

19.0 SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)

The services that are provided by the Santa Clara Valley Transportation Authority (VTA) are evaluated in this service review.

19.1 HISTORY

Countywide public transit service in Santa Clara County began on June 6, 1972, with the creation (by State legislation) of the Santa Clara County Transit District pursuant to the Santa Clara Transit District Act, California Public Utilities Code Sections 100,000–100,500. This organization initiated countywide bus service, expanded the bus fleet, and developed an initial light rail system. In January 1995, the Transit VTA was designated as the region’s Congestion Management Agency, thus undertaking another major responsibility: managing the County’s plan for reducing congestion and improving air quality. Effective January 1, 2000, the name of the organization was changed to the Santa Clara Valley Transportation Authority.

The VTA is a countywide agency; the boundaries of the agency are coterminous with the boundaries of the County.

19.2 GOVERNANCE

The VTA Board of Directors has 17 members and 2 ex-officio members, all of whom are elected officials appointed to serve on the Board by the jurisdictions they represent. Fourteen Directors are city council members and three are County Supervisors. Twelve Directors serve as voting members and five serve as alternates. The ex-officio members are nonvoting members and are Santa Clara County’s representatives to the Metropolitan Transportation Commission. The VTA Board of Directors meets on the first Thursday of every month at 5:30 p.m. at the County Government Center, 70 West Hedding Street, San Jose. Meeting agendas and minutes are posted at the County Government Center and on the VTA’s Web site.

VTA Board members serve a 2-year term and can be reappointed by their respective jurisdiction according to the Board’s rotation schedule. The VTA Board elects a new chairperson and vice chairperson every year. The Board of Directors established several policy committees and advisory committees, as listed below. The committees advise on policy and service matters and provide in-depth review of individual issues before the Board of Directors takes final action.

- Bicycle & Pedestrian Advisory Committee
- Citizens Advisory Committee
- Committee for Transit Accessibility
- Policy Advisory Committee

- Downtown East Valley Policy Advisory Board
- Silicon Valley Rapid Transit Corridor Policy Advisory Board
- Vasona Light Rail Project Policy Advisory Board

Administrative

VTA's General Manager is responsible for day-to-day management of VTA and reports directly to the Board of Directors. With the exception of the General Manager, the Board's General Counsel and the General Council's staff, all VTA staff report to the General Manager. VTA consists of five divisions, each headed by a Chief Officer. The VTA's River Oaks Complex contains VTA's administrative offices in three buildings totaling over 200,000 square feet on approximately 17.5 acres. This complex was purchased in 1991 and opened in 1992.

19.3 FINANCE

The VTA adopts budgets biannually. As shown in Table 19.A, sales tax-based revenues account for a large majority of the VTA's annual operating revenues and labor costs are a large majority of the operating costs.

Table 19.A: VTA Sources and Uses of Funds; FY 2006 Adopted Budget

Sources of Funds	Percentage
Fares	10.3%
1976 ½-cent sales tax	43.5%
Transportation Development Act (TDA)	20.4%
2000 Measure A sales tax	8.0%
State Transit Assistance	2.3%
Federal operating grants	9.6%
State operating grants	0.3%
Investment earnings	0.6%
Advertising income	5.4%
Other income	4.4%
Operating Uses of Funds	
Labor costs	87.4%
Materials & supplies	4.7%
Security	2.9%
Professional services	1.7%
Other services	2.7%
Fuel	3.7%
Traction power	1.2%
Tires	0.4%
Utilities	0.9%
Insurance	1.5%

Data processing	1.0%
Office expense	0.2%
Communications	0.4%
Employee-related expenses	0.3%
Leases	0.2%
Miscellaneous	0.4%

Source: VTA FY 2006 and 2007 Adopted Budget

As shown in Table 19.B, VTA revenues have both exceeded and been below expenses within the last several years. Likewise, the VTA has budgeted for operating expenses to exceed revenues in the fiscal year (FY) ending 2006 and revenues to exceed expenditures in FY ending 2007.

