disabled, students, and low-income riders.
- *Sub-category Grant Program: Improve Amenities*
  - Funds to improve amenities at VTA bus stops to increase safety, security and access, as well as on-going maintenance.

Figure 5.2 below details the sub-categories of the Local Streets & Roads, Bicycle & Pedestrian, and Transit Operations categories.

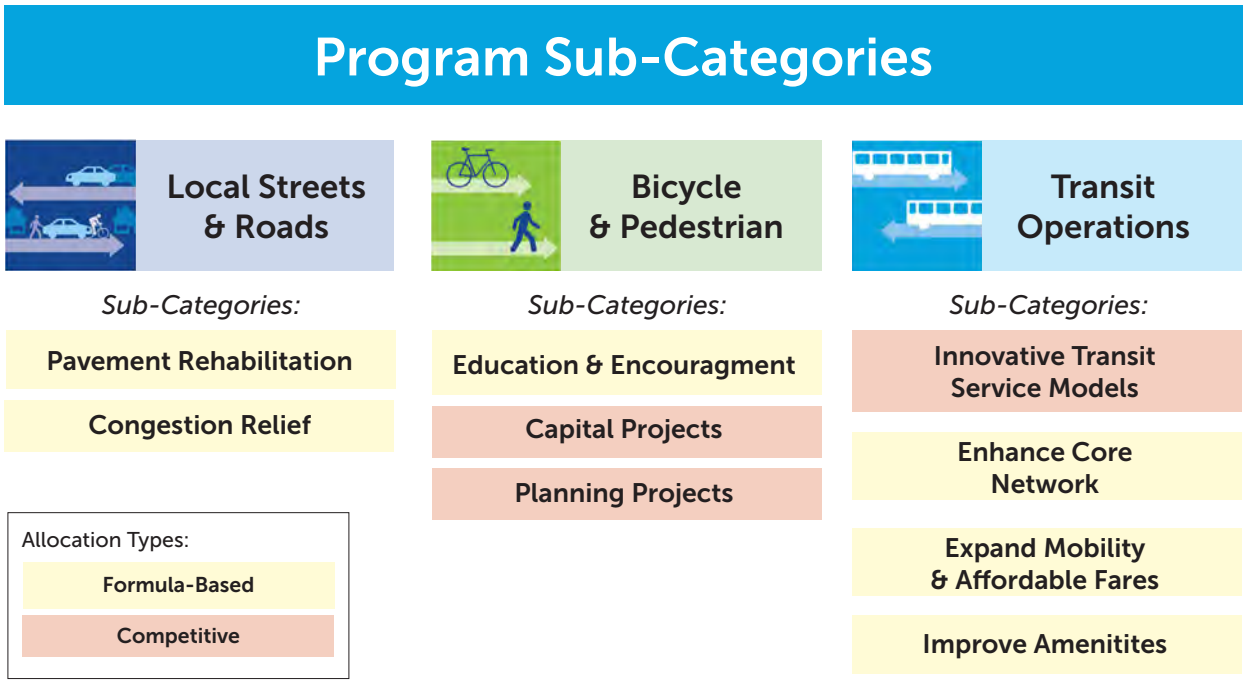


Figure 5.2 – 2016 Measure B Program sub-categories and allocation types.

6. Allocations and Expenditures for FY 2022

VTA's budget encompasses two fiscal years. The approved budget for FY 2022 and FY 2023 is shown below – some program categories and sub-categories have budgets that span the two fiscal years while others have budgets per fiscal year. Those budgets that span the two fiscal years are available at the beginning of the first fiscal year in the biennial budget. Like a capital budget, appropriation for the program category does not expire at the end of the fiscal year and will be carried forward until the 2016 Measure B Program is completed.

An allocation is the VTA Board-approved amount of 2016 Measure B funds available for a specified project or program. The 2016 Measure B Program budget and allocations are approved by the VTA Board of Directors with the approval of the VTA biennial budget. As described above, program category allocations do not expire at the end of a fiscal year, and instead the unspent amount rolls over and is available for use in future fiscal years.

The annual budget allocations for the three Formula-based program categories are calculated in two steps: 1) multiplying their ballot-established ratio by the projected Program Tax Revenues for that fiscal year; and 2) reconciling prior allocations, which were based on estimated Program Tax Revenues, with actual revenues received (referred to as a "true-up process"). The true-up process occurs during each biennial budget cycle, and the results of the true-up process are included in the first year of the biennial budget.

The initial true-up for fiscal years 2018 to 2020 was calculated and applied to FY 2022 during the FY 2022/FY 2023 Biennial Budget cycle.

An expenditure is VTA's reimbursement of 2016 Measure B funds to a grantee (e.g. a city, the County, or Caltrain).

6.1 Allocation to Expenditure Process



Figure 6.1 – 2016 Measure B allocation to expenditure process.

Figure 6.1 illustrates the general three-step distribution process of 2016 Measure B funds, from allocation to expenditure. The process begins with the VTA Board of Directors' approval of the program category allocations – this part of the process is done on a biennial basis, or every two years, in conjunction with VTA's budget cycle. Two Formula-based programs, Local Streets and Roads and Bicycle & Pedestrian Education & Encouragement, will have allocations that are further broken down to the 15 cities and the County. For example, the Local Streets and Road program category allocation is disbursed to each jurisdiction using a population-based formula and to the County based on the County's road and expressway lane mileage.

Following the allocation(s) of 2016 Measure B funds, funding agreements must be executed for grantees to access the funds. Grantees are agencies that receive 2016 Measure B funds for projects. They include the 15 cities in Santa Clara County, the County of Santa Clara, Caltrain, and VTA. After the successful execution of the agreements, Grantees may begin invoicing VTA for work completed on 2016 Measure B projects – VTA will then reimburse the Grantee for eligible costs, resulting in an expenditure.

6.2 Allocation and Expenditure by Program Category

Total Program Allocations and Expenditures through FY 2022	
Total Program Allocation through FY 2022	$1,147,810,000
Total Program Expenditure through FY 2022	-$332,891,569
Remaining	$814,918,431

Figure 6.2 below shows the allocation and expenditure through FY 2022 for each of the nine program categories.

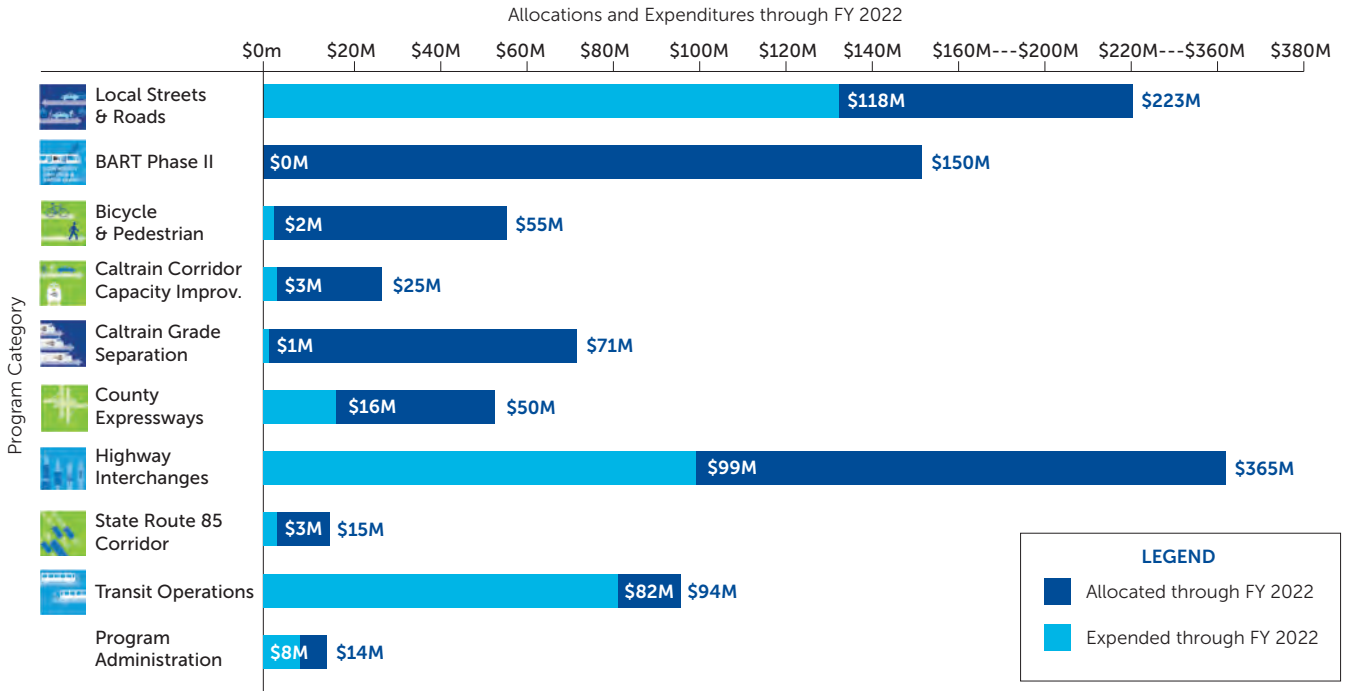


Figure 6.2 – 2016 Measure B allocations and expenditures through FY 2022 by program category.

7. 10-year Program and Biennial Budget Principles

At the April 2021 VTA Board meeting, the Board approved the 2016 Measure B 10-year Program and Biennial Budget Principles. The Principles apply to all the 2016 Measure B program categories and guide the development of the Biennial Budget and 10-year Program.

The adopted Principles for the 10-year Program and Biennial Budget are as follows:

- Comply with the language of the ballot measure (including any amendments approved pursuant to the ballot language).
- Invest in all nine program categories throughout the 10-year period, as long as funding remains available in the program category, with the understanding that there may not be allocations in all categories annually.
- Apply ballot-established ratios to Formula-based programs on an annual basis.
- Apply Board-approved project readiness selection criteria to Need/Capacity-based programs for projects to be included in the 10-year Program and Biennial Budget, and apply specific project prioritization processes for each program consistent with the 25% cap of Program Tax Revenues on the BART Phase II program category and all ratios applicable to each category.
- Use financing tools, subject to approval by the VTA Board of Directors, to make funding available when projects are ready, subject to available financing capacity.
- Explicitly and transparently consider opportunities from external funders, subject to the constraints of the other principles.

See Appendix 11.4 for the full principles.

The 10-year Program is a planning tool that considers the needs of the program and projects over a 10-year period. The VTA Board of Directors approved the first 2016 Measure B 10-year Program (FY 2022 to FY 2031) at their August and December 2021 meetings. The 10-year Program (FY 2022 to FY 2031) can be found on Appendix 11.5.

7.1 Allocation to Expenditure Process

Following the approval of the Principles, the Board of Directors approved Project Readiness Criteria for the Need/Capacity-based program categories at their May 2021 meeting. The six Need/Capacity-based program category projects must meet the following three Project Readiness criteria for inclusion in either the Biennial Budget or 10-year Program:

1) Project delivery status:
Allocations for projects in the 10-year Program will be based on project delivery phases and completion of each phase. Projects must complete prior delivery phase(s) as a prerequisite for allocation of funds in a Biennial Budget for the next phase.

2) Funding status:
Project must have non-2016 Measure B match funds identified for inclusion in the 10-year Program and secured for a Biennial Budget allocation.

3) Partner agency/community support:
Partner agencies must be identified for inclusion in the 10-year Program. Community, permitting agency and partner agency support must be demonstrated for a Biennial Budget allocation.

As candidate projects move forward and meet all three Project Readiness criteria, the project sponsor will submit a request to the 2016 Measure B Program Office for inclusion in the Biennial Budget and/or 10-year Program.

The Board of Directors also approved the prioritization methodologies for the Need/Capacity-based program categories. Five of the six Need/Capacity-based program categories had existing prioritization processes, either a sole project sponsor (BART Phase II, Caltrain Corridor Capacity, and SR 85 Corridor) or a prioritization process in place to select projects (Caltrain Grade Separations and County Expressways). The processes for the County Expressways, SR 85 Corridor, and Caltrain programs were explicitly included in the guidelines that the VTA Board of Directors adopted for these programs in 2017. The VTA Board approved the prioritization methodology for the sixth program category - Highway Interchanges in August 2021, the beginning of FY 2022. The approved project readiness criteria and prioritization methodologies can be found in Appendix 11.4.

8. Program Oversight Procedures

Formal program oversight procedures continue to be developed to establish VTA's role and responsibilities over projects and programs within the 2016 Measure B Program. Figure 8.1 displays how the Program Office determines the level of oversight needed for a specific project as well as VTA's oversight tasks to ensure proper project delivery and compliance.

Oversight duties by VTA typically include review and approval of required documentation such as Complete Streets checklists, program of projects, project management plans, and progress reports. Invoices submitted by project sponsors are also thoroughly reviewed. The Program office also presents and publishes monthly 2016 Measure B Program updates to VTA committees – giving an opportunity to VTA staff to answer any questions regarding the Program and its progress.

Figure 8.1 on the next page shows the general project types and requirements for each oversight level.

2016 Measure B Program Oversight Requirements

Project Cost or Complexity	HIGH	MEDIUM	LOW	Programmatic Categories
Project Type	• Projects costing more than $100M and with $10M or more in 2016 Measure B funding; or • Projects with significant complexity, as determined by VTA staff.	• Projects costing between $10M and $100M; and/or • Projects with $10M or more in 2016 Measure B funding; and/or • Projects with medium complexity, as determined by VTA staff.	• Projects costing less than $10M; or • Projects with less than $10M in 2016 Measure B funding.	• Local Streets & Roads Pavement program • Bicycle & Pedestrian Education & Encouragement program
Executed Agreement*	Required per phase	Required per phase	Required per phase	Only Master Funding Agreement required
Complete Streets Checklist	Required per phase	Required per phase	Required per phase	Required annually
Project Management Plan	Must be developed with VTA and include: Staffing Plan, Schedule, Contracting Plan, and Risk Assessments	Must include: Staffing Plan, Schedule, Contracting Plan, and Risk Assessments	Must include: Staffing Plan, Schedule, Contracting Plan, and Risk Assessments	N/A
Funding Plan	Required	Required	Required	N/A
Project Team Meetings	Monthly	Quarterly, at minimum	Semi-annually, at minimum	Semi-annually, at minimum
Written Progress Reports	Quarterly	Quarterly	Quarterly	Annually
Invoice Submittals	Monthly	Quarterly, at minimum	Semi-annually, at minimum	Annually, at minimum
Annual Program of Projects	N/A	N/A	N/A	Required
Present at VTA Committees as Needs	Yes	Yes	Yes	N/A

*As required. VTA-led projects do not need to have executed agreements but must meet requirements for funds to be released.
Exceptions from MEDIUM and HIGH categories include but are not limited to:
- BART Phase II, which already has an independent oversight program with FTA; Projects that are currently at the final design or construction stages; and Large pavement management/road rehabilitation programs.

Figure 8.1 – 2016 Measure B Proposed Program Oversight Requirement Chart

9. Program Category Highlights

Figure 9.1 captures program activity highlights from July 1, 2021, to June 31, 2022.

Overall 2016 Measure B Program

- Released the **2016 Measure B Program manual**.
- Released the FY 2017 – FY 2019, FY 2020, FY 2021 Program Annual Reports.
- Continued updates to the 2016 Measure B transparency website and the VTA.org page.
- VTA Board approved FY 2022 to FY 2031 10-year Program.
- Began updating the Program Category guidelines.
- The FY 2021 Program Performance Audit was received and accepted by the 2016 MBCOC at the March 2022 meeting.

