

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE LOAN OF \$1,351,000 FROM DEVELOPER IMPACT FEES COLLECTED FOR THE US101/BLOSSOM HILL INTERCHANGE PROJECT TO PARTIALLY FUND THE LOCAL MATCH OF FUNDS OF \$1,632,200 FOR TWO PROJECTS TO THE METROPOLITAN TRANSPORTATION COMMISSION FOR THE 2010 TRANSPORTATION FOR LIVABLE COMMUNITIES GRANT PROGRAM

WHEREAS, City of San José (“City”) will submit a grant application to the Metropolitan Transportation Commission (“MTC”) in the total amount of \$8,162,000 for three separate transportation projects: (i) San Fernando Street Enhanced Bikeway and Pedestrian Access project; (ii) The Alameda – A plan for the Beautiful Way project; and (iii) San Carlos Multimodal Streetscape Improvements – Phase II project; and

WHEREAS, if the grants of \$8,162,000 are awarded for the three City transportation projects by MTC, \$6,529,800 of that amount will be reimbursable to the City, and a local match of \$1,632,200 will be required to obtain the grants; and

WHEREAS, due to budget limitations, and to be able to receive these grants, the matching funds for two of these projects, The Alameda – A Plan for the Beautiful Way project and San Carlos Multimodal Streetscape Improvements – Phase II project are proposed to be funded by a loan from the Route 101/Blossom Hill Interchange Reserve held in the Building and Structure Construction Tax Fund (Fund No. 429) (the “US 101/Blossom Hill Reserve”) in an amount of \$1,351,000; and

WHEREAS, the San Fernando Street Enhanced Bikeway and Pedestrian Access project is proposed to be funded by reducing the Bicycle and Pedestrian Facilities project by \$281,200; and

WHEREAS, repayment of the US 101/Blossom Hill Reserve will require interest payments at the City's pooled interest rate; and

WHEREAS, repayment of the US 101/Blossom Hill Reserve will be from the Building and Structure Construction Tax Fund (Fund 429) and will be achieved through multiple sources including higher than anticipated revenue in 2009-2010, and expected savings of approximately \$450,000 - \$700,000 from current projects after the final fund reconciliation of the 2009-2010 Annual Report; and

WHEREAS, although not expected, if the Route 101/Blossom Hill project is required to start work prior to repayment of the US 101/Blossom Hill Reserve, that work would be funded by funds currently programmed for the Route 101/Tully interchange construction; and

WHEREAS, although no formal agreement has been executed with the Valley Transportation Authority ("VTA") to specify the amount and schedule for the City's contribution, the City has communicated to VTA staff that \$1,351,000 of a possible \$6,000,000 contribution will not be available until the loan from the US 101/Blossom Hill Reserve has been repaid;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The loan of \$1,351,000 from the US 101/Blossom Hill Reserve will be used to partially fund the local match of \$1,632,200 for the two (2) projects identified above

to the Metropolitan Transportation Commission for the 2010 Transportation for Livable Communities grant projects under the following conditions:

1. The City shall repay the US 101/Blossom Hill Reserve in full by June 30, 2013, including interest payment at the City's pooled investment rate from the date of the loan through and including the repayment date. The source of repayment is the Building and Structure Construction Tax Fund (Fund 429).
2. Notwithstanding the June 30, 2013 repayment date in Section 1 above, the City shall make earlier repayment in full of the US 101/Blossom Hill Reserve, including interest payment at the City's pooled investment rate from the date of the loan through and including the repayment date, prior to entering into any contractual or other obligation for work on the US 101/Blossom Hill Interchange that requires the use of the funds that are the subject of the loan from the US 101/ Blossom Hill Reserve.
3. There shall be held in reserve in the Building and Structure Construction Tax Fund in which funds have been allocated for the Route 101/Tully Interchange project, the amount of \$1,351,000 for repayment of the US 101/Blossom Hill Reserve until such date as the US 101/Blossom Hill Reserve has been repaid in full.

ADOPTED this _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk