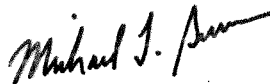





Date: December 23, 2005
Committee Meeting Date: N/A
Board Meeting Date: February 2, 2006
ACTION X DISCUSSION INFO

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns 
General Manager

FROM: Jack J. Collins 
Chief Construction Officer

SUBJECT: Recommended VTA Quarter Cent Sales Tax Scenario

RECOMMENDATION:

Adopt the VTA 2000 Measure A Transit Program with a Revenue and Expenditure Plan that assumes a new 30-year, quarter-cent sales tax supporting the construction and operation of the 2000 Measure A Projects and some new projects and programs.

BACKGROUND:

In considering the recommended new 30-year, quarter-cent sales tax, the Board will recall its adopted policy based upon the recommendation of the Ad Hoc Financial Stability Committee, and the Administration and Finance Committee. The VTA Financial Stability Strategy, presented by Ad-Hoc Committee co-chairs Don Gage and David Cortese, as approved on March 4, 2004, established (among others) the following as a Mid-Term to Long-Term Goal:

- Work in partnership with community leaders to identify the most viable new or expanded revenue source(s) for VTA. Continue public input and data gathering in partnership with community leaders and stakeholders to help define the revenue source(s) and timing most acceptable to the community.

The Board of Directors has entertained a series of workshop meetings over the last two years considering options for an expenditure plan that will meet the financial needs of VTA and the 2000 Measure A program of projects. At the June 2, 2005, Board Meeting, staff reviewed four quarter-cent sales tax scenarios. Prior to the June 16th Board Meeting, Board Member Ron Gonzales outlined assumptions in a memorandum that resulted in direction to staff to develop a Quarter-Cent Sales Tax Scenario based on those assumptions. Throughout the summer, the

Board and community stakeholders provided input, and the North County City Group and the Silicon Valley Leadership Group (SVLG) both requested additional scenarios. The SVLG requested a run that better reflected its polling conducted in March 2005. The polling tested a new Pavement Management Program and increases to bus, rail and senior/disabled services.

The Board, at its workshop meeting on September 16, 2005, reviewed three proposed Quarter-Cent Sales Tax Scenarios and concluded that VTA is ready to go forward with a Quarter-Cent sales tax that will sunset in 30 years. The Board further agreed that this quarter-cent sales tax should include a Pavement Management Program, a re-scheduling of the BART project for completion no later than 2018, completion of Dumbarton Rail by 2011, and flexibility in terms of capital balance amounts for the 2000 Measure A program.

The VTA Scenario was originally scheduled for Board adoption at the November 3rd meeting. Based on comments from community interests and local jurisdictions, staff recognized the need for additional evaluation to allow for more analysis and open dialogue on this program of projects. Specifically, we evaluated potential ways to advance the airport people mover into the Initial Program by 2018, while keeping the Pavement Management Program in place.

On December 1, 2005, VTA presented a Modified VTA Scenario to the Board of Directors that achieved the goal of moving the airport people mover into the Initial Program. At that time, the City of San Jose also presented a series of recommended changes to the Modified VTA Scenario. The Board of Directors was concerned that the VTA staff and the City of San Jose recommendations had not been evaluated or reviewed through the committee process. As a result, the Board deferred action until February 2006, giving itself, the VTA Advisory Committees, and the County Board of Supervisors an opportunity to discuss and weigh VTA's modified plan and the recommendations submitted by the City of San Jose.

DISCUSSION

Annual Update to Sales Tax Forecast:

As part of an annual process that started in 2002, the Center for Continuing Study of the California Economy (CCSCE) prepared updated projections of taxable sales for VTA, which staff has been reviewing since the December 1st Board meeting. The revised projections, which are independently derived, indicate an increase in projected sales tax revenues. These new projections are critical to the Board's deliberations and appropriately, staff has prepared yet another scenario for the Board to consider.

The immediate result of using the new sales tax data is that all Measure A projects can be completed in the Initial Program, subject to a proposed quarter-cent sales tax passing in 2006. The fact that these annual updates show an upward cycle in Silicon Valley economic activity after a sustained downward cycle underscores the importance of an annual review of the 2000 Measure A Revenue and Expenditure Plan, thereby allowing the Board to evaluate and revise priorities as conditions change. It also illustrates the dynamic nature of both the revenue and cost elements of the Expenditure Plan. An annual review process has contributed to the

successful completion of projects in the 1996 Measure B Transportation Improvement Program that, at one time, were not anticipated to be funded.

To remain consistent with previous expenditure plans submitted for Board consideration, VTA has used the midpoint of CCSCE’s conservative and moderate levels of projections. The projections for the Recommended VTA Scenario include FY 2006 and FY 2007 adopted budgeted amounts for sales tax revenue, followed by annual growth rates determined from CCSCE’s latest projections through 2015. Beyond 2015, VTA has continued to use a 4.8% annual growth rate, which is consistent with VTA’s historical growth, with adjustments for abnormally large increases and decreases. The projections of taxable sales are based on:

- Job growth
- Population growth
- Personal income growth
- Retail spending as a share of personal income
- Non-retail spending per job

The average annual growth rate for taxable sales in the current forecast has increased from an average annual growth rate of 4.8% to 5.8% between FY 2008 and FY 2015. The reason for the increase is due to several key factors. According to CCSCE: (a) commuting from outside the county has fallen, which increases the number of residents contributing to taxable sales within the county; (b) average earnings per job continue to reflect increases; and (c) there is a slight increase in projections for the percentage of personal income that will be spent on taxable sales.

The following table illustrates the change in sales tax revenue growth rates using the midpoint of CCSCE’s previous 2004 projections (through 2010¹) and CCSCE’s new 2005 projections (through 2015¹).

Change in Midpoint Projected Growth Rates

	<u>2004</u>	<u>2005</u>	<u>Change</u>
2008	4.9%	5.7%	0.8%
2009	5.0%	5.7%	0.7%
2010	5.0%	5.8%	0.8%
2011	4.8%	5.8%	1.0%
2012	4.8%	5.8%	1.0%
2013	4.8%	5.9%	1.1%
2014	4.8%	5.9%	1.1%
2015	4.8%	6.0%	1.2%
2016-2036 ¹	4.8%	4.8%	0%

The updated forecast of sales tax revenues increases 2000 Measure A sales tax projections by \$700 million over the life of the program. However, the updated projections also affect VTA’s

¹ Beyond the end date of CCSCE’s projections (2010 in 2004 and 2015 in 2005), VTA utilized 4.8% as the annual growth rate, based on historical growth, and adjusted for abnormally large increases and decreases.

existing half-cent sales tax, VTA's Transportation Development Act (TDA) funds and the projections related to the proposed new quarter-cent sales tax. Taking into consideration these four sources of funds, there is an increase of over \$ 2 billion, which has resulted in a significant change to the proposed expenditure plan. While these new projections are auspicious, it is important to note that the expenditure plan would have been revised downward if the new projections were below the previously assumed 2004 levels.

Summary of the Projects and Timelines in the Recommended VTA Scenario:

In using the new sales tax forecast from the CCSCE, many of the suggestions presented by the City of San Jose for the VTA Expenditure Plan on December 1, 2005, can be accommodated. The following is a brief staff response to the seven recommendations presented by the City of San Jose.

1. Accelerate the construction schedule of BART before 2018 but no sooner than 2015 by making it *the first* funding priority if and when: a) Measure A and/or revenues from any 2006 tax measure exceed projections; b) new revenue sources are identified; or c) there are Measure A project cost savings.

In the Recommended VTA Scenario, the BART to Silicon Valley project is assumed to be completed in December 2016, which is the current optimum schedule for final design and construction.

2. Move the people mover into the initial program regardless of when it may be constructed.

In the Recommended VTA Scenario, the people mover is in the Initial Program and is assumed to be completed by 2018 without City of San Jose assistance in financing. There is a significant amount of work that still needs to be done prior to a final decision on the people mover technology and routing. This, too, will be considered during the annual reviews of the Expenditure Plan.

3. After the public review processes have been completed, amend the expenditure plan to include the fully funded preferred transit mode for the Alum Rock-Santa Clara corridor in the initial program with a concurrent commitment to construct the project consistent with the construction schedule for BART.

