



Date: December 22, 2008
 Current Meeting: January 8, 2009
 Board Meeting: January 8, 2009

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief SVRT Program Officer, Carolyn M. Gonot

SUBJECT: Silicon Valley Rapid Transit New Starts Candidate Project Funding Plan

Policy-Related Action: Yes

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Reaffirm the Board's commitment to the Silicon Valley Rapid Transit Corridor project (BART to Milpitas, San Jose, and Santa Clara); and approve a funding plan (Exhibits C and D) for the federal New Starts Candidate project as an assurance for the BART Warm Springs Extension project.

BACKGROUND:

The BART Warm Springs Extension project is a 5.4-mile project that extends from the Fremont BART Station to southern Fremont. The Warm Springs Extension would run under Lake Elizabeth in Fremont Central Park and then run along the Union Pacific Railroad Corridor to the Warm Springs Station (shown in Exhibit A). The project cost is estimated at \$890 million (in year of expenditure dollars). The first phase of construction, the subway box construction under Lake Elizabeth, is ready for advertisement in February 2009. The project is expected to be open for revenue service in 2014.

On September 24, 2008, the Metropolitan Transportation Commission (MTC) approved the Resolution 3434 2008 Strategic Plan, which included a funding strategy to close the funding shortfall for the BART Warm Springs Extension project. The BART Warm Springs Project is funded by a number of agencies. The Resolution 3434 Strategic Plan identifies the following funding partners: BART, MTC, Alameda County Transportation Improvement Authority (ACTIA), Alameda County Congestion Management Agency (ACCMA), and VTA.

The MTC contribution of funds requires three conditions be met:

1. BART contributes an additional \$24 million;
2. Alameda and Santa Clara Counties contribute \$30 million and \$16 million, respectively, from Proposition 1B State Local Partnership Program proceeds; and
3. VTA's Board commits to a full funding plan for an operable BART segment in Santa Clara County.

In addition, ACTIA's Measure B funds are conditioned in that "funds for construction of the BART rail extension to Warm Springs in Southern Fremont may not be used until full funding for the rail connection to Santa Clara County is assured."

To meet the conditions for fully funding the Warm Springs Extension, VTA is required to take two actions: 1) Approve a full funding plan to build and operate a BART extension in Santa Clara County; and 2) Approve the SLPP contribution and its matching funds of \$16 million. This memorandum and associated action addresses the first condition. A separate memorandum will address the SLPP contribution.

DISCUSSION:

The extension of BART into Santa Clara County is a priority of the VTA Board and VTA has the financial capacity to build and operate an extension of BART. For the purpose of meeting the conditions on the Warm Springs Extension revenue, VTA staff has developed a funding plan for the federal News Starts Candidate Project. The New Starts Candidate Project is a two-station extension to the east San Jose Area near Berryessa Road (Exhibit B). Although the funding plan only includes a segment of the BART extension in the Silicon Valley Rapid Transit Corridor, VTA is committed to the full BART project to downtown San Jose and the Santa Clara Station.

The proposed funding plan for the New Starts Candidate Project will also be included in the federal Draft Environmental Impact Statement (EIS) planned for public comment in the January/February 2009 timeframe. The New Starts Candidate Project and related financial analysis will also be submitted for the Federal Transit Administration's annual New Starts report next year.

As shown in Exhibit C, VTA has developed a funding plan that includes three key capital funding sources: (1) local 2000 Measure A sales tax, (2) state Traffic Congestion Relief Program funds, and (3) federal Section 5309 New Starts funds. The 2008 Measure B revenues would fund the operating and maintenance costs of the extension. The memorandum to the Board of Directors dated August 4, 2008 provides the summary analysis of the revenue and costs for the on-going operating and maintenance of the SVRT project (Exhibit D).

ALTERNATIVES:

The Board could choose not to approve a funding plan for an extension of BART into Santa Clara County. This alternative would jeopardize funding for the BART to Warm Springs Extension, and could result in delay and increased costs.

FISCAL IMPACT:

The approval of a funding plan for the New Starts Candidate Project does not have a fiscal impact at this time. Subsequent Board actions would be needed to allocate and budget funds towards the SVRT activities.

