



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 05/14/2025

ITEM NO: 5

DATE: May 9, 2025
TO: Planning Commission
FROM: Joel Paulson, Community Development Director
SUBJECT: Forward a Recommendation of Approval to the Town Council for the Draft Proposed Capital Improvement Program (CIP) Budget for Fiscal Years (FY) 2025/26 – 2029/30.

RECOMMENDATION:

Forward a recommendation of approval to the Town Council for the draft Proposed Capital Improvement Program (CIP) Budget for Fiscal Years (FY) 2025/26 – 2029/30 (Exhibit 1).

CEQA:

The project is Categorically Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15061(b)(3), in that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Any effects on the environment will be evaluated, as applicable, at each individual project level, and the recommended action does not constitute approvals of any specific project in the CIP.

FINDINGS:

- As required, pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, this project is Categorically Exempt per Section 15061(b)(3).
- That the projects in the draft Proposed FY 2025/26 – 2029/30 CIP Budget are consistent with the General Plan, North 40 Specific Plan, Albright Specific Plan, and Hillside Specific Plan.

PREPARED BY: Saurabh Nijhawan
Senior Civil Engineer

Reviewed by: Planning Manager and Community Development Director

SUBJECT: Draft Proposed Capital Improvement Program (CIP) Budget for Fiscal Years (FY)
2025/26 – 2029/30

DATE: May 9, 2025

DISCUSSION:

Section 65401 of the Government Code requires that when a town or city has adopted a General Plan, and a list of the proposed public works projects recommended for planning, initiation, or construction during the ensuing fiscal year be classified into a coordinated program and submitted to the Planning Commission for review for conformity with the adopted General Plan or parts thereof. The findings for conformity would then be reported to the Town Council.

A capital improvement project includes design, construction, acquisition, rehabilitation, or non-routine maintenance that generally costs \$25,000 or more with a minimum useful life of five years. The CIP Budget is evaluated annually to ensure funding of critical priority projects related to public streets, parks, facilities, and other Town infrastructure to support the current needs of the Los Gatos community. The CIP Budget also reflects realistic revenue sources and use of funds for capital projects for upcoming fiscal years. Funding sources include General Fund Appropriated Reserve (GFAR), Gas Tax, Measure B, Traffic Mitigation Funds, Storm Basin Funds, and Grant Funds. The Town continues its efforts to secure reliable ongoing sources of revenue for the CIP.

The draft Proposed FY 2025/26 – 2029/30 CIP Budget (Exhibit 1) includes projects under the Street Program that support and implement the General Plan's goals and policies of the Mobility; Environmental and Sustainability; Hazards and Safety; and Public Facilities, Services, and Infrastructure Elements. Examples of Street Program projects include the annual Street Repair and Resurfacing; Highway 17 Bicycle and Pedestrian Bridge; Shannon Road Bicycle and Pedestrian Improvement Project and the Shannon Road Repair Project. All projects cited improve the condition and safety of the Town roadways; install safe pedestrian and bikeway facilities; and promote alternate modes of transportation, which ultimately support the goal of greenhouse gas (GHG) reduction.

The Open Space, Parks, and Recreation Element goals and policies of the General Plan are implemented through the project scopes of the Parks Playground Sport Court Resurfacing; and through other capital maintenance projects to ensure that Town parks and open spaces remain in good condition. The Oak Meadow Bandstand Area Improvements remain an active project, largely funded through the State Proposition 68 grant program administered by the State Department of Parks and Recreation.

The Town's Environment and Sustainability Element goals and policies are being implemented through a variety of CIP projects such as: the Annual Storm Drain Improvement Project; EV Chargers at 41 Miles Ave; Stormwater System – Pollution Prevention Compliance; and Battery Power Supply – Library. As mentioned earlier, many of the projects under the Street Program contribute to the reduction of GHG emissions by improving Town roadway infrastructure for multi-modal or active transportation and getting people out of their cars.

SUBJECT: Draft Proposed Capital Improvement Program (CIP) Budget for Fiscal Years (FY)
2025/26 – 2029/30

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Safety is the most important factor for prioritizing CIP projects. The goals and policies of the Hazards and Safety Element are being implemented through projects, including: Vegetation Management and Roadside Fire Fuel Reduction to prevent wildfires; Vasona Oaks Drainage Failure Repair; IT Disaster Resiliency Project; various Street Program projects including Blossom Hill Road Safety Improvements from Union Avenue to Camden Avenue; and Measure B Education and Encouragement to promote safety programs to Town schools.

The Public Facilities, Services, and Infrastructure Element goals and policies promote good programs and services for the youth and seniors, including ensuring safety for children biking and walking and improving mobility and access for seniors. The ADA Compliance Project will set the course for long-term infrastructure plans to remove accessibility barriers. The Parks Playground Fibar and various other Park Program projects would continue to maintain the Town's recreational and outdoor facilities for the Town youth and seniors to safely enjoy.

The proposed FY 2025-26 – 2029/30 CIP budget aligns funding and project priorities to be consistent with the principles of the Town's General Plan. Staff closed, or merged redundant projects, and tiered projects by prioritization. Projects were split into three tiers, with Tier 1 being the highest priority, and Tier 3 being the lowest.

Tier 1 projects are those that are fully funded, include funding with a grant deadline, are ready for construction, or are legally required. Tier 2 projects are other projects that have had CIP funding in prior years, but are either not fully funded, cannot be supported with current staffing, or both. Tier 3 projects are those that do not have funding nor staffing allocations. By taking this action, this CIP presents a more realistic picture of project priorities and of projected capital expenses in the next fiscal year.

The scope of the Planning Commission's review is to determine that the draft Proposed CIP is consistent with the General Plan, North 40 Specific Plan, Albright Specific Plan, and Hillside Specific Plan.

PUBLIC COMMENTS:

At the time of this report's preparation, the Town has not received any public comment.

CONCLUSION:

A. Recommendation

The Town Council is tentatively scheduled to consider the draft Proposed CIP on June 3, 2025. For the reasons stated above, staff recommends that the Planning Commission take the following actions:

PAGE 4 OF 4

SUBJECT: Draft Proposed Capital Improvement Program (CIP) Budget for Fiscal Years (FY)
2025/26 – 2029/30

DATE: May 9, 2025

1. Find that the project is Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15061(b)(3);
2. Find that the potential projects in the 2025/26 – 2029/30 draft Proposed CIP are consistent with the General Plan, North 40 Specific Plan, Albright Specific Plan, and Hillside Specific Plan; and
3. Forward a recommendation of approval of the 2025/26 – 2029/30 draft Proposed CIP to the Town Council.

EXHIBITS:

1. Draft Proposed CIP Budget for FY 2025/26 – 2029/30 (Available on Town's website at <https://www.losgatosca.gov/DocumentCenter/View/41898/FY-2025-2026-Proposed-CIP-Budget>)