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## **BART TO SILICON VALLEY—WHAT'S NEXT? MTI Report F-05-01**

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# Bart to Silicon Valley — What's Next?



Mineta  
Transportation  
Institute

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Congress in 1991



**MTI REPORT F05-01**

# **BART TO SILICON VALLEY—WHAT'S NEXT?**

**April 2006**

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**Mineta Transportation Institute**  
**College of Business**  
**San José State University**  
**San José, CA 95192-0219**

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## FOREWORD

*BART to Silicon Valley: What's Next?* continues the long-running series of Mineta Transportation Institute (MTI) Hot Spot forums examining current issues in regional transportation. Through these forums, MTI provides information and an opportunity to question experts and decision makers. The goal of these events is to move toward consensus by going beyond controversy and resolving problems. Their success is due to the abilities of willing participants with the required expertise to share their knowledge in a meaningful way with the general public.

We were blessed to have such a team cosponsor this event. Most generous with their time and the expertise and cooperation of their staff were: Steve Heminger, executive director, Metropolitan Transportation Commission and Bijan Sartipi, director, California Department of Transportation/District 4. Also invaluable to the team were the Commonwealth Club of California and the Leagues of Women Voters of Santa Clara County.

Events such as this are always the result of the contributions of many, and I want to personally thank all those referenced in the Acknowledgements section.

The Mineta Transportation Institute has three primary functions: research, education, and information transfer. It is in the role of information transfer that we worked with our cosponsors to organize and present this forum. We hope that this edited summary will contribute to an understanding of the issues and their possible solutions for those everywhere who are working to address the future transportation needs of our society.



Rod Diridon

Executive Director



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## EXECUTIVE SUMMARY

Extending the Bay Area Rapid Transit (BART) system to Silicon Valley—downtown San José, California and the nearby San José Mineta International Airport—from Alameda County is the greatest public works challenge facing Santa Clara County.

The Mineta Transportation Institute Hot Spot forum series, which was designed to bring resolution to controversial issues, continued with a look at the BART-to-Silicon Valley project on April 21, 2005, with an event subtitled *What's Next?* It was the second MTI forum on the subject; the first was *How Now?*, presented in 2001 after voters approved funding for the project.

Since then, however, the money available to do the work diminished with the shrinking economy. The Santa Clara Valley Transportation Authority (VTA) was forced to cut existing services and look for new financing. Although funds already had been spent on the project, controversy arose anew when federal transportation officials changed the funding guidelines, and the VTA board began contemplating new taxes.

MTI and co-sponsors provided the public with an opportunity to review the BART-to-Silicon Valley project and consider the alternatives prior to the pending VTA board action. Transportation, political, and community leaders filled the Santa Clara County Sheriff's Department auditorium in San José and engaged in a lively, yet collegial, discussion.

Carolyn Gonot, chief development officer for the Santa Clara Valley Transportation Authority (VTA), led off with an overview of the status of the BART project. Carl Guardino, president and CEO of the Silicon Valley Leadership Group, followed with a summary of a public opinion survey that showed continued strong support for bringing BART to the South Bay. A panel made up of Cindy Chavez, vice mayor, City of San José and vice chair, VTA Board of Directors; Dennis Kennedy, mayor, City of Morgan Hill and VTA board alternate; and Ron Swegles, vice mayor, City of Sunnyvale and VTA Policy Advisory Committee (PAC) member, was asked to answer three questions:

1. What is your vision of BART?
2. Why would your view be best for the county in terms of ridership and costs?
3. Why would your vision be fundable (local, state, and federal) compared to the alternatives?

Carl Guardino joined the panel for a question-and-answer session, which closed with an effort to reach some conclusions. The panel agreed that all Santa Clara County cities' willingness to compromise was key to creating the consensus needed to move the project forward.

The event wrapped up with the keynote speech by California Department of Transportation Director Will Kempton. Mr. Kempton reviewed the parallels between the 1984 and 2000 Measures A and urged the panelists to build consensus and explore project development alternatives.

Co-sponsors for this event were the Metropolitan Transportation Commission, the California Department of Transportation/District 4, the Commonwealth Club of California, and the Leagues of Women Voters of Santa Clara County.

For more information on the project, go to:

Santa Clara Valley Transportation Authority

[http://www.vta.org/services/cap\\_invest\\_doc.pdf](http://www.vta.org/services/cap_invest_doc.pdf)

Mineta Transportation Institute

<http://www.transweb.sjsu.edu/publications/F-01-01.pdf>



## INTRODUCTIONS

### DR. GLORIA DUFFY

Welcome to today's joint program of the Commonwealth Club and the Mineta Transportation Institute. This is an update and discussion of plans to bring Bay Area Rapid Transit (BART) to San José and the South Bay. We'd like to thank our cosponsors, the California Department of Transportation, District Four, and the California State Automobile Association for joining us in hosting the program.

In January of this year, it became apparent that, due to funding challenges and competing priorities for transportation dollars, implementing the plan to bring BART to downtown San José would not be as smooth as anticipated. So the Commonwealth Club, the Mineta Transportation Institute, and our cosponsors decided to hold a public forum on the issue of BART to San José. Our purpose today is to explore the issues of transportation funding and priorities that have arisen as our state and our valley have moved through an economic downturn in which dollars are not available to meet all transportation needs as rapidly as we would like.

There are several parts to this afternoon's program. We want everyone to start off with the same base of information about where the plans are in bringing BART to San José. We have asked Carolyn Gonot, chief development officer for the Santa Clara Valley Transportation Authority (VTA) to begin the afternoon by providing a briefing on the effort of planning for the project. When she finishes, we will move into a panel discussion with presentations by several area leaders who are knowledgeable about BART and the related transportation issues. We are very grateful to have George Sampson of KLIV Radio here to moderate that discussion.

The audience will be encouraged to ask questions of the panelists, and Irene Sampson, who is past president of the League of Women Voters of Santa Clara County, will sort and select the questions to be posed.

Following the questions, the panelists will continue the discussion on the next steps needed to move ahead in the decision-making process on BART and related transportation issues here in the South Bay, and how consensus might be reached on some of the thorny issues involved. Finally, we will have our keynote presentation by Will Kempton, Director of the California Department of Transportation.

We look forward to a lively and informative discussion on this topic crucial to the region's economy, and we thank you all for participating. Now, let me turn the program over to Rod Diridon, executive director of the Mineta Transportation Institute.

## **ROD DIRIDON**

Thank you, Dr. Duffy. The Mineta Transportation Institute was created by Congress to handle these kinds of tough issues. We are tasked with the responsibility of doing studies of problems that may have become embroiled in controversy or are in some way stuck in the process and haven't been able to move to a conclusion. We have done these transportation Hot Spot Forums in such notable areas as the Highway 101 corridor between Marin and Sonoma Counties, the California High-Speed Rail project, a prior forum on BART, and recently a forum on the Bus Rapid Transit Corridor between Oakland and Contra Costa County.

The format that we follow is first to identify the issue and then to bring together a balanced panel that will work collegially towards the conclusion. We seek panelists who are respected by their constituencies and who have an ability to communicate effectively with those constituencies. At the end of the debate, after the issues have been looked at from all different perspectives, we ask to see if they can come to a conclusion as to the next step. There is no binding effect on anyone except for the peer pressure, or potential of it, by the fact that the results are communicated to the public through you here today, through the Commonwealth Club communications with their various media, and through the Mineta Transportation Institute's responsibility to report to the various levels of government related to transportation.

To introduce the first presentation is Trixie Johnson, research director of the Mineta Transportation Institute.

## **TRIXIE JOHNSON**

I get to introduce George Sampson, the news director and the morning voice at KLIV, 1590-AM. KLIV presents substantial news coverage of local transportation issues and seeks out various points of view, and is known for frequent Silicon Valley traffic reports. Mr. Sampson has been broadcasting for over 30 years, starting as a traffic reporter for the former San José radio station, KXRX. He has served as instructor of journalism and mass communications at both San José State and Santa Clara Universities. Besides his work at

KLIV, he is involved in grass roots community media, serving as station manager for KCAT, the public access television station in Los Gatos.

