



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** James R. Helmer

**SUBJECT:** OPERATION AND MAINTENANCE AGREEMENT FOR LIGHT RAIL  
TRANSIT CORRIDORS **DATE:** 03-29-04

Approved 

Date 3/30/04

Council Districts: 3, 4, 5, 6  
SNI Areas: Park/Delmas, East Valley/680

## RECOMMENDATION

Adopt a resolution authorizing the City Manager to negotiate and execute an agreement between the City of San José and Santa Clara Valley Transportation Authority for the assignment of operation and maintenance responsibilities associated with the completion of the 1996 Measure B Light Rail Transit Corridors.

## BACKGROUND

The Santa Clara Valley Transportation Authority (VTA) currently operates the 30.5-mile light rail transit (LRT) system extending from south San Jose through downtown to the northern areas of San Jose, Santa Clara, Mountain View and Sunnyvale. Current construction activities along the Tasman, Capitol and Vasona Corridors will add an additional 11.5 miles to the system and extend service into the Berryessa, Alum Rock, Downtown and Willow Glen areas of San José, and the cities of Milpitas and Campbell.

As reported at the Building Better Transportation Committee meeting of November 3, 2003, the VTA has or soon will have substantially completed construction of a significant portion of the light rail projects within the City of San José as follows:

- Phase I construction of the Tasman East LRT project (Tasman Drive: N. First Street to Coyote Creek) was completed in 2001.

- Phase II of the Tasman East LRT project (Capitol Avenue: Trimble to Olivestone) is scheduled for completion in spring 2004 with full service operation scheduled to begin in the summer of 2004.
- The Capitol LRT project (Capitol Avenue: Olivestone to Wilbur) is scheduled for completion in spring 2004 with full service operation scheduled to begin in the summer of 2004.
- The Vasona LRT project (downtown San José to the Winchester Station in Campbell) is scheduled for completion in early 2006.

Although the main feature of these projects has been the expansion of light rail transit service, the project scope has included the improvement of the entire transportation corridor relative to local street traffic operations, bicycle and pedestrian facilities, and aesthetic design. The implementation of these projects has been coordinated by the VTA through Technical Advisory Committees that have included City staff representatives and through Policy Advisory Boards that have included City Council representatives along the new LRT corridors.

With the completion of the light rail projects and the associated infrastructure improvements, it is necessary that the City and the VTA enter into an agreement to define the ownership and operational and maintenance (O&M) responsibilities of the respective agencies along the light rail corridors. The proposed O&M agreement for the new LRT corridors assigns responsibility to the VTA for the LRT facilities and to the City for the street system. The proposed agreement is consistent with the current O&M agreement the City has with the VTA for the Guadalupe LRT corridor and it is consistent with agreements the VTA has with other cities that have LRT service (Santa Clara, Sunnyvale, Mountain View and Milpitas)

## ANALYSIS

Primarily funded through the 1996 Measure B Transportation Improvement Program, the completion of the Vasona, Tasman, and Capitol LRT projects represent the realization of a significant milestone with respect to the build-out of the City's transportation network and the commitment to provide high quality commute options for its residents. Similarly, completion of these projects is considered an important achievement with respect to key land use and transportation planning objectives outlined in the City's General Plan that include:

- Stimulating economic growth and development opportunities adjacent to the corridors
- Expanding the fiscal base for the City through supporting intensified and infill land uses
- Supporting more affordable housing opportunities
- Providing increased transportation capacity and more efficient delivery of urban services

The completion of these LRT projects also represents a significant investment of improved and expanded public infrastructure to the communities surrounding the light rail corridors. While many of the improvements along the light rail corridors were upgrades to the City's existing

infrastructure (e.g., traffic signals, sewer systems, etc.), construction of the LRT projects also added many new facilities that are the responsibility of the City to operate and maintain. Examples of these new facilities include:

- Activation of 12 new signalized intersections
  - Construction of approximately 6.5 acres of median island landscaping and 528 street trees
  - Installation of 235 streetlights
  - Conversion of 1.2 acres of “remnant” properties into a plaza and a new dog park in the downtown area
- Construction of over 2 miles of new infill sidewalk

Upon the City’s inspection and acceptance of these added improvements, the City will assume ownership, operational and maintenance responsibility for those portions of the completed projects under the City’s jurisdiction and further defined in the operations and maintenance agreement. Although the recommended approval of the agreement and subsequent acceptance of the improvements will increase ongoing O&M costs to the City, many of these improvements, over time, will help to moderate the City’s O&M expenditures.

