

**Attachment 2. Summary of Alternatives**

Alternative Name	Advantages	Disadvantages
Option 1: Keep the Adopted Analysis and Associated Fee (Asset-Based Approach)	<ul style="list-style-type: none"> <li>• Analysis is complete and fee is adopted.</li> <li>• Fee was based on the otherwise unfunded project costs, and accounts for anticipated grant and other funding sources.</li> </ul>	<ul style="list-style-type: none"> <li>• Approach has been adopted by other jurisdictions, yet has not been legally tested for a TIF.</li> <li>• Adopted fee is higher than nearby jurisdictions.</li> </ul>
Option 2: Refine the Adopted Analysis (Modified Asset Based Approach)	<ul style="list-style-type: none"> <li>• Clarifies the assumptions.</li> <li>• Provides a more conservative calculation of the maximum justifiable fee.</li> <li>• Refines the transportation project list to provide 2024 cost estimates and clarify other funding sources.</li> </ul>	<ul style="list-style-type: none"> <li>• Retains an approach that has been used by other jurisdictions but has not been legally tested for a TIF.</li> <li>• Staff is unclear at this time how this approach might change the resulting fee.</li> </ul>
Option 2A: Option 2 with Intersection Level of Service Analysis for Hwy 17 Project	<ul style="list-style-type: none"> <li>• Uses intersection Level of Service for the only traditional transportation project (Hwy 17) on the project list.</li> <li>• Clarifies the assumptions.</li> <li>• Provides a more conservative calculation of the maximum justifiable fee.</li> <li>• Refines the transportation project list to provide 2024 cost estimates and clarify other funding sources.</li> </ul>	<ul style="list-style-type: none"> <li>• Retains an approach that has been used by other jurisdictions but has not been legally tested for a TIF.</li> <li>• Staff is unclear at this time how this approach might change the resulting fee</li> </ul>

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Option 3: Calculate Fee Using “Fair Share” Estimate of Project Costs	<ul style="list-style-type: none"> <li>• Method has survived legal challenge.</li> <li>• Refines the transportation project list to provide 2024 cost estimates and clarify other funding sources.</li> </ul>	<ul style="list-style-type: none"> <li>• May reduce the proposed fee to below the previous level of \$1,104 per trip.</li> <li>• Unfunded costs for most projects would be allocated to the fee based on the new development’s share of total future land use in Los Gatos.</li> <li>• Requires the Town to clearly document how funding gaps will be filled for all transportation projects on the project list.</li> </ul>
Option 4: Use only an Intersection Level of Service Calculation.	<ul style="list-style-type: none"> <li>• Traditional method of calculation that has survived legal challenge.</li> </ul>	<ul style="list-style-type: none"> <li>• SR 17 Congestion Management is the only project that lends itself to this approach. Bicycle and pedestrian projects would not be funded.</li> </ul>
Option 5: Combine Options 3 and 4	<ul style="list-style-type: none"> <li>• Relies on “Fair Share” approach for bicycle and pedestrian costs and “Level of Service” for Highway 17.</li> <li>• Combines two options that have survived legal challenge.</li> </ul>	<ul style="list-style-type: none"> <li>• May reduce the proposed fee to below the previous level of \$1,104 per trip.</li> <li>• Unfunded costs for most projects would be allocated to the fee based on the new development’s share of total future land use in Los Gatos.</li> <li>• Requires the Town to clearly document how funding gaps will be filled for all transportation projects on the project list.</li> </ul>