

2.22 Third Amendment to the Funding Agreement with Santa Clara Valley Transportation Authority for the U.S. 101/Zanker Road Project.

Recommendation:

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute an amendment to the funding agreement between the City of San José and the Santa Clara Valley Transportation Authority for the US 101/Zanker Road Project to extend the term of the agreement to December 31, 2026.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. Council Districts 3 and 4. (Transportation)



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Ristow

SUBJECT: SEE BELOW

DATE: April 29, 2024

Approved

Date

5/9/24

COUNCIL DISTRICTS: 3 & 4

SUBJECT: THIRD AMENDMENT TO THE FUNDING AGREEMENT WITH SANTA CLARA VALLEY TRANSPORTATION AUTHORITY FOR THE US 101/ZANKER ROAD PROJECT

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute an amendment to the funding agreement between the City of San José and the Santa Clara Valley Transportation Authority for the US 101/Zanker Road Project to extend the term of the agreement to December 31, 2026.

SUMMARY AND OUTCOME

The recommended actions will provide additional time that the Santa Clara Valley Transportation Authority (VTA) needs to lead and complete the Project Approval and Environmental Document (PA&ED) phase of the US 101/Zanker Road Project (Project) with Caltrans. This work will advance the Project to the Plans, Specifications, and Estimate phase and position it to a state of readiness that improves its competitiveness for regional and state funding opportunities, such as 2016 Measure B and Senate Bill 1.

BACKGROUND

The US 101/Zanker Road Project is one of the City's priority transportation projects to upgrade the regional highway system, support economic development, and enhance the multimodal transportation network in North San José, the city's largest employment district and key growth area. The Project location map has been incorporated as an **attachment**. The Project is included in the long-range vision of transportation improvements in Santa Clara County (Santa Clara Valley Transportation Authority's (VTA) Valley Transportation Plan 2040).

The purpose of the Project includes:

- Improved access to the San José Mineta International Airport;
- Improved pedestrian and bicycle facilities within the project area; and,
- Increased connectivity to and from North San José and associated development.

The Project will construct a new bridge overcrossing connecting Zanker Road to Skyport Drive/North 4th Street over US 101. Additionally, this Project includes the roadway improvements listed below.

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

On October 20, 2015, the City Council approved the funding agreement with VTA to provide the initial \$1.5 million for the Project Initiation Document phase in accordance with Caltrans' project development procedures. The Phase Report, Project Study Report-Project Development Study, was approved by Caltrans on July 7, 2017, allowing the Project to proceed to the PA&ED phase. The Project Study Report-Project Development Study studied multiple alternatives to evaluate and select the alternative that best fulfills the purpose, need, and objectives of the Project while balancing the environmental and social impacts. However, Caltrans deemed only one alternative with an overcrossing connecting Zanker Road and Skyport Drive feasible.

On October 31, 2017, the City 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 and to be cost-shared between the City and VTA. The City's contribution was \$2.6 million, along with the remaining balance of \$300,000 from the initial agreement, and the VTA's contribution was \$3.0 million allocated from the 2016 Measure B Highway Interchanges Program. 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.

On July 22, 2021, the City Council approved the second amendment to the agreement with VTA to extend the term of the funding agreement and allow VTA to continue project development through the PA&ED phase. The cost of the PA&ED remained unaffected. The second amendment extended the term of the agreement to December 31, 2023, and included provisions authorizing the City's Director of Transportation to extend the term an additional six months through June 30, 2024.

The proposed third amendment to the agreement will provide the additional time VTA needs to complete the PA&ED phase to satisfy Caltrans' project development requirements. Also, this will help the project advance to the Plans, Specifications, and Estimates phase. The amended agreement will remain in effect through December 31, 2026. No additional contribution from the City is necessary at this time.

ANALYSIS

Currently, the Project development team is completing the PA&ED phase with Caltrans' approval of the Project environmental clearance, which is anticipated by the end of 2024. The proposed amendment will extend the term of the agreement to December 31, 2026. All other terms of the funding agreement will remain in effect. The scope of work includes:

- Traffic analysis;
- Environmental studies to obtain National Environmental Policy Act/California Environmental Quality Act clearance;
- Project report;
- Environmental document;
- Initial right-of-way analysis; and
- Plan, Specifications, and Estimates.

Racial Equity Impact Analysis

All projects involving a federal action (funding, permit, or land) must comply with Executive Order 12898, signed by former President William J. Clinton on February 11, 1994. This Executive Order directs federal agencies to take the appropriate and necessary steps to identify and address disproportionately high and adverse effects of federal projects on the health or environment of minority and low-income populations to the greatest extent practicable and permitted by law.

The Project study area consists of two census tracts within and near the Project's footprint. The demographic characteristics of the population within the study area were compared to those of the entire city. The aim was to assess whether minority and/or low-income populations are present in sufficient numbers for the Project to have potentially disproportionately high and adverse effects on them. According to the technical study analysis, an environmental justice minority population exists, with 75% of the study area population being minorities (including 3.5% Black, 59.4% Asian American, 0% Native American, and 12% Hispanic), similar to the citywide percentage of 72% (which includes 3% Black, 36.4% Asian American, 0.6% Native American, and 31.6% Hispanic). In contrast, the effects of the Project would not primarily affect low-income populations, as they constitute only 8% of the population, compared to 9% citywide. Therefore, it is concluded that the Project would not cause disproportionately high and adverse effects on any minority or low-income population in accordance with the provision of Executive Order 12898. As a result, the Project's improvement provides benefits to all populations, not just

certain groups. These benefits include, but not limited to, improvements in traffic operations and safety, and creation of a bicycle and pedestrian-friendly environment for users.