Table 19.B: Summary of Revenues and Expenses

	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Total revenues	\$480,422,000	\$344,644,000	\$325,847,000	\$358,857,000
Total expenses	\$454,942,000	\$454,340,000	\$338,675,000	\$350,657,000
Net revenues (losses)	\$25,480,000	(\$109,696,000)	(\$13,188,000)	\$8,200,000

Source: Comprehensive Annual Financial Report, 2005; VTA FY 2006 and 2007 Adopted Budget

To address funding issues, VTA has been implementing a program of ongoing financial assessments and service changes to achieve a stable financial balance. VTA identified four ways to improve the financial status of the agency:

- Increase existing revenues
- Implement cost-efficiency strategies and changes in service levels
- Reduce the capital program
- Introduce new revenue sources

As an implementation of the methods listed above, a hiring freeze has been implemented, all vacancies were reevaluated before the positions were released for recruitment, and staffing has been reduced by 700 positions since 2002. All capital projects have been reevaluated, and many were either deleted or placed on hold. Fares were raised in July of 2002, again in August of 2003, and also in January 2005 to increase fare revenues.

VTA has been reviewing services that fall below minimum service performance standards. Lines with consistently poor performance (low ridership) were recommended for targeted marketing, service reductions, restructuring, or discontinuation. A service reduction of approximately 17 percent occurred between 2002 and 2004. Likewise, in January 2006, a number of routes were identified for service adjustments or corrective action. Actions to correct underutilized service included marketing activities, route modifications, frequency reductions, and route elimination. The goal has been to bring VTA's operating budget into balance.

Reserves

In accordance with Board policy, 15 percent of the subsequent year operating budget is restricted to meet emergency needs that cannot be funded from any other source. This is to ensure that some funds are available in the event of unanticipated revenue shortfalls or unanticipated expenditures. At the end of FY 2005 the VTA had a total of \$133.3 million in reserves, as shown in Table 19.C.

Table 19.C: Restricted and Unrestricted Reserves as of June 30, 2005

Reserves	Amount (in \$ millions)
Restricted	
Operating Reserves	\$50.8
Local Share of Approved Capital	<u>\$43.0</u>
Total Restricted	\$93.8
Unrestricted	\$39.5
Total Reserves	\$133.3

Source: Comprehensive Annual Financial Report, 2005

Long-Term Debt

At the end of FY 2005, VTA had total bonded debt outstanding of \$708.7 million. Of this amount, \$390 million represents bonds secured solely by the 2000 Measure A Sales Tax, which began April 1, 2006.

19.4 TRANSIT SERVICES

Bus Transit Service

VTA operates an extensive network of local bus routes serving the urbanized portions of Santa Clara County. The service area of approximately 326 square miles contains 69 bus routes. There are approximately 4,400 bus stops and 730 bus shelters. VTA also maintains nine Park & Ride lots – five owned by VTA and four provided under a lease, permit, or joint use agreement with other agencies.

VTA currently has a fleet of 522 diesel-powered buses (40 are 60-foot articulated buses) and 3 hydrogen-fueled zero-emission buses. Of these buses, 430 are part of the active fleet (buses required to meet service demand), 95 are part of an inactive fleet, and the 3 zero-emission buses are part of the zero-emission demonstration program and are used in extra service applications only. The age of VTA's buses in the active fleet, excluding zero-emission buses, ranges from 3 years to over 13 years old, with an average age of 5.8 years. Buses in the active fleet operate an average of 44,000 scheduled miles annually. Buses are operated and maintained from three operating divisions and an overhaul and repair facility.

Of VTA's 4,344 bus stops, over 1,000 have been identified as having some level of deficiency in terms of accessibility. Using various federal grants, approximately 400 stops have been made more accessible to date.

