



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Ristow

**SUBJECT:** SEE BELOW

**DATE:** June 1, 2021

Approved

Date

6/3/2021

**COUNCIL DISTRICT: 3 & 4**

**SUBJECT: AMENDMENT TO FUNDING AGREEMENT WITH VTA FOR THE  
US101/DE LA CRUZ BOULEVARD - TRIMBLE ROAD INTERCHANGE  
IMPROVEMENT PROJECT**

## RECOMMENDATION

Adopt a resolution authorizing the City Manager or designee to negotiate and execute a second amendment to the funding agreement between the City of San José and the Santa Clara Valley Transportation Authority (VTA) for the US101/De La Cruz Blvd – Trimble Rd Interchange Improvement Project (Project) to extend the term of the agreement to December 31, 2025.

## OUTCOME

The recommended action will extend the term of the agreement and authorize the VTA to conduct and complete the construction phase of the Project. This work, led by VTA, is consistent with the adopted goals of the North San Jose development polices and regional transportation improvement priorities.

## BACKGROUND

The VTA in partnership with the City and Caltrans (Project Team) has collaboratively developed the Project following the Caltrans Project Development Procedures Manual and has completed the final design phase. The Project is now moving into the construction phase and will construct the following improvements:

- Construct a separated bike/pedestrian path overcrossing, connecting the Guadalupe River Trail System to De La Cruz Blvd and Central Ex.
- Reconstruct the existing three-quadrant cloverleaf interchange to a partial cloverleaf interchange.

- Replace the existing De La Cruz-Trimble Rd overcrossing structure to provide additional lanes and structural support for the bike/pedestrian facilities.
- Provide an additional through lane in each direction on De La Cruz Blvd, from Trimble Rd to Central Ex.
- Reconstruct the intersection of De La Cruz Blvd and Central Ex to add additional through and turn lanes and improve operational and multimodal connectivity.
- Construct a new intersection at the terminus of the US101 southbound off-ramp at De La Cruz Blvd.

The estimated cost of the project is approximately \$76 million with \$47 million to be funded through the 2016 VTA Measure B Program, \$25 million through the Senate Bill 1 Program (SB1), and approximately \$4.33 million funded by the City towards the preliminary engineering, environmental clearance, final design, and construction phases of the Project. Similar to the delivery of past regional projects, VTA will be the Implementing Agency for the construction phase of the Project. Construction is estimated to begin in July 2021 and be completed in 2023.

On December 19, 2017, Council approved a funding agreement with VTA to begin the final design phase of the Project. On December 15, 2020, Council approved an amendment to extend the term of the agreement to July 31, 2021 in order to provide the additional time needed to complete the final design phase.

## **ANALYSIS**

The City and VTA need to amend the agreement to outline the additional terms, conditions, and the respective obligations for the construction phase of the Project. As part of the second amendment to the agreement, VTA shall perform and/or be responsible for the following tasks, including but not limited to:

- Advertising, awarding, and administering the construction contract
- Serving as project manager and providing a construction management team
- Coordinate with City staff and Caltrans on contract change orders
- Monitoring project expenditures and schedules
- Conduct close-out activities

The City's Department of Transportation will actively participate in VTA's project management process during construction and participate in periodic meetings to assess the progress and address project issues as they arise.

The proposed second amendment will extend the term of the agreement to December 31, 2025, and will be at no additional cost to the City. If the lowest responsible construction contract bid is greater than the funding commitment from Measure B and SB1 for the construction cost, VTA and City will collaboratively determine how to proceed. If additional funding is required from

the City to assist with any potential funding shortfall, staff would return to Council to establish a funding mechanism and make any necessary amendments to the agreement. All other terms of the agreement will remain in effect.

### **CONCLUSION**

City Council authorization for the City Manager to execute the second amendment to the agreement will allow the term to be extended until December 31, 2025 for VTA to conduct and complete the construction phase of the Project.

### **EVALUATION AND FOLLOW-UP**

Updates on this project will be included in future regional transportation activities quarterly reports to the Transportation and Environmental Committee. If additional funding is required from the City to assist with any potential funding shortfall, staff will return to Council to establish a funding mechanism.

### **CLIMATE SMART SAN JOSE**

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals. The construction of the Class I Bike/Pedestrian path will facilitate the choice of mobility choices other than single-occupancy, gas powered vehicles.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council agenda website for the June 22, 2021 City Council Meeting.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Department of Planning, Building and Code Enforcement.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

**FISCAL/POLICY ALIGNMENT**

The Project is consistent with the Envision 2040 General Plan, North San José Area Development Policy, and North San José Deficiency Plan.

**COST SUMMARY/IMPLICATIONS**

1. COST ELEMENTS OF AGREEMENT/CONTRACT:

This is a no-cost agreement. The following are project funding details:

VTA 2016 Measure B Fund:	\$47,000,000
Senate Bill 1 Program (SB1):	\$25,000,000
Estimated City of San Jose Local Match:	\$ 4,330,000

2. SOURCE OF FUNDING:

349 - North San José Traffic Impact Fee Fund

3. FISCAL IMPACT:

Estimated annual maintenance cost of \$11,280 to fund the operations and maintenance impacts associated with the recommended project are planned to be included in the 2023-2027 Five Year Forecast and anticipated to begin in FY2023-2024.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn	2020-2021 Adopted Capitol Budget Page	Last Budget Action (Date, Ord. No.)
349	402A	Route 101 / Trimble/De La Cruz Interchange Improvement	\$6,326,000	V-622	10/20/2020 Ord. No. 30494

HONORABLE MAYOR AND CITY COUNCIL

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**CEQA**

Categorically Exempt, File No. ER20-247, CEQA Guidelines Section 15301 Existing Facilities.

/s/

JOHN RISTOW  
Director of Transportation

For questions, please contact Zahir Gulzadah, Division Manager, at (408) 975-3257.

Attachment: Project Area Map

Project Area Map

