



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Ristow

SUBJECT: SEE BELOW

DATE: June 7, 2021

Approved

Date

6/9/2021

COUNCIL DISTRICT: 3

**SUBJECT: SECOND AMENDMENT TO THE FUNDING AGREEMENT WITH VTA
FOR THE U.S. 101/ZANKER ROAD PROJECT**

RECOMMENDATION

Adopt a resolution authorizing the City Manager or designee to negotiate and execute an amendment to the funding agreement between the City of San José (City) and the Santa Clara Valley Transportation Authority (VTA) for the US 101/Zanker Road Project (Project) to extend the term of the agreement to December 31, 2023.

OUTCOME

The recommended actions will provide additional time needed by VTA to lead and complete the project approval and environmental phase of the Project with Caltrans. This work will advance the Project to a state of readiness that improves its competitiveness for regional funding opportunities, such as 2016 Measure B and Senate Bill 1 (SB1).

BACKGROUND

The Project is one of the City's priority transportation projects both in terms of upgrading the regional highway system and in supporting economic development opportunities for the City. The Project is included in the long-range vision of transportation improvements in Santa Clara County (VTA's Valley Transportation Plan 2040) and is also listed as a regional improvement in the North San José Area Development Policy.

The Project will improve access to the Mineta San Jose International Airport (SJC), provide new pedestrian and bicycle facilities, and enhance transportation and connectivity within the North San José development area. The Project will facilitate planned growth as anticipated under the

adopted Envision San Jose 2040 General Plan. The Project will construct a new bridge overcrossing connecting Zanker Rd to Skyport Dr/North 4th St over US 101. Additionally, this Project will include the following roadway improvements:

- Consolidate the existing northbound US 101 hook on- and off-ramps at Old Bayshore Highway, the isolated northbound US 101 off-ramp at Brokaw Rd, and the northbound US 101 on-ramp from N. First St into one new northbound on- and off-ramp at Bering Dr (northbound ramp improvements);
- Modify existing local street connections and intersections in the area;
- Implement complete street improvements.

On October 20, 2015, Council approved the funding agreement with VTA to provide the initial \$1.5 million for the Project Initiation Document (PID) scoping phase in accordance with Caltrans' project development procedures. The resulting scoping report, Project Study Report-Project Development Study (PSR-PDS) was approved by Caltrans on July 7, 2017, allowing the Project to proceed to the Project Approval and Environmental Document (PA&ED) phase. The PSR-PDS studied multiple alternatives; however, only one alternative with an overcrossing connecting Zanker Rd and Skyport Dr was deemed feasible by Caltrans.

On October 31, 2017, Council approved the first amendment to the agreement with VTA to provide necessary funding for VTA to continue project development through the PA&ED phase. The cost of the PA&ED phase was estimated to be \$5.9 million to be cost-shared between the City and VTA. The City's contribution was \$2.9 million, which included the remaining balance of \$300,000 from the initial agreement, and the VTA's contribution was \$3.0 million. The first amendment extended the term of the agreement to December 31, 2020 and included provisions authorizing the City's Director of Transportation to extend the term an additional six months, through June 30, 2021.

During the early PA&ED phase, the Project Development Team recommended the addition of northbound ramp improvements to the Project for further operational and safety improvements in the project area. Subsequently, per the Design Information Bulletin 77 (DIB77) requirements related to interchange spacing, additional analysis was needed. Per DIB77, Caltrans requires a minimum interchange spacing of 2.0 miles or greater between "freeway-to-freeway" and "local" interchanges. However, with the Project's northbound ramp improvements, the spacing would be approximately 0.5 mile between I-880 and Old Bayshore Highway Ramps/Bering Drive Ramps/N. Fourth Street & Technology Place. As part of the DIB77 report, traffic studies, including the analysis of existing traffic operating conditions and forecast of future traffic operating conditions, were performed to ensure that the Project will not have a significant adverse impact on the safety and operation of US 101 and I-880. After extensive studies were done, Caltrans concurred with the conclusions of the DIB77 report in June 2020.

Due to the additional studies that were required for the Project, additional time is needed by VTA for the completion of the PA&ED phase to satisfy Caltrans' project development requirements. No additional contribution from the City is necessary at this time.

ANALYSIS

Currently, the Project Development Team is in progress of completing the PA&ED phase with approval of the Project Report and environmental clearance expected by December 31, 2023 from Caltrans. The proposed amendment will extend the term of the agreement to December 31, 2023. All other terms of the funding agreement will remain in effect. The scope of work of the agreement includes:

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

Completion of the environmental phase will be used to seek Caltrans' approval to proceed with final design, right-of-way (ROW) acquisition, and construction of the preferred alternative. It is important to note that 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 US 101/De La Cruz Blvd – Trimble Rd Interchange, US 101/Blossom Hill Interchange, I-880/I-280/Stevens Creek Blvd Interchange, U.S. 101/Tully Rd and Capitol Expressway Interchanges and the I-880/Coleman Ave Interchange. VTA also has the expertise and resources to perform the work in a cost effective and timely manner.

