



**PUBLIC WORKS DEPARTMENT**

CITY HALL

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**CITY COUNCIL STAFF REPORT**

Meeting: February 2, 2016

Subject

Letter Agreement between The Irvine Company, LLC, a California limited liability company and the City of Cupertino, a municipal corporation agreeing to an advance contribution of \$200,000 to be used for the I-280/Wolfe Road Interchange Improvement Project and to be credited against Irvine Company's \$7,000,000 future contribution that is currently contemplated as a Development Agreement item for their proposed development for the Hamptons Apartment Project at 19500 Pruneridge Avenue.

Recommended Action

- 1) Authorize the City Manager to execute an agreement with the Irvine Company, LLC to accept an advance contribution of \$200,000 to be used for the I-280/Wolfe Road Interchange Project.
- 2) Amend approved FY 15/16 Operating Budget by an additional expense amount of \$1,200,000 for I-280/Wolfe Road Interchange Project budget.
- 3) Amend approved FY 15/16 Operating Budget by an additional revenue amount of \$1,200,000 for I-280/Wolfe Road Interchange Project budget.

Background

In anticipation of increasing traffic demands and the need for enhanced multi-modal connectivity along Wolfe Road across I-280, the VTA is initiating a Project Study Report/Project Initiation Document (PSR/PID) for the purpose of identifying alternatives for a new overcrossing of Wolfe Road at I-280. Following completion of the PSR/PID, a Project Approval/Environmental Document (PAED) will be completed, with the goal being final Plans, Specifications and Estimates (PS&E) and ultimately construction of a new interchange. It is anticipated that the studies and engineering described above would take approximately 5 years to complete, with construction beginning around the year 2020.

Discussion

At the November 17, 2015 meeting, City Council approved a funding agreement between the City of Cupertino and the VTA for the I-280/Wolfe Road Interchange Improvement Project. The funding agreement identifies the respective obligations of

the City and VTA with regard to the project, and specified an initial developer-funded City contribution of \$1,200,000 for the PID phase of the project. Apple has already deposited \$1,000,000 with the City as part of their Apple Campus 2 Development Agreement for the purpose of funding the I-280/Wolfe Road Interchange Project. This amount will be applied towards the \$1,200,000 PID phase.

The Irvine Company, LLC will be offering to contribute \$7,000,000 as a pro rata fair-share contribution to the I-280/Wolfe Road Interchange Project as a condition of their Development Agreement with the City for the proposed Hamptons Apartment Project. Under the current Letter Agreement, they are agreeing to provide an advance of \$200,000, credited towards the \$7,000,000, in order to supplement Apple's \$1,000,000 deposit to allow the PID phase of the project to proceed. The \$200,000 is non-refundable, and is not contingent upon the actual approval or construction of the I-280/Wolfe Road interchange or approval or construction of the proposed Hamptons Apartment Project.

Sustainability Impact

N/A

Fiscal Impact

There is no fiscal impact to the City. The developer contributions will reimburse the City for the total cost of \$1,200,000, resulting in zero impact to the general fund. Funds will be added to Traffic Engineering expense account number 100-88-844 900-XXX and revenue account number 100-88-844 450-404.

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Prepared by: Timm Borden, Director of Public Works

Approved for Submission by: David Brandt, City Manager

Attachments:

A - Draft Funding Agreement between the City of Cupertino and the Santa Clara Valley Transportation Authority (I-280/Wolfe Road Interchange Improvements Project)