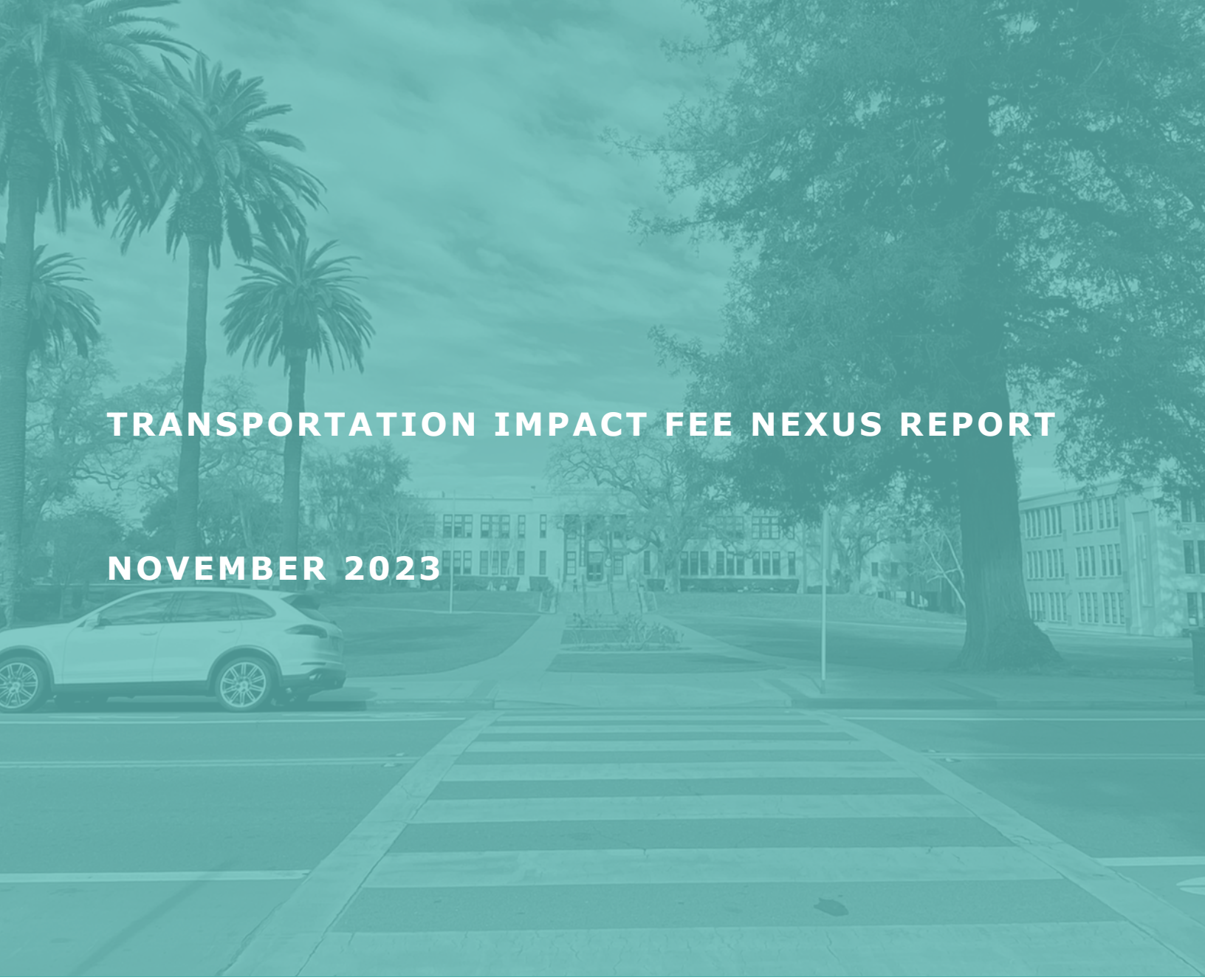

TRANSPORTATION IMPACT FEE NEXUS REPORT

NOVEMBER 2023

PREPARED FOR:

TOWN OF LOS GATOS

DKS

1970 BROADWAY, SUITE 740, OAKLAND, CA 94612 • 510.763.2061 • DKSASSOCIATES.COM

SHAPING A SMARTER TRANSPORTATION EXPERIENCE™

AN EMPLOYEE-OWNED COMPANY

ATTACHMENT 1

PREPARED FOR TOWN OF LOS GATOS

PREPARED BY DKS ASSOCIATES

IN COORDINATION WITH URBAN ECONOMICS AND RINCON

Rincon Consultants, Inc.
Environmental Scientists Planners Engineers

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

INTRODUCTION AND BACKGROUND

This report documents the update of the Transportation Impact Fee (TIF) for the Town of Los Gatos. The updated fee program will fund all eligible transportation improvements based on a reasonable relationship to transportation demand impacts from new development. The TIF will fund expansion of the Town-wide multimodal transportation infrastructure. This report presents the results of the fee calculations along with supporting documentation for the nexus study prepared by DKS Associates with the assistance of Urban Economics and Rincon Associates.