	**Local Streets & Roads** • Received and reviewed required annual documentation from Member Agencies.
	**BART Phase II** • No 2016 Measure B activities.
	**Bicycle & Pedestrian** • Capital Projects: - Executed three project agreements with Member Agencies for the FY 2021 – FY 2022 funding cycle. • Planning Studies: - Staff began work on updating the Planning Studies Competitive Grant program criteria. • Education and Encouragement: - Received FY 2022 Program of Projects. - Presented summary of FY 2021 activities to committees. For the FY 2021 Education and Encouragement Activities Summary, see agenda item 6.7 in the Board packet linked **here**.
	**Caltrain Grade Seperation** • Facilitated quarterly coordination meetings with VTA, Cities and Caltrain to discuss status of projects and share general program information. • Consultant selected for the Mountain View Transit Center Grade Separation project. • Began developing the funding agreement for the Rengstorff Grade Separation project.
	**Caltrain Corridor Capactiy Improvements** • Executed agreement with Caltrain for Diridon Station Technical Support services.
	**Highway Interchanges** • VTA Board approved prioritized project list, awarding over $196 million to 12 projects • Committees recommended the pre-screening criteria for the Noise Abatement program for Board's approval.
	**County Expressways** • Foothill Expressway Auxiliary Lanes between El Monte and San Antonio project is complete. • Almaden Expressway at Camden Ave Intersection Improvements project: completed final design. • Oregon Page Mill Intersection Improvements between Porter and Hansen project: completed microsurfacing and striping.
	**State Route 85 Corridor** • SR 85 Noise Reduction Pilot Project Phase II began the Project Approval/Environmental Document phase.
	**Transit Operations** • Expand Mobility & Affordable Fares: - 13,520 passes were sold in FY 2022. • Innovative Transit Service Models: - Santa Clara County launched the RYDE program, including an expansion of service from the existing service area. - Mountain View expanded service hours for the Community Shuttle service. - Executed funding agreements for the remaining three awarded projects: Milpitas on-demand service, Morgan Hill on-demand service, Palo Alto on-demand transit service.

Figure 9.1 – 2016 Measure B Program highlights FY 2021.

10. Glossary

Below are terms frequently used in this report and related 2016 Measure B documentation.

An **allocation** is the VTA Board-approved amount of 2016 Measure B funds available for a specified project or program.
An **award** shows that VTA and a grantee have executed an agreement to fund an eligible project.

An **expenditure** is VTA's reimbursement of 2016 Measure B funds to a grantee (e.g. a city, the County, or Caltrain).

Fiscal Year refers to the 12-month accounting period that starts on July 1 and ends on June 30. Fiscal year is often abbreviated **FY**, and the year referenced is the end of that period. For example, FY 2021 covers from July 1, 2020, to June 30, 2021.

Grantees are agencies that receive 2016 Measure B funds for projects. They include 15 cities within the county, Santa Clara County, Caltrain and VTA.

A **Member Agency** is a local jurisdiction that is a signatory of the Santa Clara County Congestion Management Agency's Joint Powers Agreement. This includes all cities within the county, Santa Clara County, and the Santa Clara Valley Transportation Authority.

The 2016 Measure B ballot language specified nine **Program Categories**, with allocations specified for each: Local Streets & Roads, BART Silicon Valley Phase II, Bicycle and Pedestrian, Caltrain Grade Separation, Caltrain Capacity Improvements, Highway Interchanges, County Expressways, State Route 85 Corridor, and Transit Operations.

Program Tax Revenues are tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for the satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management. **Revenue** collected is the net receipt of 2016 Measure B sales tax revenue, excluding interests earned.

11. Appendix

Access the appendix **here**.

FY 2022 Annual Street Maintenance



Cronwell Ave (Before)



Cronwell Ave (After)



Virginia Ave (Before)



Virginia Ave (After)

San Jose Walk-n-Roll





Montague Expressway Pavement Rehabilitation



2016 Measure B FY 2021 Annual Report

Appendix

COMPLETE TEXT OF MEASURE B-Continued

shift funding between project categories; or to take into consideration new innovations or unforeseen circumstances.

ATTACHMENT A
ENVISION SILICON VALLEY BICYCLE AND PEDESTRIAN CANDIDATE LIST

Project

Implementation of Santa Clara Countywide Bicycle Plan*
Trails in Expressway Rights-of-Way
Alum Rock Trail
Coyote Creek Trail Completion
Lions Creek Trail
Lower Silver Creek Trail
Miramonte Avenue Bikeways
Fremont Road Pathway
Los Gatos Creek Trail Connector to SR 9
Berryessa Creek Trail
West Llagas Creek Trail
Guadalupe River Trail-Extension to Almaden
Three Creeks Trail East from Guadalupe River to Coyote Creek Trail
Five Wounds Trail from William Street to Mabury Road/Berryessa
Hwy. 237 Bicycle Trail: Great America Parkway to Zanker (Class I, II, and IV)
Lower Guadalupe River Access Ramps
Los Gatos Creek Trail Gap Closure
Calabazas Creek Trail
San Tomas Aquino Trail Extension to South & Campbell Portion
Union Pacific Railroad Trail
Stevens Creek Trail Extension
Hamilton Avenue/Highway 17 Bicycle Overcrossing
Pedestrian/Bicycle Bridge over SR 17 from Railway/Sunnyside to Campbell Technology Parkway
Mary Avenue Complete Streets Conversion
UPRR Bicycle/Pedestrian Bridge Crossing: Stevens Creek Boulevard to Snyder Hammond House/Rancho San Antonio Park
Montague Expressway Bicycle/Pedestrian Overcrossing at Milpitas BART Station
Shoreline/101 Bicycle/Pedestrian Bridge
Mayfield Tunnel Pedestrian/Bicycle under Central Expressway connecting to San Antonio Caltrain Station
South Palo Alto Caltrain Bicycle/Pedestrian Crossing
Matadero Creek Trail Undercrossing
Caltrain Capitol Undercrossing
Phelan Avenue Pedestrian/Bicycle Bridge over Coyote Creek
Newhall Street Bicycle/Pedestrian Overcrossing over Caltrain Tracks
Kiely Bicycle/Pedestrian Overcrossing
Winchester Bicycle/Pedestrian Overcrossing
Bernardo Caltrain Undercrossing
San Tomas Aquino Creek Trail Underpass at 49er Stadium
Latimer Avenue Bicycle/Pedestrian Overcrossing

COMPLETE TEXT OF MEASURE B-Continued

Bicycle/Pedestrian safety education at approximately 200 schools
Implementation of Pedestrian Access to Transit Plan (VTA)*
Bike amenities at transit stops and on transit vehicles
Countywide Vision Zero Program (VTA)*
Highway 9 Pedestrian Safety Improvements

*These plans are currently being developed/updated and projects are being identified.

ATTACHMENT B
ENVISION HIGHWAY PROGRAM CANDIDATE LIST

Project

US 101 Improvements in the cities of Palo Alto and Mountain View to address regional connectivity and circulation between San Antonio Road and Charleston Road at the US 101/San Antonio Road, US 101/Rengstorff/Charleston Road and US 101/Shoreline Boulevard interchanges.

SR 85/SR 237 Area Improvements in Mountain View to address mainline congestion and regional connectivity through the SR 85/SR 237 connector, SR 85/El Camino Real interchange, and the SR 237/El Camino/Grant Road interchange.

SR 237/US 101/Mathilda Avenue Area Improvements in Sunnyvale to address local roadway congestion.

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.

West County Improvements along I-280 in Cupertino, Los Altos, Los Altos Hills and Sunnyvale to address mainline congestion with mainline and interchange improvements from Magdalena Avenue to the San Mateo County line.

SR 85/I-280 Area Improvements in Cupertino, Los Altos, and Sunnyvale to address regional connectivity through a northbound I-280 braided ramp between SR 85 and Foothill Boulevard and improvements at the northbound I-280 off-ramp to Foothill Boulevard.

US 101/Trimble Road/De La Cruz Boulevard to Zanker Road Area Improvements to address local roadway connectivity and mainline congestion in San Jose and Santa Clara with US 101/Trimble Road/De La Cruz Boulevard interchange improvements, southbound US 101/SB 87 connector improvements, and a new US 101/Zanker Road interchange.

US 101/Old Oakland Road Improvements in San Jose to address local roadway congestion, access and connectivity.

A new interchange at US 101/Mabury Road in San Jose to address regional access.

I-680 Corridor Improvements in San Jose to address mainline congestion and regional connectivity by improving the I-680/Alum Rock Avenue and I-680/McKee Road interchanges.

I-280/Lawrence Expressway/Stevens Creek Boulevard Interchange Improvements to address mainline and local roadway congestion.

COMPLETE TEXT OF MEASURE B-Continued

- **BART Phase II—Estimated at $1.5 Billion of Program Tax Revenues in 2017 dollars (capped at a maximum of 25% of Program Tax Revenues).**

  To fund the planning, engineering, construction, and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th Street, downtown San Jose, San Jose Diridon Station, and Santa Clara.

- **Bicycle/Pedestrian–Estimated at $250 Million of Program Tax Revenues in 2017 dollars.**

  To fund bicycle and pedestrian projects of countywide significance identified by the cities, County, and VTA. The program will give 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. Bicycle and pedestrian educational programs, such as Safe Routes to Schools, will be eligible for funding. Candidate Projects are set forth in Attachment A.

- **Caltrain Grade Separation–Estimated at $700 Million of Program Tax Revenues in 2017 dollars.**

  To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians and also reduce congestion at the intersections.

- **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.

- **Highway Interchanges–Estimated at $750 Million of Program Tax Revenues in 2017 dollars.**

  To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.

- **County Expressways–Estimated at $750 Million of Program Tax Revenues in 2017 dollars.**

  To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.

- **State Route 85 Corridor–Estimated at $350 Million of Program Tax Revenues in 2017 dollars.**

  To fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure

COMPLETE TEXT OF MEASURE B-Continued

such as stations and access ramps, Light Rail Transit, and future transportation technologies that may be applicable.

- **Transit Operations–Estimated at $500 Million of Program Tax Revenues in 2017 dollars.**

  The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early mornings, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

The Program Categories will be administered in accordance with program guidelines and policies to be developed and approved by the VTA Board of Directors.

An independent citizen's oversight committee shall be appointed to ensure that the funds are being expended consistent with the approved Program. Annually, the committee shall have an audit conducted by an independent auditor. The audit shall review the receipt of revenue and expenditure of funds. The committee shall hold public hearings, and issue a report annually to inform the Santa Clara County residents how the funds are being spent. The hearings will be public meetings subject to the Brown Act.

To support and advance the delivery of projects in the Program, VTA may issue or enter into financial obligations secured by the tax revenues received from the State Board of Equalization (SBOE), including but not limited to, bonds, notes, commercial paper, leases, loans and other financial obligations and agreements (collectively, "Financing Obligations"), and may engage in any other transactions allowed by law. Notwithstanding anything to the contrary, to obtain the strongest credit ratings and lowest financing costs, VTA may pledge up to the full amount of tax revenues received from the SBOE as security for any Financing Obligations of the Program and may contract with the SBOE to have pledged amounts transferred directly to a fiduciary, such as a bond trustee, to secure Financing Obligations to fund any project in the Program. Any Financing Obligation shall be fully paid prior to the expiration of this tax measure.

If approved by a 3/4 majority of the VTA Board of Directors, and only after 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, VTA may modify the Program for any prudent purpose, including to account for the results of any environmental review required under the California Environmental Quality Act of the individual specific projects in the Program; to account for increases or decreases in federal, state, and local funds, including revenues received from this tax measure; to account for unexpected increase or decrease in revenues; to add or delete a project from the Program in order to carry out the overall purpose of the Program; to maintain consistency with the Santa Clara Valley Transportation Plan; to

COMPLETE TEXT OF MEASURE B-Continued

shift funding between project categories; or to take into consideration new innovations or unforeseen circumstances.

ATTACHMENT A
ENVISION SILICON VALLEY BICYCLE AND PEDESTRIAN CANDIDATE LIST

Project

Implementation of Santa Clara Countywide Bicycle Plan*
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Lions Creek Trail
Lower Silver Creek Trail
Miramonte Avenue Bikeways
Fremont Road Pathway
Los Gatos Creek Trail Connector to SR 9
Berryessa Creek Trail
West Llagas Creek Trail
Guadalupe River Trail-Extension to Almaden
Three Creeks Trail East from Guadalupe River to Coyote Creek Trail
Five Wounds Trail from William Street to Mabury Road/Berryessa
Hwy. 237 Bicycle Trail: Great America Parkway to Zanker (Class I, II, and IV)
Lower Guadalupe River Access Ramps
Los Gatos Creek Trail Gap Closure
Calabazas Creek Trail
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COMPLETE TEXT OF MEASURE B-Continued

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Bike amenities at transit stops and on transit vehicles
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*These plans are currently being developed/updated and projects are being identified.

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US 101/Old Oakland Road Improvements in San Jose to address local roadway congestion, access and connectivity.

A new interchange at US 101/Mabury Road in San Jose to address regional access.

I-680 Corridor Improvements in San Jose to address mainline congestion and regional connectivity by improving the I-680/Alum Rock Avenue and I-680/McKee Road interchanges.

I-280/Lawrence Expressway/Stevens Creek Boulevard Interchange Improvements to address mainline and local roadway congestion.

COMPLETE TEXT OF MEASURE B-Continued

I-280/Saratoga Avenue Interchange Improvements to address local circulation and mainline congestion.

I-280/Winchester Boulevard Area Improvements in Santa Clara and San Jose to address regional connectivity and local circulation.

SR 87 Corridor Technology-based Improvements in San Jose to address mainline congestion and system reliability through the implementation of technology-based operational improvements to the freeway.

Highway 17 Corridor Congestion Relief: Upgrade Highway 17/9 interchange to improve pedestrian and bicycle safety, mobility, and roadway operations; deploy advanced transportation technology to reduce freeway cut through traffic in Los Gatos, including traffic signal control system upgrades in Los Gatos, Traveler Information System, advanced ramp metering systems; support Multi-Modal Congestion Relief Solutions, including enhanced Highway 17 Express Bus service, implementing local bus system improvements that reduce auto trips to schools, work, and commercial areas in Los Gatos; and develop park and ride lots to serve as transit hubs for express bus, shuttles, local bus system connections.

SR 17 Southbound/Hamilton Avenue Off-ramp Widening Improvements in Campbell to address mainline congestion and local circulation.

SR 17/San Tomas Expressway Improvements in Campbell to address mainline congestion and local circulation.

US 101/Blossom Hill Boulevard Improvements in San Jose to address local roadway congestion and connectivity, including for bicyclists and pedestrians.

US 101 Improvements in Gilroy to address mainline congestion and regional connectivity with a new US 101/Buena Vista Avenue interchange and US 101/SR 152 10th Street ramp and intersection improvements.

SR 152 Corridor Improvements in Gilroy including US 101/SR 25 interchange improvements to address regional connectivity and goods movement network improvements.

I-280/Wolfe Road Interchange Improvements in Cupertino to address mainline congestion and improve local traffic circulation.

I-880/Charcot Avenue Overcrossing in San Jose to address local relief circulation and adjacent I-880 interchanges congestion relief.

Noise Abatement Projects in Santa Clara County to implement treatments to address existing freeway noise levels throughout the county.

Intelligent Transportation Systems (ITS) Projects in Santa Clara County such as integrated corridor management systems, traffic operations systems, ramp metering, managed lanes, and local traffic signal control systems to address freeway mainline congestion and local roadway congestion caused by cut-through traffic.

COMPLETE TEXT OF MEASURE B-Continued

ATTACHMENT C
SANTA CLARA COUNTY EXPRESSWAY IMPROVEMENTS (TIER 1)

Project

Almaden Expressway at SR-85-Interim Improvements

Almaden Expressway at Branham Lane Intersection Improvements

Almaden Expressway at Camden Ave Intersection Improvements

Capitol Expressway Widening and Interchange Modifications between I-680 and Capitol Avenue

Central Expressway at Thompson Intersection Improvements

Foothill Expressway Auxiliary Lanes between El Monte and San Antonio

Lawrence Expressway at Homestead Road Interim Improvements

Lawrence Expressway at Homestead Road Grade Separation

Lawrence Expressway from Reed/Monroe to Arques Grade Separation

Montague Expressway Complete 8-lane Widening including HOV lanes and Auxiliary Lanes between Great Mall and McCarthy/O'Toole

Oregon-Page Mill Widening (possible HOV lanes) and Trail between I-280 and Foothill Expressway

Oregon-Page Mill Intersection Improvements between Porter and Hansen

Oregon-Page Mill/El Camino Real Intersection Improvements

San Tomas Expressway Widening and Trail between Homestead and Stevens Creek

Santa Teresa-Hale Corridor Road and Trail between Dewitt and Main

Santa Teresa-Hale Corridor Widening and Trail between Long Meadow and Fitzgerald

SR 17/San Tomas Expressway Interim Improvements

I-280/Foothill Expressway Interchange Modifications and Auxiliary Lane to Homestead

I-280/Oregon-Page Mill Road Interchange Reconfiguration

Expressway ITS/Signal System Countywide

ATTACHMENT D
TRANSIT OPERATIONS CANDIDATE PROJECTS AND PROGRAMS LIST

- Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders.

