

REPORT TO COUNCIL

SUBJECT

Authorize the City Manager to Execute an Agreement with Santa Clara County for the Design and Construction of West Bound Auxiliary Lanes on Central Expressway between Commercial Avenue and Wolfe Road for an amount not to exceed \$1,148,461 and Approve Budget Modification No. 7

BACKGROUND

The Landbank project, located at the Southeast corner of Wolfe Road and Arques Avenue, was approved by City Council on October 14, 2014 (RTC No. 14-0695). Condition of approval BP-8 (Attachment 1) required the developer to provide a fair share contribution of \$148,461 for auxiliary lanes on Central Expressway between Wolfe Road and Lawrence Expressway. The Development Agreement that was part of project approvals also included item 3.10.3 (Attachment 2) for \$1,000,000 to be used for Citywide transportation improvements. As part of the project approvals staff discussed using this funding for the Central Expressway auxiliary lanes. The developer payments were made to the City in May 2016 and December 2015, respectively.

EXISTING POLICY

General Plan Chapter 3 Land Use and Transportation Goal C:

POLICY 30: Maintain a funding mechanism where new and existing land uses equitably participate in transportation system improvements.

POLICY 46: Support statewide, regional, and subregional efforts that provide for a safe, effective transportation system that serves all travel modes consistent with established service standards.

POLICY 48: Support regional and cross-regional transportation improvements and corridors while minimizing impacts to community form and intracity travel.

ENVIRONMENTAL REVIEW

The action being considered is a funding agreement to fund the design and construction of west bound auxiliary lanes on Central Expressway between Commercial Avenue and Wolfe Road and does not require environmental review by the City. The County of Santa Clara is the lead agency for this project and will complete appropriate environmental review for construction of the project at the time the County awards their construction contract.

DISCUSSION

The design and construction of the westbound auxiliary lanes on Central Expressway between Wolfe and Commercial will be managed by the County of Santa Clara. Per the proposed Funding Agreement (Attachment 3), the County will use the funds for work required to complete the project, including the following:

- Design
- Environmental

- Permits
- Right-of-Way
- Advertise, award and administer the construction contract

The current cost for consultant services and construction is estimated to be \$1,000,000, and is fully funded by the development funds. The County will contribute project management and inspection staff time at no cost to the project. Any changes to the scope of work that may increase costs above \$1,000,000, shall receive prior written approval and agreement on a funding plan. Should the reasonable bid amount (i.e., the engineer's estimate of probable construction costs plus ten percent) and associated consultant costs exceed \$1,000,000, the City and County will need to meet to determine the next steps of action prior to advertisement for bids. The proposed action and current funding allows for the City Manager to execute agreements up to \$1,148,461. If the project costs are expected to exceed this amount a future Council action and funding source would be required to move forward with the project.

FISCAL IMPACT

Funding in the amount of \$1,148,461 were received through developer contributions and eligible for use for the proposed project. A transfer of \$1.0 million is recommended from the Community Benefits Sub-Fund, a new fund recently created to collect community benefits negotiated from developers and designated for specific purposes. These funds are accounted for in the Capital Projects Fund/General Assets Sub-Fund in the FY 2017/18 Adopted Budget, prior to the setup of the new fund. Upon approval of this funding agreement, funds will be transferred to the County in two phases (design phase and construction phase). If the total project costs are expected to exceed \$1,148,461 a future council action would be needed to determine if construction of the project should proceed and the appropriate funding source.

Budget Modification No. 7 FY 2017/18

	Current	Increase/ (Decrease)	Revised
Capital Projects Fund/General Assets Sub-Fund			
<u>Revenue</u>			
Developer Contribution	\$0	\$148,461	\$148,461
<u>Transfers In</u>			
Transfer from Capital Projects Fund/Community Benefits Sub-Fund	\$0	\$1,000,000	\$1,000,000
<u>Expenditures</u>			
NEW PROJECT - Central Expressway Auxiliary Lanes	\$0	\$1,148,461	\$1,148,461

Capital Projects

Fund/Community Benefits Sub-Fund

Transfers Out

Transfer to Capital Projects	\$0	\$1,000,000	\$1,000,000
Fund/General Assets Sub-Fund (NEW PROJECT - Central Expressway Auxiliary Lanes)			

Reserves

Community Benefits Reserve	\$1,030,000	(\$1,000,000)	\$30,000
(NEW PROJECT - Central Expressway Auxiliary Lanes)			

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Authorize the City Manager to Execute an Agreement with the Santa Clara County for the Design and Construction of West Bound Auxiliary Lanes on Central Expressway between Commercial Avenue and Wolfe Road for an amount not to exceed \$1,148,461 and Approve Budget Modification No. 7 in the amount of \$1,148,461.

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Reviewed by: Timothy J. Kirby, Director, Finance

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. BP-8 Traffic Safety Mitigation
2. 3.10.3 Additional Traffic Improvements/Payments
3. Proposed Funding Agreement