



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: June 15, 2021

Subject

Consider Authorizing the City Manager to Execute the Third 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 Third Amendment to the Funding Agreement with VTA to Extend the Term of the Funding Agreement from June 30, 2021 to December 31, 2022 for the I-280/Wolfe Road Interchange Improvements Project (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 recently completed the Project Approval/Environmental Document (PAED) phase, resulting in a Project Report (PR) which was approved on November 2, 2020. VTA is now moving forward on developing final Plans, Specifications and Estimates (PS&E) which, in the absence of funding constraints, is anticipated to be completed late 2022. The 35 percent PS&E was recently completed in October 2020. Construction of a new interchange could begin by summer 2023.

City Council actions to date on this item include:

- 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. The funding agreement 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).

- 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.
- February 20, 2018, the City Council authorized a second amendment to the funding agreement to increase the City's contribution to the Project from \$1,700,000 to \$1,960,000, to include a contribution of \$260,000 from Apple in lieu of an improvement required by mitigation for the Apple Park campus development.

Discussion

VTa and City staff recommend extending the term of the Funding Agreement through December 31, 2022, to allow completion of final design Plans, Specifications and Estimate (PS&E) of the project.

The current Funding Agreement requires any extension of the term to be approved by the VTA Board and the Cupertino City Council. At their meeting of January 7, 2020, the VTA Board authorized the VTA General Manager to extend the term of the Funding Agreement with the City through amendments without the need to return to the Board for approval for each time extension.

The Third Amendment to the Funding Agreement will extend the term of the Funding Agreement to December 31, 2022 and remove the requirement that the VTA Board approve further time extension to the Agreement. Extending the term of the Funding Agreement will allow cooperative funding efforts between VTA and the City of Cupertino to continue towards completion of the PS&E.

Sustainability Impact

There is no impact to sustainability.

Fiscal Impact

The Project is to be funded by a combination of 2016 Measure B, local funds and other funds as available. The Project has a required minimum 10% non-Measure B contribution, towards which the \$1.96 million in developer contributions from the City of Cupertino will be credited. The current estimated total cost of the Project, including design, environmental clearance and construction is \$92 million.

As a result, 10% of this cost, or approximately \$9.2 million, will need to come from non-Measure B sources. This could include City general fund, developer contributions, or other federal highway grant programs. The City will continue to partner with VTA to identify sources of funding to supplement the \$1.96 million and satisfy this requirement.

No funding is being requested as part of the current staff recommendation.

Prepared by: David Stillman, Transportation Manager

Reviewed by: Roger Lee, Director of Public Works

Approved for Submission by: Dianne Thompson, Assistant City Manager

Attachments:

A - Draft Third Amendment to Funding Agreement with VTA

B - Funding Agreement with VTA for the I-280/Wolfe Road Interchange Improvements Project

C - First Amendment to Funding Agreement with VTA for the I-280/Wolfe Road Interchange Improvements Project

D - Second Amendment to Funding Agreement with VTA for the I-280/Wolfe Road Interchange Improvements Project

E - VTA Certified Board Memo 7575 dated January 7, 2021