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# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Ed Shikada

**SUBJECT:** ECONOMIC STIMULUS PACKAGE  
- SAN JOSE POSITIONING

**DATE:** 12-4-08

Approved

Date

12/4/08

## INFORMATION

In light of the high volume of nationwide activity around potential economic stimulus packages, staff has undertaken an effort to prepare for both general inquiries and specific proposals. This memorandum is intended to provide the City Council with a status report on these efforts and possible message points for discussion.

The President-elect has recently discussed economic stimulus packages that would invest in cities, rebuild infrastructure, expand transportation systems and create new jobs. At the State level, the Governor and Legislature are also considering legislation and proposals to stimulate the economy, including employment and workplace reforms, Unemployment Insurance Fund reform, and foreclosure relief and reforms.

City staff has worked in a coordinated effort to identify projects and support programs to stimulate the economy and to create or retain employment. Based on key criteria suggested by our federal and state advocates, projects have been identified by City departments that are either (a) "ready to go" to construction/implementation within a 3-6 month timeframe, or (b) longer-term projects that have significant potential for economic and environmental benefits.

The attached list of projects should be considered a work-in-progress, as inquiries and project updates are occurring daily. A version of this list was submitted to the Governor's Office on December 1 and will be provided to the California Congressional Delegation and the Office of the President-Elect.

As Councilmembers and other City representatives may engage in ad-hoc discussions of economic stimulus concepts, staff offers the following to be used as key message points:

- The City of San Jose has established an outstanding track record of timely project delivery, and stands ready to deliver major projects. Our confidence is built on the Decade of Investment – including our General Obligation bond programs and Airport Modernization, one of the largest design-build public-private partnerships in California; our Economic Development Strategy, and San Jose's Green Vision, to name a few. San Jose is frequently tapped by federal and state agencies when funds are available for immediate project delivery.

- State and federal investment in San Jose will further the City's proven commitment to sustainable development, affordable housing, environmental leadership, and transportation infrastructure. San Jose has long been a leader in leveraging public investment into industry success and community benefits, as evidenced by initiatives such as the Environmental and Software Business Clusters, BioScience Incubator, Vision North San Jose.
- Invest in areas with highest return on investment: Despite forty years of federal disinvestment in cities, major urban centers generate two-thirds of the U.S. Gross Domestic Product (GDP). Within this group, San Jose/Silicon Valley generates more than four times the GDP per capita than the national average. Stimulus investments in San Jose will therefore generate disproportionate nationwide impact. These investments will not only benefit Silicon Valley, but the innovations will benefit residents nationwide.
- Invest in clean technology innovation: Investments in clean technology and the green economy will have the highest return on investment. San Jose's Green Vision is proving that environmental sustainability and economic prosperity are inextricably linked (creating thousands of well-paying jobs). Many of these companies continue to innovate and grow despite the global economic crisis. Ensuring that American ingenuity creates American manufacturing and application jobs is the most effective way out of the current economic crisis and reducing the national trade deficit. Investment in these innovative companies and wide-scale adoption of clean tech products (renewable energy/efficiency, green building, advanced transportation, green infrastructure, and smart growth) will generate more jobs and opportunity than any other investment. Early investment in San Jose/Silicon Valley clean tech innovation will spur rapid economic growth and product development, establish America's leadership position in innovation, and transform markets (similar to the rapid expansion of the internet in the 1990s) allowing the country to benefit from these technologies (jobs, new businesses, cost savings), which will also help the President-elect to achieve his promise of creating five million green jobs.
- Expedite funding allocation to project-delivering agencies as the fastest means of spurring the economy. Federal funding programs traditionally allocate funding to states, who determine allocation formulas to regions (or metropolitan planning organizations), who ultimately determine allocations to cities. While recognizing the value of this delegation of decision-making, San Jose as the nation's tenth largest city, also recognizes that speed to Main Street is more important than ever in these unprecedented times.

Staff will continue to provide the City Council regular updates on the economic stimulus packages as information becomes available. Please feel free to contact me at (408) 535-8190 or Betsy Shotwell at (408) 535-8270 if you have any questions.



