



REPLACEMENT

COUNCIL AGENDA: 11-29-11
ITEM: 6.4

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Hans F. Larsen

**SUBJECT: RELINQUISHMENT OF
STATE ROUTES 82 AND 130**

DATE: November 18, 2011

Approved

Date

11/18/11

COUNCIL DISTRICT: 2, 3, 5, 6, 7 & 10

REASON FOR REPLACEMENT

Report has been updated to incorporate minor technical corrections and to reflect the current meeting dates of December 14th and 15th when the California Transportation Commission is scheduled to take action on the Relinquishment Agreement.

RECOMMENDATION

1. Approval of a Relinquishment Agreement with the State of California for the relinquishment of State Route 82 from I-880 to US 101 (9.92 miles) and State Route 130 from US 101 to White Road (2.6 miles) and Caltrans transfer to the City up to \$12,410,000 of federal programming authority, with a required local match of \$1,450,000 subject to the approval of the California Transportation Commission (CTC) and appropriation through the Metropolitan Transportation Commission (MTC).
2. Adopt a resolution to authorize and direct the Director of Planning, Building and Code Enforcement to complete the necessary application(s) and documentation for designation of CA-SCL-128/H and the San Jose Underpass (Bridge Number 37-0045) as a historic district and landmark, respectively, for submittal to the Historic Landmarks Commission and City Council so that designation proceedings for the above-named resource can be completed in a timely and expedited manner.

OUTCOME

The relinquishment of State Route 82 (primarily consisting of The Alameda and Monterey Road) and State Route 130 (Alum Rock Avenue) will provide the City of San José with local control of the design, construction, operations and maintenance of these roadways without the constraints of Caltrans design standards and encroachment permit process. The City's authority will streamline the process for a wide range of street related activities including facilitation of adjoining private development, authorization of special events, and approval of projects that include the Santa

Clara/Alum Rock Bus Rapid Transit (BRT) project and streetscape improvements along The Alameda Neighborhood Business District.

The Envision San José 2040 General Plan identifies The Alameda, Monterey Road and Alum Rock Avenue as among the City “Grand Boulevards” that contribute to the City’s overall identity. Relinquishment of these roads from Caltrans to San José will allow for the City to implement over time a new “complete street” and locally focused vision (rather than State focused) for the roads consistent with the General Plan.

BACKGROUND

State Route 82 (SR-82) and State Route 130 (SR-130) are among the oldest state highways in the San José area. Fifty years ago these routes were important for regional mobility. Today, the regional significance of these “local” state highways has been superceded through the development of the state freeway network serving the San José area.

In 2009, the City’s Department of Transportation (DOT) initiated active discussions with Caltrans senior management concerning relinquishment of SR-82 and SR-130. The total length of the streets proposed for relinquishment is approximately 12.5 miles. They are shown on Attachment A and described as:

- SR-82 from I-880 to U.S. 101: includes The Alameda, portions of Autumn and Montgomery Streets near the Diridon Station and portions of San Carlos Street, Market Street, Monterey Road and Blossom Hill Road.
- SR-130 from U.S. 101 easterly to the City limits: includes Alum Rock Avenue within City limits.

Caltrans was interested in relinquishing these local state routes, which were deemed to be of limited statewide significance, in an effort to reduce state operating costs. The City was interested in accepting the routes in an effort to facilitate local design control for a growing number of projects along these highway corridors as identified in Figure 1. Collectively, these projects significantly support the City’s economic development and transportation goals.

Figure 1 – Planned Projects Along SR-82 and SR-130

The Alameda “The Beautiful Way” Streetscape The Alameda/El Camino Real Bus Rapid Transit Diridon Station Station Area Plan Autumn Parkway Extension San Carlos/Stevens Creek Bus Rapid Transit	Convention Center Expansion Monterey Highway Bus Rapid Transit California High Speed Rail (Monterey Road Corridor) Santa Clara/Alum Rock Bus Rapid Transit Alum Rock Form Based Zoning District
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However, a key issue for San José DOT was the generally “poor” condition of the street infrastructure due to decades of deferred maintenance. The discussions led to an understanding that Caltrans would pursue one-time funding to improve the pavement conditions to a “state of good repair” as a provision of a proposed relinquishment agreement.

