



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/17/2025

ITEM NO: 17

DATE: June 12, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: Adopt a Resolution Supporting the Allocation of \$2,468,786 of the Transportation Development Act Article 3 (TDA3) Funds for the Highway 17 Bicycle and Pedestrian Overcrossing (Project No. 818-0803); Authorize the Associated Revenue and Expenditure Budget Adjustments; and Authorize Revenue and Expenditure Adjustments of \$244 from the Traffic Mitigation Fund

RECOMMENDATION:

Staff recommends that the Town Council take the following actions for the Highway 17 Bicycle and Pedestrian Overcrossing (Project No. 818-0803):

- a. Adopt a Resolution Supporting the Allocation of \$2,468,786 from the Transportation Development Act Article 3 (TDA3) Funding Program for Project Construction; and
- b. Authorize Revenue and Expenditure Budget increases in the amount of \$2,468,786 to recognize the receipt and the spending of the TDA3 funding for FY 2025-26; and
- c. Authorize Revenue and Expenditure budget increases in the amount of \$244 from the Traffic Mitigation fund for previously incurred project expenditures.

STRATEGIC PRIORITIES:

This action supports the Core Goals of Fiscal Stability and Quality Public Infrastructure. The use of grant funds for public works construction reduces the burden on the Town's limited general fund resources. The project will provide a safe bicycle and pedestrian friendly route to cross Highway 17.

FISCAL IMPACT:

In relation to the Highway 17 Bicycle and Pedestrian Overcrossing (Project No. 818-0803), staff recommends adopting a resolution authorizing the receipt of \$2,468,786 from the

PREPARED BY: Sean Rose
Special Project Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

SUBJECT: Highway 17 Bicycle/Pedestrian Overcrossing Project (CIP No. 818-0803)

DATE: June 12, 2025

Transportation Development Act Article 3 (TDA3) Funding Program to support future project construction. The action includes the associated revenue budget adjustments in the amount of \$2,468,786 to recognize the receipt of the TDA3 funding. This funding will be held in reserve until the remaining construction funds are secured. Additionally, staff recommends revenue and expenditure budget increases in the amount of \$244 from the Traffic Mitigation fund for previously incurred project expenditures.

BACKGROUND:

The Highway 17 Bicycle and Pedestrian Overcrossing Project started in FY2019-20 and is the highest priority project in the Town's adopted Bicycle and Pedestrian Master Plan (BPMP). The project improves bicycle and pedestrian mobility, encourages active transportation, closes a major gap in the Town's bicycle network, and enhances safety for all modes of travel on Blossom Hill Road, a high-volume transportation corridor and route to school for the Town, between Roberts Road West and Roberts Road East.

The project design is being led by the Town with significant funding support from the 2016 Santa Clara Countywide Measure B Program administered by the Valley Transportation Authority (VTA) and design oversight by Caltrans for the portion of the project within Caltrans' Highway 17 right of way. The project design was fully funded through a combination of the 2016 Measure B grant, plus Town Traffic Mitigation and General Fund Appropriate Reserve funding for local matching to the grants. Design completion is expected in the first quarter of 2026.

The project design includes:

1. A new 20-foot wide bicycle/pedestrian bridge over Highway 17 south of the existing Blossom Hill Road overcrossing;
2. Pathways on the east and west sides of the new bridge to provide access between Roberts Road West and Roberts Road East;
3. Safety enhancements to the Roberts Road East and West intersections at Blossom Hill Road; and
4. Modifications to the existing vehicle and bicycle lane configurations and pedestrian facilities on Blossom Hill Road.

The Transportation Development Act provides funding dedicated specifically for pedestrian and bicycle facilities. The funding is managed through the nine-county Metropolitan Transportation Commission (MTC) which oversees the management of funds. In Santa Clara County the VTA manages and distributes the funding on behalf of MTC.

DISCUSSION:

Recently, staff has begun working to obtain the construction funding needed to complete the

SUBJECT: Highway 17 Bicycle/Pedestrian Overcrossing Project (CIP No. 818-0803)

DATE: June 12, 2025

project. The project is currently ranked sixth countywide in VTA's 2016 Measure B Bicycle and Pedestrian Capital Projects Ten-Year Fiscally Constrained Priority List and is currently the highest ranked remaining project on the list, indicating funding for the project is a VTA priority.

