



TOWN OF LOS GATOS
COMPLETE STREETS &
TRANSPORTATION COMMISSION

MEETING DATE: 11/13/2025

ITEM NO.: 3.

DATE: November 6, 2025
TO: Mayor and Town Council
FROM: Gary Heap, Town Engineer
SUBJECT: **Presentation on Pavement Management and the Pavement Condition of Town of Los Gatos Streets**

RECOMMENDATION:

Staff recommends that the Complete Streets and Transportation Commission discuss and provide a recommendation to Town Council on an appropriate target Pavement Condition Index (PCI) goal for the Town's pavement management program.

BACKGROUND:

The Town of Los Gatos Pavement management process involves the assessment of existing conditions, as well as the planning and budgeting of funds for the maintenance and rehabilitation of the road network. The Town has approximately 236 lane miles of paved streets with a total replacement value of more than \$300 million.

In February 2025, the Town completed a townwide pavement condition survey through the Pavement Management Technical Assistance Program (P-TAP 25 - Attached), funded in part by the Metropolitan Transportation Commission (MTC). Capitol Asset & Pavement Services, Inc. was contracted by MTC to perform visual inspections of all paved streets maintained by the Town of Los Gatos. As a result, the average PCI for the Town was found to be 82 (on a scale of 0-100), placing the Town's street network in the "Good" condition category.

Using the Town's current strategy of street maintenance, along with current prices for pavement treatments represented in the StreetSaver decision tree matrix, it was determined that the Town will need to invest approximately \$40.4 million over the next five years (\$8M/yr) to bring the overall street network into "optimal" condition (PCI 84) – identified as Scenario #1.

To evaluate long-term funding needs, four different scenarios were analyzed based on various street maintenance funding levels. The budgets included preventative maintenance and

PREPARED BY: Saurabh Nijhawan
Senior Civil Engineer

rehabilitation work for all existing paved street surfaces. Comparing the current funding level of \$3.7M/yr or \$18.6 million over five years (Scenario #2) shows that the average network PCI would decrease by two points, reaching PCI 80 by 2029. Scenario #3 analyzed the funding level required to maintain the existing network PCI of 82, while Scenario #4 examined the outcome of no pavement maintenance funding, further illustrating the importance of consistent investment in pavement preservation.

DISCUSSION:

Pavement management requires planning and prioritizing the maintenance and rehabilitation of a roadway network to optimize pavement conditions over the long term. Like many jurisdictions, the Town of Los Gatos has adopted a strategic approach to making informed pavement maintenance decisions. To achieve this, the Town conducts a pavement condition survey every three years and prepares a Pavement Management Report with assistance from the MTC, through the P-TAP program. The most recent survey evaluated all Town-maintained streets and updated the Town's StreetSaver pavement management model.

The P-TAP program was developed by MTC to provide resources to local agencies for evaluating pavement condition and making data-driven investment decisions for pavement maintenance and rehabilitation. The survey evaluates roadway quality based on observable surface distress – such as cracks, potholes, patches, and loose aggregate – to determine a PCI rating.

In general, a new pavement has a PCI of 100, while a PCI of 0 indicates that the pavement has reached the end of its useful life. Below are examples of Condition Categories in relation to physical deterioration of pavement surfaces:

'Good' Condition Category – Streets in 'Good' condition have no to little distresses found on them. These streets may have some minor surface weathering or light cracking but can generally be maintained with cost -effective preventative maintenance treatments (surface seals and crack seals).	
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‘Fair’ Condition Category’ – Streets in ‘Fair’ condition show some form of distress caused by traffic load related activity or environmental distress that requires more than a life - extending treatment. The MTC StreetSaver program separates these into two condition categories for the purposes of the analysis. Category II – ‘non -load’ and Category III – ‘load -related’, based on whether a majority of the distresses found had load or environmental related causes.	
‘Poor’ Condition Category – Streets in ‘Poor’ condition are near the end of their service lives and often exhibit major forms of distress such as potholes, extensive alligator cracking, and/or pavement depressions.	
‘Very Poor’ Condition Category - Streets in the ‘Very Poor’ condition category indicate that the street has failed. These pavements are at the end of their service lives and have major distresses, often indicating the failure of the subbase.	

Currently, 87% of streets in Los Gatos fall within the “Good” category, and 3% in the “Poor” category:

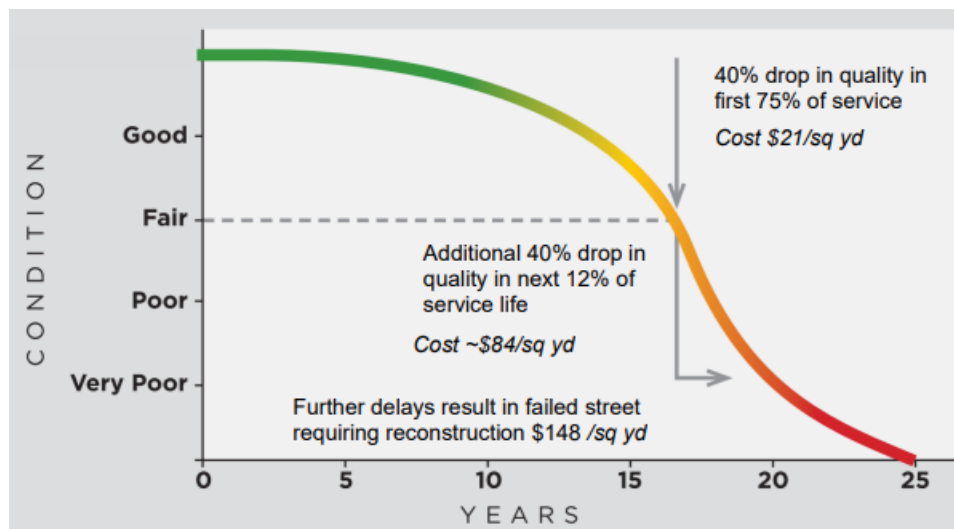
Condition Category	PCI	% of Network	Treatment
Good (I)	70-100	87.1%	Preventative Treatments (crack seal, slurry, microsurfacing, digouts)
Fair (II) – Non-Load Related	50-70	9.9%	Rubber Cape or thin overlay treatments
Fair (III) – Load Related	50-70		
Poor (IV)	25-50	3.0%	Grind and overlay / structural rehabilitation
Very Poor (V)	0-25	0.1%	Full pavement reconstruction

