



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Ristow

**SUBJECT:** See Below

**DATE:** March 30, 2026

Approved

Date:

4/7/26

**COUNCIL DISTRICT: 4**

**SUBJECT: Retroactive Funding and Shared Maintenance Agreement Between the City of Santa Clara and the City of San José for Fiber Optic Cable and Conduit Installations along Tasman Drive**

**RECOMMENDATION**

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute a retroactive funding and shared maintenance agreement, including all documents necessary to effectuate the agreement with the City of Santa Clara, in an amount not to exceed \$379,000 for the following:

- (a) Procurement and installation of fiber optic cable and conduit upgrades performed by contractor through Bear Electric Solutions, Inc.;
- (b) Reimbursement to the City of San José after performing fiber optic cable installations, and minor civil work on the City of San José's Right of Way on behalf of City of Santa Clara to benefit both cities; and
- (c) Operation and maintenance responsibilities for each party's infrastructure after the work is completed.

**SUMMARY AND OUTCOME**

Approval of this action will grant the City of Santa Clara (Santa Clara) use of the City of San José (City) underground conduit infrastructure along Tasman Drive in exchange for funding the purchase and installation of new fiber optic cabling within that conduit for shared use by both Santa Clara and the City.

## **BACKGROUND**

The Department of Transportation (DOT) manages over 300 miles of communication cables citywide, including over 200 miles of fiber optic cables. DOT has a continuous goal of upgrading the city's existing, legacy, copper communication cables to fiber optic cabling to both improve the speed and performance of the city's traffic signal management system as well as support the network communication needs and requirements of several City departments, including Information Technology, Police, Fire, Airport, Environmental Services, Library, and Parks, Recreation and Neighborhood Services.

Santa Clara Unified School District's Dolores Huerta Middle School is located within the City's right of way on Zanker Road, south of East Tasman Drive. In early 2024, Santa Clara requested DOT's assistance in establishing a fiber optic connection to the school by utilizing the City's existing conduit infrastructure to minimize construction cost and time. After months of negotiation that centered on conduit and fiber sharing, DOT and Santa Clara have mutually agreed to upgrade the communication cabling and establish a funding and shared maintenance agreement to support the work. See Attachment A for a location map of the project.

## **ANALYSIS**

This fiber and conduit sharing opportunity aligns with and supports DOT's ongoing effort to upgrade all its legacy field copper communications network to fiber. For example, DOT has completed similar past projects with the Valley Transportation Authority and adjacent cities to support the City's respective communications needs and extend fiber reach. For this project, in exchange for the usage of the City's conduit, Santa Clara will fund the upgrades of the existing 10,750 linear feet of legacy copper communication cabling along Tasman Drive to fiber optic cabling to: 1) provide enhanced communications connectivity to Dolores Huerta Middle School; and 2) improve signal communications to nearby City signalized intersections.

Based on previous similar DOT projects, copper-to-fiber upgrades cost approximately \$11 per linear foot, including labor and materials. This project anticipates upgrading 10,750 linear feet of copper cabling to fiber optic, which could cost in excess of \$118,250 if the City was to fund this upgrade itself. Leveraging this funding opportunity with Santa Clara will save the City at least 90% in construction costs.

To minimize cost and ensure timely project delivery, DOT will utilize its existing contractor, Bear Electric Solutions, Inc., to perform the scope of work. Santa Clara will reimburse the City for the primary portion of work per the terms established in the funding agreement. Bear Electric Solutions, Inc. provided DOT with a quote for the upgrade work in the summer of 2025 that was set to expire in November 2025. Due to

lengthy negotiations and the approval process for Santa Clara, a formal agreement could not be executed prior to the expiration of the contractor's original quote. A renewed quote would have resulted in a 14.7% escalation of costs, or \$55,713. To prevent the negative impacts of the expiration of the original quote and maximize the use of public funding, the City and Santa Clara mutually agreed to proceed with the work prior to the execution of the funding and shared maintenance agreement per the City Manager's Letter of Intent dated November 20, 2025. See Attachment B for the executed Letter of Intent.

This retroactive funding and shared maintenance agreement is necessary to: 1) allow Santa Clara to reimburse the City for past and future work performed per the Letter of Intent; 2) ensure that final construction cost will align with the contract amount already approved by the Santa Clara Council; and 3) complete this project which leverages 3<sup>rd</sup> party funding sources to further the goal of enhancing the City's communication infrastructure.

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

This memorandum is not expected to require additional follow-up.

### **FISCAL IMPACTS**

The total cost of this fiber optic cabling upgrade project is estimated to be \$405,317. The City will advance the cost of the project. Upon completion, Santa Clara will reimburse the City a total of \$379,000. The remaining cost of \$26,317 will be absorbed by DOT for in-kind staff project management time and San José-specific portion of work.

This fiber optic communications upgrade project was included as part of the Mid-Year Report for the Fiscal Year 2025-2026 Modified Traffic Capital Improvement Program budget in the amount of \$379,000. The funding was programmed in the Safety – Traffic Signal Rehabilitation appropriation in the Building and Structure Construction Tax Fund.