  This project would provide funds to develop and expand senior and disabled transportation mobility programs and services. The proposed program would provide mobility options such as coordinated eligibility services and enhanced mobility options provided in a secure and safe manner for the most vulnerable and underserved residents in the County, such as seniors and persons with disabilities. It would support mobility options including maintaining the paratransit service coverage area and service expansion by extending hours of operation and weekend service. The funds would also establish permanent and augment discount fare programs to increase transit access for low-income, underserved and vulnerable populations unable to afford standard fares.

COMPLETE TEXT OF MEASURE B-Continued

- Enhance Frequent Core Bus Network.

  The project would upgrade service frequency on VTA's top core network routes to 15-minutes or faster. Some specific examples include expanding the number of high frequency core routes and expanding the schedule of existing services. This may also include enhancing frequency of services during early mornings, evenings and weekends in order to improve convenience, reliability, connectivity, ridership, farebox recovery and support local land use plans. The upgrade would improve the quality of service for vulnerable, underserved and transit dependent populations as well as existing riders and attract new riders which would decrease vehicle miles traveled, traffic congestion and pollution.

- Improve amenities at bus stops to increase safety, security and access.

  The project would provide funds for system wide improvements to bus stops, transit centers and stations including new and replacement shelters, lighting, access improvements including safe sidewalk connections, passenger information signs and security.

- Support new innovative transit service models to address first/last mile connections.

  The project would support affordable new innovative transit service models to address first/last mile connections including FLEX type services, dynamic on-demand subscription shuttles and partnerships with other demand responsive service providers serving vulnerable, underserved and transit dependent populations.

ARGUMENT IN FAVOR OF MEASURE B

Uncommon allies united for a common goal: Relieve Traffic; Repair our Roads. That's why the League of Women Voters, San Jose Silicon Valley Chamber of Commerce, League of Conservation Voters, former U.S. Transportation Secretary Norman Mineta and Senator Dianne Feinstein are championing Measure B to provide vital local funding to fill potholes, maintain roads and reduce traffic throughout Santa Clara County.

We are fortunate to enjoy a special quality of life here. Unfortunately, many of Santa Clara County's roads are in dire need of repair and we're spending too much time trapped in traffic. We need meaningful countywide congestion relief.

Measure B will:

- Finish the BART extension to downtown San Jose and Santa Clara
- Relieve traffic congestion on all 10 Expressways (Almaden, Capitol, Central, Foothill, Lawrence, Montague, Page Mill, San Tomas, Santa Teresa, Hale) and key highway interchanges
- Protect and enhance transit options for seniors, the disabled, students and the poor
- Repair roads and fix potholes in all 15 cities
- Improve bicycle and pedestrian safety, especially near schools
- Increase Caltrain capacity, easing highway congestion and improving safety at grade crossings
- Connect BART/Caltrain in downtown San Jose and Santa Clara, with platform-to-platform connections, to finally provide rapid rail around the entire Bay Area

Voting YES on Measure B provides Santa Clara County with a source of locally controlled funding to repair and maintain our roads and improve safety. Measure B helps Santa Clara County secure state and federal matching funds, otherwise lost to other regions.

The state or federal government cannot take away Measure B funds. We need to act now; the longer we wait, the more expensive these improvements become.

Measure B mandates strong taxpayer safeguards, including independent financial audits with citizen oversight. Elected leaders will be held accountable to spend funds as promised.

Measure B repairs our roads and contributes to a better quality of life throughout Santa Clara County. Join us in supporting Measure B.

ARGUMENT IN FAVOR OF MEASURE B-Continued

www.YesMeasureB.com

/s/ Roberta Hollimon
Chair, Council of the Leagues of Women Voters of Santa Clara County

/s/ Matthew Mahood
President & CEO, San Jose Silicon Valley Chamber of Commerce

/s/ Rod Diridon, Sr.
Chair Emeritus, League of Conservation Voters of Santa Clara County

/s/ Michael E. Engh
President, Santa Clara University

/s/ Darryl Von Raesfeld
Fire Chief, City of San Jose (Retired)

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE B

Has your commute improved since Measure A in 2000? One thing is abundantly clear: If VTA actually could deliver "meaningful countywide congestion relief" they would have done it by now. This is a promise they can't deliver on.

Measure B would add a big increase to an already hefty transportation sales tax. What confidence do you have that you will ever benefit from it?

Look at the performance of Measure A from 2000. VTA's Capital Program Dashboard shows that no Measure A projects have been completed. The most expensive project, BART to Santa Clara, was cut in half. Why trust that Measure B will be any different? Voters deserve to see projects delivered before being asked to pay more taxes!

We've seen all this before: traffic keeps getting worse. The billions spent from existing taxes are not making our lives better. Clearly, the strategy doesn't work. Doing more of the same will continue to produce unacceptable results.

Measure B is a recipe for failure. We need a new direction. For example, voters need to consider whether major employers should pay more to reduce the congestion impacts of their employees' commutes.

Voting NO on Measure B sends a strong message: Find a new direction for our county--one that is good for the environment, good for the economy, and good for our health.

Please vote NO on Measure B. After the "bait and switch" of 2000's Measure A, let's not give VTA a $6.3 billion blank check.

/s/ Michael J. Ferreira
Executive Committee Chair, Loma Prieta Chapter, Sierra Club

/s/ Mark W.A. Hinkle
President of the Silicon Valley Taxpayers Association

/s/ John M. Inks
Mountain View City Councilmember

/s/ Elizabeth C. Brierly
Santa Clara County Homeowner and Lifelong Resident

ARGUMENT AGAINST MEASURE B

Each year you are stuck in worse congestion. The 1% sales tax you've paid for the past thirty years to "relieve traffic" hasn't worked. Will raising the tax by 44% really "relieve traffic"?

Santa Clara County has tremendously congested roadways and one of the very worst performing light rail systems in the nation. Bus service is unusable and scheduled to get worse.

Population has increased since 2001, while transit ridership has declined 23 percent. If allowed to continue, the whole county will end up in gridlock.

Let's not put even more money into a failed strategy!

Here is the actual list of projects promised by Measure A in 2000, and what happened since then:

- Connect BART to Milpitas, San Jose, Santa Clara (project was cut in half and is still not complete)
- Build rail connection from San Jose Airport to BART, Caltrain, light rail (project canceled)
- New vehicles for disabled access, senior safety, clean air buses (completed)
- New light rail throughout Santa Clara County (one corridor changed into a bus lane project; other corridors canceled)
- Expand, electrify Caltrain (project is delayed more than 15 years)
- Increase rail, bus service (2015 service was 13% below 2001 levels)

The County Civil Grand Jury determined in 2004 that "The VTA Board has proceeded with a transit capital improvement plan that cannot accomplish all that was promised in Measure A." That certainly turned out to be the case.

Why vote for another bait-and-switch?

This election will be close. Your vote can help defeat this tax increase and send a message that new thinking is needed. Air quality and climate change demand new solutions.

For short and long-term traffic relief, please vote No.

Demand a new direction!

ARGUMENT AGAINST MEASURE B-Continued

For more information: www.No2VTAmeasureB.org
Twitter: #No2VTAmeasureB
Phone: 408-604-0932

/s/ Gladwyn d' Souza
Regional Chair, Loma Prieta Chapter, Sierra Club

/s/ Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

/s/ John M. Inks
Mountain View City Councilmember

/s/ Andy Chow
President, BayRail Alliance

/s/ Elizabeth C. Brierly
San Jose Homeowner & Lifelong Santa Clara County Resident

REBUTTAL TO ARGUMENT AGAINST MEASURE B

When reading the argument against Measure B, please consider the sources and review the facts for yourself. The opponents offer no solutions to the traffic congestion we face every day.

Some of the organizations signing the argument against Measure B have histories of opposing absolutely everything, including measures to support our schools, parks and public safety.

The text of their argument is even less credible.

Here are the facts:

*The first segment of the BART extension is running $75 million under budget and a year ahead of schedule, with passenger service beginning in fall 2017.
*Thanks to major investments, electrification of Caltrain will begin in 2020, which helps nearly double ridership capacity from 65,000 daily trips to 110,000.

Why is Measure B important? Please review the official ballot question for yourself. Measure B will accomplish the following while also mandating annual audits by an independent citizens watchdog committee to ensure accountability:

- Repair streets and fix potholes in all 15 cities & towns
- Finish the BART extension to downtown San Jose and Santa Clara
- Improve bicycle/pedestrian safety, especially near schools
- Increase Caltrain capacity, ease highway congestion and improve safety at crossings
- Relieve traffic on all 10 expressways and key highway interchanges
- Enhance transit for seniors, students, low-income citizens and the disabled

All of us are Santa Clara County taxpayers and residents (the signers of the argument against cannot say the same thing). Please join community leaders and organizations

from across Santa Clara County in supporting Measure B for better commutes and better roads.

REBUTTAL TO ARGUMENT AGAINST MEASURE B-Continued

www.YesMeasureB.com

/s/ Yoriko Kishimoto
Friends of Caltrain Chair and Board President of the Midpeninsula Regional Open Space District

/s/ Glenn M. Grigg
Traffic Engineer, City of Cupertino (Ret.)

/s/ Mark Turner
President/CEO, Gilroy Chamber of Commerce

/s/ Tony Siress
President/CEO Mountain View Chamber of Commerce

/s/ Teresa Alvarado
San Jose Director, SPUR

Appendix 11.2 – 2016 Measure B Citizens' Oversight Committee

The 2016 Measure B Citizens' Oversight Committee is defined as an "independent body that derives authority from the ballot measure". The mission of the committee is to validate and report on whether Measure B funds are being expended in ways that are consistent with the ballot. The Committee's duration will reflect the term of the sales tax (April 2017 – March 2047). At its September 2017 meeting, the VTA Board of Directors appointed seven individuals to serve on the 2016 Measure B Citizens' Oversight Committee. Memberships, meetings/schedule, and more information can be found **here**. The following document shows the VTA Board's approval for the appointment process for the 2016 Measure B Citizens' Oversight Committee.

Santa Clara Valley Transportation Authority

Date: February 23, 2017
Current Meeting: March 2, 2017
Board Meeting: March 2, 2017

BOARD MEMORANDUM

APPROVED ACCEPTED ADOPTED AMENDED DEFERRED REVIEWED
Santa Clara Valley Transportation Authority
Board of Directors
Elaine E. Baltao, Board Secretary
BY:
DATE: 3/2/17

TO: Santa Clara Valley Transportation Authority Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Government & Public Relations, Jim Lawson

SUBJECT: Appointment Process for the 2016 Measure B Citizens' Oversight Committee

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

ACTION ITEM

RECOMMENDATION:

Approve the process for appointments to the 2016 Measure B Citizens' Oversight Committee.

BACKGROUND:

On November 8, 2016 the voters of Santa Clara County overwhelmingly approved Measure B that enacted a thirty year ½ cent sales tax for transit and transportation improvements. Nine categories of projects and programs were proposed as part of the measure:

- Local Streets & Roads Repair
- BART Phase II
- Bicycle & Pedestrian Projects
- Caltrain Grade Separations
- Caltrain Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor
- Transit Operations

The ballot measure specified that the revenues and expenditures would be reviewed by an independent citizens' oversight committee appointed by the Santa Clara Valley Transportation Authority (VTA):

* See Page 3X of 3X for motion approved by the VTA Board of Directors at the March 2, 2017, Regular Meeting.

"An independent citizens' oversight committee shall be appointed to ensure that the funds are being expended consistent with the approved Program. Annually, the committee shall have an audit conducted by an independent auditor. The audit shall review the receipt of revenue and expenditure of funds. The committee shall hold public hearings, and issue a report annually to inform the Santa Clara County residents how the funds are being spent. The hearings will be public meetings subject to the Brown Act."

DISCUSSION:

With the passage of the ballot measure, it is necessary to appoint a Citizens' Oversight Committee. Staff reviewed the appointment process of several California jurisdictions having similar ballot measures with some form of oversight. The current VTA experience with our 2000 Measure A Citizens Watchdog Committee also helped form the recommendations.

The recommendation is the formation of an independent committee consisting of seven (7) members who are registered voters in Santa Clara County. There will be an open application process with the intent to allow qualified citizens the opportunity to participate.

In the application process we will actively seek individuals who bring important relevant experience to the committee. Staff recommends that the committee should consist of persons who fulfill the following criteria:

- A retired federal or state judge or administrative law judge or an individual with experience as a mediator or arbitrator.
- A professional from the field of municipal/public finance with a minimum of four years relevant experience.
- A professional with a minimum of four years of experience in management and administration of financial policies, performance measurement and reviews.
- A professional with demonstrated experience of four years or more in the management of large scale construction projects.
- A regional community or business organization representative with at least one year of decision making experience.
- A professional with four years of experience in organized labor.
- A professional with a minimum of four years of experience in educational administration at the high school or college level.

The intent is to have one member representing each of the specified areas of expertise. If after a good faith effort, this is not achieved then no more than two members from one of the other areas of expertise may be selected.

This should provide a range of expertise to assist the committee in its task of evaluating the revenues and project expenditures as we begin implementing the commitments to the voters in 2016 Measure B.

The committee will be staffed by the Auditor General to assure the relevant level of expertise and professional advice.

To assure independence, no elected officials, employees of VTA or appointees to VTA committees are eligible while they hold those positions or appointments. Further, employees of the County of Santa Clara or the cities within Santa Clara will also be ineligible. Since 2016 Measure B was structured to assist the County and the cities in the delivery of their projects, their appointment would not be in keeping with the spirit of independence that the measure calls for.

The members of the committee will be subject to VTA's Conflict of Interest policies. Members are prohibited from acting in any commercial activity directly or indirectly involving VTA, such as being a consultant to VTA or to any party with pending legal actions against VTA during their tenure. Members shall not have direct commercial interest or employment with any public or private entity which receives sales tax funds authorized by this Measure.

Each committee member shall serve for a term of four years except initial appointments will be staggered to assure continuity. Members will be limited to two consecutive terms.

Attachment A describes the committee role and responsibilities along with the appointment process and the high level approach to the projected meetings.

ALTERNATIVES:

In order to meet the intention of 2016 Measure B an oversight committee must be appointed. The Board may direct a different method for selecting the committee or change any of the requirements or restrictions the Board desires.

FISCAL IMPACT:

There is no fiscal impact with approving this appointment process.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Governance & Audit Committee considered this item at its February 2, 2017 meeting as part of its Regular Agenda.

Committee members expressed strong support for the staff proposal, commenting that it was well thought out. Committee members requested the inclusion of the following items in the appointment or committee administration processes: 1) an aspirational goal of balancing, where feasible, appointments to balance the geographic regions of the county; and 2) offer committee members training on bond oversight and other relevant topics.

The committee unanimously recommended Board approval of the staff recommendation with inclusion of the minor additions indicated and that this item be placed on the Board's Consent Agenda.

Prepared by: Jim Lawson, Director of Public Affairs & Executive Policy Advisor
Memo No. 5992

ATTACHMENTS:

- A--2016 Measure B COC Appointment Process Overview (PDF)

6.2. Appointment Process for the 2016 Measure B Citizens' Oversight Committee

M/S/C (Chavez/Liccardo) to approve, as amended the process for appointments to the 2016 Measure B Citizens' Oversight Committee. Further: 1) add the aspirational goal of geographic representation across Santa Clara County; 2) split the regional community and business organization categories, making the total number of committee membership to eight (8); and 3) provide bond oversight and other relevant training to members.

Citizens Oversight Committee

Role: To fulfill the commitment of 2016 Measure B to have an independent oversight committee audit and report on the performance of VTA and the various project sponsors to ensure the funds are being expended consistent with the approved programs.

Membership: Seven citizens of Santa Clara County who are eligible voters.

- A retired federal or state judge or administrative law judge or an individual with experience as a mediator or arbitrator.
- A professional from the field of municipal/public finance with a minimum of four years relevant experience.
- A professional with a minimum of four years of experience in management and administration of financial policies, performance measurement and reviews.
- A professional with demonstrated experience of four years or more in the management of large scale construction projects.
- A regional community or business organization representative with at least one year of decision making experience.
- A professional with four years of experience in organized labor.
- A professional with a minimum of four years of experience in educational administration at the high school or college level.

Application: Application period will be posted and applicants will apply on line.

Terms: 4 years. First appointees to be randomly selected (or volunteer) for either two or four year terms (three [3] for two years and four [4] for four years). Membership will be limited to two consecutive terms only.