## **GEORGE SAMPSON**

Our first speaker is VTA's chief development officer, Carolyn Gonot. Carolyn is responsible for directing and coordinating the functions of the Development and Congestion Division including planning, highway administration, the congestion management program, grants management, marketing, and customer service. Prior to this appointment, Ms. Gonot served as the deputy director of the Congestion Management Program at VTA and has been employed at VTA since 1996. As deputy director, she administered activities and developed policies relating to the long-range countywide transportation plan.

Ms. Gonot worked for transportation consulting firms before joining VTA; her education includes a bachelor's degree in civil engineering from the University of Notre Dame, and a master's degree in civil engineering from Pennsylvania State University. Carolyn is a member of the WTS San Francisco Bay Area Chapter and served as president of the chapter in 1998 and 1999.

## **CAROLYN GONOT**

I am going to do a brief presentation about the BART project, but first I want to introduce Ann Jamison with VTA. Ann is deputy director for the Congestion Management Program and Transit Planning, and she is currently the project manager for the BART planning and environmental phases.



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## PROJECT PRESENTATION

### CAROLYN GONOT

Santa Clara Valley Transportation Authority (VTA) is an independent special district created in 1995 as a multimodal transportation authority. Most of you know us as a bus and rail operator in the county. We do bus, light rail, commuter rail, shuttle and paratransit operations. We also plan and provide funds for both pedestrian and bicycle projects. We have highway planning, engineering, programming, and construction management activities within the agency, and we are also the Congestion Management Agency for Santa Clara County. We have a twelve-member board that is appointed from local city councils and the Santa Clara County Board of Supervisors (BOS).

Just what the BART project does, and what the VTA board has been dealing with for a very long time, is address the problem of the transportation system capacity in the corridor from Fremont to San José. This [area] has two very severely congested corridors. The southbound direction of I-880 was the second highest congested corridor in the region in 2003, and southbound I-680 was the eighth most congested in the region.

There is a lot of growth projected in this corridor. From 2000 to 2025, there is an expectation of 39 percent more jobs and 27 percent more households within this county, but the roadway expansion options are limited. VTA has been looking at how to alleviate some of the traffic in one of the most congested corridors in the Bay Area to accommodate the future travel demand and enhance regional connectivity through transit. This corridor represents a gap in the regional rail network. What currently serves this corridor is primarily VTA's express bus service into Fremont. There is also some service through the Altamont Commuter Express and the Capital Corridor rail services, which are limited as well.

There have been previous BART studies done over time, as early as the 1980s with a Fremont/South Bay corridor study, which led to both looking at the BART project as well as the Tasman light-rail project, which is now complete. VTA then reinitiated a major investment study (MIS) in 2001, which is the first step in the Federal Transit Administration (FTA) process to go after federal funding. This study enables decision makers and communities to focus on a range of potential solutions. It provides technical information, both about mode and alignment options, the capital and operating cost estimates and engineering and environmental constraints. The MIS evaluated a number of

alternatives, everything from a bus way, commuter rail alternatives, diesel light rail, the light-rail type of service we have now, and BART. Five alternatives were eliminated due to environmental and land use issues. The remaining alternatives compared the ridership, capital, operating, and maintenance costs among them, what the land uses were, socioeconomic/environmental impacts of each of them, the financial strategies that could be used to actually deliver them, and the ability to meet the goals that were just talked about to address the problem. There was an extensive public outreach program, and BART was chosen as preferred investment strategy in November 2001 by the VTA Board of Directors.

The BART alternative provides regional connectivity with no transfers to BART, and that's been very important. That shows that we captured quite a bit of ridership by just providing no transfers, a seamless ride into the East Bay as well as over to San Francisco. It has the fastest travel times compared to any of the alternatives that were studied. There is significant carrying capacity, the highest amount of ridership, and the greatest amount of congestion relief. There's a significant transit-oriented development opportunity where the stations would be. The support for the BART extension remains very high with the voters in Santa Clara County.

Just a quick overview of the project that has gone into conceptual engineering: it's a 16.3 mile extension of the existing BART system. It begins at the Warm Springs Station, which is a planned station by BART, which is currently working on a project from Fremont down to Warm Springs. It serves Silicon Valley, Fremont-Milpitas, San José, and Santa Clara; it's fully grade separated. There are 4.8 miles of subway, mostly in the downtown San José area; it includes seven stations plus a future station option, intermodal connections in a variety of places. It would provide for six minute headways with the Richmond line on BART being extended as well as the San Francisco line, and it would require a new maintenance facility at the end of line, which would be at the Newhall site in San José. The total cost of the project is \$4.2 billion in 2003 dollars; that estimate is currently being revised through the preliminary engineering process.

A quick overview of each of the stations: the Milpitas station at Calaveras would have medium-density residential and heavy industrial. It would serve Milpitas City Hall, the community center and their library. The other station, which provides direct access to our light-rail system, is the Montague-Capitol station. Milpitas has a vision study right now that's ongoing. It is an intermodal transfer center; we've actually had a lot of ridership since we opened up the light-rail station, and we expect good ridership should BART come in. It serves the Great Mall, and there will be a hotel in The Crossings at Montague,

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which is a high-density housing development right near the Great Mall. The East San José stations include the Berryessa station that's located near the San José Flea Market. The Berryessa station would include single family and high-density residential and some light industrial development. The Alum Rock station currently is industrial, low-to-medium-density residential, and some high-density residential. It would be an intermodal transfer center, primarily serving Line 22 and the new Downtown/East Valley corridor.

The downtown San José stations are the Civic Plaza/San José State University (SJSU) station, where there are single multifamily residences and also some commercial in this area. It would serve SJSU, which is growing and expects to continue to grow in the future, and the new San José Civic Plaza. The Market Street station serves the downtown high-density business district, office and general commercial with medium-density residential units. There are several theaters in the area, major hotels, and San Pedro Square. The Diridon/Arena station has been looked at through the Diridon/Arena Strategic Plan. It is a regional intermodal transfer center. In fact it would actually house more rail connections than even the TransBay terminal in San Francisco, and it also is very near to the HP Pavilion. The Santa Clara station at the end of the line is a mix of public office, commercial and industrial uses currently. It would serve the Santa Clara County Caltrain station, Santa Clara University, would have a connection to the Mineta San José International Airport, and is also in very close proximity to the maintenance yard and the shop facilities for the BART system.

The project status as of today is that the EIR (environmental impact report) was certified at the end of 2004. We took that through just the state environmental process, and we are in the process of working on the federal EIS and the final report there. The environmental findings show the significant impacts primarily are related to construction and for traffic in the downtown San José and Milpitas area. The environmental findings included beneficial effects. There are access and mobility improvements, enhanced regional connectivity, reduced congestion on highways and the supporting road networks, particularly the parallel networks in the corridor, improvements in air quality, and support of local economic and land use plans. The ridership expected is 83,600 average weekday riders on this segment; the new transit ridership figure is 39,300—that's 39,000 new riders that currently do not take transit. The daily travel time savings are about 67,000 hours per day. Over 25,000 peak period trips are removed from the freeway, and improved air quality based on our model results is very high. This actually provides an additional transit option to the transit-dependent, low income, and minority populations, particularly those in East San José, and mobility and access is increased to jobs and services.

Thirteen percent of all households in this area do not have access to a car, and so they use transit quite a bit. This actually allows them to increase their options of where they find jobs and their ability to spend time more productively. Thirty-two percent in this area have access to only one car. Minorities are more than 60 percent of residents along the alignment; 11 percent of the households currently live in poverty, and these low-income populations are mostly focused in the east and downtown San José areas.

The environmental process is still ongoing. This year we're doing a review of all the value engineering proposals. We are, toward the latter end of the year, preparing a revised draft EIS, which is the federal document under NEPA and a supplemental EIR. We will then next year circulate the draft supplemental EIR and federal document. We expect to prepare the final near the end of 2006, release the final in November, and have board certification of the supplemental EIR and EIS in December. In February, we hope to have a Record of Decision from the FTA.

Currently, we go through an FTA process every year where we are rated with all the other projects across the country competing for federal new starts funds. We are currently not recommended based on the rating on operating funds. When Measure A was passed in 2000, there was an expectation that we would have operating funds at least through 2014 to support the Measure A program.

