



**PUBLIC WORKS DEPARTMENT**

CITY HALL  
 10300 TORRE AVENUE • CUPERTINO, CA 95014-3255  
 TELEPHONE: (408) 777-3354 • FAX: (408) 777-3333  
 CUPERTINO.ORG

**CITY COUNCIL STAFF REPORT**

Meeting: June 18, 2019

Subject

Donation for the funding of select projects identified in the 2016 Bicycle Transportation Plan, 2018 Pedestrian Plan, School Walk Audits and Mary Avenue Protected Bikeway.

Recommended Action

- 1) Authorize the City Manager to execute a multi-year grant donation agreement per the conditions specified in Attachment A in the amount of \$9,792,418 for the funding of select projects identified in the 2016 Bicycle Transportation Plan, 2018 Pedestrian Plan, School Walk Audit and Mary Avenue Protected Bikeway; and
- 2) Authorize the Director of Public Works in coordination with the grantor to apply excess donation funds from any one completed project to other projects identified in the donation as needed and per the conditions specified in Exhibit A of the Grant Agreement; and
- 3) Approve a Budget Appropriation as part of the FY19/20 Final Budget Hearing and Adoption, totaling \$9,792,418 for the following projects; and

Project	CIP Account Number	Dollar Amount
McClellan Road Separated Bikeway Project (Bryne to Imperial)	420-99-036	\$1,000,000
McClellan Road Separated Bikeway Project (Stelling to Torre)	420-99-036	\$1,000,000
De Anza Blvd/McClellan Pacifica Signal Modification	420-99-036	\$160,000
McClellan Road Sidewalk Improvements Project	270-90-976 420-99-057	\$2,035,000 \$430,000
Junipero Serra Trail	420-99-036	\$1,800,000
Bubb Road Project	New	\$1,980,555

Mary Avenue Protected Bikeway	New	\$165,000
School Walk Audit Projects	420-99-069	\$1,221,863
Total		<b>\$9,792,418</b>

4) Authorize the hiring of a new two-year limited term Assistant Engineer level position at a cost not to exceed \$175,000 per year.

Background

Apple earlier made a bike-related donation accepted by Council on November 7, 2017. A timeline of events starting with this initial donation is as follows:

- **November 17, 2017** – Apple donates \$1,800,000 for the first phase of the Stevens Creek Boulevard Class IV Protected Bikeway, from Tantau Avenue to Wolfe Road. *(This project is currently nearing completion in design, will have interim controls in place by July and permanent improvements completed in FY 2020).*
- **July 3, 2018** - Council considers proposal to amend Cupertino’s basic business license tax from a tax based on square footage to a tax based on employee count.
- **July 30, 2018** - City receives letter from Apple stating that they will partner with the City to achieve both long-term and short-term transportation solutions. *(This letter is attached as Attachment B).*
- **April 2, 2019** - Council presented with an update regarding transportation project funding discussions with Apple. Included within this presentation was a letter dated March 27, 2019 *(Attachment C)* from Apple indicating additional financial support of \$9.8M for the following specified projects:

<u>Project</u>	<u>Cost</u>
<b>1. McClellan Road Protected Bikeways<sup>1</sup></b> <i>(Protected Bike: Byrne Ave to Torre Ave including De Anza Blvd traffic signal)</i>	\$2M
<b>2. De Anza Blvd/McClellan Pacifica Signal Modification<sup>1</sup></b>	\$.16M
<b>3. McClellan Road Sidewalks<sup>1</sup></b> <i>(Sidewalks: Orange Ave to San Leandro Ave &amp; Hwy 85 to Rose Blossom (north side))</i>	\$2.465M
<b>4. School Walk Audit Items</b> <i>(77 total projects at 14 schools)</i>	\$1.2M
<b>5. Bubb Road Improvements</b> <i>(Stevens Creek Boulevard to McClellan Road)</i>	\$1.98M
<b>6. Junipero Serra Trail</b> <i>(For basic design for segments between Mary Avenue &amp; Vallco Parkway)</i>	\$1.8M