Ed Shikada  
Deputy City Manager

**Federal Economic Stimulus  
City of San Jose Infrastructure Project Proposals**

#	Project Name	Project Description	Green Project?	Cost Estimate	Schedule
<b>City of San Jose Projects -- Longer term to award contract/begin construction (+/-)</b>					
1	Downtown BART Station Portal in Historic Bank of America Building	Provides for public acquisition, seismic retrofit, and historic preservation of the 1927 Bank of America building located within the Downtown San Jose national historic commercial district. The 13-story building was constructed in 1927, as the Bank of Italy by AP Giannini, a San Jose native and founder of the Bank of America corporation. Building preservation allows for adaptive reuse of the historic Bankers Hall to serve as a "grand portal" for access to the planned BART subway station. Project delivery lead is City of San Jose.	Yes	\$46,000,000	Project can be ready for construction in 2 to 3 years.
2	San Jose Diridon Transit Station Expansion for BART and High Speed Rail	Provides for development of an expanded transit station in Downtown San Jose to serve as the regional transit hub for Silicon Valley, integrating existing Caltrain, ACE, Amtrak, Light Rail, and bus services, with planned BART, Bus Rapid Transit and High Speed Rail services. Project planning lead is the City of San Jose, working in collaboration with VTA, Caltrain, and California High Speed Rail Authority	Yes	\$100,000,000	Station expansion would be integrated with current plans to have a design-build contract ready by 2011 for construction of a San Francisco to San Jose segment of the California High Speed Rail project.
3	Autumn Parkway Extension (UPRR Crossing to Park)	Provides a new multimodal boulevard connecting the Diridon Transit Station area with Coleman Avenue. Project is a Phase 1 transportation improvement supporting high-rise job and housing development in Downtown San Jose. Project has a completed EIR and 35% design plans. Project requires land acquisition. Project delivery lead is City of San Jose.	Yes	\$33,000,000	Project can be ready for construction in phases in 1 to 3 years.
4	Bay Trail Reach 9b Pedestrian Bridge	Construct 540' pedestrian bridge and three under-crossings in the Alviso area, parallel to Gold Street. CEQA/NEPA being secured with current funded design project.	Yes	\$6,000,000	Secure CEQA/NEPA and complete construction docs by January 2010.
5	Citywide Traffic Signals	Provides for new and/or rehabilitated traffic signals.	No	\$1,000,000	TBD
6	Coyote Creek Trail (Hwy 237 to 101)	Construct 9 miles of paved trail, pedestrian bridges (2), under-crossings and associated improvements. CEQA and NEPA being secured at this time--should be secured by January 2010.	Yes	\$18,000,000	Secure CEQA/NEPA by January 2010 and begin construction after June 2010
7	Del Monte Park	Development of a new park to serve the Burbank/Del Monte Neighborhoods located within the area bounded by Highway 17 and Los Gatos Creek. The development of this park will address the park needs of the Burbank/Del Monte Neighborhood and will satisfy the City's long term goal of providing neighborhood parks to serve this residential area. Proposed park improvements include a playground, restroom, Dog Park, picnic areas, walkways and open green space. In addition, the park will include historical elements that will reflect the background of the former Del Monte Cannery that was located near the park site.	Yes	\$3,000,000	Design and construction to begin after allocation of full funding.
8	Guadalupe Creek Trail Pedestrian Bridge	Construct 600' pedestrian bridge and associated ramps. CEQA/NEPA being secured with current funded design project.	Yes	\$3,935,000	Secure CEQA/NEPA and complete construction docs by January 2010.
9	Los Gatos Creek Trail Reach 5 (San Carlos Street to Santa Clara Street)	Secure NEPA and construct 1.2 miles of paved trail, under-crossing and associated improvements. CEQA has been secured with master plan completed in June 2008.	Yes	\$5,857,000	NEPA preparation could occur immediately, with construction to follow.
10	Lower Guadalupe River Trail (Montague Expway to Gold Street)	Construct 3.4 miles of paved trail and associated improvements. NEPA being secured at this time--should be secured by January 2010.	Yes	\$6,800,000	Secure CEQA/NEPA by January 2010 and begin construction after June 2010
11	Montague Expressway Improvements in North San Jose	Provide for expressway widening to 8-lanes and grade-separated ramps at Montague/Trimble intersection to improve traffic flow. Project is a Phase 1 transportation improvement to support NSJ economic development. Federal environmental clearance is complete. Project delivery lead is City of San Jose.	No	\$44,000,000	Project can be ready for construction in 2 years.
12	Route 101/Blossom Hill Road	Provides capacity improvements at a gateway to the Edenvale industrial area. Project includes pedestrian and bikeway facilities connecting the Hitachi area with the Coyote Creek trail system. Project delivery lead is City of San Jose.	Yes	\$20,000,000	Project can be ready for construction in 2 to 3 years.