Appointment: The application period will be posted. Applications will be submitted on line at a dedicated site. Applications will be forwarded to an Evaluation Subcommittee of the Board of Directors appointed by the Chair. The Subcommittee will submit eligible candidates to the Governance & Audit Committee. G&A will recommend finalist candidates to the Chair for appointment with ratification by the full Board of Directors.

Responsibilities: Provide independent verification that the tax revenue collected under 2016 Measure B is expended appropriately to deliver the projects and programs described in the ballot measure.

Establish the scope and work plan for the independent audit. Hire a qualified, independent professional audit firm to conduct an audit of the revenues and expenditures on an annual basis.

Conduct a Public Hearing to inform the general public that based upon the independent audit that the public's money is expended for the purposes as described in the ballot measure or adjusted as circumstances warrant through the required approval process.

Publish a report indicating the results of the Independent Audit, Public Hearing and any additional findings the Committee may have.

Citizens Oversight Committee

Request from time to time a report and/or presentation from project sponsors charged with delivering the various projects under this measure on their progress and expenditures.

Meetings: Meetings will be held on a quarterly basis. All meeting will be publicly noticed and conducted under the requirements of the Brown Act. The first meeting is targeted to 2nd Quarter FY2018.

Appendix 11.3 – 2016 Measure B Program Category Guidelines

Approval by the Board of Directors

The VTA Board of Directors approved the 2016 Measure B Program Category Guidelines for all nine programs at their October 5th and November 2, 2017 meetings – the process of development starting back in January 2017.

Program Category Types and Sub-Category Allocations

These guidelines also define the type of program for each of the nine programs (formula-based, project-based or competitive) and set forth the guidelines and distributions for Program sub-categories for the Board of Directors' approval. For example, for the Bicycle & Pedestrian Program Category, the sub-categories are described along with a funding distribution – Education & Encouragement is maximum 15%, Planning Projects is maximum 5%, and Capital Projects is minimum 80%.

(see next page for 2016 Measure B Program Category Guidelines document)

Local Streets & Roads Program Guidelines

Definition from Resolution No. 2016.06.17

To be returned to the cities and the County on a formula basis to be used to repair and maintain the street system. The allocation would be based on the population of the cities and the County of Santa Clara's road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace their current investments for road system maintenance and repair. The program would also require that cities and the County apply Compete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index score of at least 70, it may use the funds for other congestion relief projects

Total Funding

- $1.2 billion in 2017 dollars.

Distribution

- Formula-based distribution to Cities and County (agencies) as contained in 2016 Measure B.
- Agencies will be informed of allocation amount for a two-year period.
- VTA anticipates that allocations will be programmed based upon the total allocation for Local Streets & Roads contained in 2016 Measure B divided by the number of years in the measure.
- Future allocations will vary depending on the amount of sales tax revenue collected.
- After a one-time advance, no sooner than October 1, 2017, funds will be available on a reimbursement basis.

Implementation

- VTA and individual agencies will enter into funding agreements.
- Agencies are required to submit an annual program of projects. For agencies with a Pavement Condition Index (PCI) of 70 or higher, the program of projects may also include congestion relief projects and programs. For agencies with a PCI of 69 or lower, the program of projects is limited to projects that repair and maintain the street system.
- VTA will review the program of projects to ensure that all projects are eligible for funding.
- If an agency with a PCI of 70 or higher should have their PCI fall below 70, the agency must redirect all funding to repair and maintenance of the street system in the following cycle.
- A one-time advance, no sooner than October 1, 2017, equivalent to the percentage of the local agency's allocation of the Local Streets and Roads Program Area's percentage share of Program Tax Revenues collections from April 2017 to June 2017 will be distributed to individual agencies upon:

    - Execution of the Master Funding Agreement between VTA and the Agency
    - Submittal of annual program of projects
    - Maintenance of Effort certification
    - Complete Streets Checklist reporting requirements
- Remaining funds will be available on a reimbursable basis.
- Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.

Requirements

- Individual agencies must certify and submit on an annual basis, a Maintenance of Effort report to maintain a level of expenditures on 2016 Measure B Local Streets & Roads eligible activities equivalent to the average expenditures on roadway and related maintenance activities from the agency's general fund during FY10 to FY12. This certification will be submitted with their Annual Program of Projects.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.
- Agencies will submit project updates to VTA on a regular basis. The information will be placed on the 2016 Measure B website to keep the public informed on 2016 Measure B spending.
- Agencies may also be requested to present updates to the 2016 Measure B Citizen's Oversight Committee.

BART Phase II Guidelines

Definition from Resolution No. 2016.06.17

To fund the planning, engineering, construction and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th Street, downtown San Jose, San Jose Diridon Station and Santa Clara.

Total Funding

- $1.5 billion in 2017 dollars – capped at a maximum of 25% of Program Tax Revenues.

Distribution

- VTA will program funding to complete project.
- Debt financing costs (if any) will be covered by tax revenues as described in the 2016 Measure B Resolution.

Requirements

- All collateral material will be required to display a 2016 Measure B logo.
- Project must comply with VTA's Complete Streets Reporting Requirements.
- Project requires a 10% non-2016 Measure B contribution.

Bicycle & Pedestrian Program Guidelines

Definition from Resolution No. 2016.06.17

To fund bicycle and pedestrian projects of countywide significance identified by the cities, County and VTA. The program will give 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. Bicycle and pedestrian educational programs such as Safe Routes to Schools, will be eligible for funding.

Total Funding

- $250 million in 2017 dollars.

Distribution

- Board of Directors will allocate funding schedule and amount for program through the budget cycle.
- VTA anticipates that allocations will be programmed based upon the total allocation for the Bicycle & Pedestrian Program contained in 2016 Measure B divided by the number of years in the measure.
- Future allocations will vary depending on the amount of sales tax revenue collected.
- Funds will be distributed on a 2-year cycle. The program will consist of three categories: education & encouragement programs, planning studies, and capital projects.
- A total of 15% of available program area funds will be set aside for the education & encouragement category. The funds will be allocated as follows:
    - $250,000 for countywide (including targeting unincorporated areas) education & encouragement programs
    - Remaining funds allocated by city population formula with a $10,000 annual minimum allocation per city
- A maximum of 5% of available program area funds will be allocated to planning studies grants category.
- If the planning studies grants category is not fully awarded, the remaining funds will roll into the capital category.
- If a cycle's funds are not fully awarded, the balance will roll into the next cycle's budget.
- Example of breakdown of grant program funding: If Bicycle/Pedestrian Program Area is programmed at $8.3 million/year:
    - Capital - $6.6 million (minimum)
    - Planning - $415,000 (maximum)
    - Education & Encouragement - $1.25 million (maximum)

Implementation

Education & Encouragement (Formula Distribution)

- VTA and individual agencies will enter into a Master Agreement for Education & Encouragement funds.
- VTA will notify agency of estimated allocation for two-year cycle.
- Agency will submit annual education & encouragement work program.
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.
- Education & Encouragement funds may be banked for a maximum of three years with explanation of banking purposes.
- VTA will conduct an assessment regarding the effectiveness of the program.

Grant Program (Competitive)

- Only a public agency can serve as a project sponsor. Other entities must partner with a public agency to apply for a grant.
- The grant program will contain two categories:
    - Capital projects
        - Activities leading to/including:
            - Environmental Clearance
            - Design
            - Right of Way
            - Construction
        - Construction grant requests must include cost estimates supported by 30% to 35% design.
    - Planning studies
        - Includes planning studies to support capital project development for those projects currently listed on Attachment A of 2016 Measure B. It does not include general/master planning efforts.
- The minimum grant award is $50,000.
- The maximum grant award per sponsoring agency can be no more than 50% of the total available funds per call for projects per cycle, unless the cycle is undersubscribed.
- Project criteria will be developed in conjunction with the VTA Technical Advisory Committee (TAC) Capital Improvement Program Working Group, and brought to the TAC and Bicycle & Pedestrian Advisory Committee (BPAC) for input.
- Scoring committee for the grant program will be comprised of three BPAC members, three Member Agency staff, and one VTA staff person.

Criteria

- Only projects currently listed on Attachment A of 2016 Measure B are eligible.
- Capital Projects will be scored on criteria that supports the language in 2016 Measure B.
    - Countywide significance
    - Connection to/serves schools, transit, or employment centers
    - Fills gaps in bicycle/pedestrian network
    - Provides safer crossings of barriers
    - Makes walking or biking safer
    - Makes walking or biking more convenient
    - Other criteria to consider:
        - Safety benefits
        - Increase in bicycle and pedestrian usage
        - Community support
        - Project readiness
        - Projects serve Communities of Concern

Requirements

- Competitive grant projects require a 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project funding.
- All applications must include a delivery schedule.
- Funds will be available on a reimbursement basis.
- VTA Complete Streets reporting requirements will be required for Planning and Capital projects.
- All collateral material will be required to display a 2016 Measure B logo.

Caltrain Grade Separation Program Guidelines

Definition from Resolution No. 2016.06.17

To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists and pedestrians and also reduce congestion at the intersections.

Total Funding

- $700 million in 2017 dollars.

Distribution

- As candidate projects move forward in readiness (ability to expend Measure funds), the project sponsor will submit request for funding.
- Funds will be allocated to projects that most cost-effectively utilize 2016 Measure B funding.
- Funds will be distributed on a reimbursement basis.

Implementation

- VTA will work with the cities and other partners to develop an implementation plan for delivering the eight grade separation projects eligible for 2016 Measure B funds.
- There will be two program categories for funds:
    - Planning
    - Capital projects

Criteria

- All project sponsors must apply to the State §190 Grade Separation Program.

Requirements

- Reporting requirements regarding project progress will be detailed in agreements executed with VTA for project funding.
- Each project will require a 10% non-2016 Measure B contribution.
- All projects must be in compliance with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

Caltrain Corridor Capacity Improvements
Program Guidelines

Definition from Resolution No. 2016.06.17

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.

Total Funding

- $314 million in 2017 dollars.

Distribution

- Funds for increased service to Morgan Hill and Gilroy will be distributed on a regular basis.
- Funds for Caltrain Modernization 2.0 will be distributed to Caltrain as Santa Clara County's contribution for costs associated with station improvements, level boarding, extended platforms and service enhancements.

Implementation

- VTA and Caltrain staff will determine operating and capital costs associated with increased service to Morgan Hill and Gilroy.
- Improvement projects will be identified by VTA and Caltrain staff after completion of Peninsula Corridor Electrification Project (PCEP) and CA High Speed Rail blended service operations and maintenance needs/issues have been identified and remedies finalized.
- Should projects (including station improvements) arise prior to the completion of the PCEP that VTA believes should move forward, VTA will work with Caltrain to develop and recommend an early implementation schedule to the VTA Board of Directors.

Criteria

- Current service schedule to Morgan Hill and Gilroy will be reevaluated prior to addition of increased service.

Requirements

- Partner JPB contributions for station improvements, level boarding, extended platforms and service enhancements for Caltrain Modernization 2.0 must be secured prior to allocation of Santa Clara County's contribution.
- VTA Compete Streets reporting requirements will be required for capital projects.
- All collateral material will be required to display a 2016 Measure B logo.

Highway Interchanges Program Guidelines

Definition from Resolution No. 2016.06.17

To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.

Total Funding

- $750 million in 2017 dollars.

Distribution

- VTA Board of Directors will allocate funding on a 2-year cycle.
- Funds will be distributed through two programs: capital projects and noise abatement.
- Funds will be available on a reimbursement basis.

Implementation

- VTA staff will work with local agency staff to identify and prioritize projects in the Highway Interchange Program Candidate List on 2016 Measure B Attachment B. The following criteria will be considered:
    - Project Readiness
    - Level of local contribution
    - Geographic consideration
- VTA staff will work with member agency staff to advance projects.
- Noise Abatement projects will be a separate category within the Highway Interchange Program.
    - Projects identified in the 2011 VTA Soundwall Study will receive higher consideration during Call for Projects.
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.
- The cost of each phase of a proposed Highway Interchanges project will be finalized with execution of agreements with VTA for project funding.

Criteria

- Only VTA, Caltrans and Member Agencies can serve as an implementing agency.
- Only projects and programs currently listed on 2016 Measure B Attachment B are eligible.

Requirements

- Projects require a minimum 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project

funding.

- All applications must include a delivery schedule.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

County Expressways Program Guidelines

Definition from Resolution No. 2016.06.17

To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.

Total Funding

- $750 million in 2017 dollars.

Distribution

- VTA Board of Directors will allocate funding on a 2-year cycle.
- As candidate projects move forward in readiness (ability to expend Measure funds), the County of Santa Clara will submit request for funding.
- Funds will be available on a reimbursement basis.

Implementation

- VTA and the County of Santa Clara will execute a Master Agreement for the administration of the 2016 Measure B County Expressways Program.
- VTA staff will work with the County of Santa Clara to advance projects and maintain an implementation plan.
- County Expressway Policy Advisory Board (PAB) will recommend the prioritization of projects.
- Projects will be distributed into three categories:
    - Conventional – Up to $10M
    - Major – $10-$50M
    - Lawrence Grade Separations
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis.

Criteria

- Only projects and programs currently listed on 2016 Measure B Attachment C are eligible.
- Project timelines will be developed based on the County Expressway PAB adopted criteria, which includes the following:
    - Project readiness
    - Complexity
    - Geographic balance and public impact
    - Timing of other funding sources
    - Additional factors
        - Safety
        - Public support

- Gap closures

Requirements

- Program requires a 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.

State Route 85 Corridor Program Guidelines

Definition from Resolution No. 2016.06.17

To fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure such as stations and access ramps. Light Rail Transit, and future transportation technologies that may be applicable.

Total Funding

- $350 million in 2017 dollars.

Distribution

- Revenues will be programmed on a 2-year cycle towards projects identified in SR 85 Corridor-related studies.

Implementation

- VTA staff is launching the SR 85 Transit Guideway Study (TG Study) to identify the most effective transit and congestion relief projects on SR 85.
- Projects identified by the TG Study will be candidates for funding.
- The five pilot projects as identified in the SR 85 Noise Abatement Study will be funded in FY18/FY19 assuming 2016 Measure B funding is available by that time. Additional projects may be funded prior to the completion of the TG Study.
- Upon completion of the TG Study, an implementation plan for SR 85 Corridor projects will be developed in consultation with the VTA Technical Advisory Committee.
- SR 85 Policy Advisory Board will forward recommended projects to the VTA Board of Directors to be funded in the 2-year budget process.
- VTA will serve as implementing agency for all program projects.
- Any activity on the portion of SR 85 that would preclude the implementation of a lane for transit purposes shall be suspended until the TG Study has been received by the VTA Board of Directors.

Requirements

- Capital projects require a 10% non-2016 Measure B contribution.
- VTA's Complete Streets reporting requirements will be required for all capital projects.
- All collateral material will be required to display a 2016 Measure B logo.

Transit Operations Program Guidelines

Definition from Resolution No. 2016.06.17

The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early morning, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

Total Funding

- $500 million in 2017 dollars.

Distribution

- VTA anticipates that allocations will be programmed based upon the total allocation for the Transit Operations Program contained in 2016 Measure B divided by the number of years in the measure.
- Future allocations will vary depending upon the amount of sales tax revenue collected.
- The Transit Operations Program Area funding will be allocated for the following four programs identified in 2016 Measure B Attachment D:
    - Enhance Frequent Core Bus Network by increasing core bus route service frequencies, and expanding or adding additional evening, late night and weekend service.
    - Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders.
    - Support new/innovative transit service models to address first/last mile connections and transit services for the transit dependent, vulnerable populations and paratransit users that is safe and accountable.
    - Improve amenities at bus stops to increase safety, security and access with lighting and access improvements.

The proposed allocations for the four categories are as follows:

2016 Measure B Transit Operations Program Area	
Area	**Funding Allocation (Proposed)**
Frequent Core Bus Network	73%
Innovative Mobility Models & Programs	8%
Fare Programs	15%
Bus Stop Amenities	4%

Implementation

For FY18 & FY19 Budget Allocation:

- The Enhanced Frequent Core Bus Network will directly fund VTA's core bus network of services increasing core bus route service frequencies, and expanding or adding evening, late night and weekend service.
- The Fare Programs will fund the Transit Assistance Program (TAP) and reduced fares for youth.
- The Innovative Transit Models Program will support goals to address first/last mile connections. Strategies may include competitive grant programs to help fund services operated by local jurisdictions, utilize excess paratransit capacity, and other programs that encourage investments in local service.
- The Bus Stop Amenities Program will directly fund improvements at VTA's bus stops. The bus stop improvements will be prioritized based on VTA's Transit Passenger Environment Plan and ongoing maintenance needs.