SUMMARY OF FINDINGS

California local agencies may adopt impact fees under authority granted by the Mitigation Fee Act (the Act), contained in Sections 66000 to 66025 of the California Government Code. This report presents the key findings required by the act for adopting or increasing a development fee with respect to the following reasonable relationships[1]:

Project effects– There must be a reasonable relationship established between new development and the need for public facilities.

- This finding is based on the need to supply adequate transportation network improvements to offset transportation demand associated with new development.

Benefit – There must be a reasonable relationship between new development and the use of fee revenue for public facilities to accommodate that development.

- This finding is based on the use of fee revenue for expansions to the Town-wide multimodal transportation network.

Proportionality – There must be a reasonable relationship between the amount of the fee and the portion of public facilities cost associated with new development.

- This finding is based on the cost of planned improvements to Town-wide multimodal transportation infrastructure per unit of new development and ensuring that this cost per unit is not greater than the level of investment in existing infrastructure for existing development.

In addition to the above findings, the Act also requires findings regarding the purpose of the fee and a description of the public facilities to be funded by the fee:

- The purpose of the fee is to expand the Town-wide multimodal transportation network to accommodate increased demand from new development. The multimodal improvements to be funded by the fee are described under "Transportation Improvements".

[1] California Government Code, section 66001(a)(3), 66001(a)(4), and 66001(b)

The proposed TIF also meets newer statutory requirements brought about by Assembly Bill 602, including preparation of a nexus study and calculation of fees for residential developments proportionate to square footage. The following additional findings are made:

a) The existing level of service is the historical level of investment made per unit of development to fund the Town's multimodal transportation network. This level of investment will not be exceeded by the proposed fee.

b) The purpose of the fee to expand the Town-wide multimodal transportation network to accommodate increased demand from new development.

c) The funds collected by the proposed fee will be used to deliver the projects described under "Transportation Improvements".

d) The reasonable relationship between the fee's use and the type of development project is derived from the relative levels of transportation demand associated with each land use category.

e) The need for public facilities to be funded by the proposed fee has been documented by the adopted planning documents that serve as the source for the transportation improvements list.

EXISTING AND FORECASTED LAND USE

The proposed fee program is based on the demand for transportation infrastructure associated with new development. This section documents the additional transportation demand from new development in terms of "dwelling unit equivalents" (DUEs), a measure of transportation demand across both residential and nonresidential land use categories that is based on key travel characteristics.

Table 1 summarizes the existing and forecasted growth by type of land use. The forecasted growth is consistent with that assumed for the Town's most recent General Plan and Housing Element.

TRANSPORTATION DEMAND FACTORS

Scaling factors based on relative levels of transportation demand are applied to the different types of land use to create a common land use unit. These common units or Dwelling Unit Equivalents (DUEs) are equivalent to the transportation demand generated by one single family residential unit. Once basic fee levels are calculated, the DUE rates are used to appropriately scale the fee across different land use categories.

TABLE 1: EXISTING AND FORECASTED DEVELOPMENT

LAND USE	EXISTING (2021) [a]	GROWTH (2022-2040) [b]	TOTAL 2040
RESIDENTIAL (DWELLING UNITS)			
SINGLE FAMILY [c]	10,100	113	10,213
MULTI-FAMILY [d]	3,792	2,072	5,864
TOTAL	13,892	2,185	16,077
ADD ESTIMATED ACCESSORY DWELLING UNITS (ADUs) 750 SF OR LARGER			
SINGLE-FAMILY UNITS		113	
NON-EXEMPT ADUs [e]		220	
SINGLE-FAMILY FEE-PAYING UNITS		333	
NONRESIDENTIAL (BUILDING SQUARE FEET)			
RETAIL/COMMERCIAL	2,633,475	367,860	3,001,335
OFFICE	3,987,091	146,548	4,133,639
INDUSTRIAL	1,061,766	157,440	1,219,206
TOTAL	7,682,332	671,848	8,354,180

[a] Residential based on CA Dept. of Finance. Nonresidential based on job estimate in General Plan Background Report multiplied by employment density factors derived from trip generation data published by the Institute for Transportation Engineers (471, 307, and 637 sq. ft. per job for retail/commercial, office, and industrial, respectively). Office land use includes institutional uses.

