



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/05/2025

ITEM NO: 7

DATE: July 31, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Execute the First Amendment to the Agreement for Services with DIXON Resources Unlimited for Services Related to the Downtown Parking Program to Increase the Total Compensation to \$485,297 and Extend the Term to June 30, 2028, and Make Associated Revenue and Expenditure Budget Transfers**

RECOMMENDATION: Staff Recommends that Town Council Authorize the Town Manager to:

- a. Execute the First Amendment to the Agreement for Services (Attachment 1) with DIXON Resources Unlimited in relation to the Downtown Parking Program to increase the total compensation to \$485,297 and extend the term to June 30, 2028; and
- b. Authorize revenue and expenditure budget transfers in the amount of \$19,618 from CIP Project 4118148 (Legacy Program 813-0242) Parking Implementation Program Project to Parks & Public Works operating program 5201.

FISCAL IMPACTS:

The total not-to-exceed amount for the amended agreement is \$485,297, which includes the original contract amount of \$168,955 for services from April 2024 through August 2025, future program management services through June 30, 2028, and two one-time tasks: a parking occupancy study and a transition and implementation plan. The cost of FY 2025-26 (September 2025 through June 2026) program management (\$80,000), the occupancy study task (\$22,208), and the implementation planning task (\$13,410) totaling \$115,618 will be funded through existing appropriations in the Parks and Public Works adopted FY 2025-26 Operating Budget Program 5201 (\$96,000 account 1115201-63234) and the recommended budget transfer from CIP Project Parking Implementation Program Project CIP# 813-0242 (\$19,618 project org

PREPARED BY: Nicolle Burnham
Parks and Public Works Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

4118148). Funding for subsequent fiscal years of program management (\$98,880 for FY 2026-27 and \$101,844 for FY 2027-28) will be subject to future budget approvals. The agreement supports continued implementation of the Downtown Parking Roadmap and related Town Council priorities without requiring the addition of new Town staff positions.

STRATEGIC PRIORITIES:

Work associated with the proposed action supports the Core Goal of Quality Public Infrastructure and the Strategic Priority related to managing Downtown Parking.

BACKGROUND:

On March 19, 2019, the Town Council approved an agreement with DIXON Resources Unlimited (Dixon) for a Comprehensive Downtown Parking Study.

After receiving an update and providing input on the study on August 20, 2019, the Town Council received the final Parking Roadmap¹ on December 17, 2019. Implementation of the Roadmap has been ongoing since that time, and addressing concerns related to Downtown parking remains a Town Council priority.

On August 15, 2023, the Town Council received a report on Parking Program Implementation and acted on certain items. Those items included changes to the residential permit parking program charges, eliminating employee parking permit fees for the Olive Zone, and allocating up to \$200,000 to fund a limited-term (one-year) Parking Coordinator position to continue implementing the Downtown Parking Program.

On March 5, 2024, the Town Council authorized the Town Manager to execute an agreement with Dixon in the amount of \$168,955 to provide parking management services for the Town of Los Gatos for a period of 17 months in lieu of hiring the limited-term Parking Coordinator. Through that agreement, Dixon has provided support to the Town for a flat monthly fee, and Dixon staff have been serving as an extension of Town staff since April 2024.

On March 4, 2025, the Town Council received a report on the progress of the parking initiatives since March 2024 and authorized staff to continue using Dixon's services in-lieu of hiring a Parking Coordinator as a Town Employee, and took actions related to timed parking in the Downtown area.

Since the April 2024 inception of this current agreement with Dixon, the parking program has accomplished the following:

¹ <https://www.losgatosca.gov/DocumentCenter/View/23807/Los-Gatos-Parking-Roadmap>

1. Begun the transition of parking program management from the Los Gatos Monte Sereno Police Department to the Parks and Public Works Department (with enforcement remaining with the Police Department);
2. Transitioned primary support for parking permit processing to the existing provider, Turbo Data Systems, to enhance the permit application process for residential and employee parking permit holders and reduce the burden on staff;
3. Updated the Town's parking-related website to clarify and streamline the information being provided;
4. Converted the Downtown employee parking program to an annual permit program;
5. Extended Downtown employee parking permit restrictions to include Saturdays and coordinated the installation of redesigned employee parking signage in all Downtown Parking lots;
6. Supported the installation of the Downtown Wayfinding and Signage project;
7. Assessed parking regulations and related signage throughout Downtown and the Olive Zone and reconciled via Town Council Resolution;
8. Responded to numerous concerns and assessed the business parking impacts in the Olive Zone;
9. Prepared a comparable cities analysis of parking violations, fines, and related fees; and
10. Completed a review of the Town's Residential Parking Permit (RPP) program's policies to prepare for the development of updated policies and regulations to optimize program management and enhance services to the community.

DISCUSSION:

Staff recommend that the Dixon agreement for program management services be extended, and the addition of two one-time tasks that will be completed in fall 2025. These are described below. The one-time tasks include: 1) assessment of parking occupancy and inform policies; and 2) development of a transition plan to document how the work related to parking will be split between Parks and Public Works and the Los Gatos Monte Sereno Police Department.