Six to 12 months into the implementation of the Next Network, staff will have ridership data available to evaluate potential increases to the ridership hours where we see higher demand for service. To meet our commitment as expressed in 2016 Measure B and in collaboration with the public, VTA will make increased investments in service hours in the system focusing on those areas where we see the greatest demand by transit dependent populations.

VTA will consider the potential for further reducing the fares for seniors and youth with a requested goal of free rides.

Criteria

- Only projects and programs currently listed on 2016 Measure B Attachment D are eligible.

Requirements

- For potential competitive grants for the Innovative Transit Models Program:
  - Reporting requirements will be detailed in agreements executed with VTA for project funding.

    - All applications must include a delivery schedule.
    - Funds will be available on a reimbursement basis.
- VTA Complete Streets reporting requirements will be required for all capital improvements projects.
- All collateral material will be required to display a 2016 Measure B logo.

Appendix 11.4 – 2016 Measure B Project Readiness Criteria & Prioritization Methodologies

Adopted by the VTA Board in April 2021. **6.11.a**

Attachment A

2016 Measure B 10-year Program and Biennial Budget Principles

Comply with the language of the ballot measure (including any amendments approved pursuant to the ballot language)

Provide funding to all nine program categories over the life of the measure in the ratios established in the ballot language. The VTA Board of Directors may modify these ratios as specified in the ballot language.

Invest in all nine program categories throughout the 10-year period, as long as funding remains available in the program category, with the understanding that there may not be allocations in all categories annually.

To the extent possible, allocate some level of funding to all nine program categories during the ten-year period. Once 30-year program category allocation ratios are fulfilled, no additional allocations will be made in future 10-year plans.

Apply ballot-established ratios to Formula-based programs on an annual basis

Fund the Local Streets and Roads, Bicycle/Pedestrian and Transit Operations program categories each year, based on their ratio of the estimated Program Tax Revenues. A true-up for each Formula-based program category will occur in the first fiscal year of each biennial budget cycle.

Apply Board-approved project readiness selection criteria to Need/Capacity-based programs for projects to be included in the 10-year Program and Biennial Budget, and apply specific project prioritization processes for each program consistent with the 25% cap of Program Tax Revenues on the BART Phase II program category and all ratios applicable to each category

Require projects in the Need/Capacity-based programs to meet criteria approved by the VTA Board of Directors in order to be included within either the 10-year Program or Biennial Budget. Every two years, the projected revenues will be updated, the ratio share for each of the Need/Capacity-based programs recalculated, and the 10-year Program and biennial budget recommendations adjusted accordingly.

Use financing tools, subject to approval by the VTA Board of Directors, to make funding available when projects are ready, subject to available financing capacity

If anticipated 2016 Measure B allocation needs in a Biennial Budget surpass the projected revenues, financing tools will be used to fund the projects within that Biennial Budget. The specific financing tool will be approved by the BOD at the time the funds are actually needed.

Explicitly and transparently consider opportunities from external funders, subject to the constraints of the other principles

This principle encourages the allocation of funds in the Biennial Budget and the 10-Year Program of Projects to maximize opportunities for external funding subject to the constraints of the other principles.

Project Readiness Criteria

These will be used to determine when a project is ready to be included in the 10-year Program and the Biennial Budget. As discussed at previous meetings, the three Project Readiness Criteria are as follows:

· *Criterion #1: Project delivery status*

Allocations for projects in the 10-year Program will be based on project delivery phases and completion of each phase. Projects must complete prior delivery phase(s) as a prerequisite for allocation of funds in a Biennial Budget for the next phase.

As an example, *a project for which design funding is requested* in the Biennial Budget would need to have completed the environmental phase and have the environmental document approved by the appropriate governing body. A project may be included in the 10-year Program for a specific project delivery phase even if it is not included in the Biennial Budget. Board members previously requested that funds be made available for eligible projects still in the pre-capital development phases.

· *Criterion #2: Funding status*

Project must have non-2016 Measure B match funds identified for inclusion in the 10-year Program and secured for a Biennial Budget allocation.

As an example, *a project for which design funding is requested* in the Biennial Budget would need to have non-2016 Measure B funds identified in the project sponsor's adopted budget for the design period. If the project is requesting design funding for the 10-year Program, that project must identify a funding plan for the remaining phases of the project.

· *Criterion #3: Partner agency/community support*

Partner agencies must be identified for inclusion in the 10-year Program. Community, permitting agency and partner agency support must be demonstrated for a Biennial Budget allocation.

As an example, *a project for which design funding is requested* in the Biennial Budget must have letters of agreement or memoranda of understanding executed with all partner agencies that support the continued development of the project, and legal challenges impacting the project schedule must be resolved before funding is approved in the Biennial Budget. If the project is requesting design funding in the 10-year Program, all partner agencies involved with the project must be identified.

Appendix 11.5 – 2016 Measure B Program Allocations by Program Category

Local Streets and Roads - *$223M total*

Member Agency	Previous Allocations	FY 2022 Allocation	Total Allocation thru FY 2022
Campbell	$3,384,783.62	$1,021,535.42	$4,406,319.04
Cupertino	$4,763,361.74	$1,442,688.50	$6,206,051.24
Gilroy	$4,329,600.38	$1,392,095.04	$5,721,695.42
Los Altos	$2,434,711.89	$750,416.43	$3,185,128.32
Los Altos Hills	$680,650.52	$206,358.37	$887,008.89
Los Gatos	$2,447,326.62	$758,434.65	$3,205,761.27
Milpitas	$5,916,602.49	$1,860,988.48	$7,777,590.97
Monte Sereno	$287,247.20	$88,643.10	$375,890.30
Morgan Hill	$3,474,480.86	$1,165,199.22	$4,639,680.08
Mountain View	$6,356,418.06	$2,036,872.71	$8,393,290.77
Palo Alto	$5,421,499.73	$1,664,074.88	$7,085,574.61
San Jose	$81,935,671.19	$25,328,264.02	$107,263,935.21
Santa Clara	$9,921,750.07	$3,215,796.36	$13,137,546.43
Saratoga	$2,475,217.71	$751,301.88	$3,226,519.59
Sunnyvale	$12,068,048.20	$3,783,491	$15,851,539.14
Santa Clara County	$24,102,627.76	$7,493,840.00	$31,596,467.76
Total	**$170,000,000**	**$52,960,000**	**$222,960,000**

BART Phase II - *$150M total*

Previous Allocations	$150M
FY 2022 Allocation	$0
Total	**$150M**

Bicycle and Pedestrian - *$55M total*

Education and Encouragement Sub-category

Member Agency	Previous Allocations	FY 2022 Allocation	Total Allocation thru FY 2022
Campbell	$123,485.67	$45,505.19	$168,990.86
Cupertino	$154,982.63	$60,143.08	$215,125.71
Gilroy	$148,347.54	$58,384.62	$206,732.16
Los Altos	$100,861.46	$36,081.99	$136,943.45
Los Altos Hills	$40,852.51	$10,000.00	$50,852.51
Los Gatos	$100,729.30	$36,360.68	$137,089.98
Milpitas	$180,142.64	$74,681.80	$254,823.44
Monte Sereno	$40,366.20	$10,000.00	$50,366.20
Morgan Hill	$127,350.97	$50,498.47	$177,849.44
Mountain View	$196,074.71	$80,795.95	$276,869.66
Palo Alto	$173,947.70	$67,837.74	$241,785.44
San Jose	$2,070,303.40	$890,326.65	$2,960,630.05
Santa Clara	$286,414.04	$121,770.44	$408,184.48
Saratoga	$100,008.16	$36,112.77	$136,120.93
Sunnyvale	$336,277.73	$141,501.62	$477,779.35
Countywide/VTA	$1,000,000.00	$250,000.00	$1,250,000.00
Total	**$5,180,144**	**$1,970,000.00**	**$7,150,144**

Capital Projects Sub-category

Previous Allocations	$26.66M
FY 2020 & FY 2021 Total Allocation	$18.45M
Total	**$45.11M**

Planning Studies Sub-category

Previous Allocations	$1.66M
FY 2020 & FY 2021 Total Allocation	$1.16M
Total	**$2.82M**

Caltrain Grade Separation - *$71M total*

Previous Allocations	$38M
FY 2020 & FY 2021 Total Allocation	$33M
Total	**$71M**

Caltrain Corridor Capacity Improvements - *$25M total*

Previous Allocations	$13.10M
FY 2020 & FY 2021 Total Allocation	$12.34M
Total	**$25.44M**

Highway Interchanges- *$365M total*

Project	Previous Allocations	FY 2022 Allocation	Total Allocation thru FY 2022
SR 17 Southbound/Hamilton Ave. Off-Ramp Widening	$1M	$0	$1M
SR 17/San Tomas Expressway Interim Improvements	$1M	$0	$1M
Hwy. Transportation Operations System/Freeway Performance Initiative Phase 1 & 2	$3M	$0	$3M
Noise Abatement Program (Countywide)	$4M	$0	$4M
I-280/Wolfe Rd. Interchange Improvements	$7.5M	$85.2M	$92.7M
I-280 Northbound: Second Exit Lane to Foothill Expressway	$4.8M	$0.7M	$5.5M
Highway 17 Corridor Congestion Relief including SR 17/ SR 9 interchange	$5.4M	$7.80M	$13.20M
US 101/SR 25 Interchange (ENV/PS&E)	$10M	$36M	$46M
US 101/Buena Vista Ave. Interchange Improvements	$0	$0	$0
Calaveras Boulevard Widening - Near-term Improvements	$2.3M	$1.5M	$3.8M
SR 237 Westbound On-Ramp at Middlefield Road	$6.3M	$0	$6.3M
US 101 Interchanges Improvements: San Antonio Rd. to Charleston Rd./Rengstorff Ave.	$2M	$5.32M	$7.32M
US 101 Southbound/Trimble Rd./De La Cruz Blvd./Central Expwy. Interchange Improvements	$47M	$0	$47M
Double Lane Southbound US 101 off-ramp to Southbound SR 87	$3M	$0	$3M
US 101/Mabury Rd./Taylor St. Interchange Construction	$3M	$0	$3M
I-280/Winchester Blvd. Interchange Improvements	$9M	$11.57M	$20.57M
SR 87 Technology-based Corridor Improvements - (SR 87 Charcot On-ramp HOV Bypass)	$2.7M	$0	$2.7M
US 101/Zanker Rd./Skyport Dr./Fourth St. Interchange Improvements	$9M	$0	$9M

US 101/Old Oakland Rd. Interchange Improvements	$0	$0	$0
US 101/Blossom Hill Rd. Interchange Improvements	$35M	$5.5M	$40.5M
Charcot Overcrossing	$27.5M	$0	$27.5M
SR 237/Mathilda Ave. and US 101/Mathilda Ave. Interchange Improvement	$22M	$-0.7	$21.3M
Highway Program Management/Oversight	$0.4M	$0	$0.4M
US 101/SR 152/10th Street Interchange Improvement	$1M	$0	$1M
US 101/Shoreline Blvd Northbound Off-ramp Realignment and Bus Lane	$0	$5M	$5M
Total	**$206.9M**	**$157.89M**	**$364.79M**

County Expressways - *$50M total*

Previous Allocations	$50M
FY 2022 Allocation	$0
Total	**$50M**

SR 85 Corridor - *$14.5M total*

Previous Allocations	$14.5M
FY 2022 Allocation	$0
Total	**$14.5M**

Transit Operations - *$93.7M total*

Transit Operations	Previous Allocations	FY 2022 Allocation	Total Allocation thru FY 2022
Enhance Core Network	$48M	$19.65M	$67.65M
Expand Mobility & Affordable Fares	$10M	$1.6M	$7.6M
Innovative Transit	$6M	$3.94M	$13.94M
Improve Amenities	$2.6M	$1.9M	$4.5M
Total	**$66.6M**	**$27.09M**	**$93.69M**

Administration - *$14.2M total*

Previous Allocations	$13.2M
FY 2022 Allocation	$1M
Total	**$14.2M**

FINAL REPORT

Santa Clara Valley Transportation Authority

2016 MEASURE B PERFORMANCE AUDIT FOR FISCAL YEAR 2021–2022

March 14, 2023

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March 14, 2023

2016 Measure B Citizens' Oversight Committee
Santa Clara Valley Transportation Authority
3331 North First Street
San Jose, CA 95134

Subject: 2016 Measure B Sales Tax Performance Audit Report for Fiscal Year 2021–2022

Dear Members of the Committee:

Thank you for the opportunity to perform the performance audit relating to the Santa Clara Valley Transportation Authority (VTA) 2016 Measure B Sales Tax Program (2016 Measure B, or the Program), as required by the ballot language mandating that annual audits be conducted by an independent auditor. Requirements specify that proceeds are to be expended consistent with the approved 2016 Measure B ballot language, and that program categories will be administered in accordance with program guidelines and policies to be developed and approved by the VTA Board of Directors (the Board). This report summarizes the results of our review.

Moss Adams LLP conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS), as outlined in our agreement. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and audit results based on our audit objectives. The scope of this engagement is outlined in the body of our report. This report was developed based on information from our review of 2016 Measure B records for fiscal year 2021–2022.

We appreciate the opportunity to help you monitor and continuously improve your oversight of program performance. Please do not hesitate to contact us if you have any questions or need further assistance regarding this important matter.

We would like to express our appreciation to the committee and all members of VTA's staff for their cooperation throughout this performance audit.

Very truly yours,

Moss Adams LLP

Moss Adams LLP
Campbell, CA

Assurance, tax, and consulting offered through Moss Adams LLP. ISO/IEC 27001 services offered through Cadence Assurance LLC, a Moss Adams company.
Investment advisory services offered through Moss Adams Wealth Advisors LLC.

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I. EXECUTIVE SUMMARY

Moss Adams LLP (Moss Adams) conducted this 2016 Measure B performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The performance audit objectives, scope, methodology, and conclusions, along with a summary of the views of responsible Santa Clara Valley Transportation Authority (VTA) officials, are included in this report.

The performance audit procedures applied provided reasonable assurance, in accordance with GAGAS and 2016 Measure B documents, that for fiscal year (FY) 2021–2022 (July 1, 2021 through June 30, 2022), 2016 Measure B tax revenues were expended only on costs identified in the voter-approved 2016 Measure B ballot.

Based on our procedures, we identified several commendable practices over the course of the audit:

- Expenditure and proceeds issuance documentation was effectively sourced, maintained, and managed.
- Public meetings of the 2016 Measure B Citizens' Oversight Committee (MBCOC) were held to provide the forum to receive public input.
- Meeting minutes were posted on the VTA website.
- 2016 Measure B policies and procedures that define approval authority for invoices, contracts, and change orders to ensure appropriate review and controls were in place.
- Dashboards showing year-to-date 2016 Measure B spending by program category are on the VTA website.
- Strong collaboration among 2016 Measure B personnel and accounting was observed.

In addition, we evaluated the effectiveness and efficiency of internal controls based on our objectives to provide an analysis of 2016 Measure B, so that those charged with governance and oversight can use the information to improve 2016 Measure B performance and operations. We identified the following expenditure management and control observations related to compliance with 2016 Measure B requirements, policies and procedures, effectiveness, and efficiency of operations:

- **Transit Operations Actual Costs Isolation Methodology:** VTA has taken steps to address the prior year audit recommendation to document and establish a methodology to isolate and report on the actual expenditures of 2016 Measure B's Transit Operations funds in support of bus operations to serve underserved and transit-dependent populations in Santa Clara County. However, the Enhance Core Frequent Network and Expand Mobility and Affordable Fares methodology did not define the allowable and unallowable cost elements or the appropriate level of expenditure approval. Additionally, we were unable to identify formalized approval of the methodology (see Observation No. 1a in the report body for further information).
- **Administration Expenditure Guidelines:** In July 2021, VTA developed and implemented Administration Expenditure Guidelines that define the allowability of specific administration costs such as investment fees and associated allocations, personnel charges, and sales tax forecast costs, as required by the 2016 Measure B ballot language. However, based on our review of

sampled labor, we identified one labor position that was not specifically included within the Administration Expenditure Guidelines as eligible or otherwise formally approved to charge labor to 2016 Measure B (see Observation No. 1b in the report body for further information).