[b] Nonresidential includes intensification of development on existing developed parcels and deducts loss of 19,860 square feet of existing nonresidential development (assumed to be retail/commercial) due to redevelopment.

[c] Existing (2021) based on detached and attached single family. Growth (2022-2040) based on low and medium density residential land use categories.

[d] Existing (2021) includes all multi-family dwellings plus mobile homes. Growth (2022-2040) includes high density residential land use and units in mixed use and nonresidential land uses.

[e] Accessory Dwelling Units (ADUs) of less than 750 square feet are exempt from impact fees. The number of ADUs that would be subject to the fee is estimated based on 500 ADUs, per the Housing Element, and analysis of permit data from the last 5 years showing that about 44% of ADUs have been 750 square feet or larger.

Sources: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State — January 1, 2021-2022. Sacramento, California, May 2022; Institute for Transportation Engineers (ITE), Trip Generation Handbook, 11th Edition, Sept. 2021; Town of Los Gatos 2040 General Plan Background Report, March 2019, Table 2.3-14, p. 2-34; Town of Los Gatos 2040 General Plan, June 2022, Table 3-1, p. 3-4; Town of Los Gatos, Resi and ADU SF Final.xlsx (September 2023).

TABLE 2: DWELLING UNIT EQUIVALENT (DUE) RATES

LAND USE	ITE LAND USE (CODE)	AVG. WEEKDAY TRIP RATE	PERCENT NEW TRIPS A	TRIP LENGTH FACTOR B	DEMAND FACTOR B	DWELLING UNIT EQUIVALENT
SINGLE-FAMILY (PER DWELLING UNIT)	Single Family Homes (210)	9.43	100	7.9	74.50	1.00
MULTI-FAMILY (PER DWELLING UNIT)	Multifamily Mid-rise (221)	6.74	100	7.9	53.25	0.71
RETAIL (PER 1,000 SQUARE FEET)	Shopping Center (820)	37.01	78	3.6	103.92	1.40
OFFICE (PER 1,000 SQUARE FEET)	General Office (710)	10.84	96	8.8	91.58	1.23
INDUSTRIAL (PER 1,000 SQUARE FEET)	General Light Industrial (110)	4.87	98	9.0	42.95	0.58

[a] Includes diverted trips.

[b] Trip length and VMT factors provide a relative measure of transportation demand among land uses, and a reasonable method for allocating improvement costs across land use categories to calculate the impact fee. Based on factors commonly used in planning studies. Absolute values for Los Gatos may differ.

Sources: Institute for Transportation Engineers (ITE), Trip Generation, 11th Edition; San Diego Association of Governments (SANDAG), Brief Guide of Vehicular Trip Generation Rates, April 2002.

The DUE rates and travel demand factors are calculated using the daily trip rates from the 11th Edition of the *Trip Generation Manual,* published by the Institute of Transportation Engineers (ITE). The details of this calculation are shown in Table 2. The DUE rates are applied to the quantities of land use growth shown in Table 1 to arrive at growth in DUEs as shown in Table 3.

TABLE 3: TRANSPORTATION DEMAND BY DWELLING UNIT EQUIVALENTS (DUEs)

LAND USE	EXISTING DUEs (2021)	GROWTH DUEs (2023-2040)	TOTAL DUEs (2040)
RESIDENTIAL			
SINGLE FAMILY	10,100	333	10,433
MULTI-FAMILY	2,710	1,481	4,191
SUBTOTAL	12,810	1,814	14,624
NONRESIDENTIAL			
RETAIL/COMMERCIAL	3,674	513	4,187
OFFICE	4,901	180	5,081
INDUSTRIAL	612	91	703
SUBTOTAL	9,187	784	9,971
TOTAL	**21,997**	**2,598**	**24,595**
SHARE	90%	10%	100%

Sources: Table 1 and Table 2.

TRANSPORTATION IMPROVEMENTS

This section summarizes the projects needed to expand the transportation network to accommodate growth. A detailed list of projects may be found in the Appendix, Section 1.