Light Rail Transit Service

VTA operates a 42-mile light rail transit system connecting the Silicon Valley employment areas of Mountain View, Sunnyvale, Santa Clara, North San Jose, and Milpitas to residential areas in East and South San Jose. The light rail transit system has a total of 62 stations and 19 park-and-ride lots. A fleet of 100 light rail vehicles operates on the routes. Each vehicle seats 65 passengers and can accommodate up to 4 wheelchairs and 4 bicycles. Maximum operating capacity is 229 passengers per vehicle. Up to three vehicles can be coupled together.

Table 19.D provides a summary of the annual ridership for the entire transit system, bus system, and light rail system for FY 2001–2006.

Table 19.D: Summary of Annual Ridership for System, Bus and Light Rail

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
System (in 000s)	56,475	52,690	45,222	38,375	37,077	39,218
Bus (in 000s)	47,238	44,901	39,169	32,902	30,297	30,938
Light Rail (in 000s)	9,237	7,790	6,053	5,473	6,780	8,280

Source: Transit Operations Performance Report, 2005–2006

Park-and-Ride Lots

Currently, VTA operates 31 park-and-ride lots, providing approximately 7,000 total parking spaces at light rail stations, transit centers, and other locations. Of these, 23 are owned or leased by VTA and 8 are operated under shared use parking agreements with cities and shopping centers. Additionally, there are 15 park-and-ride lots with a capacity of nearly 5,000 spaces in Santa Clara County for Caltrain service. Seven of these lots are totally or partially owned by VTA.

Paratransit Services

Americans with Disabilities Act (ADA) paratransit service is provided to persons who, because of their disabilities, are unable to independently ride a bus or light rail vehicle, get on or off a bus or light rail vehicle, or get to or from a bus or light rail stop. ADA paratransit must be provided within the same geographic service area and during the same service hours as fixed route bus or light rail service. The maximum fare a public transportation provider can charge for standard ADA paratransit service is twice the adult one-way bus or light rail fare.

VTA contracts with Outreach and Escort, Inc. to serve as a broker and to provide the paratransit service through contracts with private transportation providers. Eligible riders call Outreach to schedule their trips. Outreach then assigns the trips based on the most efficient mode of transportation that can meet the riders’ needs: taxi, accessible van, sedan, or transfer to or from fixed-route services.

Contracted, Interagency and Other Transit Services

VTA is a partner in various ventures that expand the transportation options for customers. These services are operated either by contract or through cooperative agreements. These cooperative agreements are listed below.

Caltrain Peninsula Corridor Joint Powers Board. Caltrain is a commuter rail service provided by the Caltrain Peninsula Corridor Joint Powers Board, which is governed by representatives from San Francisco, San Mateo, and Santa Clara Counties. It operates between Gilroy and San Francisco. There are 31 stations along the line; 15 are located in Santa Clara County. Ninety-six trains operate between San Jose Diridon Station and San Francisco each weekday, with 48 continuing south to the Tamien Station in San Jose. The share of the operating costs apportioned to each member agency is based on morning peak-hour boarding that occurs in each county.

Capitol Corridor Intercity Rail. The Capitol Corridor Intercity Rail Service is a 170-mile-long train corridor from Auburn and Sacramento to San Jose through the Counties of Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, and Santa Clara. The train service parallels the Interstate 80 corridor between Sacramento and Oakland and Interstate 880 between Oakland and San Jose. Service includes stops in Roseville, Sacramento, Davis, Suisun/Fairfield, Martinez, Richmond, Berkeley, Emeryville, Oakland, Hayward, Fremont, Santa Clara at Great America, and San Jose Diridon Station. The Capitol Corridor Joint Powers Authority, which is comprised of representatives from the eight counties served by the corridor, is responsible for managing the service.

Intercounty Bus Service. VTA sponsors two intercounty bus services through cooperative arrangements with other transit systems, the Dumbarton Express, and Highway 17 Express.

The Dumbarton Express is a transbay express bus route between the Union City Bay Area Rapid Transit (BART) Station and the Stanford Research Park in Palo Alto. It provides the only regularly scheduled public transit service over the Dumbarton Bridge.