Specifically, the reconstruction and/or upgrade of existing City facilities, such as roadways, traffic signal, sidewalks and sewer systems will reduce O&M costs as newer, more reliable and efficient assets have replaced aged City infrastructure. Examples of these types of improvements to existing facilities include:

- 5 miles of newly reconstructed roadway along Capitol Avenue
- Relocation and upgrade of 6.5 miles of sewer lines
- Equipment upgrades at 19 signalized intersections.

These improvements alone represent well over \$20 million in improved City assets primarily funded through the Measure B Program. The City has contributed approximately \$2 million toward the construction of these improvements through cost sharing agreements with the VTA. Further, every opportunity was explored to develop and design the light rail corridors and associated City facilities in the spirit of reducing maintenance costs. Nevertheless, it is important to note that the light rail projects will add to the City’s infrastructure at a time when the resources needed to operate and maintain them are decreasing.

The terms of the agreement also provide that the VTA will retain ownership, operational and maintenance responsibility for their facilities to include power and communication systems, light rail stations, park and ride facilities and other improvements necessary to provide the light rail transit service. The terms and conditions of this agreement are based on and consistent with the agreement executed between the City and the VTA’s predecessor, the Santa Clara County Transportation Agency, defining the ownership, operations and maintenance responsibilities of the Guadalupe LRT Corridor.

**PUBLIC OUTREACH**

There is no public outreach associated with the recommendation.

**COORDINATION**

The development of this agreement is being coordinated with the Santa Clara Valley Transportation Authority, City Attorney's Office, the City Manager's Budget Office, the Department of Parks, Recreation and Neighborhood Services, the Department of Planning, Building and Code Enforcement, and General Services.

**COST IMPLICATIONS**

As shown below, the cost of operating and maintaining the new City infrastructure associated with the completion of the light rail projects is estimated to increase from approximately \$15,000 in FY 03-04 to \$255,000 in FY 08-09. The costs are primarily related to new traffic signals, street lights, and street trees. These costs reflect the estimated beginning date that the City will assume O&M responsibilities, and consider the expiration of warranty and maintenance periods. In addition, the unit costs used in developing this estimate have been inflated 5% annually. These costs are included in the current General Fund Forecast.

**Estimated Maintenance Costs For New City Infrastructure**

	<u>03/04</u>	<u>04/05</u>	<u>05/06</u>	<u>06/07</u>	<u>07/08</u>	<u>08/09</u>
Vasona	\$3400	\$25,500	\$49,200	\$51,700	\$54,300	\$57,000
Tasman East	\$6200	\$40,300	\$86,700	\$91,000	\$95,500	\$100,300
<u>Capitol</u>	<u>\$5700</u>	<u>\$24,000</u>	<u>\$25,300</u>	<u>\$42,000</u>	<u>\$92,900</u>	<u>\$97,500</u>
TOTAL	\$15,300	\$89,900	\$161,200	\$184,700	\$242,700	\$254,800

In light of the City's concern over the increasing costs to operate and maintain its overall infrastructure, it is important to reiterate that there are substantial benefits that offset the costs associated with the recommended action. These benefits include:

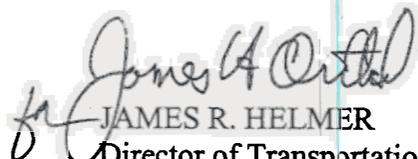
- Creation of aesthetically enhanced, multi-modal corridors that are more attractive to the neighborhoods and have a positive influence on surrounding property values
- Increased attractiveness of the corridors to development opportunities
- Improved traffic operations and safety
- Replaced aged City infrastructure with modern, more efficient systems

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn.*	Amt. For Contract	Approp. Ordinance	Last Budget Action (Date, Ord. No.)
001	0512	Non Personal/ Equipment, Department of Transportation	\$12,102,850	N/A	Section 2.21, Page 1	2/17/04, No. 27074

**CEQA**

Not a Project

  
JAMES R. HELMER  
Director of Transportation