



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kim Welsh

**SUBJECT:** CALIFORNIA HIGH SPEED RAIL  
AUTHORITY AGREEMENT

**DATE:** September 12, 2017

Approved

*D. D. S. L.*

Date

*9/14/17*

## REASON FOR ADDENDUM

The grant from the California High Speed Rail Authority expires on September 30, 2017, and can only be extended by City Council. The final Amended Agreement was received by City for signature the week of September 4, 2017.

## RECOMMENDATION

Approve Amendment No. 2 to the Agreement with the California High Speed Rail Authority to extend the expiration date from September 30, 2017 until June 30, 2018 and to make corresponding changes to the deliverable dates.

## OUTCOME

Extension of the Agreement enables the City to be reimbursed the full value of the Agreement, \$600,000, as final consultant and staff work product are completed.

## BACKGROUND

In November 2015, the City and the California High Speed Rail Authority (HSR) entered into an agreement by which the HSR would reimburse the City up to \$600,000 for an array of planning and studies in the San Jose Diridon Area. The Agreement was fully executed in February 2016, with an expiration date of September 30, 2017. Amendment No. 1 to the agreement was executed in April 2017 to acknowledge a shift in the specific study needs in response to the ongoing coordination efforts of staff from VTA (BART Phase 2), Caltrain, HSR, and the City. Additionally, as City discussions with Google began over land acquisition and development, specific issues that could affect high speed rail planning arose.

## **ANALYSIS**

The High Speed Rail Authority grant has been extremely valuable to the City and the transportation agencies planning their projects within the San Jose Diridon Station area. Specifically, grant funds enabled evaluation and analysis of likely infrastructure improvements needed in the Diridon Station Area Plan area; analysis of financial capacity of development and potential financing and funding devices for infrastructure and other long-term needs; and evaluation of parking impacts associated with construction of private development projects and transit projects (BART Phase 2 and high speed rail), with recommendations for construction-period solutions. Critical to the close coordination of staff efforts between the City and the various transportation agencies was the funding of the City's Diridon Project Manager, who worked to coordinate meetings, develop policies, identify governance and finance models, and manage consultant contracts. Finally, through this HSR grant, the City hired HR&A Advisors as its consultant to advise on the development process. HR&A Advisors will develop guidelines for development that are being tested with the private design and development industry to assure that the City's vision for dense, transit-supportive, and innovative development will occur within the Diridon Station Area.

The work that remains to be completed within the grant parameters are the final guidelines and recommendations from HR&A and final reports as required within the grant. All of the remaining work will be completed by the end of calendar year 2017. Extending the grant termination date to the end of Fiscal Year 2017-18 enables adequate time for all the grant paperwork to be completed and reviewed and for the disbursement of all grant funds.

## **EVALUATION AND FOLLOW-UP**

The City Council will be apprised of analyses results through updates to the Community and Economic Development Committee.

## **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the September 19, 2017 Council Meeting.

## **COORDINATION**

This report was coordinated with the Planning Building & Code Enforcement Department, the City Attorney's Office, and the City Manager's Budget Office.

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**COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

**COST SUMMARY/IMPLICATIONS**

Of the \$600,000 grant funding identified in the agreement with the California High Speed Rail Authority, approximately \$200,000 was received in 2016-2017. The remaining proceeds and associated costs of \$400,000 were rebudgeted into 2017-2018 as part the City Council's approval of the 2017-2018 Adopted Operating Budget. Extension of the current agreement through June 30, 2018 allows the City to submit for and receive reimbursement for the remaining \$400,000, keeping the General Fund in balance.

**CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

KIM WALESH  
Deputy City Manager  
Director of Economic Development

For questions, please contact Bill Ekern, Office of Economic Development at (408) 535-7637.