We also noted the following opportunities for VTA to consider additional actions:

- Continue to review VTA's application of the Board-approved 2016 Measure B Principles in allocation determinations.
- Conduct procurement review procedures on VTA contracts funded by 2016 Measure B to ensure competitive processes and procedures that support overall budget and cost management.
- Conduct audits of grantees to ensure that funds are procured in accordance with public contracting code and expended in conformance with VTA budget authorizations and 2016 Measure B requirements.
- Conduct construction compliance reviews on Guaranteed Maximum Price (GMP) contract types to support cost compliance and overall program cost management.
- Evaluate and plan for project oversight needs specific to engineering and project delivery for 2016 Measure B projects as the Program continues to ramp up.

The following table provides 2016 Measure B revenue earned, income earned, expenditures by program category, and administrative costs for FY 2021–2022.

TABLE 1: 2016 MEASURE B REVENUE EARNED, INCOME EARNED, EXPENDITURES BY PROGRAM CATEGORY, AND ADMINISTRATIVE COSTS FOR FY 2021–2022

Revenue, Income, and Expenditures Category	FY 2021–2022 Amount
Revenue Earned	$258,000,059
Interest Earned & Realized Investment Gain/(Loss)	$7,080,418
Unrealized Investment Gain/(Loss)[1]	($28,222,407)
Expenditure by Program Category:	
VTA's BART Silicon Valley Phase II	–
Bicycle and Pedestrian Program	$1,873,821
Caltrain Corridor Capacity Improvements	$519,270
Caltrain Grade Separation	$111,904
County Expressways	$10,135,047
Highway Interchanges	$43,430,995
Local Streets and Roads	$43,790,591
Transit Operations	$23,788,299
State Route 85 Corridor	$1,395,607
Administrative Cost	$2,081,040
Total Expenditures for FY 2021–2022	**$127,126,574**

[1] Per VTA, investment losses were due to a downturn in marketplace.

Revenue and expenditure amounts are reconciled to the Annual Comprehensive Financial Report (ACFR) for Fiscal Year Ended June 30, 2022, according to the "Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue Funds" schedule for 2016 Measure B, found on page 2–118. Sales tax revenue and investment earnings were compared to the amounts reported by VTA. Total expenditures align with sum of the "Total Expenditure" and "Transfers out" lines.

Management remains responsible for proper implementation and operation of an adequate internal control system. Due to inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Projections of any evaluation of the internal control structure to future periods are also subject to the risk that this structure may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

II. BACKGROUND INFORMATION

A. VTA'S 2016 MEASURE B PROGRAM

In 2016, voters approved 2016 Measure B for VTA "to repair potholes and fix local streets; finish the BART extension through downtown San Jose and to Santa Clara; improve bicycle and pedestrian safety; increase Caltrain capacity, in order to ease highway congestion, and improve safety at crossings; relieve traffic on the expressways and key highway interchanges; and enhance transit for seniors, students, low-income, and disabled" by imposing a $0.005 (one-half of one-cent) retail transactions and use tax upon every retailer in Santa Clara County that will be in effect for 30 years. As of April 2017, the present value of 2016 Measure B's tax revenues was forecasted to be approximately $6.3 billion.

The 2016 Measure B ballot specifies VTA as the administrator of the sales tax. It further specifies that VTA administers this tax by establishing a program and developing guidelines to allocate 2016 Measure B tax revenues to the following categories of transportation projects:

- VTA's BART Silicon Valley Phase II
- Bicycle and Pedestrian Program
- Caltrain Corridor Capacity Improvements
- Caltrain Grade Separations
- County Expressways
- Highway Interchanges
- Local Streets and Roads
- State Route 85 Corridor
- Transit Operations

The VTA Board of Directors adopted guidelines for overall program administration for each of these nine program categories at the October 2017 and November 2017 meetings. These guidelines are intended to direct the implementation of each program category and propose how the program category funds should be allocated.

VTA accounting records for FY 2021–2022 showed 2016 Measure B tax expenditures of $127,126,574. This amount was reconciled to the ACFR for the corresponding FY to verify the completeness and accuracy of records provided.

B. ACCOUNTABILITY REQUIREMENTS

2016 Measure B ballot language requires VTA to appoint an independent citizen's oversight committee. The MBCOC, established to fulfill this function, is responsible for ensuring that funds are expended consistent with the approved program and associated expenditure guidelines. On an annual basis, the MBCOC organizes an independent audit to review the receipt of revenue and expenditure of funds. The MBCOC also holds public hearings and issues an annual report to inform Santa Clara County residents how the funds are being spent.

III. OBJECTIVES, SCOPE, AND METHODOLOGY

The primary objective of this performance audit was to verify VTA's compliance with 2016 Measure B, which requires its tax revenues be allocated and used for the nine approved program categories, as defined in ballot language. Performance audit procedures covered the period of July 1, 2021 through June 30, 2022.

The full list of performance audit objectives (as specified by VTA and agreed upon for this performance audit), scope of our audit, and methodology applied included the following.

A. OBJECTIVES

Objective No. 1: Conduct an Annual Compliance Performance Audit

We conducted an annual performance audit of 2016 Measure B revenues and expenditures to render our opinion on whether expenditures during the audit period were spent in conformance with 2016 Measure B requirements. We reviewed 2016 Measure B's financial records and expenditures for FY 2021–2022 to verify that funds were used for approved purposes, as set forth in the ballot language and Board-approved expenditure guidelines. We reviewed 2016 Measure B's financial records and expenditures by obtaining the ACFR and comparing the balances to VTA's detailed accounting records. We analyzed control processes, tested the 2016 Measure B expenditure cycle, and sampled supporting documentation to validate internal controls. Testing procedures included the use of Audit Command Language (ACL) to select a statistical, monetary unit sample to provide confidence that expenditure transactions from 2016 Measure B were compliant with program and legal requirements. We tested 72 expenditures totaling $86,115,461.86, or 67.7% of the total expenditures ($86,115,461.86 / $127,126,574.15). These transactions were comprised of payments to partner agencies (including local cities, County of Santa Clara, and other regional transportation agencies such as Caltrain) and vendors, journal entries of interfund transfers, and program administrative costs. Our testing procedures were performed to verify that:

- Expenditures aligned with one of the nine program categories, as outlined in the 2016 Measure B ballot language
- Expenditures were allowable according to applicable expenditure guidelines approved by the VTA Board of Directors

We interviewed VTA and program administration personnel and analyzed key documentation to assess the design of controls over 2016 Measure B expenditures. This included the review, authorization, and oversight of expenditures, contracts executed with other regional stakeholders including VTA Member Agencies, accounting for sales and use tax proceeds issued, and payments made and recorded for FY 2021–2022. The documents we analyzed to assess 2016 Measure B risk and control design included:

- 2016 Measure B ballot language
- 2016 Measure B expenditure guidelines
- VTA Board-approved budget memos
- MBCOC meeting agendas and minutes

- Applicable partner agency contract documentation (e.g., local cities, County of Santa Clara, BART, Caltrain)
- Accounting for 2016 Measure B proceeds and supporting documentation for expenditures taken from VTA's books and records
- Review of 2016 Measure B expenditures (for FY 2021–2022) and voter-approved ballot language

Objective No. 2: Report 2016 Measure B Revenue Earned, Income Earned, Expenditures by Program Category, Administrative Cost, and Debt Service and/or Costs of Borrowing

We reported 2016 Measure B's revenue earned, income earned, expenditures by program category, administrative cost, and debt service and/or costs of borrowing. We made note of any changes to program categories and/or the maximum approved allocations therein based on 2016 Measure B's financial records.

B. SCOPE AND METHODOLOGY

The performance audit covered the most recently completed FY (2021–2022). Moss Adams attended the MBCOC meeting on October 26, 2022, presented the proposed audit plan and deliverables schedule, and addressed MBCOC member questions and concerns. We coordinated with VTA on the specific schedule for conducting audit fieldwork. We conducted an exit meeting with VTA staff (February 10, 2023) and the MBCOC (February 22, 2023) to review preliminary issues and obtain further information as necessary.

Moss Adams prepared a draft audit report based on our findings and auditor opinions and provided it to VTA management on February 9, 2023 and the MBCOC on February 22, 2023. Following exit meetings, Moss Adams will incorporate changes as appropriate to the draft report, and the draft report will be finalized and electronically submitted to VTA. Moss Adams will present the final audit report to the MBCOC at its March 22, 2023 meeting. The final report will be provided for inclusion on VTA's website as well as the 2016 Measure B Transparency website. We were prepared to evaluate and report on specific areas or items or to provide specific metrics requested by MBCOC, if applicable; however, no specific areas or items were requested. A log of open observations and recommendations for this audit report is included in Appendix A.

We also interviewed key personnel responsible for administering 2016 Measure B, including senior management and staff from the VTA. The individuals interviewed are listed in Appendix B. We provided interviewees with an opportunity to provide feedback on whether fraud, waste, and/or other misconduct may be occurring and to provide insight on potential areas for improvement for 2016 Measure B.

C. STATEMENT OF COMPLIANCE WITH GAGAS

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Because GAGAS performance audit procedures require reasonable assurance and do not require detailed examination of all transactions and activities, there is a risk that compliance errors, fraud, or illegal acts may exist that we did not detect. Based on the performance audit procedures performed and the results obtained, we have met our audit objective.

Management remains responsible for proper implementation and operation of an adequate internal control system. Due to the inherent limitations of any internal control structure, errors or irregularities may occur and not be detected. This performance audit did not constitute an audit of financial statements in accordance with GAGAS. Moss Adams was not engaged to and did not render an opinion on VTA's internal controls over financial reporting or financial management systems.

IV. AUDIT RESULTS

A. OBJECTIVE NO. 1: CONDUCT AN ANNUAL COMPLIANCE PERFORMANCE AUDIT

Moss Adams conducted this performance audit in accordance with GAGAS issued by the Comptroller General of the United States. We reviewed the 2016 Measure B financial records and expenditures for FY 2021–2022 to verify that funds were used as set forth in the 2016 Measure B ballot language. We identified the following two observations and recommendations over the course of our audit.

Observation 1A: Transit Operations Actual Costs Isolation Methodology

VTA has taken steps to address the prior year audit recommendation to document and establish a methodology to isolate and report on the actual expenditures of 2016 Measure B's Transit Operations funds in support of bus operations to serve underserved and transit-dependent populations in Santa Clara County. VTA established policies for the Transit Operations program category in July 2021. However, the Enhance Core Frequent Network and Expand Mobility and Affordable Fares methodology did not define the allowable and unallowable cost elements and what level of approvals may be required for expenditures. Additionally, we were unable to identify formalized approval of the methodology.

Per the ACFR for the Fiscal Year Ended June 30, 2022, the Transit Operations and Operating Projects expenses totaled $708,316,000 (entered in thousands per the ACFR). The allocation from 2016 Measure B funds to Transit Operations for the FY totaled $23,788,299, or 3.36% of the total Transit Operations and Operating Projects expenditures for the FY.

The 2016 Measure B Transit Operations program category was established to increase ridership, improve efficiency, enhance mobility services, and improve the affordability of bus transportation. According to the Transit Operations expenditure guidelines, funding should be allocated for the following purposes:

- Enhance the Frequent Core Bus Network by increasing core bus route service frequencies and expanding or adding additional evening, late-night, and weekend service (73% of program category funding)
- Expand mobility services and affordable fare programs for seniors, disabled, students, and low-income riders (8% of program category funding)
- Support new/innovative transit service models to address first/last-mile connections and transit services for the transit-dependent, vulnerable populations, and paratransit users that are safe and accountable (15% of program category funding)
- Improve amenities at bus stops to increase safety, security, and access with lighting and access improvements (4% of program category funding)

The Transit Operations program category is administered by VTA as the service provider of bus operations; therefore, there is a regularly scheduled interfund transfer from 2016 Measure B funds to the Transit Operations account. According to VTA management, the new and innovative transit service model sub-program is a competitive grant program, and bus stop amenity improvement

charges are tracked as a separate project. Therefore, both programs operate on a reimbursement basis and no expenditures for these sub-categories were incurred during the audit period. However, since the Transit Operations Division bus operations budgets are over $200 million annually, it is unlikely that 2016 Measure B expenditures exceeded operating costs for any particular purpose within the applicable Transit Operations sub-categories.

Recommendation: As required by the ballot language, VTA should continue to update and implement Transit Operations Fund Expenditure Guidelines, or a procedural document, to address what elements are allowable or unallowable and obtain appropriate approval from key stakeholders. The procedural document should be updated to address how these unallowable charges are excluded from the current allocation procedural documents and process. The enhanced guidelines will support transparency, accountability, and alignment with the Program and voter-approved ballot language. In addition, and as a best practice, VTA should establish performance metrics to assess impact and success of these funds in accordance with the ballot language, specifically Attachment D Transit Operations Candidate Projects and Programs List.

Observation 1B: Administration Expenditure Guidelines

In July 2021, VTA established an administration expenditure policy that defined the allowability of specific administration costs such as investment fees and associated allocations, personnel charges, and sales tax forecast costs, as required by the 2016 Measure B ballot language.

While sampled expenditures appeared to be reasonable and consistent with 2016 Measure B's objectives, the ballot language specifically states that "the Program Categories will be administered in accordance with program guidelines and policies to be developed and approved by the VTA Board of Directors." Within our sample, we identified personnel charges ($199.86) that require Program Administration Expenditure guideline clarification:

- **Personnel Charges:** Within our sample, we identified one labor charge totaling $199.86 for a Chief Engineer & Program Delivery Officer (see the table below); however, we were unable to identify this position within the Administration Expenditure Guidelines or obtain documentation of approval for this position.

  TABLE 2: LABOR CHARGES TESTING RESULTS

Document Number	Posting Date	Position Title	Amount
304780640	9/30/2021	Chief Engineer & Program Delivery Officer	$199.86

  Based on the Administration Expenditure Guidelines implemented in July 2021, "Staff labor includes time dedicated by approved individuals that are directly associated with administering the 2016 Measure B Program, and includes salaries and benefits, office supplies and equipment, and other normal and reasonable overhead costs. All labor costs for VTA staff are charged at the fully burdened rate (salary, benefits, and apportioned overhead) in the approved VTA Indirect Cost Allocation Plan (ICAP) in effect at the time the charges are incurred…VTA labor consists of two components: (1) staff whose time is fully dedicated to the Program; and (2) staff that provide ad hoc services to the Program in addition to their other job responsibilities." The guidelines specify seven positions that provide services to the Program:

- Program Manager
- Transportation Planner
- Senior Accountant
- Deputy Director, Grants and Allocations
- Sr. Policy Analyst
- Management Analyst
- Transportation Engineering Manager

Additionally, per the guidelines, "Other staff charges for administrative ad hoc services provided to the Program must be both requested prior to incurrence and approved by the 2016 Measure B Program Office." Based on inquiry with VTA, the work completed by the Chief Engineer & Program Delivery Officer (development of the oversight program) was an eligible Measure B charge. However, additional documentation of the approval of these charges was not readily available. VTA also noted the need to update the eligible labor classifications included in the Administration Expenditure Guidelines.

Recommendation: As required by the ballot language, VTA should continue to update and implement the Administration Expenditure Guidelines, or a procedural document, to address what elements of administration (e.g., specific personnel) are allowable or unallowable and obtain appropriate approval. The guidelines will support transparency, accountability, and alignment with the Program and voter-approved ballot language. As a best practice, VTA should regularly update the eligible labor classifications included in the Administration Expenditure Guidelines as the Program evolves. Additionally, as required by the guidelines, updates regarding labor not specifically identified within the guidelines as eligible should include a documented approval by the Program Office.

B. OBJECTIVE NO. 2: REPORT 2016 MEASURE B REVENUE EARNED, INCOME EARNED, EXPENDITURES BY PROGRAM CATEGORY, ADMINISTRATIVE COST, AND DEBT SERVICE AND/OR COSTS OF BORROWING (NO EXCEPTION)

As a component of this performance audit, Moss Adams reported the 2016 Measure B revenue earned, income earned, expenditures by program category, and debt service and/or cost of borrowing. Figures were provided by VTA and validated through the review of Board-approved budget memos and VTA's audited financial statements. There were no debt service costs for the current audit period.

The following table reports annual revenues for the most recent FY as well as all FYs since 2016 Measure B inception, including revenue earned through sales and use tax receipts as well as income generated through investments.

