



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/19/2026

ITEM NO: 7

DATE: May 19, 2026
 TO: Mayor and Town Council
 FROM: Chris Constantin, Town Manager
 SUBJECT: **Authorize the Town Manager to Sign and Submit Grant Applications for the Statewide and Regional Components of the Active Transportation Program Cycle 8 and One Bay Area Grant Program Cycle 4 to Fund Construction of the Highway 17 Bicycle and Pedestrian Overcrossing Project**

RECOMMENDATION: Staff recommends that Town Council take the following actions to support future construction of the Highway 17 Bicycle and Pedestrian Overcrossing Project (4218510-82405, CIP No. 818-0803):

- a. Authorize the Town Manager to sign and submit a grant application for Active Transportation Program Cycle 8 (ATP8) for up to \$19,953,925 in construction funding through the Statewide and Regional components of that program; and
- b. Authorize the Town Manager to sign and submit a grant application for up to \$19,953,925 to the One Bay Area Grant Cycle 4 (OBAG4) program.

FISCAL IMPACT:

There is no immediate direct fiscal impact of this action. Preparation of grant applications will be completed using existing staff resources funded through the General Fund (1115201). This action authorizes submission of grant applications to fund construction for the Highway 17 Bicycle and Pedestrian Overcrossing Project (4218510, CIP No. 818-0803) in an amount up to \$19,953,925 for each grant.

PREPARED BY: Nicolle Burnham
 Parks and Public Works Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

While the associated local match requirements vary program to program, existing budget appropriations in the CIP Project are expected to meet the minimum match requirement of 11.47% in all scenarios, with 25% matching funds already established. To date, a total of \$6,692,210 associated with this project is available for construction match. The specific existing sources of match funding are shown in Table 1:

Table 1. Existing Project Funding Available for Match

<i>General Fund Appropriate Reserve</i>	\$	1,468,524
<i>Measure B 2016</i>	\$	2,754,900
<i>Transportation Development Act 3</i>	\$	2,468,786
TOTAL	\$	6,692,210

Per the 2027 Active Transportation Program Guidelines issues by the California Transportation Commission, the Statewide ATP program does not require the Town to provide matching funds. The Metropolitan Transportation Commission (MTC) would review the regional ATP grant application. MTC staff have indicated that an 11.47% minimum match will be required for the Regional ATP application. The OBAG4 Program will also require a minimum match of 11.47%. The project cost is currently \$26,646,135 for 2028 construction (inclusive of design and construction). This suggests a required minimum match requirement of \$3,056,312. The match requirement is expected to be met via existing funding allocations noted in Table 1 (4118510, 4218510, 47185101; CIP No. 818-0803).

STRATEGIC PRIORITY:

This action supports the Town’s Strategic Priority of Fiscal Stability and 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.

BACKGROUND:

The Highway 17 Bicycle and Pedestrian Overcrossing Project started in Fiscal Year 2019-20 and is the highest priority project in the Town’s Bicycle and Pedestrian Master Plan (BPMP). Once constructed, the project will improve bicycle and pedestrian mobility, encourage active transportation, close a major gap in the Town’s bicycle network, and enhance safety for all modes of travel on Blossom Hill Road, a high-volume transportation corridor and route to school between Roberts Road West and Roberts Road East. The completed project will provide safer student access to RJ Fisher Middle School and increase safety for transit users accessing stops on Los Gatos Boulevard and North Santa Cruz Avenue.

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 Appropriated Reserve funding for local matching to the grants. Design completion is expected in the fourth 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. Enhanced pathways and sidewalks 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 following is a brief chronology of Town Council actions associated with the project:

- On June 13, 2019, Council authorized the issuance of a Request for Proposals (RFP) for the project's feasibility study and authorized the consultant agreement in an amount not to exceed \$234,456. This was paid for using Transportation Impact Fees and Transportation Development Act 3 funding.
- On March 3, 2020, Council approved the project's purpose and need and authorized staff to proceed with design alternatives for a separate bicycle and pedestrian overcrossing.
- On September 1, 2020, at the recommendation of the Town's Complete Streets and Transportation Commission (CSTC), Council adopted the 2020 Bicycle and Pedestrian Master Plan (BPMP) update, which identified this project as a high priority.
- On September 1, 2020, Council approved the feasibility study, directed staff to proceed with final design of a separate 16 to 20 foot wide bridge south of Blossom Hill Road and analyze three bridge types (steel truss, steel arch, and concrete), authorized the submittal of an Active Transportation Program (ATP) grant for construction, and committed up to \$1 million in FY23-24 budget funding as a local match for the ATP grant. The ATP Grant application was not successful at that time.
- On December 1, 2020, Council authorized a Measure B grant funding agreement in the amount of \$2,754,900 for project design, authorized \$946,210 in General Fund budget

as a required local match for the Measure B grant, authorized issuance of an RFP for project design, authorized the consultant agreement in an amount not to exceed \$3,000,000, and approved the project's community engagement plan.

