



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer
Katy Allen

**SUBJECT: GUADALUPE CORRIDOR
PROJECT CLOSE-OUT**

DATE: 08-06-07

Approved

Date

8/14/07

COUNCIL DISTRICT: 1, 2, 3, 6, 7, 9, 10

RECOMMENDATION

1. Adopt a resolution authorizing the City Manager to negotiate and execute the Right-of-Way Cooperative Agreement between the City of San José, Santa Clara County, State of California and Valley Transportation Authority for the Guadalupe Corridor project.
2. Adoption of a resolution authorizing the Director of Public Works to:
 - a. Execute all documents necessary on behalf of the City of San José for the conveyance and acceptance of property interests, including fee title and easements, associated with the Guadalupe Corridor project.
 - b. Negotiate and execute the Joint Use Agreements between the State of California and the City of San José for affected City sewer facilities related to the Guadalupe Corridor project.
3. Adoption of a resolution authorizing the Director of Transportation to negotiate and execute those freeway Maintenance Agreements between the State of California and the City of San José that include the Guadalupe Corridor project as follows:
 - a. Route 85 from Route 101 to De Anza Boulevard.
 - b. Route 87 from the Route 85/87 Interchange to Coleman Avenue.

OUTCOME

Approval of the recommended agreements provides the mechanism for the City to formalize and document 1) the ownership, property interests, operations and maintenance responsibilities between the respective agencies for the properties and infrastructure improvements associated

with the Guadalupe Corridor Project, and 2) the distribution and ownership of vacant properties considered excess to the Guadalupe Corridor Project and therefore providing for the potential reuse of these properties for other public and/or private purposes. The exchange of properties and property interests will be accomplished by both instruments of conveyance as well as agreements including joint use agreements.

BACKGROUND

Completed in the early 1990's, the Guadalupe Corridor Project (Project) constructed the Route 87 freeway, light rail transit (LRT) and bicycle facilities from Route 280 to Route 85, and the Route 85 freeway and LRT facilities from Route 87 to Miyuki Avenue in the City of San José. A map of the Project is attached as Exhibit A. Funding for the Project included contributions from federal, state and local sources. The Project cost at the time of completion totaled approximately \$536.6 million.

A Joint Powers Board (JPB) consisting of representatives from the City of San José, City of Santa Clara, Santa Clara County (County), State of California (Caltrans) and the former Santa Clara County Transit District (SCCTD), now the Valley Transportation Authority (VTA), was established to oversee the Project. A JPB Agreement executed in 1982 established the management and oversight responsibilities of all parties to include the funding, property acquisition and construction of the Project improvements. Although the JPB Agreement expired on January 1, 1989, both Caltrans and the SCCTD jointly provided oversight through the completion of the Project.

As the final phase of the Project, the completion of the right-of-way engineering activities began in the mid-1990's. These efforts however, were unsuccessful primarily due to staff reassignments to support other priority projects. In 2005, a team of representatives from the City of San José (Departments of Transportation and Public Works), the County, Caltrans and VTA formed to renew the effort. Adoption of the recommended resolutions is the final product of these efforts and will provide for the completion of all outstanding right-of-way transactions and the execution of other standard agreements related to the Project.

ANALYSIS

Right-of-Way Cooperative Agreement

Approval of the right-of-way cooperative agreement will provide for the conveyance of final property rights and ownership for all properties acquired or contributed toward the Project. In total, approximately 275 properties were originally acquired from private parties or contributed by local agencies for the Project. In accordance with the JPB Agreement, these properties were divided into jurisdictional areas for purposes to include the freeway (Caltrans), expressway (County), local streets (City) and transit (VTA) elements of the Project. For properties subsequently identified as excess to the Project, the JPB Agreement provided that the properties be returned to the source from which the funds or property were obtained. As a result of this

apportionment of properties, approximately 900 separate transactions have been identified and tracked as part of the final right-of-way engineering.

The City is party to approximately 233 property transactions related to the Project. It is noted that 75 of these transactions are considered complete by way of subsequent actions that include the City's annexation of County lands and the relinquishment of property rights by the State to the City. For the disposition of the remaining 158 properties, most of the property transactions to be conveyed by the City will go either to Caltrans as part of the freeway right-of-way or to VTA for LRT right-of-way and/or other facilities to include park-and-ride lots. Likewise, most of the properties the City will receive will be in the form of local streets and sidewalks.