Legislative Authority for Relinquishment and Assembly Bill 1670 (Beall)

A first step in the state route relinquishment process is to obtain the appropriate legislative authority. On December 15, 2009, the Council approved the *2010 Legislative Guiding Principles, Priorities and Advocacy Issues* report, which included a City policy priority action to initiate legislation that supports the relinquishment of SR-82 and SR-130 from Caltrans to the City of San José.

The City subsequently sought the support from local Assemblymember Jim Beall to author relinquishment legislation and on January 20, 2010, Assembly Bill 1670 (Beall) was introduced. AB 1670 was signed into law and became effective on January 1, 2011 authorizing the California Transportation Commission (CTC) to enter into an agreement with the City of San José for the relinquishment of SR-82 and SR-130.

Over the past year, staff from the City and Caltrans have developed the terms, conditions, cost and financing elements associated with a relinquishment agreement. At this time, a proposed relinquishment agreement has been completed and is recommended for approval, to be followed by the CTC’s action at its December 2011 meeting.

ANALYSIS

Relinquishment Process

The removal of a state highway from the State Highway System requires a relinquishment approval by the California Transportation Commission (CTC). As part of the relinquishment legislative enactment process, the State of California and local agency have to negotiate a relinquishment agreement setting forth the terms and conditions of the relinquishment for CTC approval. The State of California, acting through Caltrans, and the City have negotiated the subject relinquishment agreement for Council review and approval. CTC will review the proposed agreement at its next meeting on December 14 and 15, 2011. If CTC agrees with the relinquishment terms they will take action to approve the agreement and resolution of relinquishment with the proper legal description to be recorded.

Under the terms of the proposed agreement the City will accept ownership and all operating and maintenance responsibilities for all the relinquished facilities once the Relinquishment Resolution is recorded.

Cost Assessment to Achieve "State of Good Repair"

As part of the relinquishment process, Caltrans and the City completed a condition assessment of SR-82 and SR-130. Through the assessment, it was estimated that approximately \$20,000,000 would be needed to bring these two corridors to a state of good repair in regards to pavement condition and ADA (Americans with Disabilities Act) sidewalk access improvements (e.g., curb ramps). Of this amount, approximately \$6,140,000 of improvements to the roadway will be completed as part of upcoming projects including the VTA's Santa Clara/Alum Rock and El Camino Rapid Transit projects, the grant funded pedestrian improvements on The Alameda and the High Speed Rail project on Monterey Road. The remaining funding needed to achieve a state of good repair for both of these facilities is approximately \$13,860,000.

The relinquishment corridors will be incorporated as part of the City's maintenance priority lists and coordinated with upcoming construction projects. At this time, it is understood that while the full scope of The Alameda and BRT projects are still being developed, the improvements associated with these projects supplemented by the funding associated with the relinquishment will improve the condition of the infrastructure along SR-82 and SR-130 to an acceptable state of good repair and mitigate the near-term maintenance costs.

Source of Relinquishment Funding From Caltrans' Allocation of Federal/MTC Grants

In consideration of the City's acceptance of the relinquished facilities, Caltrans has agreed to transfer to the City up to \$12,410,000 of federal programming authority set aside for Caltrans projects. This funding will require a City match of 11.47% or approximately \$1,450,000 for a total amount of \$13,860,000. The local match for the relinquishment will come from gas tax funds already earmarked for pavement maintenance projects in the City.

To make the \$12,410,000 available to the City, Caltrans will notify the Metropolitan Transportation Commission (MTC), in writing, of the assignment of increased federal programming authority to the City. The additional federal programming authority, which will be programmed in MTC's Federal Transportation Improvement Program (FTIP), will be available for the City for pavement maintenance and ADA improvements along SR-82 and SR-130.

