



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 02/18/2025

ITEM NO: 15

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DATE: February 13, 2025  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: Adopt a Resolution Modifying the Comprehensive Fee Schedule for Fiscal Year (FY) 2024-25 Amending Certain Fees, Rates, and Charges for FY 2024-25.

**RECOMMENDATION:**

Adopt a resolution modifying the Comprehensive Fee Schedule for FY 2024-25 amending certain fees, rates, and charges for FY 2024-25.

**BACKGROUND:**

The Town's financial policies require that certain fees, rates, and charges for services be maintained to allow for cost recovery based on the actual cost to provide Town services. "Fee" activities are services and functions provided by the Town to individuals who receive some direct material benefit above and beyond services offered to residents at general taxpayer expense. Staff periodically reviews the cost of providing such services and recommends appropriate adjustments in fees when supported by actual cost data.

The current fee schedule became effective on July 1, 2024. The fee schedule was developed based on a comprehensive evaluation of Town fees completed in 2019. The fees established in the 2019 study are increased each year based on the Consumer Price Index. The current fee schedule calls for Parks and Public Works to charge \$4,948 for new multi-family residential applications.

On December 3, 2024, the Town Council adopted amendments to Town Code Section 14 regarding sidewalk and park vending. The updated code eliminates reference to pushcart permits. The current fee schedule (line 207) references an application fee for a pushcart permit that no longer exists as of January 3, 2025.

**PREPARED BY:** Gitta Ungvari  
Finance Director

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Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney, Parks and Public Works Director

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DISCUSSION:

The proposed FY 2024/25 Comprehensive Fee Schedule accounts for modifications to fees as explained below:

1. Sidewalk Vending Permit (Line 207 page 21) – Effective January 3, 2025, the pushcart ordinance was repealed and replaced with a sidewalk vending ordinance. This modification updates the name of the permit fee to reflect the new permit program.
2. Encroachment Permit - Consultant Plan Review and Inspection Services for serial applications (10+ per year) or specialty applications (page 26) – Provides clarity with regard to use of Parks and Public Works use of consultant services to review encroachment permit applications and inspect work performed in the right of way. Parks and Public Works (PPW) receives, reviews, and issues approximately 700 encroachment permits every calendar year. Each of these permits receives field inspection to ensure the permittee is complying with the permit requirements.

Throughout 2024, PPW has been seeing a dramatic increase in high-volume encroachment permit applications from telecom, digital, electric service, and other utility providers. With only one staff member in the encroachment permit program, the use of a third-party consultant to review applications and perform field observations of work associated with these high-volume applicants (e.g., Comcast, PG&E) is required. This change in the fee schedule provides PPW the authority to use third-party consultants to support the review of these applications.

3. Entitlement Application - Consultant Plan Review – 10+ Units (page 30) – Provides the authority for staff to require applicants of large land use entitlement projects to pay for consulting costs associated with review of the application at the time the application is made. This change is proposed because the current fee schedule allows for Parks and Public Works to charge approximately \$4,950 for entitlement applications. That fee is not adequate to cover staff costs associated with the review of the larger multi-family applications the Town has been receiving in recent years.

With only two engineers in the PPW land use review team, the volume and size of applications through 2024 is not something staff can complete with their own resources; a fact that is exacerbated when paid leaves occur. The proposed change will keep the application fee and add a requirement for applicants to pay for third-party consultant review fees. The application fee will pay for staff time associated with processing the application; processing consultant agreements; coordinating comments between the consultant, the Community Development Department, and the applicant; and meeting with the applicant. At an average staff billing rate of \$176.15 per hour, the

\$4,950 fee covers 28 hours of staff time, which is the minimum amount of staff time spent reviewing large planning applications.

4. Building Permit Application - Consultant Plan Review and Inspection Services - 10+ units (page 30) – Provides the authority for staff to require applicants of large building permit projects to pay for consulting costs associated with review of the application at the time the application is made. At present PPW does not charge a fee for the review of building permit applications. This change will allow PPW to use third-party consultants to review larger multi-family building permit applications. In the future, following a more detailed study, PPW may seek the charge staff time associated with this review.

CONCLUSION:

For the reasons stated in this report, staff recommends that the Town Council adopt a resolution amending the Comprehensive Fee Schedule for Fiscal Year 2024-25 amending certain fees, rates, and charges for Fiscal Year 2024-25.

FISCAL IMPACT:

The proposed Encroachment Permit, Entitlement Application, and Building Permit fees have no fiscal impact on this action, as costs for the Engineering consulting services for Pass-Through Accounts (program 5999) are paid by applicants of development proposals. The proposed Sidewalk Vendor Permit application fee will provide for cost recovery of administrative costs.

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Resolution approving Comprehensive Fee Schedule FY 2024-25, including Exhibit A Proposed FY 2024-25 Comprehensive Fee Schedule – (Redline)