**7. Mary Ave Protected Bikeways**

\$ .165M

*(Stevens Creek Boulevard to the Don Burnett Bicycle-Pedestrian Bridge)*

<sup>1</sup> *Previously summed together for a total of \$4.63M*

Discussion

The above projects identified in Apple’s April 2, 2019 donation offer are ranked as follows in the 2016 Bicycle Transportation Plan and the 2018 Pedestrian Plan:

<b>Project</b>	<b>2016 Bicycle Plan</b>	<b>2018 Pedestrian Plan</b>
McClellan Road Protected Bikeways (Byrne to Torre)	Tier 1	-
McClellan Road Sidewalks	-	80 (highest score)
School Walk Audits	-	Not ranked
Bubb Road Improvements	Tier 3	-
Junipero Serra Trail	Tier 1	-
Mary Avenue Protected Bikeways	Not in plan	-

The existing funding and project status for these projects are as follows:

<b>Project</b>	<b>Funding</b>	<b>Construction Start</b>	<b>Construction Complete</b>	<b>Notes</b>
McClellan Road Protected Bikeways (Byrne to Torre)	\$5.2M dollars allocated; \$3.8M encumbered	Stelling to Imperial started. Intersections at Bubb & Stelling started.	Work started will be complete summer 2019.	Other phases of work to be authorized by Council then designed and constructed.
McClellan Road Sidewalks	\$430,000 budgeted for Rose Blossom to Hwy 85 and \$2,035,000 from San Leandro to Byrne.	Both projects started.	Rose Blossom to Hwy 85 complete summer 2019. San Leandro to Byrne complete July 2019.	Approx. \$800k will be available for re-appropriation.
School Walk Audits	\$250k/yr for a 5-year period	Some school walk audit items have already been completed.	FY 2021	Cost to complete estimated at \$1.67M. Additional allocation of \$450K will be needed.

Bubb Road Improvements	No funding allocated.	Project has not begun.	FY 2020	
Junipero Serra Trail (basic design)	No funding allocated.	Project has not begun.	FY 2020	
Mary Avenue Protected Bikeways	No funding allocated.	This project has not begun.	FY 2020	

As noted in the above table, the McClellan Road Sidewalk project will have excess donation funds available for the project and the School Walk Audit project will need additional dollars to complete. This is due to the sidewalk project costs coming in under the originally estimated costs and the walk audit costs expected to be higher.

Completion of the above projects within the timeline indicated will require the hiring of a new two-year limited term Assistant Engineer level position. This position will assist or lead on the delivery of all projects. The expected annual cost of this position will be \$175,000 per year. This cost will not be covered by the Apple donation as that agreement is for the City's outside contractor costs only.

The Apple donation would be subject to the terms and conditions of the donation agreement included as Attachment A. For the School Walk and Safety Grant Projects, one half of the grant funds would be available upon the Council's approval of the first project in that category; the remaining funds would be available after all the projects have been completed. The other projects would be funded on a project by project basis with one third of project funds being available on Council authorization of the project, one third following the beginning of construction, and one third due following project completion. The agreement allows Apple to terminate the agreement and make no further payments if the City:

- Adopts new fees or taxes that apply at different rates and/or amounts depending on the revenue or employee count of the business or property owner; or
- That would have a disproportionate effect on Grantor.

Currently the City has no such fee or tax.

Sustainability Impact

To the extent that revenue measures support transportation infrastructure that reduces single occupant vehicle miles traveled in Cupertino, there would be a reduction in greenhouse gases and a positive sustainability impact. Specific impacts to sustainability would need to be evaluated in light of the specific projects being funded.

Fiscal Impact

Funding from Apple to fund individual transportation projects has a positive fiscal impact to the City, as it frees funds earmarked for projects to be used to implement other projects or services. In addition, the receipt of private funding of City projects may assist in the receipt of grant funds for other projects. A new two-year limited term Assistant Engineer position will cost \$175,000 per year for two years.

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Prepared by: David Stillman, Transportation Manager & Chris Corrao, Senior Transit & Transportation Planner

Reviewed by: Roger Lee, Acting Director of Public Works

Approved for Submission by: Deborah Feng, City Manager

Attachments:

A – Draft Grant Agreement

B – Letter from Apple dated July 30, 2018

C – Letter from Apple dated March 27, 2019

D – April 2, 2019 Staff Report

E – Transportation Project List dated June 5, 2019