It is noted that the acquired properties were originally purchased by all parties to the JPB Agreement for the Guadalupe Corridor Project and met environmental requirements in place at the time of acquisition. The parties have agreed to accept conveyance of all properties "as is" without regard to any environmental conditions which may potentially affect particular parcels. Further, the parties have agreed that the Grantor for any and all transactions shall indemnify the Grantee in all matters related to title, ownership and hazardous materials. As these properties have been under the control and ownership of the parties for many years with no claims pertaining to title or environmental concerns, and with mutual indemnification in these matters, the City's exposure to any future action or claim related to these properties is minimal.

To streamline the acceptance and conveyance of property rights, it is recommended that the Director of Public Works be authorized to execute the transactions needed to facilitate the property transfers. Due to the number of transactions, the parties have set June 2009 as the target date for completion.

Properties Outside of the Public Right-of-Way (Excess Property)

As a result of the final right-of-way engineering effort, the City will have either exclusive or joint interest to approximately 19 properties that are not required for roadway, sidewalk or other public improvement. These properties can summarily be categorized as meeting the following conditions:

- Considered excess to the Project.
- Outside of the public right-of-way (i.e., not used for street or sidewalk purposes).
- Originally contributed or acquired by the City or jointly between the City and VTA (formerly SCCTD) for the Project. (In accordance with the JPB Agreement and to the extent practical, the final ownership of these properties will revert to the original acquiring or contributing agency.)

An informational matrix and map of the locations of the excess properties proposed for City ownership is attached as Exhibit B.

One of the key functions of the Real Estate Division of the Department of Public Works is the management and maintenance of excess properties. The Real Estate Division has the list of all excess properties generated by the Project and, upon execution of the Right-of-Way Cooperative

Agreement and the property transfer documents, is able to begin the process to determine the potential or interest for public reuse purposes or if a property is surplus to the City's purposes and available for sale.

Joint Use Agreement

For the City's sewer facilities that were reconstructed or relocated by the Project within the freeway right-of-way limits, the State will enter into Joint Use Agreements (JUA) with the City. The JUA's perpetuate the City's rights to access and maintain the sewer facilities located within the freeway right-of-way. It is recommended that the Director of Public Works be authorized to execute the JUA's.

Maintenance Agreement

The freeway maintenance agreement establishes the responsibilities between the State and the City for the maintenance of the completed improvements within the State's jurisdiction. As the Project included both Route 85 and Route 87, a separate agreement is required for each freeway. As such, the proposed maintenance agreements are for:

- Route 85 from Route 101 to De Anza Boulevard.
- Route 87 from the Route 85/87 interchange to Coleman Avenue

The City's maintenance responsibilities under the terms of the agreement generally include those non-structural roadway elements such as lighting, signs, signals and striping for local streets that cross the freeway. In addition, the City will also assume certain maintenance responsibilities for the Highway 87 Bikeway to include surface repairs to the bikeway, graffiti removal, landscaping, weed abatement, lighting, litter removal, signing, and striping. It is recommended that the Director of Transportation be authorized to execute the freeway maintenance agreements.

EVALUATION AND FOLLOW-UP

As previously discussed, most of the properties already transferred to the City and those properties included in the Right-of-Way Cooperative Agreement will become part of the public right-of-way, e.g., streets, sidewalks, etc., and no further action would be required. Properties that are excess to the Project that the City will receive have been or will be added to the City's inventory of vacant property. Once conveyed to the City, these properties will be considered both for their public and/or private uses and potential revenue generation through processes managed by the Department of Public Works. The processes and procedures related to the disposition of these and all vacant City properties is currently being revisited by Public Works staff and will be presented to the City Council in the Fall 2007.

POLICY ALTERNATIVES

The recommendations contained within this memorandum are consistent with standard State procedures, previously approved agreements between the parties and are needed to properly

reflect the use and ownership of the properties. There are no alternatives to the recommended action.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While these recommendations do not meet any of the criteria, this memorandum will be posted on the City's website for the August 28, 2007 Council agenda.

