



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow

SUBJECT: 2016 VTA MEASURE B
AGREEMENTS

DATE: February 27, 2019

Approved

D. DSYL

Date

2/28/19

RECOMMENDATION

Adopt a resolution authorizing the City Manager or designee to negotiate and execute agreements with the Santa Clara Valley Transportation Authority (VTA) for the receipt of funds and administration of 2016 VTA Measure B sales tax programs.

OUTCOME

The proposed agreements will enable the City of San José to secure 2016 VTA Measure B funding for Local Streets & Roads, Bicycle & Pedestrian programs, Transit Operations programs, and Highway Interchange programs.

BACKGROUND

On November 8, 2016, Santa Clara County voters approved 2016 VTA Measure B a 30-year, half cent sales tax measure to support transportation improvements throughout the County. Sales tax collection began on April 1, 2017.

A lawsuit challenging the validity of 2016 VTA Measure B was filed in 2017. On January 30, 2019, nearly two years after Santa Clara County voters approved 2016 VTA Measure B, the California Supreme Court refused to hear an appeal on the legal challenge that had been delaying implementation. This paved the way for the lower court, which also ruled against that challenge, to allow VTA to begin dispersing the accumulated funding in escrow.

The following chart shows the nine program areas and the projected allocations based on estimated amounts at the time voters approved the measure:

2016 VTA MEASURE B ALLOCATIONS		
Program Categories	Amounts (Estimated in 2017 \$)	Percentage
Local Streets & Roads*	1,200,000,000	19%
Bicycle & Pedestrian		
- 80% - Capital Improvements	250,000,000	4%
- 15% - Education*		
- 5% - Planning		
Transit Operations	500,000,000	8%
BART Phase II	1,500,000,000	24%
Caltrain Grade Separation	700,000,000	11%
Caltrain Corridor Capacity Improvements	314,000,000	5%
Highway Program	750,000,000	12%
County Expressways	750,000,000	12%
SR 85 Corridor	350,000,000	6%
Total	6,314,000,000	100%

*San José and other jurisdictions will receive a portion of the funding based on established formulas

The City of San José will see direct funding benefits from several 2016 VTA Measure B program categories such as Local Streets & Roads and Bicycle & Pedestrian Education formula-based funding. The City of San José will also benefit indirectly from several 2016 VTA Measure B program categories that will fund BART Phase II, County Expressway improvements, Caltrain Corridor Capacity Improvements, the SR 85 Corridor program, and VTA Transit Operations. Additionally, Measure B funding comes with requirements to incorporate complete streets design considering all users.

The City of San José is committed to pursuing 2016 VTA Measure B Bicycle & Pedestrian Capital Improvements and Planning funds on a competitive application basis.

2016 VTA Measure B will also fund highway projects throughout the county that will improve highway operations, access, noise impacts, and overcrossings; and deploy advanced technology deployment through Intelligent Transportation Systems. Highway projects in San Jose consist of the following:

- Safety Improvements for **Southbound US 101 Off-Ramp to Southbound SR 87**
- **US 101/Trimble Road/De La Cruz Boulevard Interchange & Complete Street Improvements**
- Extension of **Charcot Avenue Overcrossing at I-880** to provide needed east-west connectivity
- Connectivity Improvements at **I-280 Winchester Boulevard Interchange & Complete Street Improvements**
- **US 101/Blossom Hill Road Interchange** Improvements & Coyote Creek Trail Connection
- Construct a new interchange at **US/101 and Mabury Road** to provide a direct and reliable access to the Berryessa BART station and surrounding areas
- Construct a new overcrossing across **US 101 connecting Zanker Road** and Old Bayshore Highway with North Fourth Street and/or Skyport Drive.
- **Technology enhancement** to improve accommodation to meet travel demands on **SR 87**
- Provide additional capacity for **US 101/Oakland Road Interchange & Complete Street Improvements**
- Increase efficiency on **SR 237 Corridor** by converting existing carpool lanes to express lanes
- Safety and Complete Street Improvements at **I-680 Alum Rock Avenue/McKee Road Interchange**
- Noise abatement projects.