If Single Car Light Rail is selected as the preferred mode and assuming a completion date of 2021, this project can now be accommodated in the Initial Program using the new revenue assumptions.

4. Commit to complete the construction of the Capitol Light Rail to Eastridge project by 2012.

Capitol Expressway Light Rail project to Eastridge can now be completed by December 2012 and Light Rail from Eastridge to Nieman by 2017.

5. Retain funding for the Caltrain electrification project and re-allocate funding to other Measure A projects throughout the region that are ready for construction —except BART – if San Francisco and San Mateo counties have not secured their shares by 2016.

Staff views this as a Board policy issue. However, with annual updates to the Revenue and Expenditure Plan, it appears unnecessary for the Board to adopt a 2016 deadline at this time. The Recommended VTA Scenario completes the initial phase of Caltrain Improvements/Electrification by 2018 and restores the 10% budget reduction contemplated in the previous scenario. The previously deferred Caltrain Electrification from Tamien to Gilroy is also included in the Initial Program by 2018.

6. Support the VTA proposal for an annual review of the Expenditure Plan to allow flexibility to strategically respond to changing circumstances, needs and priorities.

This is consistent with staff's recommendation.

7. Develop a “reward policy” for local agencies that use local and/or private development funds to implement regional transportation projects and thereby granting priority for such agencies for other regional funding allocations.

Staff is supportive of this idea in concept. It is recommended that VTA staff work with the Technical Advisory Committee to develop a policy for further consideration by the Board.

A summary of the capital and operating program elements of the Recommended VTA Scenario follows:

- A new 30-year, quarter-cent sales tax
- Maintains VTA's operating reserves at 15% for 30 years
- All projects are included in the Initial Program and the ending balance is \$ 537 million
- No deferred projects in the Completion Program
- Provides operating assistance at 18.457% on annual 2000 Measure A sales tax revenue to fund existing VTA bus, rail and paratransit service
- Estimates total net bond proceeds required for the program at \$ 6.1 billion
- Completes BART by December 2016
- Phases in BART revenue service and the purchase of BART vehicles in order to improve cash flow and funding requirements. This phased service would start with 15-minute peak headways from 2016 to 2025 at a 16% savings to the net operating subsidy. This operating plan is preliminary and will require the review of BART and may require adjustments for new ridership forecasts
- Provides for an initial car order of 119 BART vehicles, with a second procurement of 47 vehicles by 2030 when 6-minute peak headways would begin
- Includes \$ 913 million (\$ YOY or \$ 450 million in \$ 2005) in additional cost for BART vehicles, parking impacts and escalation associated with the new ridership forecast for year 2030
- Provides \$ 2.7 billion in BART to Silicon Valley operating subsidy through 2037
- Completes Capitol Expressway Light Rail to Eastridge by December 2012
- Completes Capitol Expressway Light Rail to Nieman by 2021

- Accommodates Single Car Light Rail on Santa Clara/Alum Rock by 2021, if that mode is eventually selected as the preferred alternative
- Completes the initial phase of Caltrain Improvements/Electrification by 2018 and restores the 10% budget reduction contemplated in the previous scenario
- Completes Caltrain Improvements/Electrification from Tamien to Gilroy by 2018
- Provides for Caltrain Service Improvements in Santa Clara County
- Provides for South County Improvements, and 8.4 miles of double tracking by 2010
- Completes Dumbarton Rail by 2011
- Provides for ACE Upgrades between 2014 and 2025
- Extends light rail to Vasona Junction by June 2012
- Initiates Bus Rapid Transit Projects on Line 22, Monterey Road and Stevens Creek Boulevard by 2011
- Initiates a Bus Rapid Transit Project in Sunnyvale/Cupertino by 2021
- Completes the Mineta San Jose Airport People Mover as a direct connection from the Santa Clara BART station to a central point in the Airport Terminal by 2018. City of San Jose financing is not required. However, the City will need to accommodate the future people mover connection in its current airport expansion plans
- Zero Emission Bus Program includes 80% federal funding and 20% VTA other funding
- Adds \$ 717 million for a program of local streets, county expressways, and bicycle and pedestrian path improvement projects over 30 years
- Provides for Senior/Disabled Programs from 2008 to 2036 at an estimated cost of \$ 98 million
- Provides for a gradual VTA service increase of 12.4 % by 2015, then gradual increases to 24% by 2020 for an estimated cost of \$ 731 million over 30 years
- Estimates an annual operating deficit of \$ 75 million in 2038, with Measure A expiring in 2036 and a potential 30-year, quarter-cent sales tax expiring in 2037. This scenario will require a renewal of a tax during the 2036 –2038 timeframe.

The previous VTA scenario for the Measure A Capital Program is shown in Table 1 and is compared to the recommended scenario. A more detailed analysis of revenues and expenditures for the recommended 2000 Measure A Capital Investment Program is included in Attachment 1. A comparison of VTA’s Operating Budget in FY 2038 is shown in Table 2.

Table 1.
Comparison of VTA Scenarios for 2000 Measure A Capital Program

	Previous Scenario (Year of Expenditure \$ in millions)	Recommendation (Year of Expenditure \$ in millions)
Revenues	\$ 20,658	\$ 22,051
Expenditures	20,564	21,513
Initial Program Ending Balance	\$ 94	\$ 538
Completion Program Estimates	\$ 1,279	N/A

Table 2.

Comparison of VTA Scenarios on VTA's FY 2038 Operating Budget

Fiscal Year 2038 (\$ in Millions)	Previous Scenario	Recommendation
Operating Revenues	\$ 1,206	\$ 1,285
Operating Expenses	1,355	1,360
Surplus (Deficit)	(\$ 149)	(\$ 75)
Beginning Reserve	\$ 263	\$ 352
Ending Reserve	\$ 79	\$ 241

ALTERNATIVES:

The Board can modify the Recommended VTA Scenario or choose to take no action on this recommendation.

FISCAL IMPACT:

The Recommended VTA Scenario maintains Operating Reserves at the Board adopted policy of 15%. This scenario has a positive ending balance of \$ 538 million subject to a new quarter-cent sales tax being passed in November 2006. If a new sales tax is not placed on the November 2006 ballot, or if it were to fail to pass by a supermajority of voters in Santa Clara County, it will be necessary to prepare a revised 2000 Measure A Revenue and Expenditure Plan that would have substantially less funding available for projects.

ATTACHMENT 1: Recommended VTA Scenario-December 2005 in Year of Expenditure \$

ATTACHMENT 2: Recommended VTA Scenario-December 2005 in 2003 \$

ATTACHMENT 3: Revenue Sources

ATTACHMENT 4: Recommended VTA Scenario-Detailed 30-Year Capital & Operating Spreadsheets