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13	Route 101/Capitol Expressway/ Yerba Buena Interchange Upgrade	Provides safety and congestion relief improvements at one of the most congested freeway locations in Silicon Valley. Project is at 35% design completion and has CEQA environmental clearance. Project delivery lead is VTA.	Yes	\$40,000,000	Project can be ready for construction in 2 years.
14	Route 101/Trimble Interchange Upgrade	Provides safety and capacity improvements at a gateway to the North San Jose area. Project is a Phase 1 transportation improvement to support NSJ economic development. Federal environmental clearance is currently in progress. Project delivery lead is VTA.	No	\$34,000,000	Project can be ready for construction in 2 to 3 years.
15	Route 280/880/Stevens Creek Interchange Upgrade	Provides safety and congestion relief improvements at the crossroad of two central interstate freeways and at a gateway to the Stevens Creek / Winchester regional retail district. Project area is considered the most congested area in Silicon Valley. Project design and environmental clearance is currently in progress. Project delivery lead is VTA.	Yes	\$50,000,000	Project can be ready for construction in 2 to 3 years.
			Subtotal:	\$411,592,000	
<b>City of San Jose Projects - "Ready to go" within six months (+/-)</b>					
1	880/Coleman Landscaping	Provides aesthetic gateway landscaping and public art at entrance to Mineta San Jose International Airport. Project design and federal environmental clearance is complete. Project delivery lead is VTA.	No	\$3,000,000	Project can be ready for advertisement in 3 to 6 months.
2	ADA Curb Ramps and Sidewalk Gap Closures	Provides for installation of ADA curb ramps and sidewalk gap closures to improve travel conditions for pedestrians and persons with disabilities. City's backlog of needs for curb ramps is \$70 million and over 100 sidewalk gap locations have been identified. Project is exempt from environmental review. Funds could be allocated Citywide and/or targeted for CDBG eligible areas.	No	\$25,000,000	Implementation contracts could be completed in 3 to 6 months.
3	Advanced Recycled Water Treatment Facility (SBWR)	This capital project will fund construction of an advanced recycled water treatment facility located adjacent to the transmission pump station at the San Jose/Santa Clara Water Pollution Control Plant. This advanced treatment facility will reliably provide up to 8 million gallon per day of recycled water with higher water quality to support expanded uses. Project would be implemented via Design/Build contract.	Yes	\$55,000,000	Project can be ready for bid advertising in 120 days.
4	Citywide Tree Planting	Provides for planting of street trees. Supports Green Vision goal for planting 100,000 trees. Project is exempt from environmental review. Project would be implemented in partnership with Our City Forest. Funds could be allocated Citywide and/or targeted for CDBG eligible areas.	Yes	\$10,000,000	Implementation contracts could be completed in 3 to 6 months.
5	Clean Tech Energy Efficient Street Lights	Replaces approximately 25,000 (of 62,000) street lights along City streets with new programmable LED street lights allowing for reduced energy consumption (estimated \$400,000 annual savings) and facilitation of new "clean tech" industry. Supports Green Vision goals and reduction of General Fund operating costs. Project is exempt from environmental review. Funds could be allocated Citywide and/or targeted for CDBG eligible areas.	Yes	\$20,000,000	Procurement contracts for street lights and installation services could be completed in 3 to 6 months.
6	Digester Rehabilitation Project (WPCP)	This project will include structural rehabilitation of five digesters to address cracks in the existing concrete digestion tanks and mechanical modification to restore and enhance digester performance. This project will maintain the integrity of the digesters, ensure reliability of the digestion facility, and enhance digester performance, increase gas production and ensure sufficient capacity to adequately digest wastewater sludge. This project will allow for the uninterrupted production of digester methane gas, which represents 33% of the Plant's energy usage. In addition, this project will include retrofitting up to two digesters for accepting food waste for creation of methane and setting up a pre-processing system to prepare collected food waste for the digesters. This component of the project would both create additional energy from methane, greatly assist in creating more needed bay area capacity to recycle organic waste, and keep organic waste out of landfills. Project would be implemented via Design/Build contract.	Yes	\$30,000,000	Project can be ready for bid advertising in 120 days.
7	Energy Efficiency and Renewable Energy Projects -- Public and Private Sectors	Energy-efficiency and renewable energy projects in the residential, business and municipal sectors. Creation of funding mechanisms at the local level within San Jose to lower overall community energy costs and reduce energy-related pollution.	Yes	\$10,000,000	Efforts can be initiated within 120 days.
8	Energy Efficiency and Renewable Energy Projects in Low Income Communities	Increased funding for community based projects eligible through CDBG. Focus would be on the facilities that house the nonprofits that serve the low income communities, enabling them to reduce their utility bills, and take advantage of renewable energy.	Yes	\$2,000,000	Efforts can be initiated within 120 days.
9	Engine Generator Replacement Project (WPCP)	This project will include the installation of two 3 megawatt (MW) engine generators or gas turbine generators to replace the electrical generation capacity of four 40-year old generators at the Plant. This project will address power generation capacity and reliability issues at the Plant by replacing aging infrastructure with more efficient power generation equipment with fewer air pollutant impacts per MW produced. Project would be implemented via Design/Build contract.	Yes	\$20,000,000	Project can be ready for bid advertising in 120 days.