Over the last few months staff has worked with Caltrans, Valley Transportation Authority and MTC staff to develop the process for the City to receive the relinquishment funding. In summary the process is as follows:

- Modification of a Transportation Improvement Program (TIP) amendment with MTC to include pavement and ADA improvements on the relinquished corridors (completed)
- CTC approval of relinquishment and programming of funds (December)
- Caltrans submits letter to MTC of increased federal programming authority to the City (December)
- MTC programming of the funds through its standard process (February/March)
- City identifies local funds and submits request for Authorization to Proceed

While unlikely, if MTC does not program the funds after the relinquishment has been recorded, the City could be at risk of not receiving the \$12,410,000 required to upgrade the facilities. While this unlikely occurrence would add to the City's significant maintenance backlog, staff still recommends the relinquishment be approved because of the economic benefit that the City can realize by owning these facilities and the number of key projects that require it for construction. To help ensure MTC policy actions are consistent with the terms of the relinquishment agreement, City staff will coordinate closely with MTC Boardmember Sam Liccardo. Should the City be successful in securing these funds, these funds will be programmed in the 2012-2013 Proposed Capital Budget and 2013-2017 Capital Improvement Program.

Use of Funding for Future Pavement Maintenance Projects

The Relinquishment Agreement will allow the City to obtain federal grant funds for pavement maintenance projects along the state routes valued at approximately \$13,900,000. Staff has developed the following preliminary expenditure plan for use of the grant funds:

- *The Alameda Resurfacing (\$3.5 million)*: Project includes pavement repair and street resurfacing between I-880 and Stockton Avenue. Pavement rehabilitation work is proposed for integration together with The Alameda "The Beautiful Way" streetscape project with construction beginning in summer 2012.
- *Alum Rock Avenue Resurfacing (\$3.0 million)*: Project includes pavement repair and street resurfacing between US 101 and Capitol Avenue. Pavement rehabilitation work is proposed for integration with the Santa Clara/Alum Rock BRT project being administered by the VTA.
- *Monterey Road Resurfacing (\$7.4 million)*: Project includes pavement repair, ADA curb ramp construction, and street resurfacing between I-280 and Capitol Expressway. The pavement maintenance project is proposed for implementation in summer 2013.

Risk Management Considerations

The Relinquishment Agreement states that the City accepts the relinquished facilities "as is." In an effort to assess and minimize potential risk, staff has evaluated the following issues:

- *Roadway Safety* - The roadways have been designed per Caltrans design standards which are generally consistent with City of San José design criteria. Staff has also completed a review of accident data for the facilities and determined that the data appears to be consistent with similar roads in San José.
- *Hazardous Materials* - As part of this relinquishment, Caltrans provided the City with several environmental documents including an environmental historical data report of sites with regulatory listings in the vicinity of the Routes and historical aerial photographs. Caltrans did not provide an evaluation of the data or a comprehensive Phase I Environmental Site Assessment summarizing potential recognized environmental conditions. The City's Environmental Services Department (ESD) conducted a limited review of the information provided and performed supplemental regulatory research. The objective was to determine if

there are any known significant environmental liabilities on, or in, the immediate vicinity of the Routes that the City would incur as part of this relinquishment.

ESD's limited environmental review did not reveal any high priority known or suspected environmental concerns that could cause the City to incur significant liabilities. However, there are various environmentally impaired properties currently under the oversight of regulatory agencies, with already determined responsible parties that are adjacent or within the vicinity of both State Routes. These sites are known or suspected contaminated sites, such as generators or handlers of hazardous waste, storage facilities of hazardous waste and permitted underground storage tank sites. The review revealed that some of these adjacent sites have existing contamination that has migrated near or beneath the State Routes. In addition, both State Route 130 and 82 have several decades of developed history that includes agriculture, industrial and commercial operations that operated at the time when limited records were kept and hazardous substances were not as stringently regulated. The proposed pavement maintenance projects should not be of concern; however, in the future if the City requires excavation at these locations, the City would be required to take all necessary measures to mitigate any possible impacts.

- Right-of-Way Acceptance - The City is accepting the roadways "as is" without regard to the actual parcel environmental conditions. However, the City is not liable for any losses or damages that occurred prior to the date of the recordation of the relinquishment resolution.