Attachment # 1

**VTA 2000 Measure A Transit Program
RECOMMENDED VTA SCENARIO - DECEMBER 2005
Year of Expenditure \$'s**

		Escalated Costs In YOE \$ x 1000				Completion Program: Decision Pending	Initial Program Scheduled Finish	Completion Program Scheduled Finish	Notes
Project Name	Measure A Program	Other	Total	Initial Program					
	Total Revenues				\$ 22,050,847				
Line 11	Operating Assistance @ 18.457%	\$ 1,953,171	\$ -	\$ 1,953,171	\$ 1,953,171				
Line 12	Bond Payment & Costs	\$ 7,447,203	\$ -	\$ 7,447,203	\$ 7,447,203				
Line 13a	BART-SVRT w/Initial Car Purchase (Dec 2016)	\$ 3,516,586	\$ 1,545,852	\$ 5,062,438	\$ 5,062,438		2016		
Line 13b	BART-SVRT Supplemental Car Purchase	\$ 261,154	\$ -	\$ 261,154	\$ 261,154		2016		
Line 13c	BART-SVRT Additional Vehicles & Parking by 2030	\$ 840,039	\$ -	\$ 840,039	\$ 840,039		2030		
Line 14a	DTEV - LRT To Eastridge	\$ 334,257	\$ -	\$ 334,257	\$ 334,257		2012		
Line 14b&c	DTEV - Santa Clara/Alum Rock Corridor	\$ 508,351	\$ -	\$ 508,351	\$ 508,351		2021		1
Line 15	DTEV - LRT Eastridge to Nieman	\$ 165,455	\$ -	\$ 165,455	\$ 165,455		2017		
Line 16	Caltrain Service Upgrades (VTA Share)	\$ 337,024	\$ 37,527	\$ 374,551	\$ 374,551		2010 & 2036		
Line 17	Caltrain South County	\$ 85,943	\$ 72,528	\$ 158,470	\$ 158,470		2010 & 2027		
Line 18a&b	Caltrain Improvements/Electrification	\$ 366,016	\$ 655,059	\$ 1,021,075	\$ 1,021,075		2018		
Line 19	Dumbarton Rail	\$ 44,000	\$ 255,709	\$ 299,709	\$ 299,709		2011		
Line 20	ACE Upgrade	\$ 33,308	\$ -	\$ 33,308	\$ 33,308		2014 & 2025		
Line 21	New Rail Corridors Study	\$ 1,300	\$ -	\$ 1,300	\$ 1,300		2006		
Line 22	LRT Extension to Vasona Junction	\$ 106,076	\$ -	\$ 106,076	\$ 106,076		2012		
Line 23	BRT: Line 22, Monterey, Stevens Creek	\$ 41,288	\$ 21,270	\$ 62,557	\$ 62,557		2011		
Line 24	BRT: Sunnyvale/Cupertino	\$ 130,100	\$ -	\$ 130,100	\$ 130,100		2021		
Line 25a&b	Mineta San Jose Airport People Mover	\$ 384,881	\$ 279,641	\$ 664,522	\$ 664,522		2018		
Line 26	Palo Alto Intermodal Center	\$ 97,600	\$ 292,950	\$ 390,549	\$ 390,549		2025		
Line 27	Highway 17 Bus Service Improvements	\$ 2,335	\$ -	\$ 2,335	\$ 2,335		2009		
Line 28	Zero Emission Buses (ZEBs & Facilities)	\$ -	\$ 131,740	\$ 131,740	\$ 131,740		2020 & 2035		
Line 29	ZEB Demonstration Program	\$ 6,019	\$ 12,431	\$ 18,450	\$ 18,450		2007		
Line 30	Pavement Mngmnt, County Expressways & Bike/Ped	\$ 717,579	\$ -	\$ 717,579	\$ 717,579		2036		
Line 31	Increase Service From 12.4% to 24%	\$ 731,317	\$ -	\$ 731,317	\$ 731,317		2020		
Line 32	Increase Senior/Disabled Programs	\$ 97,652	\$ -	\$ 97,652	\$ 97,652		2036		
	Total Expenditures	\$ 18,208,653	\$ 3,304,706	\$ 21,513,358	\$ 21,513,358	\$ -			
				Initial Program Ending Balance	\$ 537,489				

Notes: 1. A decision on the transit mode for the Santa Clara/Alum Rock Corridor has not yet been made, pending completion of the environmental process and adoption of a preferred alternative.