With the downturn in the economy, our sales tax revenues have decreased substantially, and so our estimate of the sales tax has dropped substantially as well. We are looking at a shortfall for operating funds, not so much for the existing system, but primarily for any future expansion of our services, whether it would be for BART, light rail, or bus. The project does score very well in environmental benefits; we get a medium-high rating. For the transit support of land use, we get a medium-high rating, and for local capital funding, we get a very high rating because it's a potentially 80 percent match by state and local funds to the federal funds. The ratings occur annually and are updated to reflect new information.

One of the things we have recently had agreement with the FTA is the analysis of the project. What VTA and FTA have looked at is that the VTA would build the entire 16.3 mile project, but that FTA will evaluate providing funding for a segment of the project. They would participate in what we call the federalized segment, Warm Springs to Berryessa, and the project evaluation will be based on this funded portion of the segment.

This is something that had been recently in the news, and what that means is that our ridership, cost estimation, all of our rating criteria is just based on that segment from



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Warm Springs down to Berryessa. When we move into a full funding grant agreement with the federal government to get new starts funding, we would have that for the entire project, but their participation would be limited to the Warm Springs to Berryessa segment.

The capital funding for the project is supported by the 1/2-cent sales tax and Measure A. It's also included in the 2001 Regional Transportation Plan; it needs to be included in that plan to be considered still in the new starts funding arena. Total cost is \$4.2 billion dollars; the Measure A portion is \$2.6 billion. The traffic congestion relief program, which is the state program out of Prop. 42 funds that was set up by Governor Davis; that program's allocations have been suspended for a while, that's \$649 million. Federal new starts dollars are estimated at \$550 to \$750 million. Prop. 42 state dollars, after 2008, are assumed at about \$107 million dollars, and then other funds would be between \$84 and \$284 million. Currently that other reflects the decrease of what we were originally assuming with the federal new starts; we were looking at close to over \$800 million, and we have been working out with the federal government to lower that request. We do think we'll be able to do that, through a variety of mechanisms, primarily value engineering.

The other issue is whether you take more out of Measure A, or if we pursue something new, the public-private joint development at stations. We have not actually done an analysis of that revenue, but we know there would be revenue coming in on that, and then taking a look at the benefit assessment districts. The development of a long-term transit capital investment strategy is to deal with primarily the operating shortfall for BART, though the actual long-term transit capital investment meets a number of objectives. One, it would allow us to deliver the 2000 Measure A program, and second, it would allow for bus and light-rail service increases, and provide for operation of new transit services. This would include BART, any new light-rail extensions, any new expanded services of buses, and maintain existing and future capital requirements that we would have over the next 30 years.

We have just finished going to most of the city councils and the board of supervisors and getting positions on the draft long-term transit capital investment program. Our VTA board will be meeting at a workshop tomorrow to actually discuss this. We did see there wasn't strong support for a 1/2-cent sales tax; there is interest in a 1/4-cent sales tax. The Silicon Valley Leadership Group had come out with their poll regarding a 1/4-cent, and there was discussion at the various city councils regarding a 1/4-cent tax. There were issues about federal and state funding concerns and about the monies that we're assuming and the rate that we were assuming it coming in. We are revisiting that, and bringing up more

modest proposals for how the federal and state dollars will come in, based on what is happening at the state and federal level. And the last point was is that there is continued support for the BART project. I think the message we were hearing is that we support BART but we don't want it to be instead of everything else, or we don't want to not serve the rest of the community's needs. That was one thing we heard from quite a few of the city councils, particularly those where BART does not directly have stations.

Just a quick update of where we are with the preliminary engineering—we're in 35 percent design. This will help further develop the facilities and systems design efforts and analyze the system function and operations. We have the value-engineering analysis going on, that actually allows us to find cost saving measures, and/or operating and construction efficiencies, and it also helps to enhance the project design. We've got a lot of good teams working on this. There's a risk-management evaluation, which evaluates all the project construction risks, and this is something that FTA now requires. VTA has always done this on their projects, and it also will allow us to develop the management techniques for delivering the project. We are in preliminary engineering; final design would begin at the beginning of 2007 and finish at the end of 2008. Construction would begin in the beginning of 2008. That's mostly utility relocation on those items, and hopefully with completion by 2015. That concludes my presentation on the project.

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## PANEL INTRODUCTIONS

### GEORGE SAMPSON

There are few local issues that have stirred as much controversy as the one we are discussing today: the proposed BART extension into San José. Those who favor it see it as a long overdue and a very necessary component for the valley's transportation infrastructure. Those who are opposed cite a number of reasons, ranging from the cost to a growing skepticism of how the entire county would ultimately benefit from a transit system with tracks that extend to just a few of the county's cities. Our goal today is formidable—to try to reach consensus on this issue, if that is possible. To do so, we have brought together people with varying points of view.

Carl Guardino, Silicon Valley Leadership Group president and CEO, is an advocate for BART. The Silicon Valley Leadership Group is a public policy trade association representing 195 of the valley's largest private sector employers. Among his political achievements, Mr. Guardino managed the successful traffic relief initiative known as Measure A and B, back in 1996, and codirected the November 2000 Measure A initiative to bring BART to Santa Clara County.

Also on our panel today is Morgan Hill mayor Dennis Kennedy. He served two terms on the VTA Board of Directors and presently is an alternate member of the VTA board. Mayor Kennedy has lived in Santa Clara County most of his life, and earned his bachelor's degree in mechanical engineering from Santa Clara University.

Also joining us on the panel today is Sunnyvale vice mayor Ron Swegles, who was elected in 2003. He serves on the VTA Policy Advisory Committee. Prior to his election to the city council, Vice Mayor Swegles served on the Sunnyvale Planning Commission and he has long been active in the community.

San José vice mayor Cindy Chavez represents downtown San José, which the proposed BART extension would serve. She currently serves as Vice Chair of the VTA Board of Directors. Prior to her election to the San José City Council in 1998, she served as staff director of Working Partnerships USA and as the director of education and outreach for the South Bay Labor Council.

Each panelist has been asked to offer a 10-minute presentation or statement that addresses three basic questions: 1) What is your vision of BART? 2) What would your view be of the

best way for the county to address BART in terms of ridership and costs?, and 3) What would your vision be for funding BART with local, state, and federal dollars compared to the alternatives? So with that, we begin the discussion with Mr. Guardino.



**Figure 1** Audience at *BART to Silicon Valley—What's Next?* Discussion Forum

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## **SURVEY PRESENTATION**

### **CARL GUARDINO**

The organizers asked me to review the transportation survey data that you heard mentioned by Carol Gonot. But first some background. It is important to make sure that the mechanism and pollster are strong. For 25 years, we have used Jim Moore of Moore Methods. The sample size was 1,000, which is twice the normal sample size for a statistically valid survey. Why did we do that? First, it gives us a more statistically accurate sample. Instead of a 4.8 percent margin of error with a 500-sample size, we get a 3.1 percent margin. Second, we wanted to make sure he had statistically valid data not just at the countywide level or the five supervisorial districts, but down to the midsize city level.

I'll mention just a little bit more about Mr. Moore. In the 1996 Measure A and B campaign, three months before Election Day, he said with his polling that if we did everything right, we could get 52 percent of the vote. Election Day came and went; the actual results were 51.8 percent, within 1/5 of 1 percent of accuracy. On the 2000 measure, his polling indicated 71 percent support and the Election Day result was 70.4 percent.

This survey was commissioned by the Silicon Valley Leadership Group, San José-Silicon Valley Chamber of Commerce, Central Labor Council, California Alliance for Jobs, Building and Construction Trades Council, Association of General Contractors, Amalgamated Transit Union, and CELSOC. This was a long survey, about 30 minutes.

The first set of questions was the pollster trying to figure out the very legitimate question: is there buyer's remorse? We all recognize that 2000 was a different time economically in our valley so the question asked after reviewing each ingredient of the original Measure A was: "In hindsight, how would you vote today, five years later, if you could do this over again?" We've all heard legitimate comments from very well meaning people that if folks had a chance to do this over again, because of the economy, because of any other circumstance, that they wouldn't vote for this again.

The fact of the matter is they would vote yes by either the same margin or even slightly better. You may recall on Election Day the no vote was 29.6 percent. Today, 26 percent say they would vote against the measure; the yes vote then was 70.4 percent, today 69 percent. If you take the 5 percent undecided, and even split that in half, let alone the ratio of no to yes, we win by a higher margin today than we did in 2000. The lesson—the improvements

in the measure truly are what our residents want to improve our transportation system in Santa Clara County.

