



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/04/2020

ITEM NO: 16

DATE: July 30, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Resolution Authorizing the Town Manager to Execute the North 40 In Lieu Traffic Fee Credit Agreement, North 40 Transportation Demand Management Agreement (Bellterra), and North 40 Transportation Demand Management Agreement (Market Hall) for Phase 1 of the North 40 Development

RECOMMENDATION:

Adopt a Resolution authorizing the Town Manager to execute the North 40 In Lieu Traffic Fee Credit Agreement, North 40 Transportation Demand Management Agreement (Bellterra), and North 40 Transportation Demand Management Agreement (Market Hall) for Phase 1 of the North 40 development.

BACKGROUND:

On August 1, 2017 the Town Council approved the applications for Phase 1 of the North 40 Specific Plan. Phase 1 included several conditions of approval, including the requirement for a Traffic Demand Management (TDM) Plan and the payment of Traffic Impact Mitigation Fees. Staff has worked with Summerhill Homes to address both of these issues as agreements (Attachments 2 -4).

DISCUSSION:

Staff provided Summerhill Homes with a target reduction of 15% of daily trips in order to achieve compliance with the TDM requirement. Establishing an effective TDM plan on a development like the North 40 that is unsupported by significant transit can prove challenging. The project has programmed in standard TDM measures, such as bike racks, improved

PREPARED BY: Mike Weisz
Senior Civil Engineer

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

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DISCUSSION (cont'd):

pedestrian and bicycle access, car share parking spaces and ridesharing programs, transit passes, shower facilities for the Market Hall and a transportation coordinator. In addition, staff recommended that the project, through future assessments on property owners, provide funding for future Town-wide TDM initiatives, such as a Town operated shuttle. The TDM requirement may be a requirement for future developments as well. The TDM program will accumulate funds until such time as sufficient funds are available to begin implementation of specific measures. For the North 40 project, funds will begin to accumulate once each certificate of occupancy is issued.

Although the Town's work to complete vehicle miles travelled (VMT) policies is not yet complete, mandates for compliance with CEQA will lead to the establishment of TDM measures. Establishing this program now will provide a foundation for future TDM measures and the limitation on the use of fees is broad enough to both meet short term goals and remain flexible for long term evolutions in transportation.

The Town's Traffic Impact Mitigation Fee allows for developers to complete mitigation projects as an offset to the calculated impact fee. This allows for the completion of projects in the right of way that the Town would otherwise need to complete. Often the developer can complete these projects at a more affordable cost than the Town could as they are mobilized at the site and have the resources ready and available. As the first developer on the site, Summerhill Homes is completing all of the adjacent impact fee related projects. Attachment 2 identifies a process in which traffic impact mitigation fees from future developers on the North 40 site will reimburse Summerhill Homes for the upfront costs of these improvements. The Town benefits by not needing to deliver capital projects, by having the impact fee related projects completed all at once, and by having Summerhill Homes front all of the project costs.

CONCLUSION:

Staff recommends that Council adopt a resolution authorizing the Town Manager to execute the above-listed agreements for Tract Number 10441 (North 40 Phase 1).

COORDINATION:

This project has been coordinated with the Town Attorney.

FISCAL IMPACT:

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The Town will see revenue accumulation for TDM measures.

ENVIRONMENTAL ASSESSMENT:

As part of the Specific Plan preparation process, the Town also prepared and circulated an Environmental Impact Report (EIR) that analyzed the potential environmental consequences of the Specific Plan, in accordance with the California Environmental Quality Act (CEQA). The EIR can be found at the following link: www.losgatosca.gov/DocumentCenter/Index/413. The Town Council certified the Final EIR on June 17, 2015.

Attachments:

1. Resolution
2. North 40 In Lieu Traffic Fee Credit Agreement
3. North 40 Transportation Demand Management Agreement (Bellaterra)
4. North 40 Transportation Demand Management Agreement (Market Hall)

DISTRIBUTION:

SummerHill N40 L.L.C., 777 California Avenue, Palo Alto, CA 94304