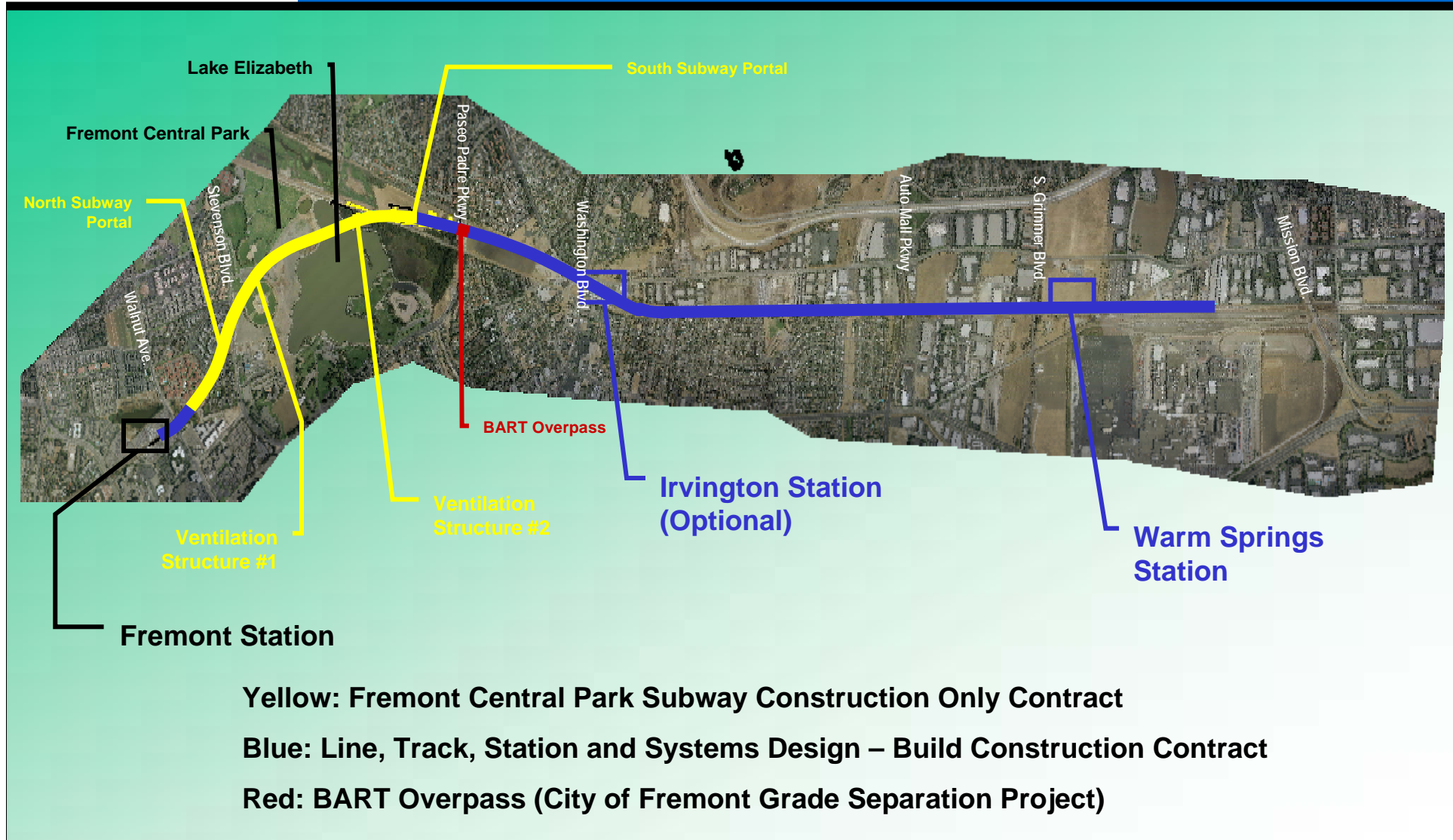
STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration and Finance Committee heard a presentation from staff about the BART Warm Springs Extension project and the board actions and commitments required from VTA to move the project into construction in mid-2009. The staff explained that the funding plan in Exhibit A was for the New Starts segment of the Silicon Valley Rapid Transit Corridor Project. The committee voted unanimously to approve the funding plan for the New Starts segment as an assurance for the BART to Warm Springs Extension project.

Prepared by: Carolyn M. Gonot



WSX Project Alignment



BART to Silicon Valley Extension



EXHIBIT C

Sources of Capital Funding for New Starts Candidate Project (\$YOE in millions)

Funding Source	New Starts Candidate Project Funding	Percent of Total
VTA Local Sales Tax Measure A and Other ^a	\$1,542.7	60.9%
State Traffic Congestion Relief Program ^b	\$240.0	9.5%
Federal Section 5309 New Starts	\$750.0	29.6%
TOTAL^c:	\$2,532.7	100%

Notes:

^a "Other" includes possible state and local funds and potential joint development revenues that might replace Measure A funds.

^b Total TCRP funds committed to the project are \$648.6 million. Approximately \$408.6 million of this total has either been expended or is programmed to be expended on engineering and environmental activities to date that are not included in the project costs listed in Table 9.2-2. See text for more detail.

^c Measure A and TCRP funds also support the following past and existing commitments for related projects and other activities in the Silicon Valley Rapid Transit Corridor:

Pre-NEPA Engineering and Environmental Analysis	\$ 413 million
Freight Railroad Relocation Activities	\$ 231 million
Newhall Yard Acquisition and Maintenance	\$ 42 million
Mitchell Block Acquisition and Maintenance	\$ 39 million

Source: VTA, December 2008