COORDINATION

This memorandum and the agreements have been coordinated with Santa Clara County, Caltrans and the VTA. Coordination within the City of San José includes the Department of Parks, Recreation and Neighborhood Services, Department of Planning, Building and Code Enforcement and the City Attorney's Office and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

The recommended actions are the final steps to the completion of the Guadalupe Corridor Project and will add to the City's inventory of public right-of-way, infrastructure and vacant property. These actions align with the Strategic Support Services CSA Outcome of *Safe and Functional Public Infrastructure, Facilities and Equipment* and the Transportation and Aviation Services CSA Outcome of providing *Safe and Functional Public Infrastructure, Facilities and Equipment*.

COST SUMMARY/IMPLICATIONS

Through the execution of the recommended Cooperative Agreement, Joint Use Agreements and Maintenance Agreements, the City will formally assume responsibility associated with the maintenance of City facilities within the Project area. It is noted that in anticipation of the

execution of these agreements that the City already maintains both the properties associated with the public right-of-way and properties excess to the Project that were previously conveyed.

Funding for the maintenance of the excess properties is part of an annual funding allocation from the Department of Transportation. These funds are used for property clean-up, fencing, signage (no trespassing) and graffiti removal. As such, there is no additional cost implications associated with this element of the recommendation.

The one noteworthy exception is the bicycle facility (Highway 87 Bikeway) which will be a new maintenance responsibility for the City. Funding for the maintenance of this facility will be requested by the Department of Parks, Recreation and Neighborhood Services as part of the 2008-2009 budget process. If the obligation occurs earlier, staff may need to request additional resources during the 2007-2008 fiscal year.

BUDGET REFERENCE

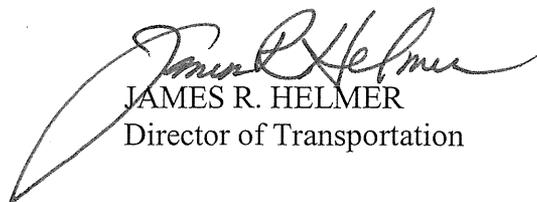
Fund #	Appn. #	Appn. Name	Total Appn.	2007-2008 Proposed Capital Budget Page	Last Budget Action (Date, Ord. No.)
Current Funding Available					
465	4302	Land Management	\$90,000	V-887	N/A
Total Current Funding Available			\$90,000		

CEQA

Exempt, File No. PP07-129
 Guadalupe Corridor EIR, December 1981



KATY ALLEN
 Director of Public Works



JAMES R. HELMER
 Director of Transportation

For questions please contact Ray Salvano, Regional Transportation Projects Manager, at (408) 975-3706.