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10	Fuel Cell Project (WPCP)	This project will include installation of a 1.2 megawatt (MW) fuel cell to partly replace one retired 1.75 MW generator at the Plant, as well as reduce the Plant's need to purchase electricity off the grid. Fuel cells operate at higher efficiencies than engine generators, have less operation and maintenance requirements, and have near-zero air emissions. Project would be implemented via Design/Build contract. The design-build contract for this project will include gas cleaning equipment and fuel cell restacking costs.	Yes	\$12,000,000	Project can be ready for bid advertising in 120 days.
11	Installation of Solar Paneling on the Consolidated Rental Car Garage	This project would implement a renewable energy source by providing an estimated 1 million watts (1 MW) of solar panels installed on the garage roof. The garage is currently under construction. The roof should be constructed and available in the 2nd quarter of 2009. The project will reduce grid energy use and associated emissions, resulting in reduced utility costs as well. If eligible, project cost would be shared at 75% federal share/25% local share. Federal share = \$8 million. Local share = \$2 million.	Yes	\$10,000,000	Design Completion: May 2009 Award: August 2009 Construction Start: November 2010
12	Las Plumas Environmental Innovation Center	This capital project establishes a Santa Clara County center providing residential and conditionally exempt small quantity generators (CESQG) household hazardous waste drop-offs and other environmental services, including job training, Green Building Certification Training Area, and a recycled / re-use of construction materials retail operation. This project would provide needed opportunities for area residents, particularly those at lower income levels and in underserved areas, to receive environmental services such as household hazardous waste drop-off and low-cost purchase of home improvement supplies. The Center will provide job training opportunities for green building construction practices, an opportunity for the public to purchase recycled construction and building supplies at a reduced cost, and additional employment job training opportunities as part of the construction material reuse operation. A key goal of the facility will be to reduce toxics and improve neighborhood and small business participation in the region's environmental quality programs. The facility will support State legislation which bans cert	Yes	\$16,000,000	Project can be ready for bid advertising in 120 days.
13	Milpitas - South Bay Water Recycling Extension and Retrofit Program	This program entails numerous distinct capital projects to retrofit and expand delivery of recycled water to new service areas in Milpitas. Uses include landscapes, dual plumbing, cooling, carwashes, and other industrial uses. Project would be implemented via Design/Build contract.	Yes	\$12,000,000	Project can be ready for bid advertising in 120 days.
14	North San Jose Community Parkland Purchase	The City is in the process of Redeveloping the North San Jose area for 83,000 new jobs and up to 32,000 new high-density residential housing units (approximately 70,700 new residents) in close proximity to the employment areas. The need for a 30-acre community park has been identified as part of this effort to ensure adequate community serving facilities such as sports fields, community center, aquatics facility and open space. The City anticipates collecting sufficient funding to construct the park in the future through development but needs funding to acquire the land.	Yes	\$60,000,000	The City is in position to acquire the immediately.
15	Pavement Maintenance	Provides pavement resurfacing and sealing on City streets to reduce current \$270 million backlog for pavement maintenance. Project would utilize "green standards" related to use of recycled asphalt and other environmentally friendly materials. Project is exempt from environmental review. Funds could be allocated Citywide and/or targeted for CDBG eligible areas. Project would be implemented via Design/Build contract.	Yes	\$100,000,000	Design-build process is suggested to allow work to proceed in 3 to 6 months.
16	San José - South Bay Water Recycling Extension and Retrofit Program	This program entails numerous distinct capital projects to retrofit and expand delivery of recycled water to new service areas in San José. The program also includes an extension to San Jose Mineta International Airport. Uses include landscapes, dual plumbing, cooling, carwashes, and other industrial uses. Project would be implemented via Design/Build contract.	Yes	\$84,000,000	Project can be ready for bid advertising in 120 days.
17	Sanitary Sewer Rehabilitation Project	Using design-build contracts, the City could initiate a sanitary sewer rehabilitation project to address the aging condition of the City's 2,200 mile sanitary sewer collection system within the 120 and 180 days. These contracts would include remote video inspection of the system, risk analysis of critical components of the system and rehabilitation of the system with trenchless technology and traditional rehabilitation methods. Project would be implemented via Design/Build contract.	No	\$50,000,000	Project can be ready for bid advertising in 120 days.
18	Santa Clara - South Bay Water Recycling Extension and Retrofit Program	This program entails numerous distinct capital projects to retrofit and expand delivery of recycled water to new service areas in Santa Clara. Uses include landscapes, dual plumbing, cooling, carwashes, and other industrial uses. Project would be implemented via Design/Build contract.	Yes	\$8,000,000	Project can be ready for bid advertising in 120 days.
19	South Apron Replacement - Phase 2 Construction	This project reconstructs a five gate apron area in front of the future new South Concourse facility that will be built from Terminal B (now under construction). Constructing it in 2009 will avoid the possible need to interrupt operations of five new gates of new South Concourse right after opening the facility for operation. Normally, federal/local cost share would result in 80% federal share/20% local share. Federal share = \$9.5 million. Local share = \$2.3 million.	No	\$11,800,000	Design Completion: May 2009 Award: August 2009 Construction Start: November 2009