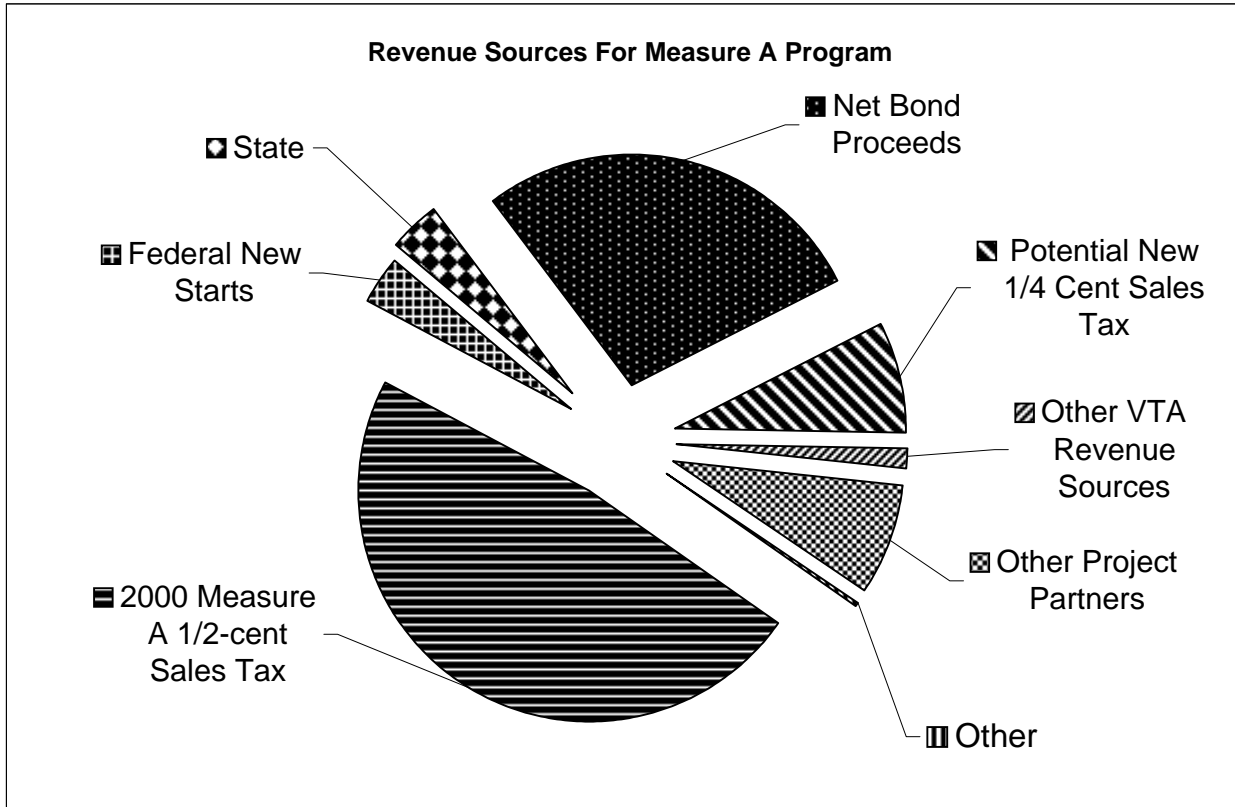
Attachment # 2

**VTA 2000 Measure A Transit Program
RECOMMENDED VTA SCENARIO - DECEMBER 2005
\$'s 2003**

		Costs In \$ 2003 x 1000					Completion Program: Decision Pending	Initial Program Scheduled Finish	Completion Program Scheduled Finish	Notes
	Project Name	Measure A Program	Other	Total	Initial Program					
	Total Revenues				\$ 12,976,602					
Line 11	Operating Assistance @ 18.457%	\$ 997,501	\$ -	\$ 997,501	\$ 997,501					
Line 12	Bond Payment & Costs	\$ 3,795,707	\$ -	\$ 3,795,707	\$ 3,795,707					
Line 13a	BART-SVRT w/Initial Car Purchase (Dec 2016)	\$ 2,676,440	\$ 1,178,800	\$ 3,855,240	\$ 3,855,240		2016			
Line 13b	BART-SVRT Supplemental Car Purchase	\$ 182,765	\$ -	\$ 182,765	\$ 182,765		2016			
Line 13c	BART-SVRT Additional Vehicles & Parking by 2030	\$ 379,888	\$ -	\$ 379,888	\$ 379,888		2030			
Line 14a	DTEV - LRT To Eastridge	\$ 269,751	\$ -	\$ 269,751	\$ 269,751		2012			
Line 14b&c	DTEV - Santa Clara/Alum Rock Corridor	\$ 298,700	\$ -	\$ 298,700	\$ 298,700		2021		1	
Line 15	DTEV - LRT Eastridge to Nieman	\$ 115,000	\$ -	\$ 115,000	\$ 115,000		2017			
Line 16	Caltrain Service Upgrades (VTA Share)	\$ 155,295	\$ 15,705	\$ 171,000	\$ 171,000		2010 & 2036			
Line 17	Caltrain South County	\$ 61,184	\$ 38,816	\$ 100,000	\$ 100,000		2010 & 2027			
Line 18a&b	Caltrain Improvements/Electrification	\$ 233,000	\$ 417,000	\$ 650,000	\$ 650,000		2018			
Line 19	Dumbarton Rail	\$ 35,364	\$ 207,422	\$ 242,786	\$ 242,786		2011			
Line 20	ACE Upgrade	\$ 22,000	\$ -	\$ 22,000	\$ 22,000		2014 & 2025			
Line 21	New Rail Corridors Study	\$ 1,241	\$ -	\$ 1,241	\$ 1,241		2006			
Line 22	LRT Extension to Vasona Junction	\$ 83,000	\$ -	\$ 83,000	\$ 83,000		2012			
Line 23	BRT: Line 22, Monterey, Stevens Creek	\$ 34,256	\$ 17,595	\$ 51,851	\$ 51,851		2011			
Line 24	BRT: Sunnyvale/Cupertino	\$ 75,000	\$ -	\$ 75,000	\$ 75,000		2021			
Line 25a&b	Mineta San Jose Airport People Mover	\$ 247,865	\$ 180,090	\$ 427,955	\$ 427,955		2018			
Line 26	Palo Alto Intermodal Center	\$ 49,996	\$ 150,004	\$ 200,000	\$ 200,000		2025			
Line 27	Highway 17 Bus Service Improvements	\$ 2,000	\$ -	\$ 2,000	\$ 2,000		2009			
Line 28	Zero Emission Buses (ZEBs & Facilities)	\$ -	\$ 65,700	\$ 65,700	\$ 65,700		2020 & 2035			
Line 29	ZEB Demonstration Program	\$ 5,533	\$ 12,431	\$ 17,964	\$ 17,964		2007			
Line 30	Pavement Mngmnt, County Expressways & Bike/Ped	\$ 370,765	\$ -	\$ 370,765	\$ 370,765		2036			
Line 31	Increase Service From 12.4% to 24%	\$ 333,716	\$ -	\$ 333,716	\$ 333,716		2020			
Line 32	Increase Senior/Disabled Programs	\$ 50,456	\$ -	\$ 50,456	\$ 50,456		2036			
	Total Expenditures	\$ 10,476,422	\$ 2,283,563	\$ 12,759,985	\$ 12,759,985	\$ -				
	Initial Program Ending Balance				\$ 216,617					

Notes: 1. A decision on the transit mode for the Santa Clara/Alum Rock Corridor has not yet been made, pending completion of the environmental process and adoption of a preferred alternative.

Attachment # 3 - Revenue Sources



Revenue Sources for Measure A Program

2000 Measure A 1/2-cent Sales Tax	\$	10,582,278
Federal New Starts	\$	750,000
State	\$	795,852
Net Bond Proceeds	\$	6,117,048
Potential New 1/4 Cent Sales Tax Allocated to Projects	\$	1,713,720
Other VTA Revenue Sources	\$	311,089
Other Project Partners	\$	1,746,422
Other	\$	34,438

Total Revenues \$ 22,050,847

Projected Allocation of Potential New 1/4 Cent Sales Tax

BART Subsidy	\$	2,665,145
Interest Expense/Cost of Issue - VTA Bonds For Measure A	\$	1,171,903
Operating Portion - 1/4 Cent Sales Tax		\$ 3,837,048

Potential New Projects

Pavement Mangement, County Expressways, Bike/Ped Paths	\$	717,579
Increase Service From 12% to 24%	\$	731,317
Senior/Disabled Programs	\$	97,652
BRT: Sunnyvale/Cupertino	\$	130,100
Funding For Measure A Projects	\$	37,073
Measure A Portion - 1/4 Cent Sales Tax		\$ 1,713,720
		<u><u>\$ 5,550,769</u></u>

Attachment 4

(Dollars are in thousands, escalated, and expressed in year of receipt/expenditure, unless otherwise noted.)

