



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jim Ortbal
Margaret McCahan

SUBJECT: SEE BELOW

DATE: November 21, 2017

Approved

D. D. Syl

Date

11/30/17

COUNCIL DISTRICT: 1 & 6

**SUBJECT: AMENDMENT TO THE FUNDING AGREEMENT WITH VTA FOR THE
I-280/WINCHESTER BOULEVARD IMPROVEMENT PROJECT**

RECOMMENDATION

- (a) Approve a First Amendment to the funding Agreement between the City of San José and the Santa Clara Valley Transportation Authority (VTA) to initiate preliminary engineering and obtain environmental clearance for the I-280/Winchester Boulevard Improvements Project (Project) to increase the City's share of the funding and the total not to exceed amount from \$250,000 to \$2,250,000, and to extend the term of the agreement to December 31, 2020.
- (b) Adopt the following 2017-2018 Appropriation Ordinance and Funding Sources Resolution Amendments in the Construction Excise Tax Fund:
 - (1) Increase estimated revenue from Fees, Rates, and Charges in the amount of \$2,242,000 to recognize receipts from the I-280/Winchester Boulevard Transportation Development Policy (TDP) Traffic Impact Fee in the amount of \$2,242,000; and
 - (2) Establish an appropriation to the Department of Transportation in the amount of \$2,242,000 for the I-280/Winchester Boulevard Interchange project.

OUTCOME

The recommended actions provide additional funding and time frame needed by VTA to lead and manage the next phase of development of the Project. Specifically, VTA will manage the development of the Project through the Caltrans approval process to include preliminary engineering and environmental clearance. This work will advance the Project to a state of readiness that improves its competitiveness for regional funding opportunities, such as the 2016

Measure B Sales Tax (Measure B) and Senate Bill 1 Program (SB1). The recommended appropriation actions will provide sufficient funding for the City's share of these preliminary engineering/planning expenses pursuant to the amended agreement.

BACKGROUND

The I-280/Winchester Boulevard interchange area of west San Jose is home to two large retail commercial centers (Westfield Valley Fair Mall and Santana Row), the Winchester Mystery House, residential development, and smaller commercial and retail businesses. The area is also home to Santa Clara Valley Medical Center, O'Connor Hospital, San Jose City College, and Stevens Creek Boulevard Auto Row. In addition to existing land uses, several Urban Village plans have been approved in the area that will bring higher density, transit-focused development to the Winchester and Stevens Creek corridors. The concentration of current and planned trip generators, along with the existing inadequate interchange, results in significant congestion that the City and VTA are working to address. The Project is located within a highly constrained area that serves a high volume of traffic from regional travel destinations within the area.

As part of the preliminary engineering phase of the recently completed I-880/I-280/SR-17 Stevens Creek Boulevard Interchange Improvement Project (Stevens Creek Project), several new off-ramp configurations from northbound I-280 to Winchester Boulevard were studied in 2012. Improvements to the Winchester Boulevard Interchange were considered initially as a way to provide congestion relief for the Stevens Creek Project. While the traffic benefits from a northbound I-280 off-ramp to Winchester Boulevard were demonstrated in the technical studies supporting the Stevens Creek Project, due to lack of support/consensus of any single alternative by the various stakeholders (the City, Caltrans, and community groups), all options were ultimately rejected and improvements at the Winchester Boulevard Interchange were dropped from the Stevens Creek Project.

On June 23, 2015, Council approved a funding agreement with VTA to provide the City's initial share of \$250,000, combined with VTA's share of \$750,000, to identify, evaluate, and prioritize a range of possible transportation improvements to relieve congestion and improve traffic circulation, leading to the Caltrans' Project Approval and Environmental Documents (PA&ED) phase of the Project. The initial agreement with VTA expires on December 31, 2017.

The proposed first amendment to the agreement will provide necessary funding for the VTA to continue project development at the PA&ED phase. The cost of the PA&ED phase is estimated at \$6,000,000 and cost-shared between the City and VTA. The City's share of the \$6,000,000 will be \$2,250,000 and the VTA's share will be \$3,750,000 (of which, \$3,000,000 is expected to be allocated from the 2016 Measure B). The amended agreement will remain in effect through December 31, 2020, allowing appropriate time for completion of the PA&ED phase.