What our pollster then did in a very painstaking way was to remind those 1,000 respondents that this was a very different economic time, that economists for the VTA predict that we could have as much as 30 percent less revenue, and because of that, decisions will need to be made in terms of prioritizing. He gave the capital construction costs of each improvement, the operating cost of each improvement, how those operating costs would add up during the life of the measure, what percent that improvement meant to the whole amount of money you had. He basically gave them a shopping cart and a wallet with a finite amount of money and said, “That’s all you have to spend, what are your priorities?”

After walking them through the eight biggest improvements in the measure, BART was number one; senior citizen/disabled service and clean fuel buses were number two; increasing Caltrain service (that’s the double tracking, the grade separations, station improvements and more train sets) was number three; the people-mover link between San José International Airport, Santa Clara University Caltrain station, and the future terminus of BART was number four; electrifying Caltrain from diesel to electric was number five; increasing our current bus and rail service operations was number six; a new light-rail line from downtown San José to East San José was number seven, and two new unidentified lines throughout the county were number eight.

What he then did to be even more precise was to pit every single project against every other project. For time reasons, he combined Caltrain, both the service enhancements as well as electrification, and did not test the people mover to San José International Airport. So this is the top six projects, in terms of cost and scope, head-to-head against each other—BART against two new light-rail lines: 68 percent preferred BART, 23 percent light rail; BART or Eastside light rail: 71 to 22; BART or Caltrain: 59 to 33; BART or increasing existing bus and rail service and operations: 57 to 37; BART or senior citizen/disabled service: 2 to 43.

So, testing everything against everything else, what happened? BART is still overwhelmingly the top priority, and senior citizen/disabled service is still number two. A big change—people recognize that we have to operate the current bus and rail service. It’s not just new capital projects, but operating what we have, especially for our most transit dependent. That was number three. Caltrain combined was number four, and then the two

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new light-rail lines, instead of being at the bottom, are fifth, and Eastside light rail was number six.

Our pollster then did the only two push questions in the entire poll. His were negative pushes, and they were about BART. The first, “BART won’t happen for 20 years, if ever. They won’t get the state funds, they won’t get the federal funds, so why don’t we use those dollars for other improvements?” Then he listed all the other improvements. With that, 5 percent had no opinion, and 39 percent said, “Spend the money on the other projects, drop BART.” Fifty-six percent said, “Even under that scenario, we want you to spend the money on BART.”

Second question, “Should BART stop in Milpitas? We save \$2 billion dollars; we can use those savings for other purposes.” Then he listed all the other purposes in the measure. What happened there? Five percent had no opinion; only 20 percent of county residents said, “Stop in Milpitas, save money and use it for the other improvements.” Seventy-five percent said, “Build it all the way to San José and Santa Clara.”

The survey book is huge and you can cross-tabulate results in many ways. One is by jurisdiction, and that’s important for decision makers to know countywide where people are, as well as in their own communities. For Measure A dollars today, BART is the top priority of county residents. It’s the top priority in all five supervisorial districts; it’s the top priority in all 15 cities and towns, including Morgan Hill and Gilroy, where it’s tied with Caltrain. For Measure A dollars, BART is the top priority in all four congressional districts that represent Santa Clara County; it is tops in the four state senate districts in our county and our seven state assembly districts. It’s number one, all by itself in six, and tied in the seventh, the district that covers Gilroy.

That was an overview of a very long survey. During Q and A, I would be happy to speak more.





## PANEL PRESENTATIONS



**Figure 2 BART Forum Panelists (from left to right: Chavez, Swegles, Kennedy, Guardino, and Sampson)**

### **DENNIS KENNEDY**

We were each asked for our vision for BART, and I'd like to tell you what my vision for BART is, and has been for many years.

In my early years as an engineer, I happened to work in San Francisco during the time when BART was being constructed under the bay and under Market Street in downtown San Francisco. It was an extremely disruptive process for the city of San Francisco, but over the years we've seen that the disruption was really worthwhile. I have supported the BART extension to San José from day one. The reality is that today we're living in a different world. The economy has changed: thousands of jobs have been lost, job centers have shifted, and very important decisions have been made and actions taken with respect to BART to San José that would be really costly to change. As Carolyn Gonot mentioned, the environmental impact process is essentially well underway; it's been approved for the state funding. The MIS was completed prior to that; we're in conceptual engineering. To change direction radically at this point in time would be extremely costly. However, it makes sense to look at less costly ways to bring BART to San José and Santa Clara.

A proposal was brought forth to the VTA by the board of supervisors to study alternatives to the extremely expensive plan to underground BART from Alum Rock to San José and Santa Clara. This study could have led to finding ways to reduce costs for this segment of the project. Unfortunately, the study was rejected by the VTA board on a very close vote. I truly believe that the more knowledge we have, the better decisions we can make. Additionally, I believe that our voters will make the right choices when the alternative actions and the information that they need to make those decisions are brought before them. Recently, the FTA and VTA have agreed to allow the VTA to split the project into the minimum operating segment (MOS) and to calculate the cost per hour of user benefit, which is the criteria that the FTA uses for funding. They allowed the segment from Warm Springs to Berryessa. Clearly it makes sense to move forward with this segment.

It is not clear what is the most cost effective way to build a segment from Berryessa to Santa Clara, nor is it clear how to fund it. As a representative from Morgan Hill, I am very concerned that the projects that benefit South County, such as Caltrain [and] the reverse commute that is needed, that require double tracking, Bus Rapid Transit, express buses, zero-emission buses, and other regional surveying projects, are not cut or deferred to fund an extremely expensive Berryessa-to-Santa Clara segment. Our city's position, from a letter that our city council sent to Carolyn Gonot at the VTA, expresses the City of Morgan Hill's position: "The proposed program relies on the premise that revenues from a new permanent 1/2-cent sales tax would become available in April 2007, thus delivering all projects in the 2000 Measure A program. Under this scenario, the BART expansion through San José to Santa Clara is a top priority and will be completed in 2015. Other projects in the Measure A program that benefit the more rural portions of the county, such as Caltrain service upgrades, Caltrain South County service upgrades, Caltrain electrification, zero-emission buses, etc., won't occur until the latter half of the 30-year expenditure program."

As you know, the recent public opinion survey revealed that South County voters value Caltrain equally to BART. While the city of Morgan Hill supports the goal of bringing BART into Santa Clara, it does not want to see the BART extension constructed at the expense of other transit projects in the transit capital expenditure plan, or projects in VTP 2030 for that matter. Further, cities receiving enhanced, higher-cost benefits from BART should provide some financial contribution. The portion of BART from Alum Rock to Santa Clara is planned to run underground. To the extent that this is not the most cost effective approach, then the city advocating and benefiting from enhanced configuration should develop a local funding mechanism to pay for the gap between the most cost-

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effective approach and the selected approach. In other words, the remainder of the cities and counties should not forgo transportation improvements that would benefit their residents at the expense of providing a higher-cost benefit to residents of another city.

Another major point: should the new sales tax not come to fruition due to lack of sufficient voter support, the expenditure plan will be facing a significant financial challenge. What will be the backup plan if this occurs? The spending priority as mentioned above will become the primary issue to be debated. VTA should have another consideration, a backup plan in the event that the permanent 1/2-cent or 1/4-cent sales tax fails. Another key benefit of developing a backup plan is that the choice becomes more clear to the voters, who would essentially be voting on either the A or B package of improvements. In this way, the public is aware of the consequences of failing to pass the sales tax measure.

Finally, I think it's critically important that we come together to see if we can find a solution that works for all of Santa Clara County. The FTA in their requirements have outlined the requirement to study and fund only the segment to Berryessa. In order to get the approval for a 1/4-cent sales tax, we have to look at all the options; we have to study more cost-effective ways to bring BART to San José and Santa Clara.