- On May 20, 2021, the Town entered into an agreement for consultant services with BKF for project design, including preliminary engineering, environmental review, and final design in an amount not to exceed \$3,000,000.
- On November 9, 2022, the Town Council received an update on the project's community outreach activities and the preferred bridge type and approved the concrete box girder as the preferred bridge type for project design.
- On February 9, 2024, the Town Council authorized a first amendment to the agreement with BKF Engineers to provide grant writing services for ATP Cycle 7 and a federal Safe Streets for All Grant. In fall 2024, staff were notified that these applications were not successful.
- On June 17, 2025, the Town Council adopted Resolution 25-039 to receive \$2,468,786 in Transportation Development Act Article 3 (TDA3) Funds to support future project construction. The action included the associated revenue budget adjustments to recognize the receipt of the TDA3 funding, and those monies are available for future construction.

DISCUSSION:

Since May 2021, the project team has made significant progress on engineering and environmental review. Staff have continued to engage with project stakeholders for additional input, including the Los Gatos Union School District, Safe Routes to School Program, Complete Streets and Transportation Commission, Arts and Culture Commission, and others.

The project approval and environmental document phase (PAED) of the project has taken longer than expected due to staffing changes at the California Department of Transportation, delaying review of the project through most of 2025. Currently, environmental clearance is complete, and the final design is underway. The project is fully funded through final design and will be shovel-ready by early 2027. The existing TDA3 funding for construction was accepted in June 2025 carries a 2028 spending deadline. An extension can be requested if necessary.

The current estimate of the total construction cost, available funding and current funding gap is show in Table 2.

Table 2. Fiscal Summary Demonstrating Funding Gap¹

Project Deliver Phase:	Project Approval and Environmental			Right of Way	Construction, Construction Engineering and Inspection	Total (Design and Construction)
	Documents	Plans, Specs, Estimates				
Cost Estimate	\$ 1,106,135	\$ 2,750,000	\$ 58,000	\$ 22,732,000	\$ 26,646,135	
Funding Sources						
GFAR	\$ 276,534	\$ 824,701	\$ 58,000	\$ 309,289	\$ 1,468,524	
Measure B 2016	\$ 829,601	\$ 1,925,299			\$ 2,754,900	
TDA3	\$ -	\$ -		\$ 2,468,786	\$ 2,468,786	
Available Funding Total:	\$ 1,106,135	\$ 2,750,000	\$ 58,000	\$ 2,778,075	\$ 6,692,210	
Funding Gap:	\$ -	\$ -	\$ -	\$ (19,953,925)	\$ (19,953,925)	

Note: 1. Town expended \$147,005 in Transportation Impact Fees and \$87,451 in TDA3 funding for Feasibility Study Phase of work. This funding is not reflected in design and construction totals in Table 2.

The Town will need to obtain construction funding prior to advertising the project for construction bids. Based on staff’s research and recent communication with the California Transportation Commission (CTC), Metropolitan Transportation Commission (MTC), and Valley Transportation Authority (VTA), staff recommend applying for these grant programs.

The ATP and OBAG program applications will be due in June and July 2026, respectively. The grant applications are competitive and require numerous exhibits, schematics, photo essays, visual simulations, data analyses, and other documents. Much of this information already exists from prior grant applications, and staff will use existing resources to support the applications to the maximum extent possible.

Results of the grant application will be known in late 2026 or early 2027. If the Town is successful in both grant applications, staff will further evaluate the funding and match requirements in more detail and return to the Town Council with a recommendation authorizing the Town Manager to execute the grant agreement that is most financially favorable to the Town.

ALTERNATIVES:

Town Council can recommend that grant applications for the construction phase work not be pursued. If that were to occur staff would complete the design to achieve a shovel ready project and would then place the project on hold pending further Town Council action. If this alternative is selected the Town will need to return the TDA3 funding allocation.

CONCLUSION:

If the Town Council accepts the recommendation, staff will prepare the required applications for the Town Manager’s signature. Staff will report back on the outcome of the applications with recommendations on next steps.

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SUBJECT: Actions Related to Grant Applications for the Highway 17 Overcrossing Project

DATE: May 19, 2026

COORDINATION:

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

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).