ANALYSIS

The proposed agreements will govern the transfer of funds from VTA to the City. The agreements would be in effect through the duration of VTA's disbursement of funds to the member cities and county approved by the voters of Santa Clara County. The agreements would meet VTA funding requirements. Authorizing the City Manager or designee to negotiate and execute agreements for all 2016 VTA Measure B programs will expedite the City's receipt and use of various 2016 VTA Measure B funds.

VTA will issue a one-time Local Streets & Roads program advance of \$4,611,793 with all remaining and future funds to be distributed on a reimbursement basis. Below is a summary of the key points of the Local Streets & Roads master agreement:

- The proposed agreement reflects the requirement that each member agency must certify that it will make a good faith effort to maintain a level of expenditures on Local Streets & Roads eligible activities equivalent to the expenditures submitted to the California Transportation Commission per 2017 Senate Bill 1 ("SB1").

- The funding agreement also discusses the required VTA Complete Streets checklist, annual reporting by October 1st of each year, regular invoicing, and maintaining financial records for (5) five years.

The Bicycle & Pedestrian – Education & Encouragement formula funds will also be distributed on a reimbursement basis and will have a similar master agreement structure to the Local Streets & Roads Program.

The following formula based Measure B programs will require a master agreement:

1. Local Streets & Roads Program (Estimated allocation \$19,347,691 FY 18 and FY 19)
To fund repairs and maintenance of the street system. The allocation will be formula based on the population of the cities and the County of Santa Clara's road and expressway lane mileage. Cities and the County will be required to demonstrate that these funds would be used to enhance and not replace current investments for road system maintenance and repair. The program would also require that cities and the County apply Complete Streets best practices in order to improve bicycle and pedestrian elements of the street system. If a city or the County has a Pavement Condition Index (PCI) score of at least 70, it may use the funds for other congestion relief projects. The City of San José currently has an average PCI of 66.
2. Bicycle & Pedestrian Program – Education & Encouragement (Estimated allocation \$494,456 per year)
To fund bicycle and pedestrian projects of countywide significance identified by the cities, County and VTA. The program will give priority to those projects that connect to schools, transit and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Bicycle and pedestrian educational programs such as Safe Routes to Schools, will be eligible for funding.

The following Measure B program will require project based funding agreements:

3. Highway Program (City of San José candidate projects previously listed)
To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS).

The following competitive Measure B programs will require a grant agreement for individual projects:

4. Bicycle & Pedestrian Program – Grant Program (Competitive)
To fund bicycle and pedestrian projects of countywide significance identified by the cities, County and VTA. The program will give priority to those projects that connect to schools, transit and employment centers; fill gaps in the existing bike and pedestrian network; safely cross barriers to mobility; and make walking or biking a safer and more convenient means of transportation for all county residents and visitors. Bicycle and pedestrian educational programs such as Safe Routes to Schools, will be eligible for funding.
5. Transit Operations Program – Innovative Transit Models Program (Competitive)
This is a subset of the Transit Operations Program which seeks to increase ridership, improve efficiency, enhance mobility services for seniors and disabled, and improve affordability for the underserved and vulnerable constituencies in the county. The Innovative Transit Models Program will support goals to address first/last mile connections. Strategies may include competitive grant programs to help fund services operated by local jurisdictions, utilize excess paratransit capacity, and other programs that encourage investments in local service.
6. Highway Program – Noise Abatement Program (Competitive)
This is a subset of the Highway Program which seeks to fund highway noise abatement projects.

EVALUATION AND FOLLOW-UP

Staff will follow up with the City Council with reports and recommended budget actions on the future use of 2016 VTA Measure B funding. If required by VTA, staff will follow up with City Council with grant and project funding agreements.

POLICY ALTERNATIVES

The proposed actions are required to allow the City to move forward with the negotiation and execution of 2016 VTA Measure B funding agreements.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the March 12, 2019 Council meeting.

COORDINATION

Preparation of this report was coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The recommended action aligns with the Transportation and Aviation Services CSA Outcome related to preserving and improving transportation assets and facilities.

COST SUMMARY/IMPLICATIONS

The recommendations in this memo would initiate the process required for the VTA to provide funds to the City of San José.

CEQA

Not a Project, File No. PP17 003, Agreements and Contracts (New or Amended) that involve no physical changes to the environment.

/s/
JOHN RISTOW
Acting Director of Transportation

For questions, contact Jessica Zenk, Interim Deputy Director for Transportation Planning and Project Delivery at (408) 535-3543.