



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: MONTEREY RD. (STATE RT 82)
MEDIAN ISLAND LANDSCAPE
IMPROVEMENTS PROJECT**

DATE: 04-14-04

Approved

Date

Council Districts: 1 & 6
SNI: Washington

RECOMMENDATION

Approval of an agreement with the State of California authorizing the City of San José to construct and maintain State Route 82/ Monterey Road Median Island Landscape Improvements Project, with project construction costs in the estimated amount of \$1,823,000 and annual operating and maintenance costs in the estimated amount of \$9,800.

CEQA: Use of a Final EIR, PP01-07-135.

BACKGROUND

The Monterey Road Median Island Landscape Improvements Project includes the construction of streetscape improvements that will eliminate blight and encourage economic vitality. The median island landscape improvements will be City Type 1 enhanced, which is defined as low maintenance landscaping consisting of decorative paving, tree plantings, flowering shrubs with mulch surfacing. The project limits of work include Monterey Road from Keyes Street to Curtner Avenue, and Cadwallader Plaza bounded by Monterey Road, Keyes Street and South Second Street: (map attached). The project is located within the right-of-way of State Route 82.

Construction is scheduled to begin in October 2004 with completion in April 2005, followed by a one-year maintenance period included in the construction contract.

ANALYSIS

The agreement with the State will allow the City to construct the landscape improvements within the State's right of way. The agreement requires the City to design, construct and administer, at the City's sole expense, all of the median island improvements. It requires that the City design and construct the improvements to the satisfaction of the State.

The agreement makes the City liable in the event that hazardous materials removal or utility relocation is necessitated by the construction of the improvements. However, there is a very low risk of either of these situations arising. The excavation required to construct the medians will be minimal. The Environmental Services Department has tested the soil that will be required to be removed during construction and determined that it is unlikely to contain any significant hazardous materials.

Finally, the agreement requires the City to maintain, at its own expense, the constructed median landscaping, irrigation and streetscape improvements located in the State right of way. The additional ongoing operating and maintenance costs associated with maintaining the improvements within the State right of way are estimated at \$9,800 annually. If the City ever fails to maintain the improvements, it is required to remove the improvements from the State right of way.

Staff believes that under these circumstances, the terms of the agreement are reasonable and recommend Council approval.

The City anticipates awarding the construction contract for the project in June 2004. The estimated construction cost is \$1,823,000. Council Policy provides for a standard contingency of five percent on public works projects for new construction. An eight percent contingency in the amount of \$146,000 is recommended for this project because of heavy traffic conditions on Monterey Road and the additional coordination required for projects within the State right-of-way. The project budget has sufficient funding to cover these increased costs.

PUBLIC OUTREACH

The San José Redevelopment Agency provided the Public Outreach during the design development phase of this Project. The Agency drafted the Monterey Corridor Redevelopment Plan that outlined the scope of the median improvement project for Monterey Road, which was approved by Council in December 1994. Beginning in 2000, the San José Redevelopment Agency presented the Project concept and later, design documents at several meetings with members of the Washington Coalition, adjacent property owners and tenants. These groups subsequently accepted the project.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office, the Departments of Finance, Planning, Building and Code Enforcement and Transportation, San José Redevelopment Agency and the City Manager's Budget Office.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: **(Engineer's Estimate) \$1,823,000**

2. COST OF PROJECT:

Project Delivery	\$ 713,000
Construction (Engineer's Estimate)	1,823,000
Contingency (8%)	<u>146,000</u>
TOTAL	\$2,682,000

3. SOURCE OF FUNDING: 450 – Services for Redevelopment Capital Projects Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. In the first year, the project will have a neutral effect on the General Fund. After the one-year maintenance period is completed, the project will have moderate operating and maintenance impacts on the General Fund estimated to be in the amount of \$9,800 annually, beginning in 2005-2006.

BUDGET REFERENCE

Fund No.	Appn No.	Appn Name	RC#	Total Appn FY 03-04:	Amt. For Contract	2003-2004 Appn. Ordinance	Last Budget Action (Date, Ord. No.)
450	6813	Monterey Corridor Median Improvement	113593	\$2,305,000	None	Section No. 20.05, Page 12	1-27-04, Ord. No. 27061
		Total		\$2,305,000	None		

Note: \$305,000 in funding was appropriated in Fiscal Year 2000-2001 and \$226,000 in Fiscal Year 01-02, for a total amount of project funding of \$2,836,000. These funds were expended for consultant fees and City design management.

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Improvements (Keyes Street to Curtner Avenue)**

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Director, Public Works Department

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Attachments
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