As established in the funding and shared maintenance agreement, DOT's Infrastructure Maintenance team does not anticipate needing any additional funding for routine operations and maintenance of the fiber optic cables along Tasman Drive.

The table below identifies DOT's anticipated expense and reimbursement schedule for this project.

<b>Expenses</b>	<b>FY 2025-2026</b>	<b>Total</b>
Contractor Services (Testing, Validation, and Project Management)	\$379,000	\$379,000
<b>Reimbursable Expenses</b>	<b>\$379,000</b>	<b>\$379,000</b>
Staff time leveraged funded from Safety – Traffic Signal Rehabilitation (Appropriation 5062)	\$15,000	\$15,000
Contractor services funded from Safety – Traffic Signal Rehabilitation (Appropriation 5062)	\$11,317	\$11,317
<b>In-Kind Expenses</b>	<b>\$26,317</b>	<b>\$26,317</b>
<b>Project Total</b>	<b>\$405,317</b>	<b>\$405,317</b>
<b>Reimbursable Revenue</b>	\$379,000	\$379,000

**BUDGET REFERENCE**

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2025-2027 Biennial Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
429	5062	Safety – Traffic Signal Rehabilitation	\$479,000	\$379,000	N/A	02/10/2026, 31308

**COORDINATION**

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

**PUBLIC OUTREACH**

This memorandum will be posted on the City Council Agenda website for the April 21, 2026 City Council meeting.

HONORABLE MAYOR AND CITY COUNCIL

March 30, 2026

**Subject: Retroactive Funding and Shared Maintenance Agreement Between the City of Santa Clara and the City of San José for Fiber Optic Cable and Conduit Installations along Tasman Drive**

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### **BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT**

No board, commission, or committee recommendation or input is associated with this action.

### **CEQA**

Categorically Exempt, File No. ER25-193, CEQA Guideline Section 15302(c) Replacement or Reconstruction and 15304(f) Minor Alterations to Land.

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/  
JOHN RISTOW  
Director, Transportation

For questions, please contact Kenneth Jung, Division Manager, Department of Transportation, at [kenneth.jung@sanjoseca.gov](mailto:kenneth.jung@sanjoseca.gov) or (408) 975-3262.

### **ATTACHMENTS:**

- A. Location Map for Phase 1 of the City of Santa Clara and City of San José Fiber Connection
- B. Executed Letter of Intent by and Between the City of Santa Clara and the City of San José Relating to the Construction, Operation, and Maintenance of Shared Fiber Optic Communications within the San José City Conduit System

**LOCATION MAP FOR PHASE 1 OF THE CITY OF SANTA CLARA AND CITY OF SAN JOSE FIBER CONNECTION**



**LETTER OF INTENT BY AND BETWEEN  
THE CITY OF SANTA CLARA AND THE CITY OF SAN JOSÉ RELATING TO THE  
CONSTRUCTION, OPERATION, AND MAINTENANCE OF SHARED FIBER  
OPTIC COMMUNICATIONS WITHIN THE SAN JOSE CITY CONDUIT SYSTEM**

This Letter of Intent (LOI) is made and entered into as of the date it is fully executed (Effective Date) by and between the City of San José (San José), a California municipal corporation, and the City of Santa Clara (Santa Clara), a California municipal corporation. San Jose and Santa Clara may be referred to individually as a Party, or collectively as Parties, to this LOI.

**RECITALS**

**WHEREAS**, Santa Clara and San Jose both own and operate their own separate and distinct Fiber Optic Communications Network (FOCN) within their own corporate boundaries for the purposes of connecting their respective assets; and

**WHEREAS**, Santa Clara desires to provide, and the Santa Clara Unified School District (“District”) desires to receive, dark fiber service to (a) Kathleen MacDonald High School located at 3588 Zanker Road, San Jose, CA 95134; (b) Dolores Huerta Middle School located at 3556 Zanker Road, San Jose, CA 95134, and (c) Abram Agnew Elementary School located at 3534 Zanker Road, San Jose, CA 95134, (“School District Property”); and

**WHEREAS**, San Jose owns existing conduit along the area necessary to equip the School District Property with fiber service; and

**WHEREAS**, the Parties desire to work together to provide the School District Property with fiber access through San Jose’s Conduit; and

**WHEREAS**, the Parties are currently in the process of drafting an Agreement which memorializes the terms and conditions of the (1) design, construction, operations, and maintenance of the Project, (2) Project cost share, (3) Santa Clara’s use of the Conduit, and (4) ownership of the installed fiber optic cable; and

**WHEREAS**, San Jose has obtained a quote from its contractor, Bear Electrical Solutions, Inc., for the Project with a current estimated quote for costs which expires in November 2025; and

**WHEREAS**, to avoid an increase in costs caused by a delay in execution of the Agreement, the Parties agree that time is of the essence, and that San Jose shall move forward with the Project in reliance on Santa Clara’s reimbursement following execution of the Agreement; and

**WHEREAS**, the Parties desire to execute this LOI to memorialize the Parties' intent to negotiate in good faith on actions necessary to complete the Project and the funding associated with it;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

**SCOPE OF LETTER OF INTENT**

- A. The above recitals are incorporated and made a part of this LOI.
- B. The Parties intend to negotiate in good faith to execute the above referenced Agreement which memorializes the terms and conditions of the (1) design, construction, operations, and maintenance of the Project, (2) Project cost share, (3) Santa Clara's use of the Conduit, and (4) ownership of the installed fiber optic cable.
- C. Nothing in this LOI commits either Party to the execution of any agreement or implementation of any Project.
- D. Nothing in this LOI modifies the terms of any existing agreements between the City and Santa Clara.