## **RON SWEGLES**

My role and responsibility as Sunnyvale's vice mayor and member of the VTA Policy Advisory Committee (PAC) is through the county, not just through the city of Sunnyvale. We can no longer factionalize our approach; we must reach consensus and work together to shape the transit future. Sunnyvale supports building consensus on a workable version for BART through the action of the VTA PAC and with the technical assistance of the transportation and professionals in the county. The city of Sunnyvale supports its concept of BART and supported 2000's Measure A that included BART. But as you have heard, financial concerns have changed dramatically since Measure A passed, and the original plan is now not sustainable. We still support a countywide sustainable transit capital-improvement program, funding support by a consensus of Santa Clara County cities and the county. Sunnyvale actively participates in VTA. Mayor Chu serves on the board and our Public Works director and transportation managers are on various technical committees.

Public transit is a countywide need. Carolyn informed you that current plans cannot be achieved in terms of costs. Voter and federal support for additional funding on VTA's current 1/2-cent tax plan is questionable at best. Developing a new plan based on

consensus is essential. And the structure for that plan is in the works presently through the VTA board. VTA is prepared to conduct comprehensive market segmentation and system planning studies that, if done on an all-inclusive basis, will provide important information to help determine what is to be included in the new plan. A plan with consensus support of county, its cities, and voters has the best chance of being funded. Political consensus is vital to achieve federal and state support. To achieve consensus, and get funding, all jurisdictions need to be willing to negotiate and give. We must work together on compromise; we can no longer afford to be harboring independent views. Sunnyvale has shown a willingness to give on its position, on specific service needs, such as light-rail service to our downtown. In order to help achieve consensus, all jurisdictions must be willing to offer compromise

### **CINDY CHAVEZ**

I'm the vice mayor of the City of San José, and I'm also the vice chair of VTA. My vision as it relates to BART is very simple. The city of San José and this county, in order to maintain a competitive edge in the new economy, are going to continue to be globally and regionally connected. We need to be a place that people can get from Point A to Point B. In terms of ridership, this is very important. When we go out and talk to people about transportation, what we hear people say is they want transit; they want more buses, even if they're not going to use them. Why? Because they think if someone else gets on them, it's going to make the road easier for them to move from Point A to Point B, and because they know it will improve the quality of life and the air quality and a whole bunch of other things for the region overall. And that's why we need to think very holistically about the decisions we make and the kinds of precedent we set in terms of how we move forward.

Let me give you an example. We now know that, even with a 1/4-cent sales tax, we're not going to be able to build everything; we're not going to be able to operate everything, and we're going to have to make some tough choices. We have a lot of people in the community who have been telling us you can't let BART swallow up all the money; you can't let San José hog it all up—we have to have regional equity. And that we ought to be electrifying Caltrain. BART will get 89,000 people daily. If we electrify Caltrain, we will improve ridership by 6,000 a year. Now I'm not saying that's not a reason to not do it. I'm saying that we have very tough choices before us, and the issue around Caltrain electrification is important because that's about air quality and quality of life. Now I'm not

suggesting that people that live within breathing distance of Caltrain ought to pay more than people who are living in San José.

I think if we start to parse this up, as if there are primary beneficiaries only related to where people live, we're going to have very serious problems, not just reaching consensus, but long-term continuing to build out the infrastructure that one of the most important economic regions in the world can benefit from. Now I believe that both Dennis and Ron, and my colleagues on VTA, all want to figure out the very best way to continue to grow this region in a healthy way, and I believe that people of good faith and good will can come together and have these very tough discussions. I just think that we have to make sure that what's good for the goose is good for the gander, and it's a very tough discussion to have.

Let me just give an example. We just opened up light rail on Capitol Expressway. Our light-rail numbers have gone through the roof. Why? Because the most transit-dependent part of this county lives east of First Street in San José. It's Milpitas, and it's the east side of San José; that is where our transit-dependent population lives. Where did we begin to build light rail? Not there. Now as budgets are getting tighter, we're asking what can San José have and was it right to spend so much money on the East Side. It was, depending on the matrix that you choose to use, in terms of how you evaluate whether or not we ought to be moving forward with BART and light rail on the East Side.

Now for the city of San José, what do I know that means? I know that means we need to be willing to give something up—we do. What that is, I don't know, and I'm ready to have that discussion, but my expectation is that people all over the county will feel that same way, and there are some regions that have been ignored and really need support. One of those, for example, is South County. Part of the reason that Caltrain is so important, and bus service, out there, we've ignored that part of the county, and it is also enormously transit-dependent. We have to think about this as regional leaders, not just being institutionally interested in the cities we represent, but looking at our roles countywide.



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## **PANEL QUESTIONS AND ANSWERS**

### **GEORGE SAMPSON (MODERATOR)**

What evidence do you have that BART will relieve congestion? My studies show that BART did not relieve congestion on the Bay Bridge or trips to Walnut Creek.

### **CARL GUARDINO**

We have to remember that transit of all types, including rail transit, doesn't necessarily relieve congestion. If you think of the great urban centers of the world, Paris, London, Rome, etc., it's not necessarily that they have free-flow traffic, it's that they have an alternative to the traffic congestion, a rail transit alternative. BART is a great example of that. No matter what we build, just as with any area in the world, you don't have free-flow traffic. You have a dependable alternative that is quick, efficient, and time certain for residents looking for an alternative to the automobile.

### **DENNIS KENNEDY**

I don't see it as significantly relieving traffic in South County. It will benefit South County residents because it will allow South County residents to drive up to get to a BART station, go to San Francisco or Oakland. It will help us to a certain extent directly, but I think the benefits to South County will be more indirect; it will take other riders off the road, and make overall congestion relief improved.

### **RON SWEGLES**

In regards to the ridership, I think that as we see the cost of gas continue to rise, we'll see the ridership also rise. As our costs do increase, and especially for those that are traveling from the Modesto area and Tracy, that those dollars are going to be looked at, and we're going to need to have the transportation available to them.

**CINDY CHAVEZ**

I would just add that I think having options to get from work to home that are convenient is very important to whether or not people will use it. Any time we take a car off the road, we're doing something to improve air quality and doing something to improve someone else's ability, who can't use that same mode. I think we have to think about it from that perspective as well, but I think the most important thing is people need lots of options to get from Point A to Point B, because we do want to be very connected and very convenient.

**GEORGE SAMPSON**

How will the project promote development around the stations like the BART Fruitvale transit village?

**CINDY CHAVEZ**

One of the things that we're doing in the City of San José are Specific Plans and Master Plans around areas that we know can have transit-oriented development. In the Five Wounds area, we have already done the first blush of a community process there to look at increasing densities. Berryessa is also beginning a long-term planning process so that we can intensify development. It's very important, from a financial perspective as well, because state legislation will allow the VTA to be an investor and a participant in the market in these areas, which will allow for more money to be put into our system.

**RON SWEGLES**

Well, I had a chance to see the Fruitvale station and it was very impressive, and I would hope that we could duplicate that to some extent in some of the other areas in either San José or Santa Clara.

**DENNIS KENNEDY**

I think any transit stop, whether it's Caltrain or BART, has the great potential to do transit-oriented development housing. More and more of our population, as the cost of fuel



goes up, want to have an option to be able to get to and from work or shopping or whatever, their home, without having to rely on the car. Having transit-oriented development around stations provides a lot of opportunities to do that.

### **CARL GUARDINO**

One of the great benefits of BART is that it allows density at those stations that we all know we need for compact land use patterns. When you're doing fixed rail, especially heavy rail like BART, it provides you the political ability to have that type of density approved because of the great return on that investment. Obviously, you don't get that out of roads; you don't get that out of a bus stop; regrettably, you don't get it out as much of light rail—a little bit more for Caltrain—but BART, as we have seen throughout the region, provides those greatest opportunities. BART is not only smart for today, following our current land use patterns, but for 2025 as we plan for the future.

### **GEORGE SAMPSON**

If the BART project goes over budget, are there any protections to prevent BART from taking money away from buses and Caltrain, [and] how would these be enforced, once we have a big hole in the ground with a half-finished BART?

### **CINDY CHAVEZ**

I think that part of the importance of having a VTA board that is represented countywide is that we're the ones who need to be held accountable for that. One thing you may not know is that we opted here, in Santa Clara County, to actually have VTA build the BART system and not have BART do it, because we have a better track record of building on time and on budget. I think we took that leadership because we wanted to make sure we didn't end up in a situation where we were writing a blank check to anyone else, especially people who are not accountable to the citizens of this community.