Attachments

EXHIBIT A

GUADALUPE CORRIDOR PROJECT

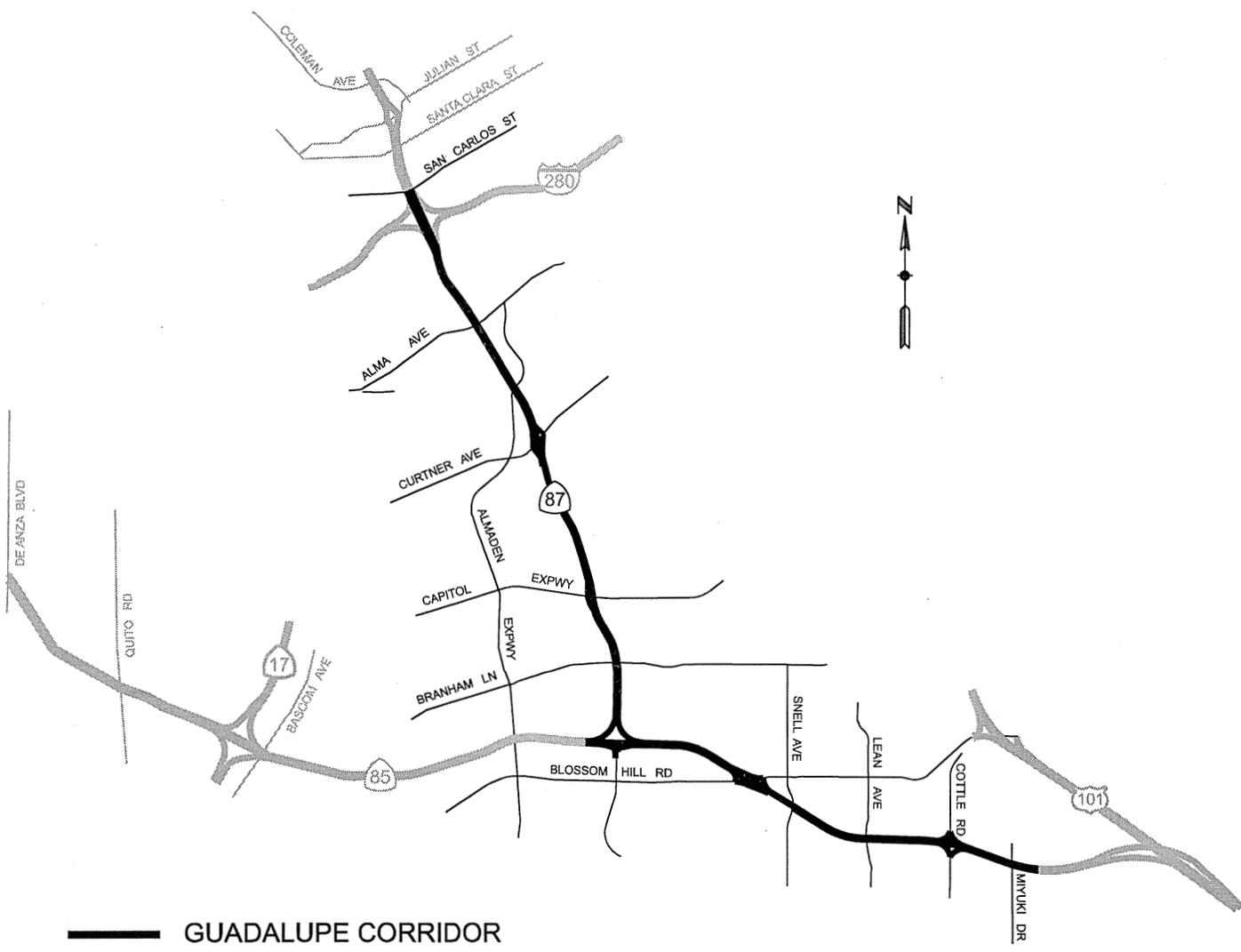
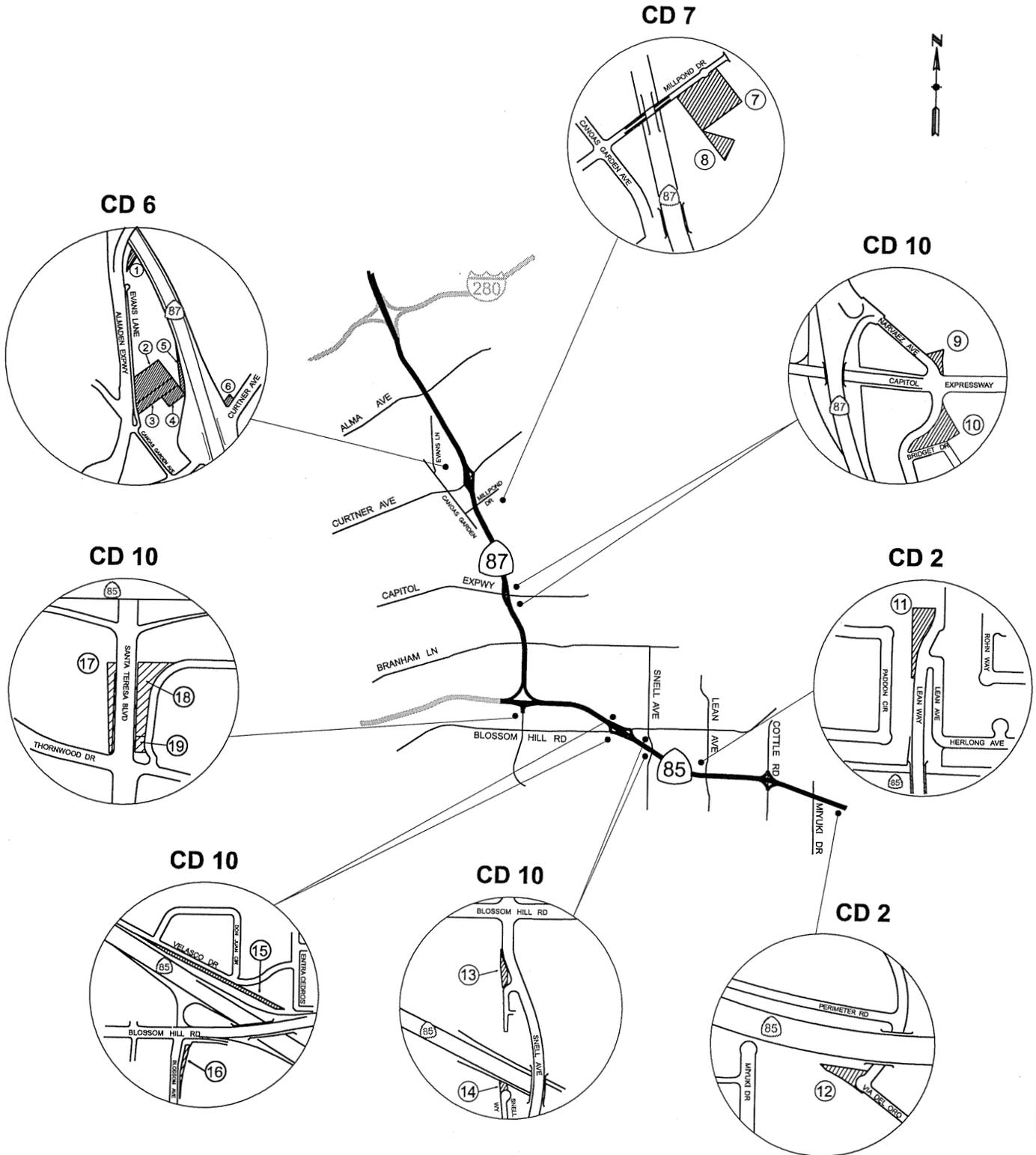


