



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### REPORT TO COUNCIL

#### **SUBJECT**

Request for City Council Endorsement and Local Match Commitment for a Metropolitan Transportation Commission Grant Application from the City of Sunnyvale and Santa Clara Valley Transportation Authority for the Peery Park Rides Program

#### **BACKGROUND**

The Metropolitan Transportation Commission (MTC) issued a Call of Interest on June 1, 2015, for funding available through the Climate Initiatives Parking Management and Transportation Demand Management (TDM) Grant Program. This program provides \$6 million to support parking management strategies, park and ride lots, first/last mile transportation solutions and other TDM strategies. The grant can pay for direct project costs, including staff and project management. A minimum 15 percent local match is required. Only public agencies may apply for the grant, but business, non-profit or community organizations can apply if they partner with a public agency as the sponsor.

Sunnyvale staff contacted VTA staff to consider a joint grant application for this grant program. After reviewing the grant guidelines and evaluating different options, a proposal was developed entitled the "Peery Park Rides Program." This proposal is an innovative transportation project that would combine a dynamic and flexible transit service with aggressive trip reduction targets for Peery Park to yield measurable reductions in greenhouse gases and vehicle trips. The proposed program is a two-year pilot project to purchase two buses and to use the latest software technology to operate a flexible shuttle bus service to meet the transit needs in Peery Park and adjacent neighborhoods. The estimated cost for the two-year program is \$1.9 to \$2.2 million, which includes purchasing two buses and the costs for project development and operations. The success of the pilot program is predicated on establishing mandatory TDM goals to induce a commitment to alternative transportation modes. A mandatory TDM program is an essential element of the policy framework for the Peery Park Specific Plan.

The MTC grant would create a unique public/private partnership between the City of Sunnyvale, VTA, and Peery Park property owners and businesses. This partnership opportunity offers synergies and efficiencies that would not likely be achievable if each party pursued trip reduction strategies independently. With over seven million square feet of existing office/R&D space and additional projects under review, Peery Park is an ideal candidate for the pilot program because of its large existing and planned employment base and its "last mile" proximity to nearby Caltrain and VTA transit stations. Peery Park property owners have committed to forming a transportation management association (TMA) to facilitate the TDM goals of businesses within Peery Park. A TMA would be instrumental for providing information on the travel patterns and needs of employees to operate a successful flexible shuttle program. Property owners have also discussed studying the feasibility of a private shuttle bus service to serve employers and residents in the Peery Park area.

## **EXISTING POLICY**

### **General Plan:**

POLICY LT-5.5. Support a variety for transportation modes.

- Action LT-5.5h. Work to improve bus service within the City, including linkages to rail.

POLICY LT-5.6. Minimize expansion of the current roadway system, while maximizing opportunities for alternative transportation systems and related programs.

### **Policy Framework for Peery Park Specific Plan:**

GOAL 9. Place priority on TDM and alternative transportation.

- Work with VTA to identify and implement changes or additions to bus routes in order to better serve the district and increase headways.
- Outline a plan to implement a private/public district shuttle including early phase pilot program, feasibility study, and potential funding/implementation strategies.
- Seek grants to assist with financing and implementing TDM programs and tools.

## **ENVIRONMENTAL REVIEW**

The submittal of a grant application is not subject to environmental review. However, if the project is funded, implementation of the project will be subject to CEQA review with VTA acting as the lead agency.

## **DISCUSSION**

The MTC grant application is a two-step process with the first step consisting of a Letter of Interest. The City of Sunnyvale and VTA submitted a joint Letter of Interest to MTC on July 17, 2015 to fund the proposed Peery Park Rides Program with the first step consisting of Letter of Interest. The City of Sunnyvale and VTA submitted a joint Letter of Interest to MTC on July 17, 2015 to fund the proposed Peery Park Rides Program (see Attachment A for more details on the proposal.) This MTC submittal included letters of support from Peery Park property owners (Lane Partners, Irvine Company and JP DiNapoli.) A grant of \$1.2 million was requested with the additional project costs covered by a combined local match from VTA and the City of 36 percent to implement and operate the two-year pilot program. While the pilot program will initially focus on the Peery Park area, the program could eventually be expanded to serve a larger area such as Moffett Park and the downtown.