**VTA 2000 MEASURE A PROGRAM
RECOMMENDED VTA SCENARIO - DECEMBER 2005**

Fiscal Year	Notes	Project Costs in \$2003	Escalated Project Costs	Measure A	Other Partners	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Beginning Balance						0	(0)	136,809	121,058	3,108	52,087	183,122	101,095	1,568	42,494	1,552	11,660	4,691	1,788	15,268	30,130
REVENUES																					
1. Measure A 1/2-cent Sales Tax (2004 Midpoint)		5,404,457	\$ 10,582,278						37,216	156,120	164,969	174,393	184,431	195,126	206,523	218,672	231,625	245,439	257,097	269,309	282,101
2. TCRP		507,428	\$ 648,567			18,988	8,181	17,831	-	-	60,000	60,000	80,000	80,000	80,000	80,000	80,000	65,000	65,000	33,567	
3. Federal New Starts		560,157	\$ 750,000				246	1,968	-	-	60,000	60,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	67,786	-
4. Prop 42 STIP		111,214	\$ 147,285									17,573	18,582	19,676	20,851	22,132	23,501	24,971			
5. 2002 Note/2003/2004/2005 Bond Proceeds		469,283	\$ 474,048			82,666	250,482	140,900													
6. Net Add'l Measure A Bonds (1)		2,407,338	\$ 3,616,000			-	-	-	-	-	-	-	-	338,000	570,000	780,000	390,000	350,000	-	230,000	-
7. Net New VTA Bonds (2)		1,119,853	\$ 1,803,000			-	-	-	-	-	-	-	-	150,000	-	-	250,000	-	320,000	115,000	275,000
7A. NEW: Short-term financing		134,609	\$ 224,000			-	-	-	-	-	-	-	22,000	-	23,000	-	-	-	23,000	-	-
8. VTA, Other Funding (Includes new 1/4-cent Tax) (3)		1,141,939	\$ 2,024,809			2,122	-	-	-	-	75,787	75,117	86,101	86,317	96,810	109,978	107,983	127,113	110,846	61,782	13,203
8A. Other partners		1,092,332	\$ 1,746,422			-	-	2,064	2,749	5,725	18,863	52,025	52,974	148,421	1,975	2,044	8,080	30,527	183,612	469,164	284,906
9. Other Funds		17,889	\$ 18,172			3,261	8,545	4,942	750	675											
10. Interest Earnings on Avg Bal (1.5%)		10,101	\$ 16,265			-	-	917	-	-	959	-	-	-	-	-	-	-	-	3,785	5,062
Total Revenue		\$ 12,976,602	\$ 22,050,847			\$ 107,038	\$ 267,453	\$ 168,621	\$ 40,715	\$ 162,520	\$ 380,579	\$ 439,107	\$ 524,087	\$ 1,097,540	\$ 1,079,159	\$ 1,292,826	\$ 1,156,189	\$ 946,049	\$ 985,122	\$ 1,216,826	\$ 860,272
INITIAL PROGRAM - EXPENDITURES																					
11. Operating Assistance @ 18.457%		997,501	\$ 1,953,171	\$ 1,953,171	\$ -	-	-	-	6,869	28,815	30,448	32,188	34,040	36,014	38,118	40,360	42,751	45,301	47,452	49,706	52,067
12. Bond Payment & Costs (4)		3,795,707	\$ 7,447,203	\$ 7,447,203	\$ -	-	105,771	50,461	32,002	39,001	35,718	35,627	35,528	81,703	98,905	179,160	169,693	187,781	221,579	206,366	222,187
13a. BART-SVRT w/Initial Car Purchase (Dec 2016)		\$ 3,855,240	\$ 5,062,438	\$ 3,516,586	\$ 1,545,852	100,217	15,880	104,854	95,548	17,758	104,667	306,735	406,020	561,219	787,812	946,372	821,144	528,294	226,814	39,105	-
13b. BART-SVRT Supplemental Car Purchase		\$ 182,765	\$ 261,154	\$ 261,154	\$ -	-	-	-	-	-	-	-	-	-	32,010	49,763	51,505	53,308	55,325	19,243	-
13c. BART-SVRT Additional Vehicles & Parking by 2030		\$ 379,888	\$ 840,039	\$ 840,039	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14a. DTEV - LRT To Eastridge		\$ 269,751	\$ 334,257	\$ 334,257	\$ -	3,261	4,453	6,231	13,743	4,767	15,801	42,324	37,029	102,680	92,265	11,703	-	-	-	-	-
14c. DTEV - SC/AR Single Car Light Rail		\$ 298,700	\$ 508,351	\$ 508,351	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	3,275	13,902	66,451
15. DTEV - CELR Eastridge to Nieman		\$ 115,000	\$ 165,455	\$ 165,455	\$ -	-	-	-	-	-	-	-	-	-	10,128	26,510	36,479	45,830	38,806	7,700	-
16. Caltrain Service Upgrades (VTA Share)		\$ 171,000	\$ 374,551	\$ 337,024	\$ 37,527	-	-	10,000	-	5,000	5,000	5,000	5,000	-	-	-	-	-	-	-	-
17. Caltrain South County		\$ 100,000	\$ 158,470	\$ 85,943	\$ 72,528	-	-	2,000	4,100	9,100	10,000	15,000	5,000	-	-	-	-	-	-	8,615	8,916
18a. Caltrain Imprvmnts/Electrification: SF to Tamien		\$ 546,600	\$ 858,646	\$ 203,587	\$ 655,059	-	-	-	-	-	-	-	-	-	-	-	-	-	12,311	131,799	440,199
18b. Caltrain Imprvmnts/Electrification: Tamien to Gilroy		\$ 103,400	\$ 162,429	\$ 162,429	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	2,329	24,932	83,272
19. Dumbarton Rail		\$ 242,786	\$ 299,709	\$ 44,000	\$ 255,709	-	-	2,477	3,299	6,725	14,194	45,692	63,040	164,282	-	-	-	-	-	-	-
20. ACE Upgrade		\$ 22,000	\$ 33,308	\$ 33,308	\$ -	-	-	-	-	-	-	-	-	10,000	4,000	2,000	4,000	-	-	-	-
21. New Rail Corridors Study		\$ 1,241	\$ 1,300	\$ 1,300	\$ -	-	-	850	450	-	-	-	-	-	-	-	-	-	-	-	-
22. LRT Extension to Vasona Junction		\$ 83,000	\$ 106,076	\$ 106,076	\$ -	-	-	-	-	-	-	1,521	16,182	54,324	34,049	-	-	-	-	-	-
23. BRT: Line 22, Monterey, Stevens Creek		\$ 51,851	\$ 62,557	\$ 41,288	\$ 21,270	-	-	-	1,130	1,000	15,865	18,625	-	25,937	-	-	-	-	-	-	-
24. BRT: Sunnyvale/Cupertino		\$ 75,000	\$ 130,100	\$ 130,100	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25a. Mineta San Jose Airport People Mover - Phase 1		\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25b. Mineta San Jose Airport People Mover - Phase 2		\$ 427,955	\$ 664,522	\$ 384,881	\$ 279,641	-	-	-	-	-	-	-	-	-	-	-	5,793	38,079	183,023	290,738	146,889
26. Palo Alto Intermodal Center		\$ 200,000	\$ 390,549	\$ 97,600	\$ 292,950	-	-	-	25	25	-	-	-	-	-	-	-	-	-	-	-
27. Highway 17 Bus Service Improvements		\$ 2,000	\$ 2,335	\$ 2,335	\$ -	-	-	-	-	-	1,151	1,184	-	-	-	-	-	-	-	-	-
28. Zero Emission Buses (ZEB's & Facilities)		\$ 65,700	\$ 131,740	\$ -	\$ 131,740	-	-	-	-	-	-	-	3,934	1,908	1,975	2,044	5,642	5,110	6,044	5,474	8,093
29. ZEB Demonstration Program		\$ 17,964	\$ 18,450	\$ 6,019	\$ 12,431	3,560	4,540	7,500	1,500	1,350	-	-	-	-	-	-	-	-	-	-	-
30. Pvmnt Mngmnt, Cnty Expressways & Bike/Ped		\$ 370,765	\$ 717,579	\$ 717,579	\$ -	-	-	-	-	-	14,700	15,173	15,704	16,254	16,869	17,411	18,021	18,652	19,357	19,980	20,679
31. Increase Service From 12.4% to 24% (2020)		\$ 333,716	\$ 731,317	\$ 731,317	\$ -	-	-	-	-	-	-	-	-	80	1,673	5,023	5,678	9,420	10,601	14,945	16,056
32. Increase Senior/Disabled Programs		\$ 50,456	\$ 97,652	\$ 97,652	\$ -	-	-	-	-	-	2,000	2,065	2,137	2,212	2,296	2,369	2,452	2,538	2,634	2,719	2,814
Total Expenditures		\$ 12,759,985	\$ 21,513,358	\$ 18,208,653	\$ 3,304,706	\$ 107,038	\$ 130,644	\$ 184,372	\$ 158,666	\$ 113,541	\$ 249,544	\$ 521,133	\$ 623,615	\$ 1,056,613	\$ 1,120,101	\$ 1,282,717	\$ 1,163,158	\$ 948,952	\$ 971,642	\$ 1,201,965	\$ 870,385
Revenues Less Expenditures			\$ 537,489			(0)	136,809	(15,751)	(117,951)	48,979	131,035	(82,027)	(99,527)	40,927	(40,943)	10,109	(6,969)	(2,903)	13,480	14,862	(10,113)
Cumulative Ending Balance/Available for Other Measure A Projects						(0)	136,809	121,058	3,108	52,087	183,122	101,095	1,568	42,494	1,552	11,660	4,691	1,788	15,268	30,130	20,017

(1) Net bond proceeds in addition to the 2003/2004/2005 Bonds.
(2) Net bond proceeds secured by & payable from VTA's 1976 1/2-cent sales tax and/or an assumed new sales tax effective FY07.
(3) VTA, Other Funding represents additional funds made available from VTA's projected surpluses based on the midpoint sales tax growth projections plus an assumed new 1/4-cent sales tax effective FY07.
(4) Term: All Measure A debt matures in 2036, when the tax sunsets. Interest rate @ 5.0%.

Attachment 4

(Dollars are in thousands, escalated, and expressed in year of receipt/expenditure, unless otherwise noted.)

