



Special Transportation Report
October 21, 2016

To: AVCA Board of Directors

Copy: AVCA Committee Chairs

From: Bob Strain

Subject: Financial Analysis of Measure B on Nov. 8, 2016 Ballot

Measure B on the upcoming ballot is titled "Santa Clara Valley Transportation Authority." The ballot language, phrased to request a yes or no answer, is:

To relieve traffic, repair potholes; shall VTA enact a 30-year half-cent sales tax to:

- **Repair streets, fix potholes in all 15 cities;**
- **Finish BART extension to downtown San Jose, Santa Clara;**
- **Improve bicycle/pedestrian safety, especially near schools;**
- **Increase Caltrain capacity, easing highway congestion, improving safety at crossings;**
- **Relieve traffic on all 9 expressways, key highway interchanges;**
- **Enhance transit for seniors, students, disabled;**

Mandating annual audits by independent citizens watchdog committee to ensure accountability.

If approved by a $\frac{2}{3}$ majority, this measure would add 0.5% to the sales tax across Santa Clara County. This would raise the sales tax in San Jose from 9% to 9.5%. Measure B is strongly supported by the Silicon Valley Leadership Group, which had a hand in its preparation, and by enough other political entities that SVLG acknowledges no organized opposition.

In order to provide some context, we should note the current sales tax situation:

- 5.75% goes to the State of California
- 1.0 % goes to San Jose under statewide 1993 Proposition 172 mandate
- 0.5 % goes to local public safety (administered by county)
- 0.25% goes to Santa Clara County General Fund
- 0.5 % goes to VTA via a permanent tax passed in 1976
- 0.5 % goes to VTA via a temporary tax passed in 2000, to expire in 2036
- 0.125% goes to VTA for BART via 2008 Measure B, to expire in 2042
- 0.125% goes to County General Fund via 2012 Measure A, to expire in 2022
- 0.25% goes to the San Jose General Fund, via 2016 Measure B, to expire in 2031

This comes to the present sum of 9%, with VTA collecting almost as much as the City of San Jose, 1.125%. Measure B would increase the VTA share to 1.625%.

It is worth examining the details of the present 2016 Measure B:

First, over its 30-year life, this measure is expected to raise approximately \$6.3 billion, or roughly \$210 million per year, on average.

How are these funds to be allocated?

1. BART will receive \$1.5 B (24% of the total), which will help pay for six more miles of track and right-of-way and four more stations, extending beyond downtown San Jose to Santa Clara, and connecting with CalTrain. Note that this actually implies receiving more federal funds, which are only forthcoming on a cost sharing basis. There is a possibility that the funds from this measure will not fully complete the planned BART connections, but as described, this block cannot exceed 25% of the revenue. On the other hand any of the allocations cited here may be modified “for any prudent purpose” by a $\frac{3}{4}$ vote of the VTA Board.
2. Local streets and roads will receive \$1.2 B (19% of the total), which is allocated among the 15 cities on the basis of a formula that includes both population and miles of streets. This formula grants San Jose \$580 M, or roughly \$19 M per year. These funds will help, but they will have to be augmented with City funds to stop the decay of San Jose streets.
3. CalTrain will receive \$1.014 B (16% of the total), which is allocated in two buckets:
 - \$700 M for grade separations, presumably eliminating most level crossings for CalTrain tracks.

\$314 M for level boarding, increased service and increased capacity.

Electrification of CalTrain will come from bullet train funding.

4. Highway interchanges will absorb \$750 M (12% of the total). There are 20 target projects, including three along US 101. Improvements are slated for CA 87, and the Winchester/I 280 interchange near Santana Row is expected to be completed, meaning connections in both directions will be built.
5. County expressways will also receive \$750 M (12% of the total). While there are a lot of projects needed, the funds will only go to “Tier 1” projects. That means that Lawrence Expressway will receive \$545 M in improvements, roughly 73% of the total, and Almaden Expressway is in for \$4 M, which will include some modifications at Camden Ave., “interim” improvements at CA 85 and improvements at Branham Lane. There is no anticipated upgrade for Almaden at Blossom Hill over the life span of this program, taking us beyond 2040 when Envision San Jose expects Blossom Hill Road to be a “Main Street” serving one or more Urban Villages. That would justify a grade separation for the expressway, but that has fallen off the VTA table. While Almaden Expressway is scheduled for \$4 M over 30 years, Capitol Expressway is promised about \$12 M for widening on the East Side of San Jose. Nothing for this end of Capitol Expressway.
6. Transit operations are scheduled for \$500 M or about 8% of the total. This is a bit of a catch-all, but there is a great deal of stress on transit for disabled, seniors,

students and low-income riders. Improvements in service on core routes, like 4 buses an hour, bus stops and safety come in here. In addition, there is vague language about trying to solve the “last mile” problem. However, the focus on “core routes” suggests that bus service to and from Almaden Valley will not improve, and it is likely to get worse.