Table 4 summarizes the improvements identified to expand the Town-wide circulation network to maintain the Town's historical level of investment. Note that project cost estimates have been escalated where appropriate and historical levels of supplemental funding have been assumed to derive the costs allocated to the fee calculations. There are seven categories of projects in this list:

1. Bicycle and Pedestrian Plan Priority Projects: These projects are selected from the Bicycle and Pedestrian Master Plan of the Town of Los Gatos (Connect Los Gatos, 2020).

2. Complete Streets projects carried over from the existing traffic impact fee project list. The funding of these projects continues to be a high priority for the Town and including these projects ensures that the impact fees previously collected will be used to deliver projects from the previously planned list.

3. Lighting and Signage projects will be drawn from needs identified in the Town's Downtown Parking Roadmap. The costs are based on delivery of about $50,000 per year in improvements.

4. Bicyclist and Pedestrian Safety Projects identified in Connect Los Gatos.

5. New bicycle and pedestrian facilities identified in Connect Los Gatos.

6. Safety and Capacity Improvements are largely associated with the Town's estimated local match contribution to the State Route 17 (SR-17) Corridor Congestion Relief Project – Among other objectives, this project will reduce cut-through traffic through the Town of Los Gatos and features improvements to the ramp intersections as well as the freeway mainline. While funding for final design and construction has not been finalized, it is expected to include a combination of Measure B, local funds, and other funds. Also included in this category is the Shannon Road widening and safety improvements project.

7. Upgrades to the Town's traffic signal system – This category of projects includes signal upgrades including but not limited to; signal synchronization; signal interconnects; signal head replacements and fiber optic lines. In the past, the Town has sought and received state and federal funding for this type of project and an assumption of continued grant funding has been made for calculating costs allocated to the TIF program.

TABLE 4: TRANSPORTATION IMPROVEMENT PROJECTS

CATEGORY	UNFUNDED CAPITAL COSTS ($2022)
BPMP PRIORITY PROJECTS	$13,201,857
COMPLETE STREETS (CARRYOVER)	$3,522,227
LIGHTING AND SIGNAGE	$400,000
OTHER BPMP PROJECTS - BICYCLIST AND PEDESTRIAN SAFETY	$1,000,000
OTHER BPMP PROJECTS - NEW FACILITIES	$2,600,000
SAFETY AND CAPACITY IMPROVEMENTS	$13,382,000
TRAFFIC SIGNAL IMPROVEMENTS	$8,000,000
SUBTOTAL	$42,106,083
CURRENT TIF FUND BALANCE [a]	$405,570
ALLOCATED COST FOR FEE CALCULATION	$41,700,514

[a] Fund balance as of November 1, 2023.

Source: Connect Los Gatos, Town of Los Gatos

TOWN-WIDE MULTIMODAL TRANSPORTATION INFRASTRUCTURE

This section presents the Town's standard for multimodal transportation infrastructure based on the existing level of investment in that infrastructure. This standard is used to calculate the Transportation Impact Fee (TIF).

INVENTORY OF TOWN WIDE TRANSPORTATION INFRASTRUCTURE

The investment that the Town has made to date in its transportation network depends upon the multimodal transportation network that connects residential neighborhoods, retail and employment centers, and other destinations across and outside the Town. Streets and other transportation infrastructure that only provide access to individual residential properties and do not provide connectivity between neighborhoods are excluded from this inventory.

The Town-wide multimodal transportation infrastructure was quantified using street centerline Geographic Information System (GIS) data, the map of streets by classification published in the Town's General Plan 2040, and online aerial photographs. The transportation network is defined as arterials and collectors that provide connectivity among different neighborhoods in Los Gatos and to regional destinations. This network includes the entire roadway curb-to-curb (vehicle travel lanes, bicycle lanes, and on street parking), as well as adjacent sidewalks, medians, traffic signals, and off-street paths. As mentioned above, the network excludes local streets used primarily for access to individual properties within specific neighborhoods.

Figure 1 shows a map of the Town's existing citywide transportation network that is eligible for improvement or expansion projects funded by the proposed Transportation Impact Fee. Note that in addition to the collector streets shown in the map, there are some additional facilities that provide access to school sites[2]. These facilities function as collectors, although not formally classified as such, and would be eligible for TIF funded improvements.

EXISTING LEVEL OF INVESTMENT AND MAXIMUM JUSTIFIABLE FEE FOR THE TRANSPORTATION IMPACT FEE

Total unit costs for transportation infrastructure are provided in Table 5. Additional details on the unit costs may be found in the Appendix, Section 2. Quantities for each component of the inventory and estimated historical level of investment per DUE are summarized in Table 6.