Ongoing Annual Services

Through this agreement, Dixon serves as an extension of Parks and Public Works staff. Work under this task is charged as a lump sum monthly fee for which Dixon provides ongoing program management support services. These services include general support in answering community questions, coordinating with community members and staff as necessary, website updates, vendor coordination with TurboData and Tannery Creek, analyzing parking conditions throughout the Downtown and Olive Zone, evaluating and updating signage for consistency with current regulations and ordinance, and evaluating the residential and employee parking permit programs. The Dixon team leads bi-weekly coordination meetings with Town staff from PPW, Police, and Economic Vitality to discuss all aspects of parking and foster communication between Departments.

As part of the ongoing program management work, staff and Dixon have identified certain additional services that are important to advance the implementation of a comprehensive parking program for Downtown. These services are outside the scope of normal program management.

Parking Occupancy

Modern parking management policy development is rooted in up-to-date parking utilization information. Parking occupancy data collected in 2019 during the development of the Parking Roadmap was completed by manual counts. During and following the COVID-19 pandemic, driver and consumer habits changed considerably, which may have changed parking demand in the Downtown. This proposed task would allow for updated occupancy counts in a study area extending from Broadway in the south to past Blossom Hill Road in the north; and from approximately Tait Avenue to the west and Loma Alta Avenue in the east.

The proposed plan would leverage the Town's existing license plate recognition (LPR) equipment to gather parking utilization information over the course of 30 days. The LPR equipment used will be those currently in use for parking enforcement. The LPR equipment is currently attached to the parking enforcement vehicles and will continue to be used in this same manner throughout the course of the analysis period. Information gathered from the Town's LPR equipment will be combined with a targeted two-day collection effort using a secondary mobile LPR device, provided by Dixon. Both the Town and Dixon LPR equipment would gather parking occupancy, turnover, and length of stay information across the study area, which includes some of the most congested commercial and residential on and off-street parking areas near downtown Los Gatos.

Vehicle license plate information will be strictly anonymized to maintain privacy, and the information collected will be coupled with aerial imagery, collected by FAA-certified drone operators, to capture a detailed understanding of parking dynamics near downtown. Information collection under this item is strictly for modeling and management purposes and will not be used for any type of enforcement. All information collected using the Town's LPR equipment will be submitted from the LPR vendor directly to Dixon without passing through the Town of Los Gatos. Information collected by Dixon LPR equipment and drones will be held by Dixon, and the information will be anonymized by Dixon during the course of the modeling work.

The information collected will be modeled by Dixon to assess parking occupancy and length of stay. This information will then be used to determine parking policies and congestion management strategies, such as time-limited spaces and permit parking policies.

Transition Planning

Town staff have requested that Dixon prepare a parking program management transition and implementation plan. The process of transitioning the parking program management from PD

to PPW was started in 2024 and is ongoing. With a series of retirement-related staffing changes anticipated in PD within the next six to 12 months, it has become critical to complete the transition of program management to PPW, and staff have requested Dixon's support in this effort.

The transition plan would identify key roles and responsibilities and provide critical dates and milestones to finalize the necessary changes. The plan will provide guidance on multiple facets of the transition, planning for anticipated staff retirements and opportunities to expand and/or enhance contracted services to reduce administrative demands for Town staff. The plan will also include recommendations related to the procurement and implementation of parking technology that can better serve the parking needs of the Los Gatos community.

Building on the data collection work mentioned above, updated financial modeling and revenue estimates will be prepared to assist Town staff in exploring parking revenue sources and examining costs and benefits related to the recommended parking technologies and solutions.

Amended Contract Costs:

Existing agreement total costs:	\$168,955
Recommended contract amendment costs:	
Annual Monthly Costs (Agreement Exhibit A)	
Year 1 (9/1/25 to 6/30/26, 10 months \$8,000/mo)	\$80,000
Year 2 (7/1/26 to 6/30/27, 12 months \$8,240/mo*)	\$98,880
Year 3 (7/1/27 to 6/30/28, 12 months \$8,487/mo*)	\$101,844
Data Collection (Agreement Exhibit B)	\$22,208
Implementation Planning (Agreement Exhibit C)	<u>\$13,410</u>
	Amended NTE Total \$485,297

**Pricing includes a 3% annual increase each fiscal year and pending future budget authorizations.*

CONCLUSION:

The proposed amendment to the Dixon agreement will provide the resources needed to continue management of the Downtown Parking Program and develop the analyses and policies needed to improve the program.

COORDINATION:

This report was coordinated with the Los Gatos Monte Sereno Police Department, Dixon, the Town Attorney, and the Finance Director.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

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SUBJECT: First Amendment to Agreement for Services with DIXON Resources Unlimited

DATE: July 31, 2025

Attachments:

1. First Amendment to Agreement for Services with Exhibits A, B, C, and D