Climate Smart San José Analysis

The Project aligns with the City of San José's Climate Smart goals adopted by the City Council in 2018. It enhances pedestrian and bike facilities in the project area to implement Climate Smart strategies. These improvements will reduce vehicle miles traveled and greenhouse gas emissions, contributing to the City's climate goals.

The Project team has identified existing bike facilities within the project area to be deficient, particularly on First Street and Tenth Street, which have narrow sidewalks and minimal bike lanes. This Project will resolve the identified bike network deficiencies by closing the gaps in the existing bike network facilities, including implementing Class IV and Class I bikeways on the overcrossing and local roads. Finally, the Project will address the limited pedestrian accessibility and connectivity in the Project area by bridging discontinuous sidewalks and bringing these facilities into compliance with the Americans with Disabilities Act standards.

EVALUATION AND FOLLOW-UP

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

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the May 21, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

April 29, 2024

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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.

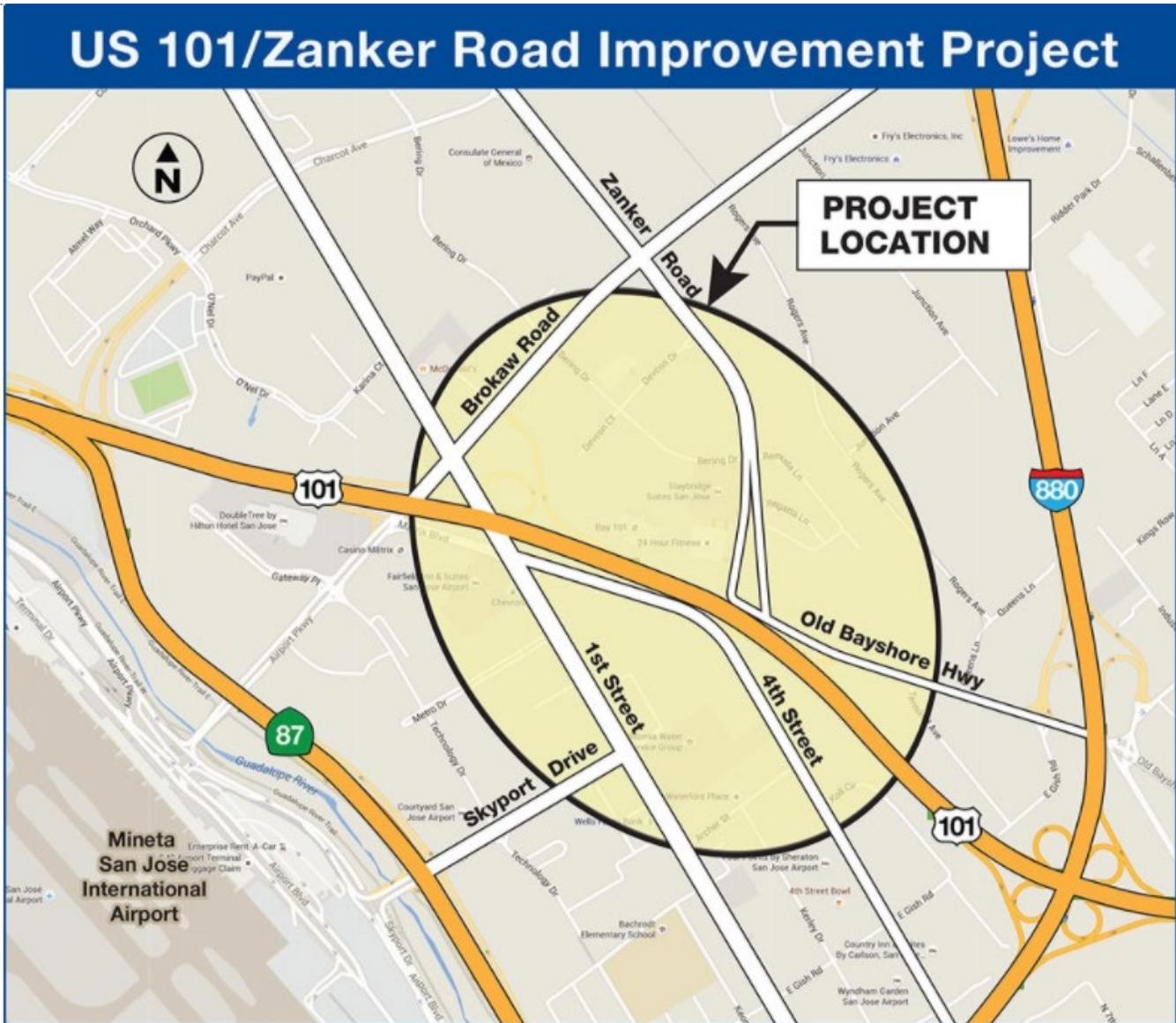
/s/

JOHN RISTOW

Director of Transportation

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

Attachment: US 101/Zanker Road Improvement Project



US 101/Zanker Road Improvement Project