EXHIBIT B
GUADALUPE CORRIDOR PROJECT
Excess Parcels Solely or Jointly Owned by City

No.	Final Owner	Original Owner	Location	Council District	Current Use	Approx Area (sf)	Conveyance Complete		Remarks
1	City	State	Evans Lane	6	Vacant	2,100		No	
2	City	VTA	Evans Lane	6	Vacant	139,500	Yes		APN 455-31-053
3	City	VTA	Evans Lane	6	Vacant	78,000	Yes		
4	City	County	Evans Lane	6	Vacant	40,900	Yes		APN 455-31-055
5	City	State	Evans Lane	6	Vacant	8,300		No	
6	VTA/City	State	Unified Way	6	Within SJ Unified School District	3,100		No	
7	VTA/City	VTA/City	Millpond Dr	7	Vacant	57,500	Original ownership retained		
8	VTA/City	VTA/City	Millpond Dr	7	Vacant	13,500	Original ownership retained		
9	VTA/City	VTA/City	Capitol Expwy/Narvaez Ave	10	Landscaped	12,100	Original ownership retained		License to a Daycare Facility
10	VTA/City	VTA/City	Capitol Expwy/Narvaez Ave	10	Vacant	60,200	Original ownership retained		
11	City	City	Lean Ave	2	Vacant	18,500	Original ownership retained		APN 692-15-092 (portion of)
12	City	City	Via Del Oro	2	Vacant	13,500	Original ownership retained		Formerly Via Del Oro; APN 706-03-012 (portion of)
13	City	City	Snell Ave	10	Vacant	8,400	Original ownership retained		Formerly Snell Rd
14	City	City	Snell Ave	10	Vacant	1,200	Original ownership retained		Formerly Snell Rd
15	City	VTA/City	Velasco Dr	10	Landscaped Parkstrip	41,000		No	City 84-inch storm sewer under property
16	City	VTA/City	Blossom Ave	10	Vacant	6,700		No	
17	City	State	Santa Teresa Blvd	10	Landscaped Parkstrip	12,000		No	
18	City	City	Santa Teresa Blvd	10	Landscaped Parkstrip	33,000	Original ownership retained		APN 464-28-010
19	City	City	Santa Teresa Blvd	10	Landscaped Parkstrip	4,600	Original ownership retained		

EXHIBIT B



City of San Jose
 Department of Transportation
 Guadalupe Corridor Close-out
 July 2007

NOT TO SCALE