When we took the first vote in 2000, the sky was the limit, and we put on a whole bunch of things that we thought we were going to be able to fund, and now we find out that we can't. Part of what we're going to have to do is pare down some of those projects and make decisions about which of those projects move forward and which of them don't. Critical to that is how we make sure that we can maintain operating with some security blanket. For

example, this year the VTA will have a 15 percent reserve, which has been our goal. It's actually about 14 percent of our operating dollars.

The other thing to remember is we can't go to the federal government under any circumstances and tell them that they should trust us with the funding. We have to be able to demonstrate that we can pay on an ongoing basis for operations, and not only for BART, but I think our local community wouldn't allow us to not spend money on bus and light rail and other things. The VTA board will have to be accountable to the community and to each other to make sure that happens.

### **RON SWEGLES**

One of the things that the city of Sunnyvale wants to work on is a consensus, and if we have a consensus in regards to how the transportation is going to look, then it will also be a consensus in regards to how the money is going to be spent on different projects. So we don't want to see that hole in the ground. What we want to see is overall funding so that we have the monies—that we will not have to go back to the voters again and again.

### **DENNIS KENNEDY**

Well, the big hole in the ground concern about funding for BART is a real concern of mine. I think somehow we need to find a way to earmark funds for other projects, so that, should that occur, the other projects are not penalized for the problems that BART might encounter. One possible way to do it is segmented BART, in which each phase of BART kind of pays its own way, and you do it piece by piece so that you're not faced with this big empty hole in the ground. You've got operable segments that each stands on its own merits.

### **CARL GUARDINO**

Let's think about the track record of VTA for a moment. On time and on budget isn't rhetoric; it's been reality. The 1996 Measure A delivered during the worst economic downturn in the history of Santa Clara County. Those 19 road and transit improvements are all coming in; we're about \$18 million dollars away from a \$1.5 billion dollar package in spite of this economy.

When you do bold things, you think bold and visionary. I hear often, the state's not going to come through with the money. Governor Schwarzenegger and the legislature, last year when they were cutting \$8 billion dollars out of the state budget, they added another \$17 million for BART to Santa Clara County. He, his Business, Transportation and Housing secretary and his Caltrans director, have all said this is a huge priority for the governor. It's also a huge priority for the legislature. It's not going to be all at once. It wasn't even going to be in rosy times, but they're coming through. On the federal side, because of the leadership of Dianne Feinstein, Senator Boxer, and our entire congressional delegation, we're making wonderful progress—incremental allocations made each of the last four years, not a lot of money, but keeping our foot in the door for federal funds.

What the Federal Transit Administration released just a week or two ago is fantastic. Think about what they said—build BART all at once. That's the agreement that we're approaching; build it all at once, all 16.3 miles. But to make sure that we all meet what our goals are in a tight time budget wise, apply the federal match to those first nine miles, the same time you're building the whole line at once. The last 7.3 miles, since we have such a tremendous overmatch of local funds that we don't need to draw down the federal dollars on their portion, we can use more local funds there. We build it all at once, 16.3 miles delivering what voters wanted.

Why do we have a problem with phasing? Phasing, even a five-year phase, adds a billion dollars to the cost. Second, some of the folks saying, why don't we phase? are also saying they'd never support a new measure, so they're saying they're going to block any new way to provide money.

## **GEORGE SAMPSON**

Berkeley paid for its four-mile, three-station tunnel through their city because that tunnel benefits only the city of Berkeley, not the region. Why can't San José pay for its four-mile, three-station tunnel? As routed, the SP line would be much cheaper, even with the environmental mitigations, and finally, how much would be saved by elevating BART through downtown San José, instead of by tunneling?

## **CINDY CHAVEZ**

Let me respond in general, and then Ann [Jamison] you should probably come up, but let me just speak to the issue about tunneling only benefiting one city. I don't believe that's

the case for a couple reasons. What makes BART so efficient is that it's fast. If it's at grade, it's difficult for it to be fast; it's got to stop. You'd have to build other kinds of mechanisms to get it over and above traffic.

The other thing to remember is that the city of San José has been committed to building housing, more so than a lot of other cities in the country. We're willing to build densely around the tracks and part of the reason the ridership has got to be high is because of its proximity to San José State and places that were willing to intensify. I don't think any one community benefits from transit moving quickly, and I think if we're going to be focused city by city, then my expectation would be that we wouldn't be building light rail into Los Gatos. They're building at an average units per acre anywhere from 25 to 100, depending on the part of the city that we're building in, along this alignment, and I don't want to change the character or nature of other cities, but I do think we need to accept that each of our cities play a different role in the regional economy. We're willing to take leadership and play our part, but that means that everybody should have to contribute, not just one community.

### **ANN JAMISON (VTA)**

I just wanted to clarify somewhat that we have not done a cost estimate of going aerial through downtown San José. I think it's somewhat questionable whether it would be less expensive; there are a variety of mitigations and construction impacts that would occur that could potentially bring the costs of that kind of alignment up to a level with tunneling. The other thing to think about is that if you have four stations in San José, you have four places where you have a station platform, probably around 40 feet above the street level, that is 800 feet long and as wide as the street, curb to curb, over the street. You need to think about the total amount of impact that would have on the development ability of downtown and on the streetscape along Santa Clara Street and what that might do to the overall economic potential of downtown and the ability to return revenues to both VTA as well as the other participants in those revenues.

### **DENNIS KENNEDY**

Those questions are the same questions that I have. Why not use the Berkeley model, in which originally BART was proposed to be at grade or above grade through Berkeley, and the city of Berkeley objected to that and offered to fund a significant portion of

undergrounding it? I think that model is relevant and should be looked at. There are ways to do that, as Carolyn mentioned in her presentation, things like benefit-assessment districts, impact fees, redevelopment agency funds, and so on. And it has been my request, and that of many others all along, that we look at other lower-cost routes, such as existing rail right of way that it could be used at a much reduced cost. Obviously, there are tradeoffs between access to the stations and the location of the existing rail lines that have to be considered, but I don't know of studies that have been done that really looked at the most cost-effective alternatives. I would certainly like to see that; I think we owe it to the citizens and the voters to present that information at least to the [VTA] board members, our VTA's Policy Advisory Committee, and our Citizens Advisory Committee as well, so that the information is public. If it's there, I certainly haven't seen it. I would hope that if it is there, that the information gets out to all of us, and, if it's not there, that a study be done to determine if there is more cost effective route to take and if the model such as was done in the city of Berkeley would work here in Santa Clara County.

### **CARL GUARDINO**

Well, to try to address quickly all three questions, as a proud town of Los Gatos resident, let me remind all of us that to try to say that it only benefits San José, or since there are stations in Milpitas and Santa Clara as well, those three cities, is again flying in the face of voters priorities with their tax dollars. It is the top priority in all of those jurisdictions. When it comes to BART and regional transportation improvements, voters look beyond their neighborhood and they understand that it's going to benefit them, even if there isn't a station in front of their curb. In terms of ground and aerial, I think Ann hit it on the head: ground is really impossible. Curb to curb, three years of construction would close every business in that area and still wouldn't work. We're in this together. Let's build everything we can on the priority list as inexpensively as we can, take our top priorities first, be sensitive to all of our communities, and build as much as we can.

### **GEORGE SAMPSON**

Is it possible that, even after a new tax, we won't have enough money to build and operate BART?

**CARL GUARDINO**

First, that's actually not the case. Even in the scenario—very conservative of 30 percent less money, for instance—if you were only doing BART, you have enough to build BART and operate BART. You actually would still have enough to do a few other things too. Now what the VTA board needs to grapple with is how they time items. The tough decisions are what do you bond or not bond, and where is the nexus between how far you push something out knowing there are increased land and other costs, and how much you bring something forward, knowing that there are bond costs and finding that medium, where we're getting the most out of our taxpayer dollars.

**DENNIS KENNEDY**

We need a fallback plan in case the sales tax fails. That information I don't think is there, and we need to have that. It needs to be made available to the voters so that over the next 18 months, as we approach the November 2006 election, we've got that information out in front of them, had ample time to debate it.

**RON SWEGLES**

We don't have a backup plan as yet, and that's something I think we definitely need to look at. One of the things that we also want is the consensus of all the cities is, if this doesn't pass, what is Plan B?

