



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: March 7, 2023

Subject

Consider a four-year contract with Nomad Transit LLC (Via) for the Transit & Intercity Rail Capital Program (TIRCP) funded Via expansion into the City of Santa Clara, with two sites in Mountain View, deployment of an electric vehicle (EV) fleet, construction of necessary charging stations, and a resolution authorizing execution of a Master Agreement with Caltrans, which is a funding pre-requisite of the TIRCP grant program.

Recommended Action

1. Approve a four-year contract with Nomad Transit, LLC (Attachment A);
2. Adopt Resolution No. 23-XXX (Attachment B) authorizing the City Manager to execute the Caltrans Master Agreement; and
3. Adopt Resolution No. 23-XXX (Attachment C) approving a budget modification, increasing appropriations in the General Fund, Transportation, Via Shuttle program budget by \$3,594,928 for the planning, launch, and operation of the Via-Cupertino/Santa Clara expansion with two sites in Mountain View, including design, construction, and contingency funds for installation of EV charging equipment to support the program.

Reasons for Recommendation

On September 20, 2022, the City Council accepted an \$8,465,000 grant from the California State Transportation Agency (CalSTA) from the TIRCP. This aligned with wrapping up the Work Program item and shifting this to an operational program. The effort continues to serve first mile/last mile needs with increasing ridership and aligns with the Climate Action Plan, Council Goals, and former Work Program items. The grant will fund approximately 50% of the cost of the Via-Cupertino community shuttle for a period of four years. As the grant pays retroactively, the requested budget allocation is for the entire project cost, inclusive of new service in Santa Clara that will be funded by the City of Santa Clara, pursuant to a funding agreement that will be brought to Council in the near future. Public Works staff provided Council with an overview of the pilot program, the grant application proposal, and ridership statistics at the September 20, 2022, meeting (Attachment D). Approval of the above recommendations would trigger the planning and deployment of an expanded Via service beginning in May with a fleet of EV's.

The attached four-year agreement with Via is substantially similar to the existing contract approved by Council on September 20, 2022, which expires on June 30. The new contract will replace the current contract and includes a revised scope of work closely tied to the TIRCP grant application, consisting of an updated service zone map, requirements for an EV only fleet, and other general updates to the City of Cupertino's standard contractual language. Additionally, contract negotiations resulted in minor changes to how subcontractors are described in the contract, to the mutual satisfaction of both parties.

Expansion & Electrification

At the February 15, 2022, City Council meeting, Transportation staff presented the TIRCP grant proposal that would expand Via-Cupertino's services into the City of Santa Clara, with two sites outside of the service zone in Mountain View. The proposal was crafted to be attractive to CalSTA, as the TIRCP program is used to fund large projects that can bring additional passengers into the rail transit network. The Council was supportive of the application and staff filed an application on behalf of the City in March 2022.

The two City of Mountain View's stops will include the Caltrain Station and El Camino Hospital as new destinations accessible from both Cupertino and Santa Clara. Staff plans to pursue additional grant funding opportunities in anticipation of continuation of the program to year five and beyond. Preliminary conversations with the City of Sunnyvale staff indicate a strong interest in participation in the future.

As the TIRCP grant requires the use of Zero Emissions Vehicles, the current fleet of vans will be replaced with Kia Niro EV's, and with three Lighting 3ZEV wheelchair accessible vehicles (WAV). The installation of dedicated EV chargers at the Sports Center exit to Stelling Road is being planned to support the fleet. Although the City has a variety of existing public charging stations, it is necessary for transit vehicles to have a dedicated space to recharge at all times, without the risk of stations being occupied by the general public. The dedicated charging stations will be reserved for Via and City vehicles, however additional public charging stations are being considered adjacent to the new Via charging stations for use by the community.

Reduction in Project Length

The Via-Cupertino expansion described in the TIRCP grant application was initially proposed as a five-year program; however, Cupertino ridership has grown faster than anticipated since the grant application was submitted necessitating reconsideration of the original anticipated budget. In March 2022, the month the TIRCP application was submitted, Via-Cupertino completed 999 trips. In comparison, in January 2023, Via-Cupertino's monthly ridership reached 3,112 trips, with a growing utilization rate and a high level of ridesharing in the vehicle fleet. A memo from Via (Attachment E) provides

additional information regarding how Cupertino ridership recovery has outpaced other Via services in California.

While increased ridership is positive news, expansion into the City of Santa Clara and parts of Mountain View may cause the service to struggle to meet demand with the number of driver hours that were initially budgeted for in the proposal. This could result in long wait times and some rides being unserved. To address this, the project team proposes compressing the funding award to a four-year project schedule, which will enable scheduling more driver hours to accommodate the current and anticipated ridership. As the budget is a not-to-exceed amount, if ridership declines or does not meet expectations funds can be conserved to be used in future years to accommodate ridership fluctuations caused by external factors, such as economic or social conditions.