TABLE 3: PROGRAM REVENUE AND INCOME FOR FY 2021–2022 AND INCEPTION TO FY 2022[1]

	FY 2021–2022	Inception to FY 2022 (4/1/2017–6/30/2022)
Revenue Earned	$258,000,059	$1,180,440,206
Interest Earned and Realized Investment Gain/(Loss)	$7,080,418	$40,898,097
Program Revenue, Interest Earned and Realized Investment Gain/(Loss)	**$265,080,477**	**$1,221,338,303**
Unrealized Investment Gain/(Loss)[2]	($28,222,407)	($32,412,070)

[1] Table was updated to further break down Revenue, Interest Earned, and Realized and Unrealized Gains to increase transparency.

[2] Per VTA, investment losses were due to a downturn in marketplace.

VTA allocates 2016 Measure B budgets and monitors expenditures on an annual or biennial basis, depending on the program category and associated expenditure guidelines. Budget allocations for 2016 Measure B do not expire and can be rolled into future FYs. Expenditures are reimbursed rather than provided in advance. Three program categories (Local Streets and Roads, Transit Operations, and Administration) are allocated budgets on an annual basis. The following table summarizes the budget allocation and expenditure information for FY 2021–2022 and the inception to FY 2022 period.

TABLE 4: ALLOCATIONS AND EXPENDITURES FOR PROGRAM CATEGORIES WITH ANNUAL BUDGETING

Program Category	FY 2021–2022		Inception to FY 2022 (4/1/2017–6/30/2022)	
	Allocation	Expenditures	Allocation	Expenditures[1]
Local Streets and Roads	$52,960,000	$43,790,591	$222,960,000	$118,463,114
Transit Operations	$27,090,000	$23,788,299	$93,690,000	$81,930,605
Administration	$1,000,000	$2,081,040	$14,200,000	$7,810,834
Subtotal Annual Budget Cycle Expenditures	*$81,050,000*	*$69,659,930*	*$330,850,000*	*$208,204,553*

[1] Inception to FY 2022 amounts reflect an update made to the prior year accrual allocation, resulting in updated reporting on program category expenses.

The following table outlines the allocation and expenditures for the remaining program categories in FY 2021–2022 and the inception to FY 2022 period. These expenditures are allocated on a biennial basis in alignment with VTA's budget cycle.

TABLE 5: ALLOCATIONS AND EXPENDITURES FOR PROGRAM CATEGORIES WITH BIENNIAL BUDGETING

Program Category	FY 2021–2022		Inception to FY 2022 (4/1/2017–6/30/2022)	
	Allocation	Expenditures	Allocation	Expenditures[1]
VTA's BART Silicon Valley Phase II	-	-	$150,000,000	-
Bicycle and Pedestrian Program	$21,580,000	$1,873,821	$54,900,000	$2,249,963
Caltrain Corridor Capacity Improvements	$12,340,000	$519,270	$25,440,000	$3,459,030
Caltrain Grade Separations	$33,000,000	$111,904	$71,000,000	$516,533
County Expressways	-	$10,135,047	$50,000,000	$16,432,107
Highway Interchanges	$157,890,000	$43,430,995	$364,790,000	$99,393,180
State Route 85 Corridor	-	$1,395,607	$14,500,000	$2,636,203
Subtotal Biennial Budget Cycle Expenditures	*$224,810,000*	*$57,466,644*	*$730,630,000*	*$124,687,016*
Total Program Expenditures (including Annual Budget Cycle Expenditures shown in Table 4)	**$305,860,000**	**$127,126,574**	**$1,061,480,000**	**$332,891,569**

[1] Inception to FY 2022 amounts reflect an update made to the prior year accrual allocation, resulting in updated reporting on program category expenses.

According to these records, all program categories are currently operating within their respective budget allocations. 2016 Measure B expended $127,126,574 in FY 2021–2022, which includes $69,659,931 in Annual Budget Cycle Expenditures and $57,466,644 for Biennial Budget Cycle Expenditures.

APPENDIX A – AUDIT RESOLUTION LOG

The following table summarizes the expenditure management and control recommendations included in this report for future reporting.

Source	Recommendation	Management Response	Status of Resolution	Planned Resolution Date
Observation 1A: Transit Operations Actual Costs Isolation Methodology (Objective 1A from the Moss Adams 2017–2019 Report; 2020–2021 Report, and current year report)	As required by the ballot language, VTA should continue to update and implement Transit Operations Fund Expenditure Guidelines, or a procedural document, to address what elements are allowable or unallowable and obtain appropriate approval from key stakeholders. The procedural document should be updated to address how these unallowable charges are excluded from the current allocation procedural documents and process. The guidelines will support transparency, accountability, and alignment with the Program and voter-approved ballot language. In addition, and as a best practice, VTA should establish performance metrics to assess impact and success of these funds in accordance with the ballot language, specifically Attachment D Transit Operations Candidate Projects and Programs List.	Agreed. The 2016 Measure B Program will continue to review and update validation processes.	Open – Steps have been taken	December 31, 2023
Observation 1B: Administration Expenditure Guidelines (Objective 1B from the Moss Adams 2017–2019 report, 2020–2021 report, and current year report)	As required by the ballot language, VTA should continue to update and implement Administration Expenditure Guidelines, or a procedural document, to address what elements of administration (e.g., investment fees and associated allocations and specific personnel) are allowable or unallowable and obtain appropriate approval. These guidelines will support transparency, accountability, and alignment with the Program and voter-approved ballot language. As a best practice, VTA should update the eligible labor	Agreed. 2016 Measure B Program will regularly review and update the Administration Expenditure Guidelines.	Open – Steps have been taken	December 31, 2023

Source	Recommendation	Management Response	Status of Resolution	Planned Resolution Date
	classifications included in the Administration Expenditure Guidelines on a regular basis. Additionally, as required by the Administration Expenditure Guidelines, labor not specifically identified within the guidelines as eligible should be approved and documented by the Program Office.			

APPENDIX B – INTERVIEWS

The following key VTA personnel were interviewed:

- Deputy Director, Grants & Allocations, Santa Clara Valley Transportation Authority
- Assistant Controller
- 2016 Measure B Program Manager
- Accountant
- Senior Policy Analyst
- MBCOC Committee Members (4)


MOSSADAMS

MEASURE B

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE B

California law permits the Santa Clara Valley Transportation Authority (VTA) to impose a retail transactions and use tax (commonly called a "sales tax") in the territory of the VTA, which includes both the unincorporated territory and all the cities within Santa Clara County. Such a tax must first be approved by two-thirds of the voters voting in an election.

Measure B was placed on the Ballot by the VTA Board of Directors (Board). Measure B proposes enactment of a .5% (one-half cent) sales tax. The Board anticipates that the sales tax would be operative on April 1, 2017. The authority to levy the sales tax will expire thirty years later.

Under California law, all local governments within each county cannot enact a total sales tax rate of more than 2% in any territory. Approval of this Measure would result in the territory within the cities of Campbell and San Jose reaching that 2% cap during 2017 and until the expiration of an existing tax. The State also imposes a sales tax, some of which is distributed to local governments. The State sales tax rate is scheduled to be 7.25% as of January 1, 2017. Approval of this Measure is anticipated to result in a total 9.25% sales tax in the cities of Campbell and San Jose, and a 9.0% sales tax elsewhere in Santa Clara County, as of the date the sales tax is anticipated to begin. Because existing sales taxes may expire, or other sales taxes may be enacted, overall tax rates may vary during the thirty-year period of this tax.

State law requires the VTA to state the specific purposes for which the sales tax proceeds will be used, and the VTA must spend the proceeds of the tax only for these purposes. The stated purposes of the proposed sales tax are to: repair potholes and fix local streets; finish the BART extension through downtown San Jose and to Santa Clara; improve bicycle and pedestrian safety; increase Caltrain capacity, in order to ease highway congestion, and improve safety at crossings; relieve traffic on the expressways and key highway interchanges; and enhance transit for seniors, students, low-income, and disabled individuals. The Measure states that the VTA will establish a program and develop program guidelines to administer tax revenues received from the measure.

Measure B provides for the establishment of an independent citizens' oversight committee for ensuring that proceeds of the tax are expended consistent with the program established by the VTA. The committee would hold public hearings, issue reports on at least an annual basis, and arrange for an annual independent audit of expenditures.

A "yes" vote is a vote to authorize a special sales tax of one-half cent (.5%) operative for 30 years, expected to expire on March 31, 2047.

A "no" vote is a vote not to authorize the special sales tax.

James R. Williams
Acting County Counsel

By: /s/ Danielle L. Goldstein
Deputy County Counsel

COMPLETE TEXT OF MEASURE B

To repair potholes and fix local streets; finish the BART extension through downtown San Jose and to Santa Clara; improve bicycle and pedestrian safety; increase Caltrain capacity, in order to ease highway congestion, and improve safety at crossings; relieve traffic on the expressways and key highway interchanges; and enhance transit for seniors, students, low-income, and disabled, shall the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) enact a retail transactions and use tax ordinance, Ordinance No. 2016.01, imposing (a) a tax for the privilege of selling tangible personal property at retail upon every retailer in Santa Clara County, the territory of VTA, such tax to be at the rate of one-half of one percent of the gross receipts of the retailer from the sale of tangible personal property sold by him/her at retail in the territory of VTA; and (b) a complementary tax upon the storage, use, or other consumption in Santa Clara County, the territory of VTA, such tax to be at the rate of one-half of one percent of the sales price of the property whose storage, use, or other consumption is subject to the tax; collection of such tax to be limited to thirty years?

VTA shall be the administrator of the tax, shall establish a program and develop program guidelines to administer the tax revenues received from the enactment of this measure (the "Program"). Tax revenues received for the 30-year life of the tax, including any interest or other earnings thereon, less any funds necessary for satisfaction of debt service and/or cost of borrowing and costs of program administration and oversight, such as costs of grant administration and financial management, shall be referred to herein as "Program Tax Revenues."

VTA shall allocate the Program Tax Revenues to the following categories of transportation projects: Local Streets and Roads; BART Phase II; Bicycle and Pedestrian; Caltrain Grade Separation; Caltrain Capacity Improvements; Highway Interchanges; County Expressways; SR 85 Corridor; and Transit Operations.

The present value (i.e., present day purchasing power) of the Program Tax Revenues, as of April 2017, is forecasted to be approximately $6.3 Billion. The actual revenues to be received over the 30-year life of the tax will be affected by various economic factors, such as inflation and economic growth or decline. The estimated amounts for each category reflect the allocation of approximately $6.3 Billion. The estimated amounts for each category, divided by $6.3 Billion, establishes ratios for the allocation among the categories. The VTA Board of Directors may modify those allocation amounts following the program amendment process outlined in this resolution.

- **Local Streets and Roads–Estimated at $1.2 Billion of the Program Tax Revenues in 2017 dollars.**

  To be returned to cities and the County on a formula basis to be used to repair and maintain the street system. The allocation would be based on the population of the cities and the County of Santa Clara's road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace their current investments for road system maintenance and repair. The program would also require that cities and the County apply Complete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index score of at least 70, it may use the funds for other congestion relief projects.

COMPLETE TEXT OF MEASURE B-Continued

- **BART Phase II—Estimated at $1.5 Billion of Program Tax Revenues in 2017 dollars (capped at a maximum of 25% of Program Tax Revenues).**

  To fund the planning, engineering, construction, and delivery costs of BART Phase II, which will create a new regional rail connection by extending BART from the Berryessa Station in San Jose to Santa Clara with stations at Alum Rock/28th Street, downtown San Jose, San Jose Diridon Station, and Santa Clara.

- **Bicycle/Pedestrian–Estimated at $250 Million of Program Tax Revenues in 2017 dollars.**

  To fund bicycle and pedestrian projects of countywide significance identified by the cities, County, and VTA. The program will give 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. Bicycle and pedestrian educational programs, such as Safe Routes to Schools, will be eligible for funding. Candidate Projects are set forth in Attachment A.

- **Caltrain Grade Separation–Estimated at $700 Million of Program Tax Revenues in 2017 dollars.**

  To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians and also reduce congestion at the intersections.

- **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.

- **Highway Interchanges–Estimated at $750 Million of Program Tax Revenues in 2017 dollars.**

  To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS). Candidate Projects are set forth in Attachment B.

- **County Expressways–Estimated at $750 Million of Program Tax Revenues in 2017 dollars.**

  To fund Tier 1 improvement projects in the County's Expressway Plan in order to relieve congestion, improve safety and increase the effectiveness of the expressway system in the county. Candidate Projects are set forth in Attachment C.

- **State Route 85 Corridor–Estimated at $350 Million of Program Tax Revenues in 2017 dollars.**

  To fund new transit and congestion relief projects on SR 85, including a new transit lane from SR 87 in San Jose to U.S. 101 in Mountain View. Additionally this category will fund noise abatement along SR 85 and will provide funding to study transportation alternatives that include, but are not limited to, Bus Rapid Transit with infrastructure

COMPLETE TEXT OF MEASURE B-Continued

such as stations and access ramps, Light Rail Transit, and future transportation technologies that may be applicable.

- **Transit Operations–Estimated at $500 Million of Program Tax Revenues in 2017 dollars.**

  The revenue from this program category will provide additional funds specifically for bus operations to serve vulnerable, underserved, and transit dependent populations throughout the county. The goals of the program category are to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. As VTA considers modifications to bus operations and routes to improve ridership and efficiencies, these funds may also be utilized to maintain and expand service to the most underserved and vulnerable populations. The funds may be used to increase core bus route service frequencies, extending hours of operations to early mornings, evenings and weekends to improve mobility, safe access and affordability to residents that rely on bus service for critical transportation mobility needs. Attachment D describes the list of Candidate Projects and Programs.

The Program Categories will be administered in accordance with program guidelines and policies to be developed and approved by the VTA Board of Directors.

An independent citizen's oversight committee shall be appointed to ensure that the funds are being expended consistent with the approved Program. Annually, the committee shall have an audit conducted by an independent auditor. The audit shall review the receipt of revenue and expenditure of funds. The committee shall hold public hearings, and issue a report annually to inform the Santa Clara County residents how the funds are being spent. The hearings will be public meetings subject to the Brown Act.

To support and advance the delivery of projects in the Program, VTA may issue or enter into financial obligations secured by the tax revenues received from the State Board of Equalization (SBOE), including but not limited to, bonds, notes, commercial paper, leases, loans and other financial obligations and agreements (collectively, "Financing Obligations"), and may engage in any other transactions allowed by law. Notwithstanding anything to the contrary, to obtain the strongest credit ratings and lowest financing costs, VTA may pledge up to the full amount of tax revenues received from the SBOE as security for any Financing Obligations of the Program and may contract with the SBOE to have pledged amounts transferred directly to a fiduciary, such as a bond trustee, to secure Financing Obligations to fund any project in the Program. Any Financing Obligation shall be fully paid prior to the expiration of this tax measure.

If approved by a 3/4 majority of the VTA Board of Directors, and only after 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, VTA may modify the Program for any prudent purpose, including to account for the results of any environmental review required under the California Environmental Quality Act of the individual specific projects in the Program; to account for increases or decreases in federal, state, and local funds, including revenues received from this tax measure; to account for unexpected increase or decrease in revenues; to add or delete a project from the Program in order to carry out the overall purpose of the Program; to maintain consistency with the Santa Clara Valley Transportation Plan; to

shift funding between project categories; or to take into consideration new innovations or unforeseen circumstances.

ATTACHMENT A
ENVISION SILICON VALLEY BICYCLE AND PEDESTRIAN CANDIDATE LIST

Project

Implementation of Santa Clara Countywide Bicycle Plan*
Trails in Expressway Rights-of-Way
Alum Rock Trail
Coyote Creek Trail Completion
Lions Creek Trail
Lower Silver Creek Trail
Miramonte Avenue Bikeways
Fremont Road Pathway
Los Gatos Creek Trail Connector to SR 9
Berryessa Creek Trail
West Llagas Creek Trail
Guadalupe River Trail-Extension to Almaden
Three Creeks Trail East from Guadalupe River to Coyote Creek Trail
Five Wounds Trail from William Street to Mabury Road/Berryessa
Hwy. 237 Bicycle Trail: Great America Parkway to Zanker (Class I, II, and IV)
Lower Guadalupe River Access Ramps
Los Gatos Creek Trail Gap Closure
Calabazas Creek Trail
San Tomas Aquino Trail Extension to South & Campbell Portion
Union Pacific Railroad Trail
Stevens Creek Trail Extension
Hamilton Avenue/Highway 17 Bicycle Overcrossing
Pedestrian/Bicycle Bridge over SR 17 from Railway/Sunnyside to Campbell Technology Parkway
Mary Avenue Complete Streets Conversion
UPRR Bicycle/Pedestrian Bridge Crossing: Stevens Creek Boulevard to Snyder Hammond House/Rancho San Antonio Park
Montague Expressway Bicycle/Pedestrian Overcrossing at Milpitas BART Station
Shoreline/101 Bicycle/Pedestrian Bridge
Mayfield Tunnel Pedestrian/Bicycle under Central Expressway connecting to San Antonio Caltrain Station
South Palo Alto Caltrain Bicycle/Pedestrian Crossing
Matadero Creek Trail Undercrossing
Caltrain Capitol Undercrossing
Phelan Avenue Pedestrian/Bicycle Bridge over Coyote Creek
Newhall Street Bicycle/Pedestrian Overcrossing over Caltrain Tracks
Kiely Bicycle/Pedestrian Overcrossing
Winchester Bicycle/Pedestrian Overcrossing
Bernardo Caltrain Undercrossing
San Tomas Aquino Creek Trail Underpass at 49er Stadium
Latimer Avenue Bicycle/Pedestrian Overcrossing

COMPLETE TEXT OF MEASURE B-Continued

Bicycle/Pedestrian safety education at approximately 200 schools
Implementation of Pedestrian Access to Transit Plan (VTA)*
Bike amenities at transit stops and on transit vehicles
Countywide Vision Zero Program (VTA)*
Highway 9 Pedestrian Safety Improvements

*These plans are currently being developed/updated and projects are being identified.