**VTA 2000 MEASURE A PROGRAM
RECOMMENDED VTA SCENARIO - DECEMBER 2005**

Fiscal Year	Notes	Project Costs in \$2003	Escalated Project Costs	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Beginning Balance				20,017	1,364	1,825	1,796	35,035	1,442	1,577	1,046	1,691	65,333	74,767	1,203	9,088	28,003	87,451	179,951	313,636	484,120
REVENUES																					
1. Measure A 1/2-cent Sales Tax (2004 Midpoint)		5,404,457	\$ 10,582,278	295,501	309,537	324,240	339,642	355,775	372,674	390,376	408,919	428,343	448,689	470,001	492,327	515,712	540,208	565,868	592,747	620,903	487,797
2. TCRP		507,428	\$ 648,567																		
3. Federal New Starts		560,157	\$ 750,000	-																	
4. Prop 42 STIP		111,214	\$ 147,285																		
5. 2002 Note/2003/2004/2005 Bond Proceeds		469,283	\$ 474,048																		
6. Net Add'l Measure A Bonds	(1)	2,407,338	\$ 3,616,000	-	-	130,000	160,000	-	215,000	163,000	-	200,000	-	-	90,000	-	-	-	-	-	-
7. Net New VTA Bonds	(2)	1,119,853	\$ 1,803,000	185,000	228,000	-	-	-	-	-	160,000	-	120,000	-	-	-	-	-	-	-	-
7A. NEW: Short-term financing		134,609	\$ 224,000	8,000	14,000	64,000	-	43,000	7,000	5,000	7,000	-	-	8,000	-	-	-	-	-	-	-
8. VTA, Other Funding (Includes new 1/4-cent Tax)	(3)	1,141,939	\$ 2,024,809	35,155	25,000	3,624	20,902	14,782	31,172	44,293	30,697	42,668	50,593	69,225	69,939	58,482	82,704	98,293	121,052	138,512	134,559
8A. Other partners		1,092,332	\$ 1,746,422	10,935	14,088	14,341	46,789	103,193	110,567	59,362	12,945	13,398	5,820	11,925	11,120	12,775	11,919	16,397	11,357	13,207	3,154
9. Other Funds		17,889	\$ 18,172																		
10. Interest Earnings on Avg Bal (1.5%)		10,101	\$ 16,265	1,590	-	2	520	844	994	693	-	129	-	-	-	-	-	-	258	513	-
Total Revenue		\$ 12,976,602	\$ 22,050,847	\$ 536,181	\$ 590,626	\$ 536,207	\$ 567,852	\$ 517,594	\$ 737,407	\$ 662,724	\$ 619,560	\$ 684,537	\$ 625,103	\$ 559,152	\$ 663,385	\$ 586,969	\$ 634,832	\$ 680,558	\$ 725,413	\$ 773,134	\$ 625,510
INITIAL PROGRAM - EXPENDITURES																					
11. Operating Assistance @ 18.457%		997,501	\$ 1,953,171	54,541	57,131	59,845	62,688	65,665	68,784	72,052	75,474	79,059	82,814	86,748	90,869	95,185	99,706	104,442	109,403	114,600	90,033
12. Bond Payment & Costs	(4)	3,795,707	\$ 7,447,203	234,742	243,051	271,072	332,120	267,598	329,607	314,696	326,262	317,088	312,360	312,389	324,137	360,007	360,041	360,081	360,120	360,156	360,197
13a. BART-SVRT w/Initial Car Purchase (Dec 2016)		\$ 3,855,240	\$ 5,062,438	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13b. BART-SVRT Supplemental Car Purchase		\$ 182,765	\$ 261,154	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13c. BART-SVRT Additional Vehicles & Parking by 2030		\$ 379,888	\$ 840,039	-	-	-	-	-	108,196	111,677	115,586	119,631	124,158	128,152	132,638	-	-	-	-	-	-
14a. DTEV - LRT To Eastridge		\$ 269,751	\$ 334,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14c. DTEV - SC/AR Single Car Light Rail		\$ 298,700	\$ 508,351	163,812	176,031	84,881	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. DTEV - CELR Eastridge to Nieman		\$ 115,000	\$ 165,455	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16. Caltrain Service Upgrades (VTA Share)		\$ 171,000	\$ 374,551	-	-	-	17,843	18,467	19,166	19,783	20,475	21,192	21,994	22,701	23,496	24,318	25,238	26,050	26,962	27,905	28,961
17. Caltrain South County		\$ 100,000	\$ 158,470	9,228	9,577	9,886	10,232	10,590	10,990	11,344	11,741	12,152	-	-	-	-	-	-	-	-	-
18a. Caltrain Imprvmnts/Electrification: SF to Tamien		\$ 546,600	\$ 858,646	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18b. Caltrain Imprvmnts/Electrification: Tamien to Gilroy		\$ 103,400	\$ 162,429	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19. Dumbarton Rail		\$ 242,786	\$ 299,709	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20. ACE Upgrade		\$ 22,000	\$ 33,308	-	-	-	3,155	3,266	3,389	3,498	-	-	-	-	-	-	-	-	-	-	-
21. New Rail Corridors Study		\$ 1,241	\$ 1,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22. LRT Extension to Vasona Junction		\$ 83,000	\$ 106,076	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23. BRT: Line 22, Monterey, Stevens Creek		\$ 51,851	\$ 62,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24. BRT: Sunnyvale/Cupertino		\$ 75,000	\$ 130,100	41,846	43,429	44,826	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25a. Mineta San Jose Airport People Mover - Phase 1		\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25b. Mineta San Jose Airport People Mover - Phase 2		\$ 427,955	\$ 664,522	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26. Palo Alto Intermodal Center		\$ 200,000	\$ 390,549	-	2,515	10,679	51,045	125,835	135,221	65,203	-	-	-	-	-	-	-	-	-	-	-
27. Highway 17 Bus Service Improvements		\$ 2,000	\$ 2,335	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28. Zero Emission Buses (ZEB's & Facilities)		\$ 65,700	\$ 131,740	5,026	6,069	-	-	-	-	1,030	3,197	3,309	3,425	9,453	8,561	10,126	9,171	13,559	8,420	10,168	-
29. ZEB Demonstration Program		\$ 17,964	\$ 18,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30. Pvmnt Mngmnt, Cnty Expressways & Bike/Ped		\$ 370,765	\$ 717,579	21,403	22,213	22,928	23,730	24,561	25,490	26,310	27,231	28,184	29,250	30,191	31,248	32,342	33,565	34,645	35,858	37,113	38,517
31. Increase Service From 12.4% to 24% (2020)		\$ 333,716	\$ 731,317	21,323	27,126	29,000	30,572	31,862	32,959	34,082	35,244	36,445	37,687	38,972	40,301	41,675	43,096	44,566	46,086	47,658	49,192
32. Increase Senior/Disabled Programs		\$ 50,456	\$ 97,652	2,913	3,023	3,120	3,229	3,342	3,469	3,580	3,706	3,835	3,981	4,109	4,252	4,401	4,568	4,715	4,880	5,051	5,242
Total Expenditures		\$ 12,759,985	\$ 21,513,358	\$ 554,834	\$ 590,165	\$ 536,235	\$ 534,614	\$ 551,186	\$ 737,272	\$ 663,254	\$ 618,916	\$ 620,895	\$ 615,668	\$ 632,715	\$ 655,501	\$ 568,053	\$ 575,384	\$ 588,058	\$ 591,728	\$ 602,650	\$ 572,142
Revenues Less Expenditures			\$ 537,489	(18,653)	461	(29)	33,238	(33,592)	134	(530)	645	63,641	9,434	(73,564)	7,885	18,915	59,448	92,500	133,685	170,485	53,369
Cumulative Ending Balance/Available for Other Measure A Projects				1,364	1,825	1,796	35,035	1,442	1,577	1,046	1,691	65,333	74,767	1,203	9,088	28,003	87,451	179,951	313,636	484,120	537,489