Historic Considerations

Caltrans has deemed it of high importance to assure that historic facilities along state corridors are protected as allowed by Federal and State requirements. For the relinquishment project Caltrans has identified two locations adjacent or on the facilities that are already identified in the National Register of Historic Places (NRHP) and/or the California Register of Historical Resources (CRHR):

- San José Underpass (Bridge No. 37-0045) – The bridge, located on the Alameda between Cahill Street and Bush Street, is listed on the National Register of Historic Places as a component of the San José Southern Pacific Depot (Diridon Station). The bridge, as originally constructed in 1932 by the Southern Pacific Railroad, includes the bridge superstructure which carries three sets of railroad tracks, three concrete bents that support the superstructure, two concrete abutments at the north and south ends of the bridge, and retaining walls, sidewalk, and sidewalk railings along the roadway. There are three lampposts on the railings of the bridge that appear to be original. The four lampposts on the sidewalk railings to the east of the bridge are modern replicas.
- "Holiday Inn" Site (CA-SCL-128H) – The site is situated in downtown San José bounded by San Fernando Street to the north, Market Street to the east, San Carlos Street to the south, and the Guadalupe River to the west. Much of the site is located beneath the current Crown Plaza Hotel site (formerly a Holiday Inn). The developed environment obscures any visual historical indications; however the site has yielded over 57 burials and an array of prehistoric cultural material.

Caltrans completed a Historical Resources Compliance Report (HRCR), in compliance with the provisions of the California Environmental Quality Act (CEQA) and the California Public Resources Code (PRC), Section 5024. The HRCR identified the above historical resources in the City of San José as listed in the NRHP and the CRHR, and are historical resources for purposes of CEQA. Although the state and national register provides a higher level of historical protection than any City requirements, Caltrans has requested that the Underpass be designated as a City historic landmark and the Holiday Inn site as a City historic district.

The relinquishment agreement requires the Council to adopt a resolution to direct the Director of Planning, Building, and Code Enforcement to undertake and complete the necessary application and process to nominate the San José Underpass (Bridge No. 37-0045) as a historic landmark and initiate the procedure to designate the Holiday Inn site (CA-SCL-128H) as a historic district pursuant to Chapter 13.48 of the Municipal Codes. By adopting the proposed resolution, the Director of Planning, Building, and Code Enforcement will initiate the required outreach process and review by the Historic Landmark Commission and Planning Commission for future City Council consideration.

EVALUATION AND FOLLOW-UP

Staff will report back to Council when the funding for the pavement improvement projects are ready for award of construction contracts.

POLICY ALTERNATIVES

Alternative #1: Do not approve the Relinquishment Agreement

Pros: Reduce future operating cost and decrease tort liability opportunities due to not accepting 12.5 miles of additional street infrastructure.

Cons: Local control of planned development activities of significant interest and economic benefit is dependent upon the relinquishment of these state routes.

Reason for not recommending: Not in the best interest of the City to have State control of these streets.

PUBLIC OUTREACH/INTEREST

- ✓ **Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 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)**
- Criteria 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)**

Meets Criteria 1 and will be posted on the City's website for the November 29, 2011 Council meeting.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office, City Intergovernmental Relations, City's Sacramento Legislative Office, Office of the City Attorney, the Department of Planning, Building and Code Enforcement, and the Environmental Services Department.

FISCAL/POLICY ALIGNMENT

Relinquishment of the SR-82 and SR-130 is consistent with the City's legislative priorities and it facilitates various economic development and transportation goals.

COST SUMMARY/IMPLICATIONS

Under the existing maintenance agreement between the City and Caltrans, Caltrans reimburses the City up to \$275,000 and \$15,400 annually for certain operating and maintenance activities along the SR 82 and 130 respectively. In anticipation of these relinquishments, the 2011-2012 Adopted Budget assumed that the City would be responsible for these operating and maintenance costs and no reimbursement was assumed.

The proposed relinquishment funding in conjunction with upcoming projects will bring the facilities to a near term state of good repair for approximately a 10 year period. However future maintenance of the facilities will need to be incorporated as part of the City's maintenance programs.

