MEMORANDUM

DATE: September 22, 2004

TO: City Council Colleagues

FROM: Mayor Bern Beecham and Council Member Kishimoto

SUBJECT: LETTER TO THE VALLEY TRANSPORTATION AUTHORITY

(VTA) BOARD REGARDING LONG-TERM CAPITAL

INVESTMENT PROGRAM

Attached is a draft letter for your review. We would like your support to send the letter to the VTA Board of Directors. We believe it is consistent with previous positions our council has taken this year.

September 27, 2004

Mr. Don Gage, Chairman Board of Directors Santa Clara County Valley Transportation Authority 3331 North First Street, Building B-2 San Jose, CA 95134

Dear Chairman Gage and Members of the Board:

We understand that the VTA board is currently reviewing its Long Term Capital Investment Program.

In our response to the recent Grand Jury report, we urged an open dialogue with the public and local communities on VTA¹s governance, finances and regional public transportation options. Now is the right time as VTA begins the process of updating our long term plan to Valley Transportation Plan (VTP) 2030. Before we discuss going to the voters for more taxes, let us take a step back and invite a few of the top transportation thinkers and strategists to share with us new technologies and trends and best practices from around the world.

We pride ourselves in being at the center of innovation here in Santa Clara County. To win the support of the county voters, we must be united in a vision for the future. We no longer have that consensus as project costs have dramatically risen and revenue and ridership has declined. It is obvious from the financial scenarios prepared by staff that we cannot deliver all the Measure A projects as proposed without a permanent 1/2 cent sales tax on top of the Measure A taxes and \$3.7 billion in bonding costs. Even then, many projects we need around the county would not be started until after 2020 if ever. None of the four scenarios seem acceptable as presented. We need to re-assess our overall strategy of how to meet county-wide needs in innovative and cost-effective ways.

A VTA community workshop to inspire new thinking may help us reframe the challenges facing our valley so we can continue to work together in a constructive way. The City of Palo Alto would be happy to work with you to organize such a workshop.

Thank you for your dedication to our county transportation needs.

Sincerely yours,

Bern Beecham Mayor