CONCLUSION

Extending the term of the agreement to December 31, 2023 will provide the additional time needed by VTA to continue the PA&ED phase of project development.

EVALUATION AND FOLLOW-UP

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

CLIMATE SMART SAN JOSE

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals. The project will feature multimodal aspects that will facilitate the choice of mobility choices other than single-occupancy vehicles.

HONORABLE MAYOR AND CITY COUNCIL

June 7, 2021

Subject: Second Amendment to Agreement with VTA for the US 101/Zanker Road Interchange Project

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PUBLIC OUTREACH

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

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The Project is consistent with multiple City policy documents including Envision 2040 General Plan and the North San José Area Development Policy.

CEQA

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

/s/

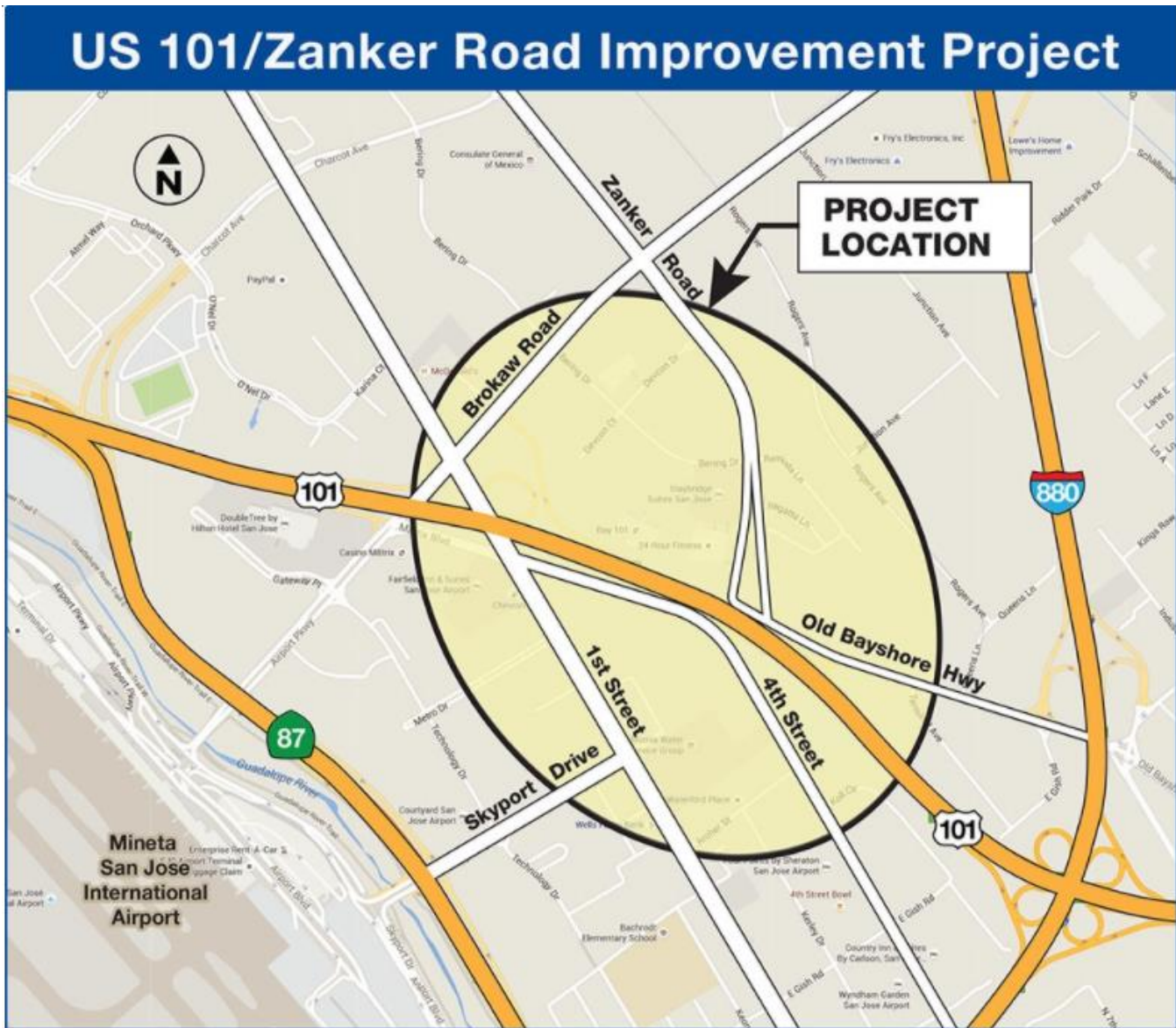
JOHN RISTOW

Director of Transportation

For questions, please contact Zahir Gulzadah, DOT Division Manager of Regional and Local Project Delivery Section at (408) 975-3257.

Attachment: Project Area Map

ATTACHMENT



US 101/Zanker Road Improvement Project