



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### REPORT TO COUNCIL

#### **SUBJECT**

Authorize the City Manager to Sign a Funding Agreement with the Valley Transportation Authority for the Peery Park Rides Shuttle Program and Approve Budget Modification No. 7 in the amount of \$500,000

#### **BACKGROUND**

In early 2016, the City, in partnership with the Valley Transportation Authority (VTA), was awarded \$1,129,000 in grant funding from the Metropolitan Transportation Commission (MTC) made available through the Climate Initiatives Parking Management and Transportation Demand Management (TDM) Grant Program. As a part of the grant application, the City Council authorized a local match commitment of up to \$400,000 (Attachment 2) to be paid from money received through the Community Benefits Program collected from development projects within the Peery Park Specific Plan (PPSP) area. In September 2016, in conjunction with the adoption of the PPSP, the City Council approved the use of an additional \$100,000 to ensure the shuttle program would be fare free to passengers (Attachment 3).

The City and VTA hoped to launch the Peery Park Rides program in the summer of 2020. However, Covid-19 has created a pause in the program as many of the potential riders in Sunnyvale are working from home for the foreseeable future. Although there is no current estimate for when the service will launch, authorizing the funding agreement and approving the budget modification puts the City in a position to move forward on program efforts when deemed viable.

#### **EXISTING POLICY**

##### **Sunnyvale General Plan**

##### *Chapter 3: Land Use and Transportation*

LT-3.28b Advocate expansion of and enhancement to bus, light rail, commuter rail, and shuttle services within Sunnyvale, consistent with adopted service level standards and incorporating a certainty of ongoing investment.

LT-14.9a Encourage carpooling, shuttles, and transit access to public and quasi-public services to minimize adverse traffic and parking impacts on neighborhoods.

##### **Peery Park Specific Plan**

##### *Chapter 1: Community Intent*

District Policy D.1. Place a priority on Transportation Demand Management (TDM) and alternative transportation.

District Policy D.1.h. Outline a plan to implement a private/public district shuttle bus including early phase pilot program, feasibility study, and potential funding/implementation strategies.

## **ENVIRONMENTAL REVIEW**

A Program Environmental Impact Report (PEIR) for the Peery Park Specific Plan was certified by the City Council on September 20, 2016 (SCH #2015062013). The proposed City/VTA shuttle program was included within the description of the Project evaluated by the PEIR as a means to reduce the traffic impacts of redevelopment of the Peery Park area. The PEIR disclosed potentially significant impacts on public transit that could be mitigated by the creation of a public/private district shuttle. The shuttle program will be supported by property owners through a transportation management association and transportation impact fees (Impact T-6 and Mitigation Measures MM T-6a and MM T-6b). Accordingly, no additional environmental review of the Peery Park Shuttle Program is required.

## **DISCUSSION**

The Peery Park Shuttle Program is a pilot program that will operate for at least two years. Staff anticipates the program will begin operation in late 2021 or early 2022. The timing will be determined once employees within the Peery Park area return to normal office-based employment. The service will operate in and around the PPSP area with connections to downtown Sunnyvale, and possibly El Camino Real. The service will have an online/app-based component for ride requests/route information. The shuttle route and logistics will be planned in coordination with VTA, the City, and the shuttle operator, with input from businesses/employees in Peery Park. The primary focus of the shuttle program is to reduce single-occupancy vehicle trips associated with the PPSP area during peak am/pm commute hours. The service will also be available to residents who live near/within the service area.

The VTA will serve as the lead agency for the Peery Park Rides Shuttle Program. VTA will begin the Request for Proposals (RFP) process to select the vendor who will operate the shuttle system, with input from the City. In the selection process, VTA and the City will work together to choose a vendor that meets both agencies' needs. In accordance with the requirements of the MTC grant, VTA will also be responsible for their portion of the local match and will serve as the primary project manager for the program due to their technical expertise. As the project manager, VTA's duties will include required reporting obligations to MTC, paying vendor invoices, and various other tasks associated with the project. Following authorization of the funding agreement (Attachment 1), and future selection of the vendor, the City will transfer \$500,000 to VTA for operation of the two-year Peery Park Rides Shuttle Program.

## **FISCAL IMPACT**

The PPSP was adopted on September 20, 2016. Part of the motion during the adoption included Council prioritization for use of the flexible community benefits collected as follows:

1. Peery Park Rides
2. Civic Center Modernization Project
3. Upgrades to Fire Stations (citywide)

Approximately \$4 million in flexible community benefit contributions have been collected since the City's adoption of the PPSP. The Community Development Department anticipates that an additional \$3 million will be paid over the course of the next several fiscal years. Since these funds are tied to development, it is difficult to assess the exact amount and timing of additional proceeds.

Budget Modification No. 7 has been prepared to appropriate funds from the Capital Projects Fund Community Benefits Sub-fund in the amount of \$500,000 for the Peery Park Rides Shuttle Program.

Since the VTA will serve as the primary project manager, no additional funds for ongoing project administration or operating costs are required.

**Budget Modification No. 7  
FY 2020/21**

	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b>Capital Projects/ Community Benefits Sub-Fund</b>			
<u>Expenditures</u>			
Peery Park Rides Program	\$0	\$500,000	\$500,000
<u>Reserves</u>			
<u>Community Benefits Sub-fund</u>	\$15,114,547	(\$500,000)	\$14,614,547

**PUBLIC CONTACT**

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

**STAFF RECOMMENDATION**

Authorize the City Manager to sign a funding agreement with the Valley Transportation Authority for the Peery Park Rides Shuttle Program and Approve Budget Modification No. 7 in the amount of \$500,000.

The Peery Park Rides Shuttle Program is a much needed first/last mile connection TDM tool that will help employees within the PPSP, and nearby residents, connect with the Sunnyvale Caltrain Station, as well as downtown and nearby dining/retail establishments. Providing transportation via a fare free shuttle provides an alternative transportation option to employees/residents that promotes a decrease in the need for single-occupancy vehicle trips, especially during peak hours.

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Approved by: Kent Steffens, City Manager

**ATTACHMENTS**

1. Funding Agreement
2. Excerpt of the September 29, 2015 City Council Meeting Minutes
3. Excerpt of the September 20, 2016 City Council Meeting Minutes