



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 10/05/2021

ITEM NO: 6

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DATE: September 30, 2021  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Authorize the Town Manager to Submit an Application to the Santa Clara Valley Transportation Authority (VTA) in the 2016 Measure B Highway Interchanges Program Category for the Highway 17 Corridor Congestion Relief Project

**RECOMMENDATION:**

Staff recommends that the Town Council authorize the Town Manager to submit an application to the Santa Clara Valley Transportation Authority (VTA) in the 2016 Measure B Highway Interchanges program category for the Highway 17 Corridor Congestion Relief project.

**BACKGROUND:**

On November 8, 2016 voters in Santa Clara County passed Measure B, a sales tax initiative that will provide an estimated \$6.314 billion in revenue committed to transportation improvements. Measure B identified the need within nine program areas, including the Highway Interchanges program category. This program category has a funding allocation of approximately \$750 million over the 30-year period and includes a series of improvements focused on Highways, including interchange improvements, overcrossings, and congestion relief. The following verbiage was included in the 2016 Measure B ballot language:

*Highway 17 Corridor Congestion Relief: Upgrade Highway 17/9 interchange to improve pedestrian and bicycle safety, mobility, and roadway operations; deploy advanced transportation technology to reduce freeway cut thru traffic in Los Gatos, including traffic signal control system upgrades in Los Gatos, Traveler Information System, advanced ramp metering systems; support Multi-Modal Congestion Relief Solutions, including enhanced Highway 17 Express Bus service, implementing local bus system improvements that reduce auto trips to schools, work, and commercial areas in Los Gatos; and develop park and ride lots to serve as transit hubs for express bus, shuttles, local bus system connections.*

**PREPARED BY:** Ying Smith  
Transportation and Mobility Manager

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

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BACKGROUND (continued):

The Highway 17 Corridor Congestion Relief project was included in the VTA Fiscal Year (FY) 20/21 Biennial Budget for \$5.4 million in Measure B funding. The Town's adopted FY 2021/22 Capital Improvement Program (CIP) includes \$600,000 from the Town's General Fund Appropriated Reserve (GFAR) as a non-Measure B match.

DISCUSSION:

VTA, as the project lead, has begun the design phase in cooperation with the Town and Caltrans. Caltrans is a stakeholder and has permitting authority. To date, the project development team has completed the Project Study Report-Project Development Support (PSR-PDS) and submitted it to Caltrans for approval. Additional project information is included in Attachment 1, Project Fact Sheet. The project schedule below shows an optimistic timeline if funds are available for the future phases.

***Project Schedule***

Project Initiation: April 2020 to August 2021 - completed

Project Approval / Environmental Document: August 2021 to October 2023 – in progress

Final Design: April 2023 to January 2025 – pending funding

Construction: May 2025 to September 2027 – pending funding

This project is funded through the Project Alternatives/Environmental Document (PA/ED) Phase for a total of \$6 million. The total project estimate is approximately \$111 million, including all future project phases. The Project Funding Table shows the estimate cost by project phase and the proposed funding sources. Approximately \$105 million will be needed to fund the project through the completion of construction.

***Project Funding Table***

	Measure B	Non-MB	Total
Planning/Project Initiation Document (PID):	\$990,000	\$0	\$990,000
Preliminary Engineering	NA	NA	NA
PA&ED/Environmental Clearance:	\$4,410,000	\$600,000	\$5,010,000
<b>Funded</b>			<b>\$6,000,000</b>
Design:	\$7,803,000	\$867,000	\$8,670,000
Right-of-Way:	\$675,000	\$75,000	\$750,000
Construction:	\$85,860,000	\$9,540,000	\$95,400,000
<b>Total</b>	<b>\$99,738,000</b>	<b>\$11,082,000</b>	<b>\$110,820,000</b>
	Non-MB%	10.00%	
<b>Unfunded</b>	<b>\$94,338,000</b>	<b>\$10,482,000</b>	<b>\$104,820,000</b>

DISCUSSION (continued):

At the August 5, 2021 meeting, the VTA Board approved the 2016 Measure B Highway Interchange Program Category Prioritization and Project Selection Process to develop a ranked priority list of Highway Interchange projects. A Call-for-Projects for the 2016 Measure B Highway Interchanges Competitive Grant Program was released on August 16.

Through past actions, the VTA Board has already allocated \$206.90 million in the Highway Interchange funding to 22 projects, including \$5.4 million to the Highway 17 Corridor Congestion Relief project. As a part of the August 5 action, a total of seven projects were “grandfathered” through construction without being subject to the prioritization process. Using current estimates, approximately \$109 million will be needed to complete these seven projects. The remaining 11 projects, including the Highway 17 Corridor Congestion Relief project, are subject to the prioritization process and will need to compete for the remaining \$434 million in available Measure B funding. However, the need to complete these projects is estimated to be over \$800 million.

CONCLUSION:

The Measure B Highway Interchanges Competitive Grant Program is an appropriate program for the Town to seek additional funding for the final design and construction phases. It is very possible that there will be enough demand from the project sponsors that all the remaining funds will be allocated in this round of Call-for-Projects. Therefore, it is crucial for the Town to apply at this time and request the maximum amount to fund the project entirely.

The Measure B applications are due on October 12, 2021, with award recommendations anticipated in December. The VTA’s project development team has provided relevant information and support for this grant application. Staff is requesting the Town Council’s authorization to submit an application for an amount of \$99,738,000. The program has a minimum of 10% match, or \$10,482,000 from non-Measure B sources which the Town will ultimately need to identify.

COORDINATION:

This report was coordinated with VTA staff.

FISCAL IMPACT:

The Measure B grant application is requesting \$99,738,000 for the future phases, including final design and construction. If the Town’s application is awarded, the project could be developed further to the final design and construction phases, depending on the Measure B grant amount

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SUBJECT: Highway 17 Corridor Congestion Relief Project Measure B Grant Application

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FISCAL IMPACT (continued):

awarded. The project will continue to be managed by VTA; therefore, the Town will not receive the Measure B funds directly. The program has a minimum 10% match from non-Measure B sources, estimated at \$10,482,000. The Town has yet to include additional local funds in the budget toward the match. In addition to the potential for local funds, staff will pursue other grant funding opportunities, including the programs in Senate Bill 1 and other regional, State, and federal grant programs. If the Town is successful in securing additional Measure B funding, the project will be more competitive in other grant programs.

ENVIRONMENTAL ASSESSMENT:

Submitting a grant application is not a project defined under CEQA, and no further action is required.

Attachment:

1. State Route 17 Corridor Congestion Relief Project Factsheet