



MEMORANDUM

DATE: April 11, 2024

TO: Nicolle Burnham | Town of Los Gatos

FROM: Erin Vaca | DKS Associates

SUBJECT: Scope and Budget Amendment for Los Gatos TIF Update

Project #22046-000

INTRODUCTION

This memorandum summarizes the proposed scope and budget amendment to complete the update of the Los Gatos Transportation Impact Fee (TIF). DKS previously submitted a nexus study which was accepted by Town staff and adopted by the Town Council in January 2024. Subsequently, additional direction was received from the Town Council to significantly rework the analysis using a different methodology.

The proposed scope and budget necessary to respond to the Council's direction are detailed in the following sections. The task numbers listed below correspond to the existing budget structure.

SCOPE OF WORK

TASK 1 – PROJECT MANAGEMENT

This proposal includes up to two hours for the DKS project manager to meet with Town staff in addition to one Town Council meeting. DKS will review the staff report and assist with presentation materials for the Town Council meeting if required.

Deliverables: Preparation and attendance at one Council meeting, meeting materials

TASK 3 TRANSPORTATION IMPROVEMENTS PROJECT LIST

DKS will also work with staff to review the supplemental funding amounts available for each project. DKS will also escalate project costs to 2024 dollars using the Engineering News Record Construction Cost Index for the San Francisco Bay Area.

DKS will conduct a fair share traffic analysis of the SR-17 project. The fair share traffic analysis will apply the Santa Clara VTA travel demand model to calculate the future (year 2040) proportion of over-capacity traffic on SR-17 that is associated with growth in Los Gatos. The resulting fair share cost allocation factor will be applied to the full project cost.

Deliverables: Updated project list (Excel format), fair share traffic calculation summary (Excel format)

TASK 4 FEE REVENUE ESTIMATION

The DKS team will prepare two new versions of the fee calculations:

Option 1 will apply a growth fair share percentage to total allocated project costs.

Option 2 will apply a growth fair share percentage to all allocated project costs except for the SR-17 project. The SR-17 project costs will be allocated to the fee calculation in proportion to the share of over-capacity traffic associated with growth in Los Gatos.

This task will also include a workshop session to brainstorm alternative methods for assessing the “fair share” percentage. This subtask assumes a two-hour, virtual meeting to be attended by the DKS project manager, the Urban Economics project manager, and one additional senior DKS staff. Recommendations resulting from the workshop will be documented in a brief technical memorandum. Any significant additional work stemming from the workshop recommendations will be delivered under a separate contract amendment.

Deliverables: “Fair Share” Workshop and Technical Memorandum; Fee calculation workbooks (Excel format).

TASK 6 DRAFT AND FINAL NEXUS REPORTS

DKS will confirm the recommended option for fee calculation with Town staff. The nexus report will be updated to reflect the recommended approach. DKS will respond to a single set of comments on the administrative draft (to Town staff) and the public draft (to Town Council) to prepare a final nexus report.

Deliverables: administrative draft, draft, and final nexus reports.

BUDGET

The proposed budget for the additional scope is \$18,440 as summarized in the attached table.

SCHEDULE

DKS will complete the analysis and public draft nexus report within six weeks of notice to proceed.

TABLE 1: BUDGET ESTIMATE
ADDITIONAL BUDGET BY TASK

| Task | DKS Staff Hours | | | | | Labor Cost | Direct Costs | Total Cost |
|--|-----------------|-----------|--------------|----------------|--------|------------|--------------|------------|
| | PIC | PM | Sr. Engineer | Senior Advisor | Admin | | | |
| | \$ 272 | \$ 251.92 | \$ 290 | \$ 315 | \$ 101 | | | |
| Task 1 Project Management and Stakeholder Engagement | 1 | 8 | 0 | 0 | 1 | \$ 2,389 | \$ 50 | \$ 2,439 |
| Task 3 Transportation Improvements Project List | 0 | 6 | 16 | 0 | 0 | \$ 6,152 | \$ - | \$ 6,152 |
| Task 4 Fee Revenue Estimation | 2 | 14 | 0 | 2 | 0 | \$ 4,701 | \$ 900 | \$ 5,601 |
| Task 5 Nexus Study | 0 | 0 | 0 | 0 | 0 | \$ - | \$ - | \$ - |
| Task 6 Draft and Final Nexus Reports | 1 | 14 | 0 | 0 | 0 | \$ 3,799 | \$ 450 | \$ 4,249 |
| Total Hours | 4 | 42 | 16 | 2 | 1 | | | |
| Cost | \$ 1,089 | \$ 10,581 | \$ 4,640 | \$ 630 | \$ 101 | \$ 17,040 | \$ 1,400 | \$ 18,440 |