Staff submitted a request in April 2025 to VTA for \$2,468,786 in TDA3 funds for project construction. The available funding has been specifically allocated by the VTA Board to high-priority projects already in receipt of Measure B funding. VTA notified Town staff that they intend to recommend awarding the TDA3 funding towards the construction of the project. As a condition of award, the Town is required to adopt the attached resolution supporting the project. The resolution including the Town's request is shown in Attachment 1.

Based on the current construction cost estimate, with the TDA3 construction funding the project needs an estimated additional \$22M to fully fund construction. Staff will be applying for \$9.9 million in funding from the Federal Safe Streets For All grant program in June 2025 and is planning to apply for the One Bay Area Grant (OBAG) call for projects anticipated in 2026 and Measure B call for projects anticipated in 2029. Through these various programs staff is confident construction funding can be secured within the next three to five years. The TDA3 agreement states the funds are intended for use by June 30, 2028. If extensions for the TDA3 grant funding agreement are needed staff will seek those. Given that this project is a high priority with regard to VTA funding staff is confident the extensions will be granted.

If the Town were to not move forward with the project construction the TDA3 funding received with this action would be returned to MTC for their use in accordance with the program guidelines.

The following table summarizes the current funding status for the project, including the recommended TDA3 funding for construction:

SUBJECT: Highway 17 Bicycle/Pedestrian Overcrossing Project (CIP No. 818-0803)

DATE: June 12, 2025

Highway 17 Bicycle and Pedestrian Overcrossing Project		
CIP No. 818-0803		
Budget		
Existing Appropriations	\$	4,457,880
Additional Appropriation (recommended with this staff report)	\$	2,468,786
Additional Appropriation (recommended with this staff report)	\$	244
Subtotal		\$6,926,910
Expenditures including Encumbrances		
Expenditures to date		
Construction Contract - BKF Engineers	\$	234,000
Construction Contract with Amendments - BKF Engineers	\$	3,087,735
Coop Agreement - State of CA	\$	135,000
Staffing Costs	\$	89,355
Other Project Costs	\$	3,405
Expenditures (recommended with this staff report)		
Grant Funded Project Costs	\$	2,468,786
Planned Expenditures		
Construction Contract - Advanced Mobility Group	\$	42,805
Independent Structural Review - Biggs Cardosa and Associates	\$	50,000
Design Contingency	\$	169,460
Staffing Costs	\$	126,633
Subtotal	\$	6,407,179
Balance	\$	519,731

During 2025-26 budget discussions with the Finance Commission, this project was the subject of some discussion centering around the fiscal prudence of continuing progress on this project when funding sources are yet available to fund the substantial construction cost. Staff reported that the significant portion of allocated existing funding has been expended in the lead up to seeking construction funding. The Town is not obligated to continue to fund this project with General Fund resources if additional transportation funding does not materialize. Further, by accepting this funding, the Town can return it if construction funding does not materialize with such return not resulting in the Town being placed in bad standing with the funding agency. Thus, given the resource commitment so far as well as the focus on complete and safe streets, it is reasonable not to eliminate this project from consideration and forego the funding.

PAGE 5 OF 5

SUBJECT: Highway 17 Bicycle/Pedestrian Overcrossing Project (CIP No. 818-0803)

DATE: June 12, 2025

CONCLUSION:

The recommended actions support the allocation of \$2,468,786 in TDA3 funds by the Metropolitan Transportation Commission toward the construction of the Highway 17 Bicycle and Pedestrian Overcrossing Project. Approval of the resolution and associated budget adjustments will enable the Town to receive and account for the funds in compliance with program requirements.

COORDINATION:

This report has been coordinated with the Finance Department, the Town Attorney's office, and with VTA staff.

ENVIRONMENTAL ASSESSMENT:

The Town is the lead agency under CEQA. This is a project as defined under CEQA but is statutorily exempt under Section 21080.25. A Notice of Exemption has been filed. Caltrans is the lead agency under NEPA. The project is exempt from NEPA under 23 CFR 771.117(c): activity (c)(3).

Attachments:

1. Resolution allocating TDA3 Funding via the Metropolitan Transportation Commission