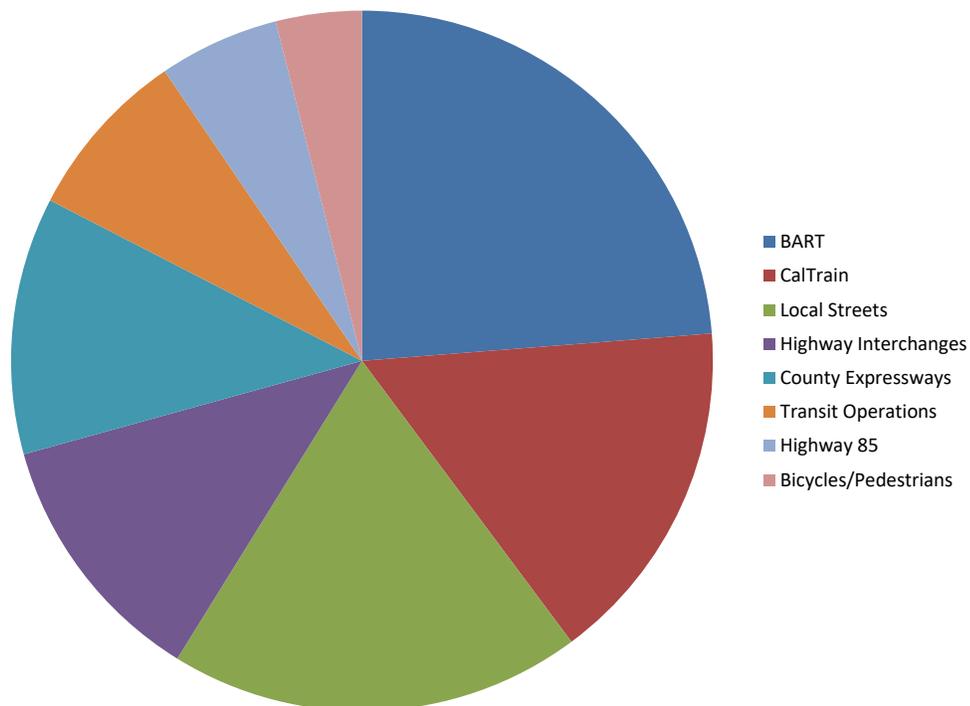
- Highway 85 is to receive \$350 M, for “Corridor Transit Study,” noise relief and congestion relief projects. While there is talk about a “transit corridor” running from CA 87 to US 101, the language supporting the ballot measure appears to preclude adding extra lanes for automobiles. The language adopted by the VTA Board reads as follows:

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.

Completing the center lanes of CA 85 as HOV or Toll lanes represents the least expensive path to increasing the capacity of that artery, but that solution is off the table. It appears that express lanes over the length CA 87 are covered within this plan.

- Bicycles and pedestrians are the final slice at \$250 M. The stressed items are safety and completing networks. There is a long list of pedestrian and bicycle trails to be completed.

This pie chart illustrates the overall allocations, as described this year.



The total picture looks like 48% of the funds will go to public transit, with most of that devoted to longer range transit in the form of BART and CalTrain. Another, slightly fatter 48% will go to support automobile transport. The final 4% is for bicycles and pedestrians. The local streets funding, at \$19 M for San Jose, is roughly half the \$38 M that San Jose allocated from this year's general fund. A 50% increase would help, but it does not represent a quantum change in the current street situation.

As Almaden Valley voters decide about Measure B, their focus will probably be on the 40% of the funds that go toward long range transport. Will BART and up-graded CalTrain clear the highway congestion? Is longer range transport important to the economy of San Jose? The overall funds available for Police and Fire are strongly dependent upon having a thriving local economy, with more and more people coming to work in San Jose. The highway funding may maintain status quo and keep things from getting much worse than they currently are. If, as Almaden Valley voters, we view this parochially, there is not much coming directly to this area or to the key roads that serve this area. We had hoped for better, but increasing street maintenance funding could be a help.

Other members of the Almaden Valley Community Association have contributed materially to this report, and their suggestions are deeply appreciated.