Attachment # 4

**NEW 30 YEAR 1/4 CENT SALES TAX
RECOMMENDED VTA SCENARIO - DECEMBER 2005
VTA POTENTIAL LONG RANGE OPERATING FORECAST**

(Dollars in thousands)				2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
				Budget	Budget	Budget																				
OPERATING REVENUES																										
1	Fares (Including EcoPass & Shuttle Revenue)	32,374	36,732	36,857	39,403	40,198	44,782	46,122	50,155	52,267	56,905	59,086	64,339	66,810	72,761	75,560	82,158	83,016	87,981	88,899	94,217	95,200	100,895			
2	1976 1/2-Cent Sales Tax (CCSCE 2005 Midpoint)	142,005	148,865	156,120	164,969	174,393	184,431	195,126	206,523	218,672	231,625	245,439	257,097	269,309	282,101	295,501	309,537	324,240	339,642	355,775	372,674	390,376	408,919			
3	TDA Funds	67,098	71,044	73,376	77,536	81,965	86,683	91,709	97,066	102,776	108,864	115,356	120,836	126,575	132,588	138,885	145,483	152,393	159,632	167,214	175,157	183,477	192,192			
4	Federal Preventive Maintenance	34,429	33,381	34,546	15,000	15,375	15,759	16,232	16,719	17,221	17,737	18,269	18,818	19,382	19,964	20,562	21,179	21,815	22,469	23,143	23,837	24,553	25,289			
5	State Grants (STA, AB434 & Prop 42 STA)	8,640	7,431	9,212	7,617	12,369	12,753	13,190	13,638	14,107	14,596	15,108	15,652	16,225	16,816	17,426	18,057	18,716	19,403	20,114	20,849	21,609	22,386			
6	Investment Income & Other	6,648	6,629	5,871	6,798	6,606	6,878	7,029	7,340	7,683	7,835	8,310	8,287	7,875	7,568	8,248	8,537	8,548	8,923	9,062	9,540	9,956	10,042			
7	One Time Revenues	2,290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
8	2000 Measure A bond proceeds for Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
9	2000 Measure A repayment of 2001 bonds	32,175	14,535	14,060	11,806	11,704	11,594	11,407	11,126	11,065	10,707	10,574	16,021	15,990	15,963	15,934	15,902	15,870	18,844	18,841	18,841	18,841	18,842	18,842		
10	2000 Measure A Operating Assistance @ 18.457%	-	6,869	28,815	30,448	32,188	34,040	36,014	38,118	40,360	42,751	45,301	47,452	49,706	52,067	54,541	57,131	59,845	62,688	65,665	68,784	72,052	75,474			
11	➔ New 1/4-cent Sales Tax (April '07) - 30 YEAR TAX			19,515	82,485	87,197	92,215	97,563	103,261	109,336	115,812	122,719	128,548	134,654	141,051	147,750	154,769	162,120	169,821	177,887	186,337	195,188	204,459			
12	Other (Increased Service Revenue From Measure A)	10,313	-	-	-	-	-	80	1,673	5,023	5,678	9,420	10,601	14,945	16,056	21,323	27,126	29,000	30,572	31,862	32,959	34,082	35,244			
13	Total Revenues	\$335,972	\$325,486	\$378,372	\$436,062	\$461,994	\$489,136	\$514,472	\$545,620	\$578,509	\$612,510	\$649,581	\$687,650	\$721,471	\$756,932	\$795,732	\$839,878	\$875,562	\$919,973	\$958,462	\$1,003,195	\$1,045,334	\$1,045,334	\$1,093,743		
OPERATING EXPENSES																										
14	Bus	142,682	143,214	146,627	152,729	157,072	165,280	172,999	180,546	189,981	200,014	210,574	221,908	233,969	246,360	259,583	273,141	283,491	293,684	303,920	314,308	325,048	336,161			
15	Additional Operating Cost for ZEBs	-	-	-	201	208	899	1,660	2,474	3,343	5,620	7,701	10,283	12,738	16,281	18,774	21,926	22,694	23,488	24,310	25,161	26,042	26,953			
16	Light Rail	34,687	38,094	38,164	39,077	40,065	41,265	42,641	45,832	47,378	48,970	50,609	52,262	53,995	55,782	57,623	59,532	61,565	63,639	65,776	67,983	70,267	72,631			
17	Operations Administration	33,588	34,864	39,948	39,649	40,869	42,449	43,938	45,500	47,283	49,148	50,965	52,966	54,932	57,094	59,340	61,626	63,543	65,623	67,761	69,964	72,236	74,579			
18	General Administration	46,131	50,634	50,588	52,081	53,821	55,780	57,896	60,012	62,327	64,623	67,130	69,726	72,304	75,106	78,016	80,885	83,724	86,646	89,662	92,777	96,000	99,336			
19	ADA/Paratransit	25,837	26,662	27,446	25,237	26,157	27,112	28,102	29,130	30,197	31,304	32,453	33,645	34,883	36,168	37,502	38,778	40,325	41,819	43,369	44,980	46,652	48,390			
20	ADA/Paratransit Program Growth				5,625	6,567	7,588	8,696	9,894	11,192	12,594	14,110	15,746	17,511	19,415	21,468	21,468	26,058	28,620	31,375	34,338	37,522	40,943			
21	Caltrain	15,025	15,479	15,940	16,578	17,241	17,930	18,648	19,394	20,169	20,976	21,815	22,688	23,595	24,539	25,521	26,541	27,603	28,707	29,856	31,050	32,292	33,583			
22	ACE	3,712	3,842	3,952	4,051	4,152	4,256	4,384	4,515	4,651	4,790	4,934	5,082	5,234	5,391	5,553	5,720	5,891	6,068	6,250	6,437	6,631	6,830			
23	➔BART Subsidy 84% thru 2025				-	-	-	-	-	-	-	-	-	34,369	72,002	75,423	79,005	82,758	86,689	90,807	95,120	99,638	124,251			
24	Other	2,288	2,567	2,399	2,465	2,533	2,603	2,684	2,768	2,854	2,944	3,036	3,130	3,228	3,329	3,433	3,541	3,651	3,766	3,883	4,005	4,130	4,260			
25	Principal & Interest, Outstanding VTA Bonds	23,465	23,336	23,593	23,591	23,610	23,618	23,626	23,637	23,656	23,656	23,670	23,675	23,699	23,701	23,721	23,726	23,745	23,756	23,770	23,783	23,803	23,824			
26	➔Principal & Interest, Bonds for Measure A Projects (Not Paid by Measure A)				-	-	-	6,961	7,594	7,594	19,207	20,263	39,335	46,019	67,530	77,253	88,589	129,602	129,602	139,145	139,136	139,142	145,199			
27	Total Operating Expenses	\$327,415	\$338,692	\$348,657	\$361,283	\$372,295	\$388,780	\$412,234	\$431,295	\$450,625	\$483,846	\$507,259	\$550,446	\$616,477	\$702,700	\$743,208	\$784,476	\$854,649	\$882,105	\$919,883	\$949,041	\$979,403	\$1,036,939			
28	Income over/(under) Operating Expenses	8,557	(13,206)	29,715	74,779	89,699	100,357	102,238	114,325	127,884	128,664	142,322	137,204	104,994	54,233	52,523	55,402	20,913	37,868	38,579	54,154	65,931	56,804			
CAPITAL IMPROVEMENT PROGRAM (CIP)																										
29	Federal/State/Non VTA Funds Available for Capital	7,114	5,224	7,839	17,637	21,937	24,733	25,763	25,351	26,931	28,400	34,636	28,863	21,369	33,050	52,931	55,155	51,217	60,027	57,567	60,004	64,562	69,315			
30	VTA Local Funds Required for CIP	6,465	5,518	7,117	16,132	12,931	11,783	12,402	14,656	15,007	15,698	11,697	19,881	33,307	28,097	11,292	12,061	18,914	12,848	18,130	18,608	17,084	17,477			
31	VTA Capital Program Expenses (10% of operating expenses beg FY08)	13,579	10,743	14,957	33,769	34,868	36,516	38,165	40,007	41,938	44,098	46,333	48,744	54,676	61,147	64,223	67,216	70,130	72,875	75,697	78,612	81,646	86,792			
RESERVES																										
32	Beginning Reserve Balance	65,367	67,459	48,735	71,333	54,192	55,844	58,317	61,835	64,694	67,594	72,577	76,089	82,567	92,472	105,405	111,481	129,822	128,197	132,316	137,982	142,356	146,910			
33	Income over/(under) Operating Expenses (Line 27)	8,557	(13,206)	29,715	74,779	89,699	100,357	102,238	114,325	127,884	128,664	142,322	137,204	104,994	54,233	52,523	55,402	20,913	37,868	38,579	54,154	65,931	56,804			
34	VTA Local Funds Required (Line 30)	6,465	5,518	7,117	16,132	12,931	11,783	12,402	14,656	15,007	15,698	11,697	19,881	33,307	28,097	11,292	12,061	18,914	12,848	18,130	18,608	17,084	17,477			
35	Operating Reserve (15% Board Policy)	49,112	48,735	52,299	54,192	55,844	58,317	61,835	64,694	67,594	72,577	76,089	82,567	92,472	105,405	111,481	117,671	128,197	132,316	137,982	142,356	146,910	155,541			
36	Unrestricted Reserves (Row 31 + Row 32 - Row 33 - Row 34)	18,346	0	19,034	75,787	75,117	86,101	86,317	96,810	109,978	107,983	127,113	110,846	61,782	13,203	35,155	37,151	3,624	20,902	14,782	31,172	44,293	30,697			
37	Total Reserves (Restricted & Unrestricted) (Row 34 + Row 35)	67,459	48,735	71,333	129,980	130,961	144,418	148,153	161,504	177,571	180,560	203,202	193,413	154,254	118,607	146,636	154,822	131,821	153,218	152,765	173,528	191,203	186,237			
38	Available for Measure A or Other Capital Projects (= Row 35 when able to maintain 15% operating reserve into future)	0	0	0	75,787	75,117	86,101	86,317	96,810	109,978	107,983	127,113	110,846	61,782	13,203	35,155	25,000	3,624	20,902	14,782	31,172	44,293	30,697			
	Total System Hours	1,465,255	1,508,400	1,506,400	1,551,463	1,551,463	1,582,523	1,597,900	1,618,925	1,648,265	1,678,193	1,708,719	1,73													