CEQA

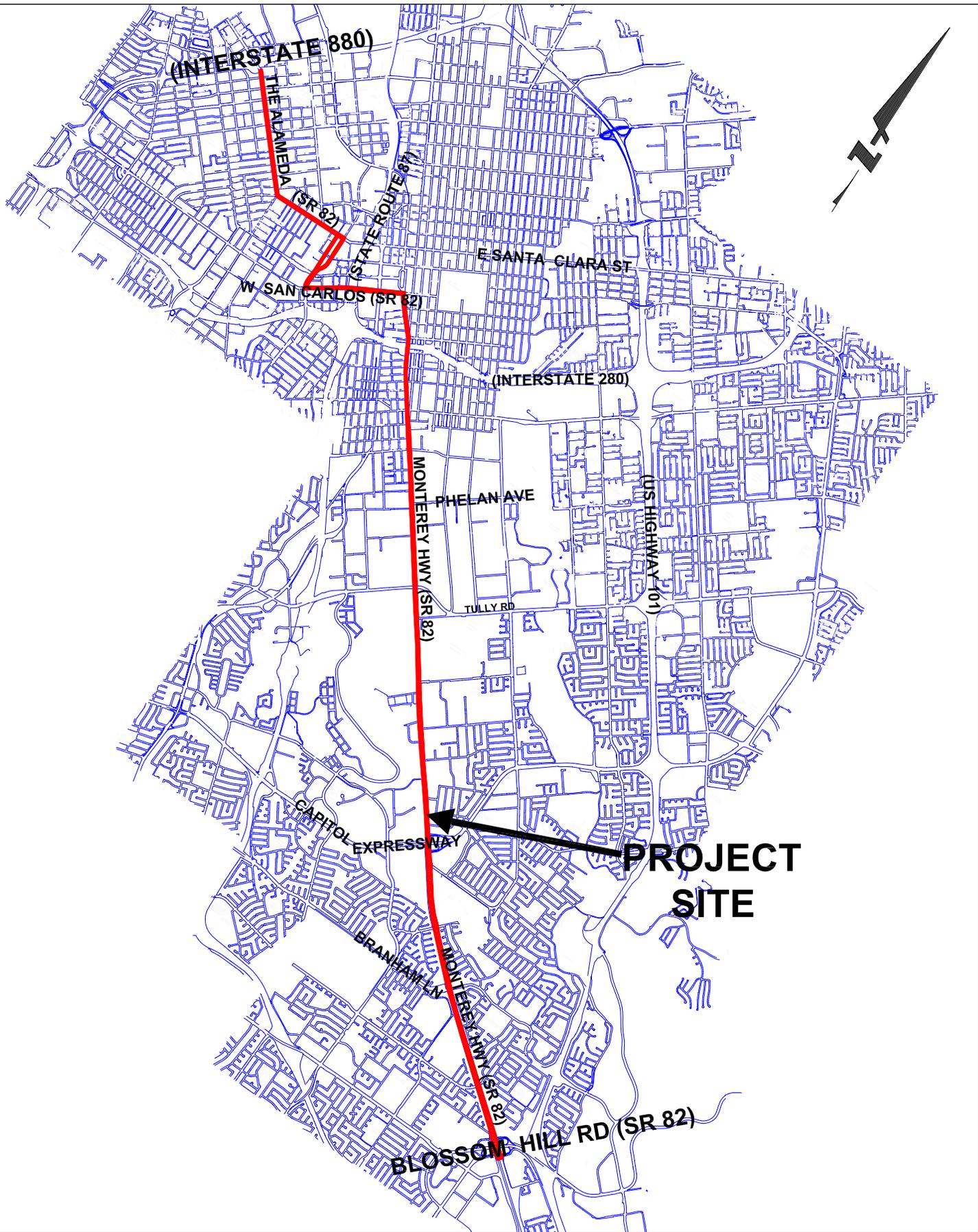
Exemption 15331: Historical Resource Restoration/Rehabilitation