[2] These facilities include Fischer Avenue and Roberts Road.

TABLE 5: TRANSPORTATION INFRASTRUCTURE UNIT COSTS (2022 $)

INFRASTRUCTURE TYPE	UNIT	CONSTRUCTION COST [a]	DESIGN & MANAGEMENT COST [b]	CONTINGENCY	TOTAL UNIT COST [c]
ROADWAY	Square Foot	$56	40%	20%	$94
SIDEWALK	Square Foot	$38	40%	20%	$64
CURB & GUTTER	Linear Foot	$127	40%	20%	$214
MEDIAN	Square Foot	$50	40%	20%	$85
BICYCLE PATH	Square Foot	$38	40%	20%	$65
BICYCLE LANE	Linear Foot	$8	40%	20%	$14
TRAFFIC SIGNAL	Intersection	$654,000	40%	20%	$1,098,720

a) Construction costs include temporary traffic control where applicable.

b) Percent of total before contingency. Includes 20% for project design, 15% for construction engineering, and 5% for project management.

c) Construction Cost*(1+Design Management%) * (1+ Contingency%).

d) Cost of street lighting, water pollution prevention, street furniture and drainage not included in unit cost

Source: DKS Associates

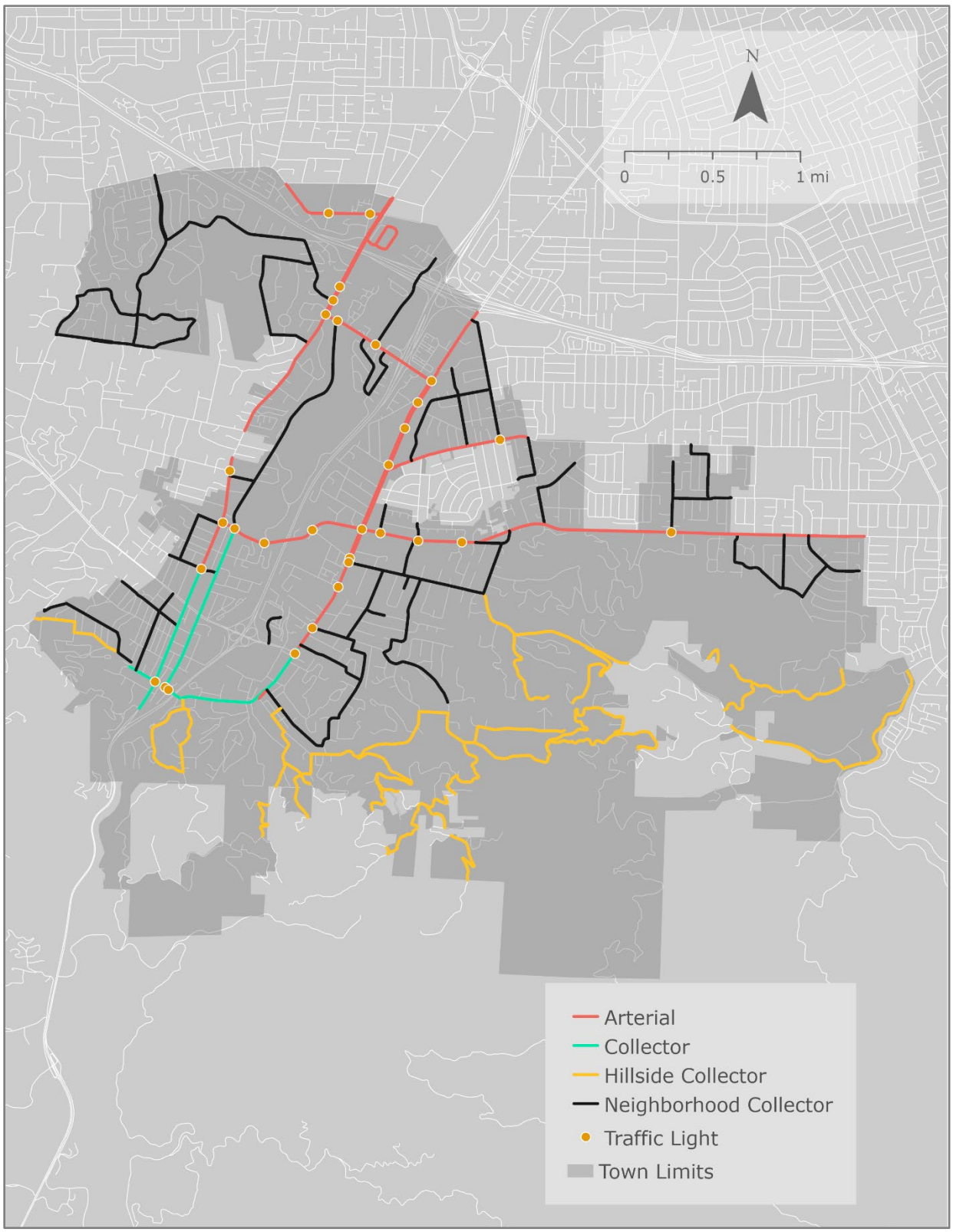

FIGURE 1: MAP OF TOWN-WIDE INFRASTRUCTURE

TABLE 6: EXISTING FACILITY STANDARD & LEVEL OF INVESTMENT

INFRA-STRUCTURE TYPE	INVENTORY		EXISTING DWELLING UNITS EQUIVALENTS DUE	EXISTING FACILITIES STANDARD UNITS PER DUE	REPLACE-MENT COSTS PER UNIT	EXISTING LEVEL OF INVESTMENT ($ PER DUE)
ROADWAY	11,208,202	square feet	21,997	509.5	$94	$47,936
SIDEWALK	1,481,236	square feet	21,997	67.3	$64	$4,299
CURB & GUTTER	311,245	linear feet	21,997	14.1	$214	$3,024
MEDIAN	88,386	square feet	21,997	4.0	$85	$340
BICYCLE PATH	244,859	square feet	21,997	11.1	$65	$718
BICYCLE LANE	65,719	linear feet	21,997	3.0	$14	$42
TRAFFIC SIGNAL	31	intersections	21,997	0.001	$1,098,720	$1,548
					Total	**$57,907**

Note: All dollars in 2022 $.

Source: Table 10.

TRANSPORTATION IMPROVEMENTS AND COST PER DUE

The required projects identified to maintain the existing level of investment to accommodate future growth are summarized in Table 4. A detailed listing of transportation improvements or projects is provided in the Appendix, Section 1. Dividing the cost of the transportation improvements by the expected growth in DUEs results in the cost per DUE or recommended fee level as shown in Table 7.

TABLE 7: TRANSPORTATION IMPROVEMENT COST PER DWELLING UNIT EQUIVALENT

ALLOCATED TRANSPORTATION IMPROVEMENT COSTS	$41,700,514