APPROVED AS TO FORM FOR SAN JOSE:

CITY OF SAN JOSE

*Matthew Tolnay*

*Emily Lam*

Email: matthew.tolnay@sanjoseca.gov

Email: emily.lam@sanjoseca.gov

Date: 10/23/2025 PST  
MATTHEW TOLNAY

Date: 10/23/2025 PST  
SARAH ZARATE

Senior Deputy City Attorney

Director, Office of the City Manager

APPROVED AS TO FORM FOR SANTA CLARA:

CITY OF SANTA CLARA

10/23/2025 | 11:25 AM PDT

Signed by:

DocuSigned by:

*Daniel Ballin*

*Jovan D. Grogan*

ADCT22A8FC81448...  
GLEN R. GOOGINS

5EAD88DED5C343A...  
JOVAN D. GROGAN

City Attorney

City Manager

**Certificate Of Completion**

Envelope Id: F31D83D8-2671-4791-B2A5-B1CE92638D40	Status: Completed
Subject: [*RUSH*] with Docusign: 2. City of San Jose - Fiber Optic Communications Conduit System Letter ...	
Source Envelope:	
Document Pages: 3	Signatures: 2
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Ahcomb Hardwick
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	1500 Warburton Avenue
	Santa Clara, CA 95050
	ahardwick@svp.net
	IP Address: 66.54.249.132

**Record Tracking**

Status: Original 10/17/2025 3:42:33 PM	Holder: Ahcomb Hardwick ahardwick@svp.net	Location: DocuSign
Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: City of Santa Clara	Location: Docusign

**Signer Events**

Daniel Ballin  
dballin@santaclaraca.gov  
Senior Counsel for Silicon Valley Power  
Security Level: Email, Account Authentication (None)

**Signature**

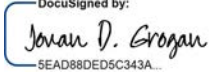
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**Timestamp**

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Viewed: 10/18/2025 9:11:51 AM  
Signed: 10/18/2025 9:13:40 AM

**Electronic Record and Signature Disclosure:**  
Not Offered via Docusign

Jovan D. Grogan  
jgrogan@santaclaraca.gov  
City Manager  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
5EAD88DE5C343A...  
Signature Adoption: Pre-selected Style  
Using IP Address: 136.226.78.187

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Viewed: 10/23/2025 11:25:34 AM  
Signed: 10/23/2025 11:25:46 AM

**Electronic Record and Signature Disclosure:**  
Not Offered via Docusign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Jovan Grogan  
manager@santaclaraca.gov  
City Manager  
City of Santa Clara  
Security Level: Email, Account Authentication (None)



Sent: 10/22/2025 8:29:21 PM

**Electronic Record and Signature Disclosure:**  
Not Offered via Docusign

Carbon Copy Events	Status	Timestamp
City Attorney cityattorney@santaclaraca.gov City of Santa Clara Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	<div style="border: 2px solid blue; padding: 5px; display: inline-block;"><b>COPIED</b></div>	Sent: 10/23/2025 11:25:47 AM
SVP Contracts svpcontracts@santaclaraca.gov Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	<div style="border: 2px solid blue; padding: 5px; display: inline-block;"><b>COPIED</b></div>	Sent: 10/23/2025 11:25:47 AM

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	10/23/2025 11:25:47 AM

Payment Events	Status	Timestamps
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# City of San Jose - Fiber Optic Communications Conduit System Letter of Intent (CoSC signed only)

Created:	<b>10/31/2025</b>
Status:	Signed
Transaction ID:	c3d82e89-e3aa-4542-a3ca-fafd03a7e4b9

## "City of San Jose - Fiber Optic Communications Conduit System Letter of Intent (CoSC signed only)" history

-  Dominique Dold created the document  
10/31/2025 12:58:46 PM PDT
-  Document was emailed to Matthew Tolnay  
10/31/2025 12:58:47 PM PDT
-  Matthew Tolnay opened the document  
11/20/2025 2:03:34 PM PST
-  Matthew Tolnay signed the document  
11/20/2025 2:03:42 PM PST
-  Document was emailed to Emily Lam  
11/20/2025 2:03:43 PM PST
-  Emily Lam opened the document  
11/20/2025 5:30:29 PM PST
-  Emily Lam signed the document  
11/20/2025 5:31:29 PM PST
-  Document was successfully signed and filed  
11/20/2025 5:31:29 PM PST