/s/
HANS F. LARSEN
Director of Transportation

For questions please contact Manuel Pineda, Deputy Director, at 975-3295

Attachment

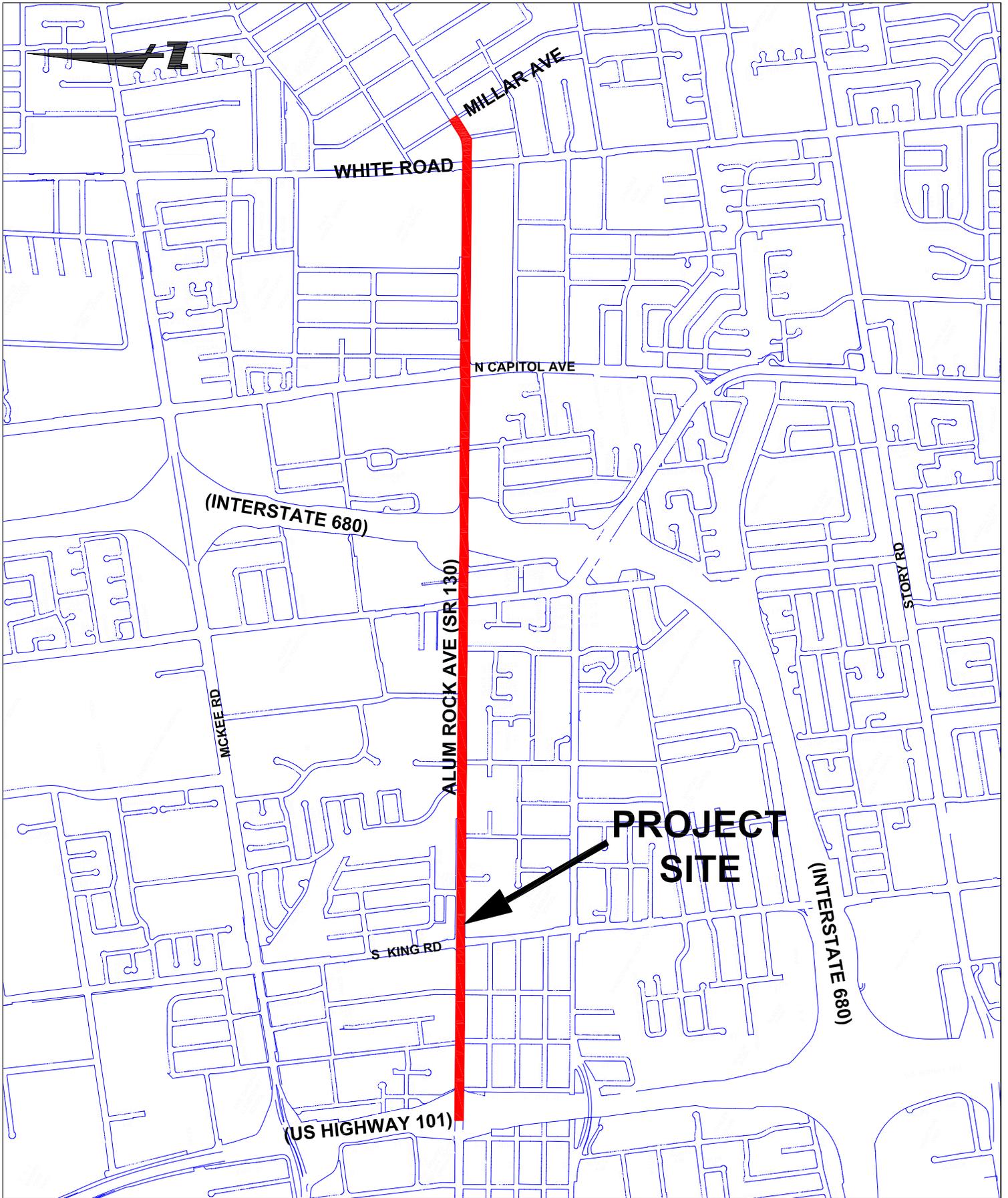
Attachment "A-1"



**RELINQUISHMENT OF
STATE ROUTE 82
FROM I-880 TO US 101 (9.92 MILES)**

CITY OF SAN JOSE
DEPARTMENT OF TRANSPORTATION
NOVEMBER 7, 2011

Attachment "A-2"



**RELINQUISHMENT OF
STATE ROUTE 130
FROM US-101 TO WHITE ROAD (2.6 MILES)**

**CITY OF SAN JOSE
DEPARTMENT OF TRANSPORTATION
NOVEMBER 7, 2011**