**CINDY CHAVEZ**

Tomorrow, the VTA board will have a chance to look at this year's operating budget along with the capital budget, and I think the backup plan is very simple. If we don't have enough money, we're going to have to make cuts, and even with the 1/4-cent sales tax, we are going to have to leave some programs off to the side. We're going to have to work with the community to decide what those are going to be. I think whatever we do, we have to be willing to make sure that we're setting precedent for how we want to move forward and how we want to work together as a region. Part of what we have to be thinking about is, long-term, what do we want the region to look like? How important is it for us to maintain our competitive edge? Do we want to have a regional strategy for connecting

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people from Point A to Point B? I think the short answer to all of those things is yes. The longer question is, does that mean that we take Caltrain electrification off the table, does that mean that we take the people mover off the table, does it mean that we don't go ahead and build those two light-rail alignments? All of those things are up for debate, as BART has been up for debate. It's very important that we continue to sharpen our pencils, but we also have to think about what our highest priorities are going to be and if our highest priorities are going to be get people in transit, we will make very different decisions about how we spend money. We need to continue to spend money on roads as well, because people get around in lots of different ways, and we really are in one boat, all together.

### **GEORGE SAMPSON**

We are at the point where we are going to try and reach some sort of consensus here. Obviously, a major decision will need to be made by the VTA board and ultimately by the voters of Santa Clara County. The question for the panel now is, as you see it, what are the next steps that will help the VTA board reach consensus or a decision, and also what are the next steps for the community to have a role in that decision?

### **CARL GUARDINO**

I hope there would be consensus around these two points. The VTA board needs to take a sincere and very sharp pencil to every improvement listed in Measure A. The Measure A plan calls for a billion dollars in capital construction for at least two new light-rail lines throughout the county. That doesn't mean you have to spend all billion dollars to deliver two new light-rail lines. For example, the extension from Campbell to Los Gatos is a new light-rail line, that would be \$85 million dollars; the extension from Eastridge to the NUMMI facility, where a huge transit-oriented development is going to be built, is about \$115 million dollars. Even if you added a third, the Bus Rapid Transit line to Sunnyvale at about \$50 million dollars, that's a total of \$250 million and right there, we've saved \$750 million dollars that we don't have to spend.

Second, my [SVLG] board said, if the VTA board goes in another direction other than what we're hearing from taxpayers, that is their right and that's fair; that doesn't mean it's a bad plan. We would then, therefore, have a different idea, and we hope no one would say that what taxpayers are saying is a bad plan either. What is wrong then, if that is the case, that the VTA board has a different expenditure plan to put both on the ballot, and let voters

decide what is appropriate to do with their tax dollars? That is a positive way and it's something we do in business all the time. You have competing products, and you let voters, taxpayers, the market decide which product is better.

### **DENNIS KENNEDY**

Well, the essence of politics is compromise, and I trust the voters. There seems to have been some reluctance to do studies, or provide information that may not lead to or support a desired goal. I think we need to trust the voters; we need to do a better job of reaching out and getting the information that is lacking. Much of it has been mentioned this evening. All of us need to avoid a heavy-handed approach in dealing with this issue. I think constructive criticism, constructive dialogue is extremely important; we have to be careful not to stifle that dialogue and that discussion. I think those are key points for building the consensus that we need. Our goal is to come together as cities and a county to find a way to make it work that involves all of our constituents, all of our communities, and especially to do a better job of our cities working together in a collegial fashion.

### **RON SWEGLES**

As I mentioned, Sunnyvale has a willingness to give in on positions specific to service issues—and one of those was light rail to our downtown—so that we can help build and achieve consensus. All the jurisdictions must be willing to offer a compromise. I want to make sure our first priority for our region is the needs of the transit dependent, and they must be met first. Our current transit system is not sustainable in trying to meet those needs. There are a number of elements to a balanced transportation network, including bus, light and heavy and commuter rail, bus rapid transit, and paratransit and other options. We need to find what combination will work best and be financially sustainable in our accounting.

### **CINDY CHAVEZ**

I don't think everyone is going to be in agreement. Relationships are about compromise. We need to recognize that this is going to be a painful, challenging process for everybody. We can take a few quick steps. One is that the VTA staff will soon be looking at the impacts of a 1/4-cent sales tax versus a 1/2-cent sales tax, looking at what kinds of money



we can get from the state, and from the federal government, and recognizing what that bottom line is going to be. I think that framework, once presented to the [VTA] board, will help the board figure out strategies for both sharpening the pencil and coming up with the decision strategy.

We're all going to have to leave something on the table, and I think some communities will have a more challenging time doing that. In terms of how the community can be involved, I think one way is to work with the VTA board and attend community meetings. The other is, if we have to go out and ask for a 1/4-cent sales tax, we are going to have to prove ourselves over and over again to the voters. They will tell us what they want; they've done that with us before, and I'm confident that we're going to get to hear their voices.

Finally, you know the VTA board; it's a challenging board to serve on because each of us who serve on it are from cities, and it's hard not to be institutionally interested and be regionally minded. I believe that most of the board is very regionally minded, and it actually gives me great confidence that we will come up with a plan. We're not all going to 100 percent love it. In the end, we are going to probably continue to work on strategies to expand the pie, but I do feel confident about going in that direction.

## **GEORGE SAMPSON**

We would like to thank our panelists, Cindy Chavez, Ron Swegles, Dennis Kennedy, and Carl Guardino, and we'd also like to thank you for your questions.



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## KEYNOTE ADDRESS

### TRIXIE JOHNSON

If we think it's difficult to finance projects like this at the local level, just imagine what it must be like at the state level right now. To provide that perspective, we're delighted to have with us the director of Caltrans, Will Kempton.

Mr. Kempton was appointed by Governor Schwarzenegger in November 2004 to be responsible for managing the day-to-day operations of California's state transportation system, including more than 50,000 lane miles of state highways. As leader of Caltrans, Mr. Kempton oversees an annual operating budget of more than \$9 billion dollars, 22,000 employees, and \$7 billion dollars worth of transportation improvements under construction.

Mr. Kempton began his career in transportation with Caltrans in 1973. He held management positions in finance and in the director's office. Mr. Kempton translated this knowledge of transportation programs into the production arena during his employment as the executive director of the Santa Clara County Traffic Authority—our first Measure A. This sales tax program, which he managed, is widely viewed as one of the most successful ever undertaken in the state, resulting in the delivery of over \$1 billion dollars in highway improvements in less than ten years. During his assignment as director of the Santa Clara County effort, he mobilized California sales tax programs into an effective coalition of self-help counties.

He was selected by his peers to head the group, and he assembled a confederation of agencies that successfully lobbied Caltrans and the legislature to create a state matching program for locally-funded projects. To date, the state and local partnership program has provided more than \$1.5 billion in matching funds for local transportation projects.

This creative approach, and the ability to achieve consensus, characterize Mr. Kempton's management style. Over the course of his career, he's developed extensive contacts throughout the transportation community and at all levels of government, including local, regional and state administrators, key members of the state legislature, and in the U.S. Congress. He's been able to use these contacts to accomplish a variety of objectives.

## **WILL KEMPTON**

It is really a pleasure to return to the Silicon Valley and Santa Clara County to talk about transportation. As Trixie said, I did run the Measure A program here in Santa Clara County, and we did do quite a bit of work, a billion dollars worth of highway improvements. We were in construction within seven years for all of the projects, and opened to traffic within the 10-year time frame of the tax. One of the earliest sales tax proposals was in Santa Clara County, as it already had an incremental sales tax in place for transit, which was done in 1976. So, the 1984 Measure A program was the second in the series in Santa Clara County.

As I was thinking about how successful we were with the Measure A program, I was struck by the similarities of that program with what you are facing now with the BART to San José project. Of those similarities, let me start with the first point that I think is absolutely critical. The Measure A program in Santa Clara County, back in 1984, had consensus. That is not to say that everybody was happy about it, because they were not. I can tell you that I spent a number of evenings and early mornings in the town of Los Gatos and the city of Saratoga speaking to their councils about the projects in this program. But, in general, there was consensus, and that was absolutely critical, because when I needed to go to the state level to get more money, to get support for process changes, I could report to the legislature or to Congress that we had a project that everyone was behind. It is absolutely critical that you come to consensus. I think that it is going to be absolutely essential for the success of the project.

