



COUNCIL AGENDA: 12-13-05

ITEM: 2.12

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 11-21-05

Approved

Date

12/1/05

Council District: 2
SNI: Edenvale

SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE CONSTRUCTION EXCISE TAX FUND FOR THE HELLYER PIERCY IMPROVEMENT DISTRICT NO. 99-218SJ, CONTRACT #3

RECOMMENDATION

Adoption of the following Appropriation Ordinance and Funding Sources Resolution Amendments in the Construction Excise Tax Fund:

1. Establish an appropriation to the Department of Public Works for the Hellyer Piercy Improvement District No. 99-218SJ, Contract #3 project in the amount of \$129,000.
2. Increase the estimate for Earned Revenue by \$129,000.

CEQA: Resolution No. 69699, PP02-10-284.

BACKGROUND

On May 15, 2001, Council authorized the issuance of limited obligation improvement bonds for the Hellyer-Piercy Improvement District located in the Edenvale Redevelopment Project Area. The City subsequently issued these bonds in June 2001 to facilitate the construction of various public improvements. The improvements were divided into two zones – Zones A and B.

Zone A includes the following five main improvements: 1) extension of Hellyer Avenue, 2) improvements to Silver Creek Valley Road and Piercy Road, 3) reclaimed water, sanitary, storm, and utility improvements, 4) numerous traffic mitigation improvements, including the gateway improvements at Silicon Valley Road Bridge over Coyote Creek, and 5) improvements to the interchanges at Route 101/Blossom Hill Road and Route 101/Hellyer Avenue.

Zone B includes an extension of the Silver Creek Valley Road Bridge and roadway construction to facilitate access to the McCandless property located between Route 101 and Coyote Creek.

On March 16, 2004, the Council approved the third construction contract (also known as Contract #3) for the Hellyer-Piercy Improvement District. Contract #3 will construct a portion of the Zone A offsite traffic mitigation improvements. These improvements include traffic signal modifications at the following seven intersections:

- Blossom Hill / Monterey Road
- Hellyer Avenue / Fontanoso Way
- Cottle Road / Poughkeepsie Drive
- Cottle Road / Beswick Way
- Cottle Road / State Route 85 Northbound
- Cottle Road / State Route 85 Southbound
- Silicon Valley Boulevard / State Route 101 Northbound

Contract #3 was designed to enhance the traffic-carrying capacity of these intersections and improve the traffic conditions generated from the Edenvale campus industrial area.

ANALYSIS

Private development projects that were approved by the City prior to the formation of the Hellyer-Piercy Improvement District were required to build improvements to mitigate their project impacts. Several projects contributed fees to the City in-lieu of constructing portions of these required improvements. These improvements have been proposed to be included in the scope of work for Contract #3 as additional work.

In an appropriation action approved by the City Council on May 27, 2003, funds totaling \$565,300 were transferred from the developer in-lieu fee account to the Construction Excise Tax Fund. Those funds were programmed and expended for improvements associated with the Hellyer-Piercy Improvement District project as well as the Great Oaks-Route 85 Community Facilities District #6 project.

At that time, negotiations were in place for an additional \$129,000 in-lieu deposit to fund improvements within the scope of the Hellyer-Piercy Improvement District. The developer has since deposited these funds with the City. These funds are necessary in order to complete the project.

The amount to be transferred from the developer in-lieu fee account includes the actual amount of the in-lieu fees paid by the developers based upon the original Engineer's Estimates of the cost of the work at the time the fees were paid. Therefore, staff is proposing to transfer these in-

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lieu funds to the Construction Excise Tax Fund and appropriate funds to cover the full cost of the project.

OUTCOME

The desired outcome from the approval of this supplemental funding request is to pay for the portion of additional changes in work scope that occurred during the course of the project.

PUBLIC OUTREACH

Not applicable.

COORDINATION

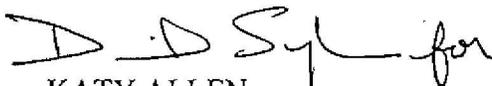
This memo has been coordinated with the City Attorney's Office and the Departments of Planning, Building and Code Enforcement, Finance and Transportation.

COST IMPLICATIONS

These traffic mitigation improvements will be funded entirely by a transfer from developer in lieu fees.

CEQA

Resolution No. 69699, PP02-10-284.



KATY ALLEN
Director of Public Works



LARRY D. LISENBEE
Budget Director

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I hereby certify that there will be available for appropriation in the Construction Excise Tax Fund in the Fiscal Year 2005-2006 monies in excess of those heretofore appropriated there from, said excess being at least \$129,000.

A handwritten signature in black ink, appearing to read "Larry D. Lisenbee". The signature is fluid and cursive, with the first name "Larry" being the most prominent.

LARRY D. LISENBEE
Budget Director

LDLAT:ds