



PUBLIC WORKS DEPARTMENT

CITY HALL

10300 TORRE AVENUE • CUPERTINO, CA 95014-3255

TELEPHONE: (408) 777-3354 www.cupertino.org

CITY COUNCIL STAFF REPORT

Meeting: February 20, 2018

Subject

Second Amendment to the Funding Agreement between the City of Cupertino and the Santa Clara Valley Transportation Authority (VTA) for the I-280/Wolfe Road Interchange Improvements Project

Recommended Action

Authorize the City Manager to execute the Second Amendment to the Funding Agreement with VTA to identify their respective obligations in regard to the I-280/Wolfe Road Interchange Improvements Project (the "Project").

Approve a budget appropriation in the amount of \$260,000 in Fund 100-88-844 900-964 for the Second Amendment to the Funding Agreement between the City of Cupertino and VTA for the I-280/Wolfe Road Interchange Improvements Project.

Background

In anticipation of increasing traffic demands and the need for enhanced multi-modal connectivity along Wolfe Road across I-280, in 2017 VTA completed a Project Study Report/Project Initiation Document (PSR/PID) for the purpose of identifying alternatives for a new interchange on Wolfe Road at I-280. Following completion of the PSR/PID, VTA initiated and is in the process of completing the Project Approval/Environmental Document (PAED), with the goal being final Plans, Specifications and Estimates (PS&E) and ultimately construction of a new interchange. In the absence of funding constraints, construction of a new interchange could begin by 2020.

On November 17, 2015, City Council authorized the City Manager to execute a funding agreement with VTA to identify their and the City's respective obligations in regards to the Project. The funding agreement, in essence, provided for a contribution of \$1,200,000 from the City for completion of the PSR/PID (comprised of a \$1,000,000 contribution from Apple and a \$200,000 contribution from the Irvine Company).

On May 2, 2017, the City Council authorized an amendment to the funding agreement to increase the City's contribution to the Project from \$1,200,000 to \$1,700,000, to include a one-time contribution of \$500,000 from Cupertino Property Development II, LLC, developers of the Hyatt Hotel project at 10380 Perimeter Road.

Discussion

As one of their required traffic mitigations, Apple was required to complete improvements to the Wolfe Road/I-280 interchange that would enhance the pedestrian environment at the southbound Wolfe Road-to-southbound I-280 on-ramp. Because the Project will ultimately result in an upgrade or replacement of the entire structure, city staff and Apple subsequently agreed that, in lieu of completing improvements that would be a temporary fix to an aging structure, Apple would complete a cost estimate of the improvements required by the mitigation and contribute those funds instead to ensuring progress of the Project until Measure B funds became available. This cost of the mitigation work is estimated at \$260,000. The Second Amendment to the Funding Agreement modifies the Agreement to increase the City's contribution to the Project from \$1,700,000 to \$1,960,000 to include this \$260,000. It is VTA's intent that this additional funding will be applied towards the PAED phase of the Project. Additional funding for the PAED phase will likely come from Measure B sales tax revenue.

Sustainability Impact

N/A

Fiscal Impact

The City received the additional amount to be appropriated in January 2018 from Apple, Inc. as part of the development agreement for the Apple Campus 2 project.

Prepared by: Timm Borden, Director of Public Works

Approved for Submission by: David Brandt, City Manager

Attachments:

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