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#	Project Name	Project Description	Green Project?	Cost Estimate	Schedule
20	Storm Sewer Rehabilitation Project	Using design-build contracts, the City could initiate a storm sewer rehabilitation project to address the aging condition of the City's 900 mile storm sewer collection system within the 120 and 180 days. These contracts would include rehabilitation of aging storm sewer pump stations, cleaning and rehabilitation of sewer mains, reconstructing storm sewer outfalls in rivers and streams, decreasing neighborhood flooding and ponding, risk analysis of critical components of the system and rehabilitation of the system with trenchless technology and traditional rehabilitation method. Project would be implemented via Design/Build contract.	No	\$20,000,000	Project can be ready for bid advertising in 120 days.
21	Taxiway Whiskey Improvements - Phase I	This project provides taxiway improvements that improve safety movements for general aviation (including corporate) aircraft now required to use the same taxiway for two way traffic. This project provides an alternative route to the runway which significantly reduces or eliminates the possibility of general aviation aircraft accidents. Normally, federal/local cost share would result in 80% federal share/20% local share. Federal share = \$12.3 million. Local share = \$3 million.	No	\$15,300,000	Design Completion: March 2009 Award: June 2009 Construction Start: September 2009
22	Tertiary Filter Building (WPCP)	This project will evaluate various alternatives to the existing tile under drain system and dual filter media materials currently utilized at the Tertiary Filter Building, and select and install those filter alternative combinations most suitable to enhance the filtration capacity and reliability of the filters at the Plant. This project will restore filter reliability to the Plant's tertiary filter operations, improve treatment efficiency and improve the final effluent quality discharger to the Bay. Project would be implemented via Design/Build contract.	Yes	\$10,000,000	Project can be ready for bid advertising in 120 days.
			<b>Subtotal:</b>	<b>\$584,100,000</b>	
			<b>Total:</b>	<b>\$995,692,000</b>	