When you talk about how you are going to deal with the dollars, you must talk about what happens if there is a cost overrun and how you cover that. When we started the Measure A program in Santa Clara County, I was this bright, bushy-tailed young man who had dark hair and did not get asked for his senior card when he went to the golf course. During the first week, I was going through the numbers with one of my bosses—who is now Congresswoman Zoe Lofgren. I was asking where the engineering resources were for this program. The cost estimate was on the order of \$930 million to do all of the work, and I thought there must be engineering resources tucked away someplace. Engineering resources for major capital work can be about 35 percent of the overall cost of the program.

But there were no engineering dollars for Measure A when we started out. We were going into this program short one-third of the overall price tag. So, what we did was to go through the process to create an Initial Plan and a Completion Plan, and we sold them to the public. We involved everybody. We were up front with the taxpayers; we were up front

with the elected officials, and we sold a solution, which was a two-phased approach for getting Measure A done. We built the Initial Plan with the dollars that we had. We got a substantial amount of additional money from the state, and we built as much as we could with the dollars that were on hand. But we also had a Completion Plan that was put out into the future. When you drive around Santa Clara County today, those completion projects are underway; they are being done. So, the project did get finished.

That is the way you have to approach these kinds of megaprograms and megaprojects. You simply have to be prepared to deal with the budget that you have. If it involves segmentation, you deal with it that way. If it involves scope changes, you deal with it that way. You also do what Carl Guardino suggested. You get that pencil out and you sharpen it as sharply as you can to make sure that you can get a project out there within the resources that are available.

Another thing that we did in Measure A was put together a very efficient operation. We became more businesslike. I remember when Caltrans was first approached on the original Measure A program, and the best they could do, given the other challenges and assignments they had to deal with, was 17 years to get that program delivered. We did it in seven, and that means from the environmental clearance to advertising the bids for construction. We delivered it and opened it to traffic in 10 years. We could only do that through an efficient operation, and that was done through partnerships.

I think Santa Clara County has learned from that exercise, and I think that your subsequent measures have involved a significant amount of partnership. We brought in Bechtel Civil Inc. to serve as an overall program manager to provide us with the project control tools that we needed. They provided us with contracting assistance and with a lot of engineering oversight. These were things that Caltrans did not do very well back then, and still has some problems with. I am hopeful that during my tenure we can begin to correct some of those deficiencies, particularly in the accounting operations. But we had Bechtel in that role, and then we had the private sector involved for the first time.

There was extensive contracting out in the conduct of that program, bringing those people to work on the project in a very efficient way under the oversight of Caltrans. I have always said from the beginning, that we succeeded on that project not in spite of Caltrans, but because of Caltrans. With Caltrans in an oversight role, once we got the process on the ground, C. G. Gonzalo and some other Caltrans reps worked on that project and we had things moving. We were getting those projects delivered on time, and we would not accept "No." It took strong management.

Go back and look at your project again. Find a way to save those dollars; find a way to recapture the time frame that you might lose for this reason or that reason. We did stay on schedule; 43 major construction projects were delivered on schedule and within the budget that we had. It was a very successful program. But let me just say the bottom line in all of this is the consensus that I talked about.

Our leadership had focus. The traffic authority was one of the most focused governing boards that I have ever had the opportunity to observe in the transportation business. They had a job to do and they were bound to do it. We went through several generations of the board over the ten-year time frame, but they never took their eye off the ball. They knew what they had to do and they maintained that focus. That was so helpful in the conduct of this work, and I applaud the members of that board. They were instrumental in the success of the measure.

The bottom line in all of that was meeting the commitment to the voters. One of the things that we did in my private practice, based in large degree on the experience I had in Santa Clara County, was help a number of other counties initiate sales tax programs. The basic principle is that you need to do what the voters tell you they want you to do. You have to meet that commitment, not only in terms of the program that is at hand, but also in terms if you ever want to go back to the voting community again and ask them for additional support.

If you take anything from my comments today with respect to the BART to San José project, it is: if this is a project the voters have faith in and have expectations about, you need to honor that commitment. This is an extremely important element for success. There are many ways that you can do it in terms of segmenting the project and moving towards completion within the budget. I think the voters understand that. I think the residents of this county understand when there are dollar limitations, such as when tax revenues fall off. But you need to maintain that commitment to the voters and keep your eye on that ball just as the members of the Santa Clara County Traffic Authority did between 1984 and 1992.

## **TRIXIE JOHNSON**

How important is consensus in attracting state and federal funds for a project like BART?

## **WILL KEMPTON**

Consensus is absolutely critical; you're not going to get the attention at the federal and state levels if there is controversy over a project. The State Transportation Commission and

certainly your elected representatives in Congress are not necessarily going to want to make decisions to provide dollars for a project that is controversial when they can put those dollars into a county where everybody is behind a single project.

### **TRIXIE JOHNSON**

What is the current environment for construction costs, is it going up?

### **WILL KEMPTON**

Well, costs definitely are going up. Certainly right now some of the material prices are particularly problematic. There is a tremendous amount of demand out there. China, in particular, is a booming economy. There is a supply and demand situation, and we are bearing the brunt of that problem on the Bay Bridge and some of our other projects.

I would also point out that we have seen the insurance and bonding requirements associated with construction change totally since September 11, 2001. Where you used to have a number of contractors that might bid on a particular project, now, because of the increased cost of meeting those requirements, we are seeing many more joint ventures and consortiums put together to respond to construction bids, particularly on megaprojects.

### **TRIXIE JOHNSON**

AB-1266 is designed to save time, but how would it prevent cost overruns? Also, for the BART project, estimates show that segmentation could add up to one to two billion dollars additional costs. How is the sequencing you were talking about different from segmentation?

### **WILL KEMPTON**

Design sequencing is for a specific project, a project for which you are actually going out to bid, so it would not be part of segmentation. Segmentation is when you have enough money to do Segment A; then you come back and do Segment B, Segment C, etc. Design sequencing relates to the same or one project. We do not have much history with design sequencing, but the history that we do have is not showing that there are opportunities for significant cost savings, except if you relate those cost savings to time, because we are

saving time. What design sequencing does is get the contractor to starting the work earlier, because you're giving them sequences of the design as they go along; that is the concept.

### **TRIXIE JOHNSON**

Recently, Assembly Speaker Fabian Nùñez introduced a transportation plan. Has Caltrans or the governor's office taken a position on that plan, and should you?

### **WILL KEMPTON**

Ultimately, we will take a position on it, but to date we have not. I will tell you one thing that the administration has made very clear, and that is, they are not interested in bonds for transportation at this time. They have signaled that message to the legislature loudly and clearly.

There are some interesting aspects of the Speaker Nùñez's proposal, and I think discussions on those will happen as we make our way through the budget process. The good news out of the proposal and from what Senator Don Perata has brought up—along with what we have been talking about through the budget process—is that people are focused on transportation financing. I think that is a very good sign that we may ultimately get some attention to providing more resources for transportation.

### **TRIXIE JOHNSON**

Thank you, Director Kempton, for coming all the way from Sacramento.

That concludes our forum. Again I want to thank the cosponsors, the Commonwealth Club of California, Mineta Transportation Institute, California State Automobile Association, and Caltrans District 4.

Also, we want to thank some of the groups who helped us get the word out about this event: the Metropolitan Transportation Commission, the Silicon Valley Leadership Group, the Leagues of Women Voters, the Sierra Club, Bay Rail Alliance, and the Transportation and Land Use Coalition (TALC).



## **ABBREVIATIONS AND ACRONYMS**

BART	Bay Area Rapid Transit
BOS	Board of supervisors
CELSOC	Consulting Engineers & Land Surveyors of California
CEO	Chief executive officer
EIR	Environmental impact report
EIS	Environmental impact statement
FTA	Federal Transit Administration
ITS	Intelligent transportation systems
MIS	Major investment study
MTC	Metropolitan Transportation Commission
MTI	Mineta Transportation Institute
MOS	Minimum operating segment
NEPA	National Environmental Policy Act
PAC	Policy advisory committee
SJSU	San José State University
SVLG	Silicon Valley Leadership Group
TALC	Transportation and Land Use Coalition
VTA	Santa Clara Valley Transportation Authority
VTP 2030	Valley Transportation Plan 2030 (VTA)
WTS	Women's Transportation Seminar



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