

RESOLUTION NO. 2016.06.17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) CALLING AND PROVIDING FOR A SPECIAL ELECTION ON NOVEMBER 8, 2016 AND REQUESTING THE CONSOLIDATION OF SUCH SPECIAL VTA ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF SANTA CLARA COUNTY A MEASURE SEEKING AUTHORIZATION FOR ADOPTION OF A RETAIL TRANSACTIONS AND USE TAX ORDINANCE BY THE BOARD OF DIRECTORS.

WHEREAS, the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) deems it advisable to submit a measure to the voters within the territory of VTA at a special election to be held on November 8, 2016, to authorize the VTA Board of Directors to adopt a one-half of one percent retail transactions and use tax ordinance pursuant to Public Utilities Code section 100250 et seq., which tax shall be in effect for 30 years,

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY that the measure hereinafter set forth in full be submitted to the voters within the territory of VTA, which is the incorporated and unincorporated territory lying within the County of Santa Clara, at a special election to be held and conducted on November 8, 2016, and that the Registrar of Voters be, and thereby is, directed to publish such notice as may be required by law for the time and in the manner so required, and to place the same on the ballot at an election to be held throughout the territory of VTA on November 8, 2016. The full text of the proposed measure, which shall be printed in the voter information that accompanies the official vote by mail ballot and in the appropriate sample ballot pamphlet, is set forth as follows:

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.

□ **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 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 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.

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.

BE IT FURTHER RESOLVED that such measure will appear in summarized form upon the ballot as follows:

Measure _____

<p>To relieve traffic, repair potholes; shall VTA enact a 30-year half-cent sales tax to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Repair streets, fix potholes in all 15 cities; <input type="checkbox"/> Finish BART extension to downtown San Jose, Santa Clara; <input type="checkbox"/> Improve bicycle/pedestrian safety, especially near schools; <input type="checkbox"/> Increase Caltrain capacity, easing highway congestion, improving safety at crossings; <input type="checkbox"/> Relieve traffic on all 9 expressways, key highway interchanges; <input type="checkbox"/> Enhance transit for seniors, students, disabled; <p>Mandating annual audits by independent citizens watchdog committee to ensure accountability.</p>	<p>YES _____</p>
	<p>NO _____</p>

BE IT FURTHER RESOLVED that the Board of Supervisors is hereby requested to consolidate this election with the statewide general election and any other elections to be held within the County of Santa Clara on November 8, 2016, and that it include in its proclamation or notice of the special election that Article 3 of Chapter 2 of Division 9 of the Elections Code relating to arguments concerning county measure applies, and that the Office of the County Counsel is directed to prepare an impartial analysis.

BE IT FURTHER RESOLVED that pursuant to Elections Code section 10403, VTA acknowledges that the consolidated election will be held and conducted in the manner prescribed in Elections Code section 10418.

BE IT FURTHER RESOLVED that the Santa Clara County Board of Supervisors is requested to permit the Registrar of Voters to render all services specified by Elections Code section 10418 relating to the election, for which services VTA agrees to reimburse the County.

BE IT FURTHER RESOLVED that pursuant to Elections Code section 10418, all proceedings related to, connected with, and incidental to the election shall be regulated and performed in accordance with the provisions of law regulating the statewide election.

BE IT FURTHER RESOLVED that the returns of such VTA election shall be canvassed by the Registrar of Voters of the County of Santa Clara and the returns, when canvassed, shall be reported to the Board of Directors of the Santa Clara Valley Transportation Authority.

BE IT FURTHER RESOLVED that the Board Secretary is hereby directed to file a certified copy of this Resolution with the Santa Clara County Board of Supervisors and to submit certified copies of this Resolution to the County Clerk and to the Registrar of Voters of the County of Santa Clara no later than 88 days prior to the date of the election.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June __, 2016 by the following vote:

AYES: DIRECTORS

NOES: DIRECTORS

ABSENT: DIRECTORS

Cindy Chavez, Chairperson
Board of Directors

ATTEST:

Elaine Baltao, Board Secretary

APPROVED AS TO FORM:

ROBERT FABELA
General Counsel