ANALYSIS

The purpose of the Project is to improve traffic operations and reduce congestion on the local roadways, provide new access from northbound I-280, and improve bicycle and pedestrian access and transit connectivity in the project area (see attached Project Area Map).

The Project alternatives developed include improvements to the northbound SR-17 to northbound I-280 freeway to freeway connector, off-ramps that provide access from northbound I-280 to the project area, local street overcrossing of I-280, partial interchanges, and bicycle and pedestrian improvements that meet the project's purpose and need. In total, 19 alternatives were developed and screened by the project development team (PDT) which includes staff from VTA, the City, Caltrans and consultant team members. The alternatives were screened according to the following qualitative evaluation criteria:

- Mainline (freeway) operational benefit
- Caltran's design exception approvability
- Local circulation/access operational benefit
- Pedestrian and bicycle friendliness
- Accessibility to transit
- Right of way impact
- Access from I-280 to the project area, and
- Construction cost

These alternatives will then be combined into alternative packages, composed of multiple components listed above. The preliminary range of cost estimates for the various alternative packages range from \$88,000,000 to \$110,000,000. Additional analysis and refinement will be conducted to select at least two alternatives packages to complete the PA&ED phase. Final project costs will be determined upon completion of preliminary engineering.

The recommended agreement extension to December 31, 2020, including increasing the City's current total contribution to \$2,250,000, will allow VTA to complete the environmental phase to satisfy Caltrans' project development requirements. The scope of work includes, but is not limited to the following:

- Traffic analysis
- Environmental studies to obtain NEPA/CEQA clearance
- Preliminary (30%) design documents
- Initial right-of-way analysis
- Engineer's estimates

The expected outcome of the environmental phase is Caltrans' approval to proceed with final design, ROW acquisition if necessary, and construction of the preferred alternative. Funding for final design, ROW acquisition and construction is not fully programmed at this time, but is anticipated to be funded by 2016 Measure B and potentially SB1. VTA and the City have

successfully partnered on the delivery of several highway improvements, most recently to include the I-880/I-280/Stevens Creek Boulevard Interchange Improvement Project, U.S. 101/Tully Road and Capitol Expressway Interchange Improvements and the I-880/Coleman Avenue Interchange. VTA also has the expertise and resources to perform the work in a cost effective and timely manner.

EVALUATION AND FOLLOW-UP

Updates on this project will be included in future regional transportation activities quarterly reports to the Transportation and Environmental Committee.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the December 12, 2017, Council Meeting.

COORDINATION

This memorandum and agreement have been coordinated with the Planning, Building and Code Enforcement Department, Public Works Department, Finance Department, and the Office of the City Attorney.

FISCAL/POLICY ALIGNMENT

The Project is consistent with multiple City policy documents including Envision 2040 General Plan.

COST SUMMARY/IMPLICATIONS

The recommended budget actions recognize revenue received to date from the I-280/Winchester Boulevard Transportation Development Policy (TDP) Traffic Impact Fee and increase total funding for the amended funding agreement by \$2,000,000 from \$250,000 to \$2,250,000. The remaining \$242,000 of the total \$2,242,000 recommended appropriation will be used for City staff support for this phase of the project. Final project costs will be determined upon completion of preliminary engineering.

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BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Rec. Budget Action	2017-2018 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
465	R120	Fees, Rates, and Charges	\$0	\$2,242,000	N/A	N/A
465	NEW	I-280/Winchester Boulevard Interchange	N/A	\$2,242,000	N/A	N/A

CEQA

Statutory Exemption, File No. PP17-001, Feasibility and Planning Studies with no commitment to future actions.

/s/
JIM ORTBAL
Director of Transportation


MARGARET MCCAHAN
Budget Director

I hereby certify that there will be available for appropriation in the Construction Excise Tax Fund in the Fiscal Year 2017-2018 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$2,242,000.


MARGARET MCCAHAN
Budget Director

For questions please contact John Ristow, Deputy Director, at (408) 793-6942.

Attachment

Figure 1 – Project Area Map