This proposed change will allow Via to increase driver hours and vehicle supply over four years, while serving the same number of trips envisioned in the original application. The \$16,931,283 budget and estimated greenhouse gas (GHG) reduction of 76,000 MTCO_{2e} would remain unchanged. A request to Caltrans for this change was informally accepted by phone and authorization in writing is anticipated in the coming weeks. Staff will seek grant funding opportunities to help cover City matching funds and to extend the length of the program.

Caltrans Master Agreement

An active Caltrans Master Agreement is a pre-requisite for the City to receive Caltrans funds. Once executed, the agreement will remain active for a period of 10 years. If additional Caltrans funds are solicited for this project or other City projects, an additional agreement will not be necessary until the Master Agreement expires.

Sustainability Impact

The electrification and expansion of Via-Cupertino will reduce GHG by providing residents with convenient, sustainable EV transportation that is local and includes regional rail stations. The expanded service will add the Mountain View Caltrain station, which has “Baby Bullet” express rail with service to San Francisco. The expansion also includes Caltrain stations in Santa Clara, providing a first/last mile connection to four regional rail stations (and a fifth station beginning in year four of the grant.) Enabling long distance commuter rail trips enhances the environmental benefit of the program, which was a key reason the City’s TIRCP application was approved by CalSTA.

Fiscal Impact

As Via-Cupertino transitions from a pilot program to an ongoing City program, the project will be included as part of the City’s base budget. The \$16,931,283 four-year budget will be divided into two accounts, one for expenditures and another for offsets anticipated from the TIRCP grant and the City of Santa Clara, pursuant to a funding agreement that will be brought to Council in the coming months (Attachment F). Staff is also requesting a \$350,000 allocation to pay for the installation of EV charging stations at the Cupertino Sports Center to support the electrified program. Staff will solicit grant

funds for the installation of the EV charging stations in addition to soliciting grant funds to cover the local match owed as part of this program.

The following accounts have been created to track Via expenses, offsets from grants, funds from the City of Santa Clara, and to better track grant reimbursements.

100-88-265 (General Fund, Transportation, Via Shuttle)

1. 100-88-265 440-430 (General Fund, Transportation, Via Shuttle – Intergovernmental State Grants)
2. 100-88-265 440-439 (General Fund, Transportation, Via Shuttle – Intergovernmental Government Agency Cost-Share)

Budget modification #2223-248 increases appropriations to the General Fund Transportation, Via Shuttle Program (budget unit 100-88-430) by \$3,594,928 for the planning, launch, and operation of the Via-Cupertino-Santa Clara expansion, including design, construction, and contingency funds for installation of EV charging equipment to support the program. These costs are offset by revenue from TIRCP and City of Santa Clara, resulting in new costs to Cupertino of \$932,917. These costs are recommended to be funded by an unassigned fund balance that is estimated at \$63 million.

The following chart summarizes the anticipated four-year project budget as mentioned in Attachment F:

	Year 1	Year 2	Year 3	Year 4	Contract Total:
Total Cost:	\$3,244,928	\$3,806,378	\$4,070,272	\$5,809,705	\$16,931,283
Cost Share					
TIRCP	\$1,622,464	\$1,903,189	\$2,035,136	\$2,904,211	\$8,465,000
Cupertino	\$932,917	\$1,094,334	\$1,170,203	\$1,260,876	\$4,458,330
Santa Clara	\$689,547	\$808,855	\$864,933	\$1,644,618	\$4,007,953

California Environmental Quality Act (CEQA)

The project is exempt from CEQA under CEQA Guidelines section 15301 (operation of an existing program), Public Resources Code section 21080.25 (transportation-related projects), and CEQA Guidelines section 15061(b)(3) (“common sense” exemption).

Next Steps

As the City of Cupertino was the recipient of the TIRCP grant, the City will administer the program for both cities. A funding agreement between the City of Cupertino and the City of Santa Clara will be brought to Council prior to the expansion into Santa Clara along with an update on the launch progress and schedule.

Reviewed by: David Stillman, Transportation Manager

Reviewed by: Chad Mosley, Interim Director of Public Works

Reviewed by: Matt Morley, Assistant City Manager

Approved for Submission by: Pamela Wu, City Manager

Attachments:

A – Agreement with Nomad Transit, LLC (Via)

B – Draft Resolution – Caltrans

C– Draft Resolution – Budget

D –09-20-222 Council Staff Report

E – Via Letter on 4 Year Approach

F- 4 Year TIRCP Revised Budget