In 2022, through the P-TAP 22 program, Adhara Systems, Inc. conducted a townwide pavement inspection. As a result, Town's average PCI in 2022 was 73. In 2019, the average PCI for the Town was 69. The most recent survey results indicate a robust pavement management program demonstrating progressive improvement toward an optimal PCI.

ANALYSIS:

Although the 2025 PCI rating of 82 represents a "Good" overall condition, historical survey results indicate the need for consistent maintenance investment to avoid ongoing pavement degradation.

It is important to note that all pavement surfaces deteriorate over time – and as pavement ages, the rate of deterioration accelerates. Deferred maintenance, or the postponement of required maintenance and rehabilitation activities due to funding limitations, leads to higher long-term costs to preserve the network in a state of good repair. Below is a typical pavement deterioration curve:



Studies have shown that every dollar invested in preventative maintenance for streets in good condition can avoid four times in future rehabilitation costs, and up to eight times in future rehabilitation costs. This reinforces the principle that it is far more cost-effective to maintain pavement in good condition than allowing it to deteriorate to the point where major repair or reconstruction is required.

The Town's roadway network is comprised of Arterial, Collector, and Residential Streets. Pavement condition varies by functional class as follows:

Functional Class	Lane Miles	Average PCI	Interpretation
Arterial	39.1	83	Good condition, but high-use corridors require ongoing surface treatments to prevent accelerated wear.
Collector	75.0	80	Slightly lower condition due to both load demands and moderate treatment frequency
Residential / Local	121.9	82	Generally, good condition, remains cost-effective to treat preventatively.

Over multiple pavement maintenance cycles, following a preventative maintenance-first strategy results in significantly lower life-cycle costs compared to a reactive or rehabilitation-focused approach. The StreetSaver life-cycle cost model incorporated within the PTAP analysis demonstrates that treating pavement while it is still in Good to Fair condition extends service life at a fraction of the cost of major repairs. In contrast, delaying maintenance until pavement declines into the Poor or Very Poor condition categories results in treatment costs increasing by a factor of 4 to 8, due to the need for thicker overlays or full reconstruction. Therefore, maintaining timely preventative treatments is the most cost-effective method to minimize the Town's long-term capital liability.

FUNDING SOURCES:

The Pavement Management Program is primarily funded through a combination of:

- Gas Tax (including SB 1 – Road Repair and Accountability Act)
- Measure B and Measure G Local Sales Tax Revenues
- Vehicle Registration Surcharge
- General Fund / Capital Improvement Program (CIP) annual appropriations
- Construction Impact Fee & Refuse Vehicle Road Impact Fee
- Occasional grant funds through agencies such as MTC, VTA and Caltrans

At current funding levels (approximately \$3.7 million annually), the Town PCI is projected to decline slightly. Increasing annual funding to approximately \$5.2 million would be required to maintain the current PCI of 82 over the long term, while approximately \$8.1 million annually would be required to improve the network to an optimal PCI of 84.

ALTERNATIVES:

Four funding scenarios were evaluated through the PTAP 25 pavement management analysis. Each scenario assumes application of appropriate maintenance treatments based on pavement condition and cost-effectiveness:

Scenario	Description	5-Year Budget	Annual Budget	Projected PCI (2029)	Outcome
1. Optimal Investment	Provides sufficient funding to raise network to target PCI	\$40.4 M	\$8.1 M	84	Improves and optimizes network condition
2. Current Funding Level	Continues current ~\$3.7 M / year investment	\$18.6 M	\$3.7 M	80	Leads to gradual decline from current condition
3. Maintain Current PCI	Increases funding to avoid network decline	\$26.0 M	\$5.2 M	82	Stabilizes pavement condition
4. No Maintenance Funding	Ceases all pavement preservation	\$0	\$0	76	Rapid deterioration and significant long-term cost increase

Under the current approach (Scenario 2), overall pavement condition is expected to decline gradually. Scenarios 1 and 3 demonstrate that targeted increases in annual investment are required to either improve or maintain current conditions. Scenario 4 is not recommended, as it leads to accelerated deterioration and significantly higher reconstruction costs.

CONCLUSION:

The Town's roadway network is currently in "Good" condition with an average PCI of 82, reflecting consistent investment and effective pavement management practices. However, pavement condition will decline over time without continued preventative maintenance. The funding scenarios analyzed through the PTAP 25 update demonstrate that maintaining or improving current pavement condition will require sustained or increased annual funding levels. Staff will continue to evaluate pavement needs and funding strategies through the annual Capital Improvement Program process to support long-term pavement preservation.

Attachments:

1. [Pavement Management Budget Options Report 2025](#)