



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 12/12/2022

ITEM NO: 7

DATE: December 7, 2022
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive Budget Information for Highway 17 Bicycle and Pedestrian
Overcrossing and Roadside Vegetation Management Capital Projects

RECOMMENDATION:

Receive budget information for Highway 17 Bicycle and Pedestrian Overcrossing and Roadside Vegetation Management capital projects.

DISCUSSION:

The Commission Chair requested that staff provide a financial overview of expenditures to date for the Highway 17 Bicycle and Pedestrian Overcrossing and Roadside Vegetation Management capital projects.

Following is a summary of expenditures to date for both projects:

Highway 17 Bicycle and Pedestrian Overcrossing

The Town of Los Gatos Bicycle and Pedestrian Master Plan (BPMP) was originally adopted in 2017 and updated in 2020 (and rebranded as Connect Los Gatos). The Highway 17 Bicycle and Pedestrian Overcrossing Project was identified in the BPMP and Connect Los Gatos Program as a priority project for the Town. The project is currently in what is referred to as the design phase. Large capital projects that have already completed their design phase ("shovel ready") tend to be viewed more favorably by potential grantors. Table 1 on the following page illustrates the respective funding sources for the design phase. Based on the funding breakdown, the Town is funding approximately 33% of the design phase of the project. Required funding for the construction phase is currently estimated at approximately \$25 million

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager, Town Attorney, Parks and Public Works Director, and Finance Director

DISCUSSION (continued):

in today's dollars. Staff will continue to pursue construction phase grant funding as the project moves through design.

TABLE 1

Summary of Costs Associated with Highway 17 Overcrossing

	Budget
Town	\$ 1,468,524.00
Grants	\$ 2,807,529.00
Gas Tax	\$ 147,005.00
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	\$ 4,423,058.00

Roadside Vegetation Management

In 2019, the Town commissioned SWCA consultants to develop a Roadway Vegetation Management Plan for Los Gatos. The report examined 31.09 miles of Town-owned hillside roadways that are critical ingress/egress routes for residents and emergency responders in the event of wildfire and other emergencies.

Once the plan was completed, staff began recommending expenditures to provide the necessary vegetation management. Prior to Fiscal Year (FY) 2022/23, a total of \$999,809 was expended on contractors to perform vegetation management along 11 miles of roadway. Staff support for this work came from existing positions that are in the Parks and Public Works Operating Budget and so there were no additional staff expenditures outside of the PPW budget.

In the last 12 months, the Town has secured two grants – one from the US Forest Service and one from FEMA (via the Hazard Mitigation Grant Program) to continue the roadside vegetation management. Each of these grants include a cost share as noted in Table 2, on the following page.

DISCUSSION (continued):**Table 2****Summary of Federal Grants for Roadside Vegetation Management**

US Forest Services	Grant Award	Town Match	
Awarded October 2022	\$ 750,000	\$ 750,000	
FEMA Hazard Mitigation Grant Funds (HMGP)- Roadways CIP #812-0130	Obligation Amount (Total)	Federal Share	Town Match
Project is divided into 2 phases	\$ 1,963,169	\$ 1,472,377	\$ 490,792
Phase I awarded 10/11/22 Phase II pending award.	Obligation Amount	Federal Share	Town Match
Project Costs reimbursed at 75% (i.e., Consultant to create plan)	\$ 35,000	\$ 26,250	\$ 8,750
Management Costs reimbursed at 100% (Staff time to manage application)	\$ 1,750	\$ 1,750	\$ 0
		75%	25%
	Total Grant Amounts	Total Town Match	
	\$ 750,000	\$ 750,000	
	\$ 1,472,377	\$ 490,792	
	\$ 2,222,377	\$ 1,240,792	

Notes: Town match for federal grants can include Town staff costs.

Staff time can be used as part of the Town match for federal grants. Therefore, staff will be tracking time for the project in the future to offset the required \$1,240,792 match. In addition, staff will propose funding to the project in FY 2023/24 (\$375,000) and FY 2024/25 (\$375,000) to support the US Forest Service match.