



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 05/21/2024

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DATE: May 16, 2024  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Receive a Report on the State Route 17 Corridor Congestion Relief Capital Project (CIP No. 813-0237); and Authorize the Town Manager to Execute an Amendment to an Existing Agreement with the Santa Clara Valley Transportation Authority to Extend the End Date to December 31, 2027 and Increase the Town's Funding Contribution to \$1,470,000

**RECOMMENDATION:**

Receive a report on the State Route 17 Corridor Congestion Relief Capital Project (CIP No. 813-0237) and authorize the Town Manager to execute an amendment (Attachment 1) to an existing agreement (Attachment 2) with the Santa Clara Valley Transportation Authority to extend the end date to December 31, 2027 and increase the Town's funding contribution to \$1,470,000.

**BACKGROUND:**

On November 8, 2016, voters of the County of Santa Clara enacted the 2016 Measure B program to provide 30 years of funding for transportation priorities. One category of funding is Highway Interchanges. The Town of Los Gatos requested that the Highway 17 Corridor Congestion Relief Project (the Project) be funded through this Measure B program category. The Project was subsequently included by the Valley Transportation Authority (VTA) on the list of eligible projects that was adopted by the Board of Directors at its August 4, 2016 meeting.

On March 19, 2019 (Agenda Item 7), Town Council expressed their support for Measure B funded improvements at Highway 9 and Highway 17 Interchange and directed staff to amend General Plan 2020 to reflect the Town's support of the project. Resolution 2019-056 was adopted on November 17, 2019 to amend General Plan 2020 as directed in the March Town Council action.

**PREPARED BY:** Nicolle Burnham  
Parks and Public Works Director

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

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BACKGROUND (continued):

On April 4, 2019, the VTA Board approved the allocation of \$5.4 million to the Project. The Town's Fiscal Year (FY) 2019/20 Capital Improvement Program Budget allocated \$600,000 to this project.

On June 15, 2021, the Town and VTA entered into an agreement for the preparation of a Project Initiation Document (PID) and to undertake the Project Approval / Environmental Document (PAED) phase of work. The value of this agreement was \$6,000,000, with \$600,000 provided by the Town (the required 10% contribution) and the remaining \$5,400,000 provided by VTA through the Measure B Program. This agreement has an expiration date of June 30, 2024.

On September 5, 2021 (Agenda Item 6), Town Council authorized the Town Manager to submit a competitive grant application to VTA for a Measure B allocation to support the Design Phase of the project. In that application, the Town committed to provide matching funds of \$867,000, in addition to the \$600,000 previously committed and expended. The Town's Capital Improvement Program Budget for FY 2022/23 added the \$867,000.

DISCUSSION:

The PID phase of work has been completed. The PAED phase is still in process and should be complete in the summer of 2025. Staff recommends that the existing agreement be extended to December 31, 2027 to allow for completion of the PAED and for project design. These project development activities will require the Town to expend the \$867,000 promised in the 2021 grant application and allocated in the Town's CIP for this project. This expenditure would bring the total Town contribution for the Project to date to \$1,467,000. Executing the proposed amendment, with the Town giving VTA the \$867,000, will allow the VTA to release an additional \$7.8 million dollars from the Santa Clara County Measure B Program funding that was allocated by the VTA Board of Directors for this Project.

If the Town were not to spend this match and extend the agreement, then VTA could complete the PAED phase of work and the project could cease. The \$7.8 million in Measure B funding could be reallocated to another highway-related project in Santa Clara County.

CONCLUSION:

Staff recommends that the Town continue to support VTA's work to design improvements for Highway 17 and Route 9 interchange by authorizing the Town Manager to execute the amendment to the project agreement.

COORDINATION:

This report was coordinated with VTA, the Finance Department, and the Town Attorney's Office.

FISCAL IMPACT:

There is sufficient funding in the FY 2023/24 – 2027/28 CIP Budget to cover the First Amendment to Funding Agreement Between the Town of Los Gatos and Santa Clara Valley Transportation Authority for the State Route 17 Corridor Congestion Relief Project.

State Route 17 Corridor Congestion Relief Project		
CIP No. 813-0237		
	Budget	Costs
GFAR	\$867,000	
Traffic Impact Mitigation Fund	\$600,000	
<b>Total Budget</b>	<b>\$1,467,000</b>	
Santa Clara Valley Transportation Authority		\$600,000
<b>Total Expenditures</b>		<b>\$600,000</b>
<b>Remaining Budget</b>		<b>\$867,000</b>

ENVIRONMENTAL ASSESSMENT:

Actions in this report are not a project defined under CEQA, and no further action is required.

Attachments:

1. First Amendment to VTA Agreement
2. VTA and Town of Los Gatos Agreement