After reviewing all Letters of Interest, the second step involves MTC inviting a limited number of applicants to submit a formal proposal for further evaluation. The City of Sunnyvale's and VTA's proposal has been selected to participate in step two of the application process. VTA staff is taking the lead to prepare the formal proposal, which will include an expanded project description, more detailed scope of work, and a project budget and schedule. As part of step two, local support and a preliminary commitment to the proposed local match are required. VTA and City staffs are recommending a 50/50 split of the proposed local match, which translates to an approximately 18 percent local match from each agency. Based on the latest cost estimate, the local match for each agency is expected to range from \$340,000 to \$400,000. Project readiness is an important criterion, and it is expected that the pilot program could be initiated in late 2016 or early 2017.

VTA is currently finalizing a formal application for submittal to MTC by the deadline of October 2, 2015. Staff recommends including a letter of endorsement from the City that expresses local support

for the project as well as a preliminary commitment to Sunnyvale's proposed local match. Peery Park property owners are critical to the success of the flexible shuttle program in terms of forming a supporting TMA and contributing to the City's local match. Staff will be meeting with Peery Park property owners on September 28 to discuss their potential contribution to the City's local match. Contributions to the Peery Park Rides Program could be included in the community benefits program for Peery Park and available as zoning incentives for future developments.

When the City Council considered the policy framework for Peery Park in April 2015, staff suggested that the Council consider contributing up to \$100,000 to assist in funding the creation of a TMA or other TDM measures such as a feasibility study for a shuttle bus program. While City funds were not allocated by the Council for these purposes, Peery Park property owners are proceeding to form the TMA without City assistance in advance of adoption of the Peery Park Specific Plan. Staff suggests that a portion of the \$100,000 could be programmed for the local match for the MTC grant, with the remainder coming from Peery Park property owners and businesses.

### **FISCAL IMPACT**

A budget modification is required for the grant local match but does not have to be approved by the Council at this time. If the City and VTA are successful in being awarded a MTC grant, staff will bring forward for Council approval the grant agreement along with a budget modification for the City's local match, which at this time is estimated to range from \$340,000 to \$400,000. These funds would need to be allocated from the General Fund Budget Stabilization Reserve Fund, if there is no other appropriate fund to match this grant. Future contributions from Peery Park property owners and businesses would offset this amount. The timing for expenditure of these funds would be subject to the implementation schedule for the pilot program.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **ALTERNATIVES**

1. Authorize the City Manager to issue a letter to MTC to endorse the proposed Peery Park Rides Program and to preliminarily commit up to \$400,000 as the City's recommended local match for the program; direct staff to work with Peery Park property owners and businesses to participate in the program and contribute to the local match.
2. Do not authorize the City Manager to endorse the program or commit to a local match.

### **STAFF RECOMMENDATION**

Alternative 1: Authorize the City Manager to issue a letter to MTC to endorse the proposed Peery Park Rides Program and to preliminarily commit up to \$400,000 as the City's recommended local match for the program; direct staff to work with Peery Park property owners and businesses to participate in the program and contribute to the local match.

The Peery Park Rides Program offers a unique opportunity for an on-going public/private partnership between the City of Sunnyvale, VTA and Peery Park property owners and businesses to create an innovative flexible shuttle bus service. Combined with aggressive TDM goals, a Peery Park TMA, and smart software technology, the program is an extremely promising proposal. The program would

serve a large existing and planned employment base in the Peery Park area with potential service to nearby residents. The ultimate community and environmental benefits would be reductions in greenhouse gas emissions and vehicle trips.

Prepared by: Hanson Hom, Director of Community Development  
Approved by: Deanna J. Santana, City Manager

**ATTACHMENT**

1. Letter of Interest for Peery Park Rides Program, July 17, 2015