ATTACHMENT B
ENVISION HIGHWAY PROGRAM CANDIDATE LIST

Project

US 101 Improvements in the cities of Palo Alto and Mountain View to address regional connectivity and circulation between San Antonio Road and Charleston Road at the US 101/San Antonio Road, US 101/Rengstorff/Charleston Road and US 101/Shoreline Boulevard interchanges.

SR 85/SR 237 Area Improvements in Mountain View to address mainline congestion and regional connectivity through the SR 85/SR 237 connector, SR 85/El Camino Real interchange, and the SR 237/El Camino/Grant Road interchange.

SR 237/US 101/Mathilda Avenue Area Improvements in Sunnyvale to address local roadway congestion.

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.

West County Improvements along I-280 in Cupertino, Los Altos, Los Altos Hills and Sunnyvale to address mainline congestion with mainline and interchange improvements from Magdalena Avenue to the San Mateo County line.

SR 85/I-280 Area Improvements in Cupertino, Los Altos, and Sunnyvale to address regional connectivity through a northbound I-280 braided ramp between SR 85 and Foothill Boulevard and improvements at the northbound I-280 off-ramp to Foothill Boulevard.

US 101/Trimble Road/De La Cruz Boulevard to Zanker Road Area Improvements to address local roadway connectivity and mainline congestion in San Jose and Santa Clara with US 101/Trimble Road/De La Cruz Boulevard interchange improvements, southbound US 101/SB 87 connector improvements, and a new US 101/Zanker Road interchange.

US 101/Old Oakland Road Improvements in San Jose to address local roadway congestion, access and connectivity.

A new interchange at US 101/Mabury Road in San Jose to address regional access.

I-680 Corridor Improvements in San Jose to address mainline congestion and regional connectivity by improving the I-680/Alum Rock Avenue and I-680/McKee Road interchanges.

I-280/Lawrence Expressway/Stevens Creek Boulevard Interchange Improvements to address mainline and local roadway congestion.

COMPLETE TEXT OF MEASURE B-Continued

I-280/Saratoga Avenue Interchange Improvements to address local circulation and mainline congestion.

I-280/Winchester Boulevard Area Improvements in Santa Clara and San Jose to address regional connectivity and local circulation.

SR 87 Corridor Technology-based Improvements in San Jose to address mainline congestion and system reliability through the implementation of technology-based operational improvements to the freeway.

Highway 17 Corridor Congestion Relief: Upgrade Highway 17/9 interchange to improve pedestrian and bicycle safety, mobility, and roadway operations; deploy advanced transportation technology to reduce freeway cut through traffic in Los Gatos, including traffic signal control system upgrades in Los Gatos, Traveler Information System, advanced ramp metering systems; support Multi-Modal Congestion Relief Solutions, including enhanced Highway 17 Express Bus service, implementing local bus system improvements that reduce auto trips to schools, work, and commercial areas in Los Gatos; and develop park and ride lots to serve as transit hubs for express bus, shuttles, local bus system connections.

SR 17 Southbound/Hamilton Avenue Off-ramp Widening Improvements in Campbell to address mainline congestion and local circulation.

SR 17/San Tomas Expressway Improvements in Campbell to address mainline congestion and local circulation.

US 101/Blossom Hill Boulevard Improvements in San Jose to address local roadway congestion and connectivity, including for bicyclists and pedestrians.

US 101 Improvements in Gilroy to address mainline congestion and regional connectivity with a new US 101/Buena Vista Avenue interchange and US 101/SR 152 10th Street ramp and intersection improvements.

SR 152 Corridor Improvements in Gilroy including US 101/SR 25 interchange improvements to address regional connectivity and goods movement network improvements.

I-280/Wolfe Road Interchange Improvements in Cupertino to address mainline congestion and improve local traffic circulation.

I-880/Charcot Avenue Overcrossing in San Jose to address local relief circulation and adjacent I-880 interchanges congestion relief.

Noise Abatement Projects in Santa Clara County to implement treatments to address existing freeway noise levels throughout the county.

Intelligent Transportation Systems (ITS) Projects in Santa Clara County such as integrated corridor management systems, traffic operations systems, ramp metering, managed lanes, and local traffic signal control systems to address freeway mainline congestion and local roadway congestion caused by cut-through traffic.

COMPLETE TEXT OF MEASURE B-Continued

ATTACHMENT C
SANTA CLARA COUNTY EXPRESSWAY IMPROVEMENTS (TIER 1)

Project

Almaden Expressway at SR-85-Interim Improvements

Almaden Expressway at Branham Lane Intersection Improvements

Almaden Expressway at Camden Ave Intersection Improvements

Capitol Expressway Widening and Interchange Modifications between I-680 and Capitol Avenue

Central Expressway at Thompson Intersection Improvements

Foothill Expressway Auxiliary Lanes between El Monte and San Antonio

Lawrence Expressway at Homestead Road Interim Improvements

Lawrence Expressway at Homestead Road Grade Separation

Lawrence Expressway from Reed/Monroe to Arques Grade Separation

Montague Expressway Complete 8-lane Widening including HOV lanes and Auxiliary Lanes between Great Mall and McCarthy/O'Toole

Oregon-Page Mill Widening (possible HOV lanes) and Trail between I-280 and Foothill Expressway

Oregon-Page Mill Intersection Improvements between Porter and Hansen

Oregon-Page Mill/El Camino Real Intersection Improvements

San Tomas Expressway Widening and Trail between Homestead and Stevens Creek

Santa Teresa-Hale Corridor Road and Trail between Dewitt and Main

Santa Teresa-Hale Corridor Widening and Trail between Long Meadow and Fitzgerald

SR 17/San Tomas Expressway Interim Improvements

I-280/Foothill Expressway Interchange Modifications and Auxiliary Lane to Homestead

I-280/Oregon-Page Mill Road Interchange Reconfiguration

Expressway ITS/Signal System Countywide

ATTACHMENT D
TRANSIT OPERATIONS CANDIDATE PROJECTS AND PROGRAMS LIST

- Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders.

  This project would provide funds to develop and expand senior and disabled transportation mobility programs and services. The proposed program would provide mobility options such as coordinated eligibility services and enhanced mobility options provided in a secure and safe manner for the most vulnerable and underserved residents in the County, such as seniors and persons with disabilities. It would support mobility options including maintaining the paratransit service coverage area and service expansion by extending hours of operation and weekend service. The funds would also establish permanent and augment discount fare programs to increase transit access for low-income, underserved and vulnerable populations unable to afford standard fares.

COMPLETE TEXT OF MEASURE B-Continued

- Enhance Frequent Core Bus Network.

  The project would upgrade service frequency on VTA's top core network routes to 15-minutes or faster. Some specific examples include expanding the number of high frequency core routes and expanding the schedule of existing services. This may also include enhancing frequency of services during early mornings, evenings and weekends in order to improve convenience, reliability, connectivity, ridership, farebox recovery and support local land use plans. The upgrade would improve the quality of service for vulnerable, underserved and transit dependent populations as well as existing riders and attract new riders which would decrease vehicle miles traveled, traffic congestion and pollution.

- Improve amenities at bus stops to increase safety, security and access.

  The project would provide funds for system wide improvements to bus stops, transit centers and stations including new and replacement shelters, lighting, access improvements including safe sidewalk connections, passenger information signs and security.

- Support new innovative transit service models to address first/last mile connections.

  The project would support affordable new innovative transit service models to address first/last mile connections including FLEX type services, dynamic on-demand subscription shuttles and partnerships with other demand responsive service providers serving vulnerable, underserved and transit dependent populations.

ARGUMENT IN FAVOR OF MEASURE B

Uncommon allies united for a common goal: Relieve Traffic; Repair our Roads. That's why the League of Women Voters, San Jose Silicon Valley Chamber of Commerce, League of Conservation Voters, former U.S. Transportation Secretary Norman Mineta and Senator Dianne Feinstein are championing Measure B to provide vital local funding to fill potholes, maintain roads and reduce traffic throughout Santa Clara County.

We are fortunate to enjoy a special quality of life here. Unfortunately, many of Santa Clara County's roads are in dire need of repair and we're spending too much time trapped in traffic. We need meaningful countywide congestion relief.

Measure B will:

- Finish the BART extension to downtown San Jose and Santa Clara
- Relieve traffic congestion on all 10 Expressways (Almaden, Capitol, Central, Foothill, Lawrence, Montague, Page Mill, San Tomas, Santa Teresa, Hale) and key highway interchanges
- Protect and enhance transit options for seniors, the disabled, students and the poor
- Repair roads and fix potholes in all 15 cities
- Improve bicycle and pedestrian safety, especially near schools
- Increase Caltrain capacity, easing highway congestion and improving safety at grade crossings
- Connect BART/Caltrain in downtown San Jose and Santa Clara, with platform-to-platform connections, to finally provide rapid rail around the entire Bay Area

Voting YES on Measure B provides Santa Clara County with a source of locally controlled funding to repair and maintain our roads and improve safety. Measure B helps Santa Clara County secure state and federal matching funds, otherwise lost to other regions.

The state or federal government cannot take away Measure B funds. We need to act now; the longer we wait, the more expensive these improvements become.

Measure B mandates strong taxpayer safeguards, including independent financial audits with citizen oversight. Elected leaders will be held accountable to spend funds as promised.

Measure B repairs our roads and contributes to a better quality of life throughout Santa Clara County. Join us in supporting Measure B.

ARGUMENT IN FAVOR OF MEASURE B-Continued

www.YesMeasureB.com

/s/ Roberta Hollimon
Chair, Council of the Leagues of Women Voters of Santa Clara County

/s/ Matthew Mahood
President & CEO, San Jose Silicon Valley Chamber of Commerce

/s/ Rod Diridon, Sr.
Chair Emeritus, League of Conservation Voters of Santa Clara County

/s/ Michael E. Engh
President, Santa Clara University

/s/ Darryl Von Raesfeld
Fire Chief, City of San Jose (Retired)

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE B

Has your commute improved since Measure A in 2000? One thing is abundantly clear: If VTA actually could deliver "meaningful countywide congestion relief" they would have done it by now. This is a promise they can't deliver on.

Measure B would add a big increase to an already hefty transportation sales tax. What confidence do you have that you will ever benefit from it?

Look at the performance of Measure A from 2000. VTA's Capital Program Dashboard shows that no Measure A projects have been completed. The most expensive project, BART to Santa Clara, was cut in half. Why trust that Measure B will be any different? Voters deserve to see projects delivered before being asked to pay more taxes!

We've seen all this before: traffic keeps getting worse. The billions spent from existing taxes are not making our lives better. Clearly, the strategy doesn't work. Doing more of the same will continue to produce unacceptable results.

Measure B is a recipe for failure. We need a new direction. For example, voters need to consider whether major employers should pay more to reduce the congestion impacts of their employees' commutes.

Voting NO on Measure B sends a strong message: Find a new direction for our county--one that is good for the environment, good for the economy, and good for our health.

Please vote NO on Measure B. After the "bait and switch" of 2000's Measure A, let's not give VTA a $6.3 billion blank check.

/s/ Michael J. Ferreira
Executive Committee Chair, Loma Prieta Chapter, Sierra Club

/s/ Mark W.A. Hinkle
President of the Silicon Valley Taxpayers Association

/s/ John M. Inks
Mountain View City Councilmember

/s/ Elizabeth C. Brierly
Santa Clara County Homeowner and Lifelong Resident

ARGUMENT AGAINST MEASURE B

Each year you are stuck in worse congestion. The 1% sales tax you've paid for the past thirty years to "relieve traffic" hasn't worked. Will raising the tax by 44% really "relieve traffic"?

Santa Clara County has tremendously congested roadways and one of the very worst performing light rail systems in the nation. Bus service is unusable and scheduled to get worse.

Population has increased since 2001, while transit ridership has declined 23 percent. If allowed to continue, the whole county will end up in gridlock.

Let's not put even more money into a failed strategy!

Here is the actual list of projects promised by Measure A in 2000, and what happened since then:

- Connect BART to Milpitas, San Jose, Santa Clara (project was cut in half and is still not complete)
- Build rail connection from San Jose Airport to BART, Caltrain, light rail (project canceled)
- New vehicles for disabled access, senior safety, clean air buses (completed)
- New light rail throughout Santa Clara County (one corridor changed into a bus lane project; other corridors canceled)
- Expand, electrify Caltrain (project is delayed more than 15 years)
- Increase rail, bus service (2015 service was 13% below 2001 levels)

The County Civil Grand Jury determined in 2004 that "The VTA Board has proceeded with a transit capital improvement plan that cannot accomplish all that was promised in Measure A." That certainly turned out to be the case.

Why vote for another bait-and-switch?

This election will be close. Your vote can help defeat this tax increase and send a message that new thinking is needed. Air quality and climate change demand new solutions.

For short and long-term traffic relief, please vote No.

Demand a new direction!

ARGUMENT AGAINST MEASURE B-Continued

For more information: www.No2VTAmeasureB.org
Twitter: #No2VTAmeasureB
Phone: 408-604-0932

/s/ Gladwyn d' Souza
Regional Chair, Loma Prieta Chapter, Sierra Club

/s/ Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

/s/ John M. Inks
Mountain View City Councilmember

/s/ Andy Chow
President, BayRail Alliance

/s/ Elizabeth C. Brierly
San Jose Homeowner & Lifelong Santa Clara County Resident

REBUTTAL TO ARGUMENT AGAINST MEASURE B

When reading the argument against Measure B, please consider the sources and review the facts for yourself. The opponents offer no solutions to the traffic congestion we face every day.

Some of the organizations signing the argument against Measure B have histories of opposing absolutely everything, including measures to support our schools, parks and public safety.

The text of their argument is even less credible.

Here are the facts:

*The first segment of the BART extension is running $75 million under budget and a year ahead of schedule, with passenger service beginning in fall 2017.
*Thanks to major investments, electrification of Caltrain will begin in 2020, which helps nearly double ridership capacity from 65,000 daily trips to 110,000.

Why is Measure B important? Please review the official ballot question for yourself. Measure B will accomplish the following while also mandating annual audits by an independent citizens watchdog committee to ensure accountability:

- Repair streets and fix potholes in all 15 cities & towns
- Finish the BART extension to downtown San Jose and Santa Clara
- Improve bicycle/pedestrian safety, especially near schools
- Increase Caltrain capacity, ease highway congestion and improve safety at crossings
- Relieve traffic on all 10 expressways and key highway interchanges
- Enhance transit for seniors, students, low-income citizens and the disabled

All of us are Santa Clara County taxpayers and residents (the signers of the argument against cannot say the same thing). Please join community leaders and organizations

from across Santa Clara County in supporting Measure B for better commutes and better roads.

REBUTTAL TO ARGUMENT AGAINST MEASURE B-Continued

www.YesMeasureB.com

/s/ Yoriko Kishimoto
Friends of Caltrain Chair and Board President of the Midpeninsula Regional Open Space District

/s/ Glenn M. Grigg
Traffic Engineer, City of Cupertino (Ret.)

/s/ Mark Turner
President/CEO, Gilroy Chamber of Commerce

/s/ Tony Siress
President/CEO Mountain View Chamber of Commerce

/s/ Teresa Alvarado
San Jose Director, SPUR