The Highway 17 Express provides direct bus service from Santa Cruz to Downtown San Jose. It serves over 660 passengers daily during weekdays and over 259 passengers on the weekends and holidays. This service is operated and funded through an agreement between several regional transit districts.

Caltrain Shuttle Program. Caltrain offers an extensive shuttle program throughout San Mateo and Santa Clara Counties. The goal of the program is to connect employment locations to Caltrain, enabling access to jobs that are too distant from the station for a convenient walk. Under this program, VTA offers financial assistance to employers and entities that wish to operate shuttle bus service between light rail stations and nearby employment/activity centers. The service is operated through a private contractor provided by VTA or sponsoring agency. Overall average daily ridership for the routes in Santa Clara County is approximately 2,600.

Light Rail Shuttles. Light rail shuttles typically operate during commute periods, carrying passengers between various light rail stations and major employment sites. VTA currently operates five light rail shuttles in Santa Clara County:

- Downtown Area Shuttle
- River Oaks Shuttle
- IBM Shuttle
- Great America Shuttle
- Kaiser/Veterans Administration Shuttle

Altamont Commuter Express Shuttle. The Altamont Commuter Express Shuttle program connects with trains during the morning and afternoon peak commute periods at the Great America train station in the City of Santa Clara. Currently, the service averages over 700 passengers per day. Eight shuttle routes serve the Great America Station with a total of 10 vehicles.

Contracted and Interagency Services Ridership

Ridership in FY 2006 for these services, provided through cooperative agreements, compared to FY 2005 are as follows:

- Caltrain ridership was 10.15 million, up 7.5 percent. An estimated 4.3 million of these were Santa Clara County boardings.
- Altamont Commuter Express ridership was 641,963, up 0.3 percent. An estimated 270,000 of these were Santa Clara County boardings.
- Dumbarton Express ridership was 212,495, up 10.3 percent. An estimated 96,000 of these were Santa Clara County boardings.
- Highway 17 Express ridership was 187,404, down 5 percent. An estimated 96,000 of these were Santa Clara County boardings.
- Altamont Commuter Express Shuttle ridership was 186,801, up 6.6 percent.
- Light rail shuttle ridership was 549,225, up 76.2 percent.

Ridership and Fares

The VTA Fare Policy established a process for fare review to be conducted in conjunction with the development of a biennial budget. The Board recently authorized two fare increases; the last one was implemented in January 2006 in order to compensate for falling revenues and address operating deficits. The current fixed route fare structure is shown in Table 19.E.

Table 19.E: Fixed Route Fare Structure

Fare Category	Fares
Adult (18–64)	
Single ride	\$1.75
Day pass	\$5.25
Day pass tokens (bag of 5)	\$23.60
Monthly pass	\$61.25
Prepaid 12 month passes	\$674.00
Express single ride	\$3.50
Express day pass	\$10.50
Express monthly pass	\$122.50
Express prepaid 12 monthly passes	\$1,348.00
Youth (5–17)	
Single ride	\$1.50
Day pass	\$4.50
Day pass tokens (bag of 5)	\$20.25
Monthly pass	\$49.00
Prepaid 12-month passes	\$539.00
Senior (65+)/Disabled/Medicare	
Cash	\$0.75
Day pass	\$2.25
Monthly passes	\$26.00
Prepaid 12 monthly passes	\$286.00

Source: Short Range Transit Plan, March 2006

19.5 PERFORMANCE EVALUATION

VTA uses several performance measures to assess system operating reliability. Three key indicators are the percentage of scheduled bus service operated, the number of miles between mechanical schedule loss, and on-time performance. Since FY 2002, the percentage of scheduled bus service operated has consistently exceeded VTA’s adopted goal of over 99 percent. Between FY 1997 and FY 2005, the percentage of scheduled light rail service operated has also consistently exceeded VTA’s adopted goal of over 99 percent. In addition, the systemwide number of miles between mechanical schedule loss increased to an all-time high of 6,702 in FY 2005. This figure exceeded VTA’s adopted goal of 6,475 by approximately 4 percent.