Attachment # 4

**NEW 30 YEAR 1/4 CENT SALES TAX
RECOMMENDED VTA SCENARIO - DECEMBER 2005
VTA POTENTIAL LONG RANGE OPERATING FORECAST**

(Dollars in thousands)		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
OPERATING REVENUES															
1	Fares (Including EcoPass & Shuttle Revenue)	101,948	108,047	109,174	115,707	116,913	123,909	125,200	132,693	134,075	142,100	143,580	152,174	153,758	162,963
2	1976 1/2-Cent Sales Tax (CCSCE 2005 Midpoint)	428,343	448,689	470,001	492,327	515,712	540,208	565,868	592,747	620,903	650,395	681,289	713,650	747,549	783,057
3	TDA Funds	201,321	210,884	220,901	231,393	242,385	253,898	265,958	278,591	291,824	305,686	320,206	335,416	351,348	368,037
4	Federal Preventive Maintenance	26,048	26,829	27,634	28,463	29,317	30,197	31,102	32,036	32,997	33,987	35,006	36,056	37,138	38,252
5	State Grants (STA, AB434 & Prop 42 STA)	23,184	24,013	24,874	25,771	26,701	27,667	28,668	29,707	30,785	31,904	32,422	32,955	33,504	34,070
6	Investment Income & Other	10,480	10,823	11,361	11,665	11,862	12,564	13,096	13,745	14,328	14,604	14,793	15,238	12,139	9,238
7	One Time Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	2000 Measure A bond proceeds for Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2000 Measure A repayment of 2001 bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	2000 Measure A Operating Assistance @ 18.457%	79,059	82,814	86,748	90,869	95,185	99,706	104,442	109,403	114,600	90,033	-	-	-	-
11	➔ New 1/4-cent Sales Tax (April '07) - 30 YEAR TAX	214,171	224,344	235,001	246,163	257,856	270,104	282,934	296,374	310,451	325,198	255,483	-	-	-
12	Other (Increased Service Revenue From Measure A)	36,445	37,687	38,972	40,301	41,675	43,096	44,566	46,086	47,658	49,192	-	-	-	-
13	Total Revenues	\$1,120,999	\$1,174,131	\$1,224,666	\$1,282,658	\$1,337,605	\$1,401,348	\$1,461,835	\$1,531,381	\$1,597,620	\$1,643,098	\$1,482,779	\$1,285,490	\$1,335,436	\$1,395,618
OPERATING EXPENSES															
14	Bus	347,660	359,558	371,869	384,606	397,785	411,420	425,527	440,122	455,222	470,844	479,952	489,330	498,821	508,594
15	Additional Operating Cost for ZEBs	27,896	28,873	29,883	30,929	32,012	33,132	34,292	35,492	36,734	38,020	39,351	40,728	42,153	43,629
16	Light Rail	75,076	77,606	80,223	82,931	85,732	88,630	91,628	94,728	97,935	101,252	102,265	104,325	107,896	110,560
17	Operations Administration	76,997	79,490	82,060	84,711	87,445	90,262	93,167	96,161	99,247	102,427	105,445	108,553	117,510	121,250
18	General Administration	102,687	106,155	109,845	113,664	117,616	121,705	125,937	130,317	134,849	138,377	142,963	147,714	152,636	157,720
19	ADA/Paratransit	50,195	52,070	54,018	56,042	58,146	60,332	62,604	64,966	67,422	69,975	72,630	75,390	72,502	75,040
20	ADA/Paratransit Program Growth	44,617	48,561	52,794	57,336	62,207	67,430	73,029	79,029	85,457	92,343	99,716	107,609	116,058	125,100
21	Caltrain	34,927	36,324	37,777	39,288	40,859	42,494	44,193	45,961	47,800	49,712	51,700	53,768	55,919	58,156
22	ACE	7,034	7,245	7,463	7,687	7,917	8,155	8,399	8,651	8,911	9,178	9,454	9,737	10,029	10,330
23	➔BART Subsidy 84% thru 2025	130,153	136,335	142,811	149,595	156,700	164,144	171,940	180,108	188,663	197,624	207,011	216,844	227,145	237,934
24	Other	4,393	4,531	4,672	4,819	4,970	5,126	5,286	5,452	5,623	5,799	5,981	6,169	6,362	6,562
25	Principal & Interest, Outstanding VTA Bonds	4,992	5,008	-	-	-	-	-	-	-	-	-	-	-	-
26	➔Principal & Interest, Bonds for Measure A Projects (Not Paid by Measure A)	147,211	152,765	153,271	168,147	191,889	191,894	191,897	191,888	191,880	191,893	-	-	-	-
27	Total Operating Expenses	\$1,053,837	\$1,094,520	\$1,126,687	\$1,179,755	\$1,243,278	\$1,284,724	\$1,327,900	\$1,372,876	\$1,419,742	\$1,467,443	\$1,316,467	\$1,360,167	\$1,407,032	\$1,454,874
28	Income over/(under) Operating Expenses	67,162	79,611	97,980	102,904	94,327	116,624	133,934	158,506	177,878	175,654	166,313	(74,677)	(71,595)	(59,256)
CAPITAL IMPROVEMENT PROGRAM (CIP)															
29	Federal/State/Non VTA Funds Available for Capital	68,203	70,759	73,412	76,156	78,822	81,580	84,436	87,391	90,450	93,615	96,892	100,283	103,793	107,426
30	VTA Local Funds Required for CIP	21,960	22,915	23,930	25,005	26,317	27,703	29,165	30,708	32,336	33,940	34,755	35,733	36,910	38,061
31	VTA Capital Program Expenses (10% of operating expenses beg FY08)	90,163	93,675	97,342	101,161	105,139	109,283	113,600	118,099	122,786	127,555	131,647	136,017	140,703	145,487
RESERVES															
32	Beginning Reserve Balance	155,541	158,075	164,178	169,003	176,963	186,492	192,709	199,185	205,931	212,961	220,117	351,675	241,264	132,759
33	Income over/(under) Operating Expenses (Line 27)	67,162	79,611	97,980	102,904	94,327	116,624	133,934	158,506	177,878	175,654	166,313	(74,677)	(71,595)	(59,256)
34	VTA Local Funds Required (Line 30)	21,960	22,915	23,930	25,005	26,317	27,703	29,165	30,708	32,336	33,940	34,755	35,733	36,910	38,061
35	Operating Reserve (15% Board Policy)	158,075	164,178	169,003	176,963	186,492	192,709	199,185	205,931	212,961	220,117	197,470	204,025	132,759	35,441
36	Unrestricted Reserves (Row 31 + Row 32 - Row 33 - Row 34)	42,668	50,593	69,225	69,939	58,482	82,704	98,293	121,052	138,512	134,559	154,205	37,239	0	0
37	Total Reserves (Restricted & Unrestricted) (Row 34 + Row 35)	200,743	214,771	238,228	246,902	244,973	275,413	297,478	326,983	351,473	354,676	351,675	241,264	132,759	35,441
38	Available for Measure A or Other Capital Projects (= Row 35 when able to maintain 15% operating reserve into future)	42,668	50,593	69,225	69,939	58,482	82,704	98,293	121,052	138,512	134,559	0	0	0	0
	Total System Hours	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383	1,867,383
	Service Increase %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Cumulative Service Increase %	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
	Operating Reserve%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	9.4%	2.4%
TOTAL EXPENSES															
26	Total Operating Expenses (Line 26)	1,053,837	1,094,520	1,126,687	1,179,755	1,243,278	1,284,724	1,327,900	1,372,876	1,419,742	1,467,443	1,316,467	1,360,167	1,407,032	1,454,874
30	VTA Local Funds Required For Capital Program (Line 30)	21,960	22,915	23,930	25,005	26,317	27,703	29,165	30,708	32,336	33,940	34,755	35,733	36,910	38,061
	Total Expenses	1,075,797	1,117,436	1,150,617	1,204,759	1,269,595	1,312,427	1,357,065	1,403,583	1,452,078	1,501,383	1,351,221	1,395,901	1,443,942	1,492,935