Regarding on-time performance, VTA light rail service was on schedule 99.8 percent of the time in FY 2005. This exceeded VTA’s adopted goal of 95 percent on-time performance. Similarly, bus operations exceeded VTA’s adopted goal in FY 2005, achieving a 99.0 percent on-time performance.

19.6 SERVICE REVIEW DETERMINATIONS FOR VTA

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the

Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. VTA continually monitors and evaluates existing transit services and infrastructure needs and implements capital improvements as appropriate. For example, of VTA's 4,344 bus stops, over 1,000 have been identified as having some level of deficiency in terms of accessibility. Using various federal grants, approximately 400 stops have been made more accessible to date. Similarly, new buses are put online and old buses are retired regularly.

Growth and Population

1. Based on Association of Bay Area Governments (ABAG) projections, the County is expected to experience a moderate growth rate of 1.19 percent annually through 2025.

Financing Constraints and Opportunities

1. VTA revenues have both exceeded and been below expenses within the last several years. Likewise, VTA has budgeted for operating expenses to exceed revenues in FY 2006 and revenues to exceed expenditures in FY 2007. To address these financial issues, VTA has been implementing a program of ongoing financial assessments and service changes to achieve a stable financial balance.

Cost-Avoidance Opportunities

1. VTA is a partner in various ventures that expand the transportation options for customers. These relationships provide additional services at a reduced cost.

Opportunities for Rate Restructuring

1. The VTA has a policy to review fares in conjunction with development of the biennial budget. The Board recently authorized two fare increases; the last one was implemented in January 2006 in order to compensate for falling revenues and address operating deficits.

Opportunities for Shared Facilities

1. VTA is a partner in various projects that utilize numerous shared facilities to provide transportation. These projects include rail, intercounty bus lines, shuttles, bus stops, park-and-ride lots, and transit stations.

Government Structure Options

1. The VTA is governed by a Board of Directors comprised of 17 members and 2 ex-officio members, all of whom are elected officials appointed to serve on the Board by the jurisdictions they represent. No government structure options have been identified.

Evaluation of Management Efficiencies

1. VTA uses several performance measures to assess services. Three key indicators are the percentage of scheduled bus service operated, the number of miles between mechanical schedule loss, and on-time performance. Within the last several years, service has consistently exceeded VTA's adopted goals.
2. A comprehensive route evaluation process is conducted annually in which VTA uses performance indicators to identify routes with substandard performance. This process of monitoring and evaluating services and operations has helped VTA increase operational efficiency through improved service productivity and cost effectiveness.

Local Accountability and Governance

1. The VTA ensures that local accountability and governance standards are met by holding meetings pursuant to the Brown Act and having them available for download on VTA's Web site.

19.7 SOI RECOMMENDATION FOR THE VTA

Current SOI Boundary

The VTA encompasses the entire County and has an existing SOI that is coterminous with the County boundaries.

SOI Boundary Recommendation

As the existing SOI for the VTA is coterminous with the County boundaries, no further outward expansion is possible. Therefore, it is recommended that Local Agency Formation Commission (LAFCO) reaffirm the existing SOI for the VTA.

19.8 SOI DETERMINATIONS FOR VTA

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update VTA's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The Service Area encompasses 10 cities and all of the unincorporated areas within the County. The area contains a wide range of land uses, including all types of urban uses to large areas of hillside, open space, and agricultural uses. Generally, unincorporated areas within the County are designated Rural County. Development within the cities ranges from fully developed urban areas to expansive hillside, open space, and agricultural lands.

Finding: Planned land uses throughout the County are generally similar to that of the existing uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. The need for transportation services would most likely increase with this growth.

Finding: The need for transportation services is expected to increase along with population growth.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

Finding: The present level of services provided by the VTA appears to be adequate.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The VTA encompasses the entire County.

Finding: The VTA currently encompasses all of the communities of interest in the County.