GROWTH (2022-2040) IN DWELLING UNIT EQUIVALENTS (DUES)	2,598
COST PER DUE (TRANSPORTATION IMPROVEMENT FEE PER DUE)	$16,051

Sources: Table 5 and Table 3.

FEE SCHEDULE

This section summarizes the Town's planned transportation improvements along with associated costs to demonstrate a reasonable relationship between new development and the use of fee revenues to accommodate that development.

The Town may adopt any fee level below the maximum justified fees, taking into account economic development policy, other policy considerations, and fee levels charged by comparable jurisdictions (see Table 11). The Town may also adopt fees with varying levels of discount by land use category based on reasonable policy considerations, such as more deeply discounting industrial fees to encourage industrial development as part of an economic development policy.

The allocated cost of the transportation capital improvements list totals $41,700,514. The full list of projects and estimated costs is provided in the Appendix, Section 1.

The estimated cost to build out the capital improvement program is summarized in Table 4**.** Only capital projects eligible for funding through the TIF program are listed. The estimated costs account for known funding from other sources, such as the countywide Measure B program. The included projects would improve, enhance, and/or expand the Town's existing transportation system.

The basic fees per DUE described in the preceding sections are scaled according to relative transportation demand rates to arrive at fee schedules by type of land use. The factors scaling the fee by transportation demand (DUE rates) have been calculated using daily trip generation rates, as explained under the section titled, "Transportation Demand Factors".

RECOMMENDED FEE SCHEDULE

The recommended fee schedule shown in Table 8 is the cost per DUE to deliver the planned Transportation Improvement projects and is below the maximum justifiable fee (historical level of investment).

TABLE 8: RECOMMENDED FEE SCHEDULE

LAND USE	IMPROVEMENT COST PER DWELLING UNIT EQUIVALENT	DWELLING UNIT EQUIVALENT PER UNIT	FEE	UNIT
SINGLE-FAMILY RESIDENTIAL	$16,051	1.00	$16,051	per dwelling unit
MULTI-FAMILY RESIDENTIAL	$16,051	0.71	$11,472	per dwelling unit
RETAIL	$16,051	1.40	$22,391	per 1,000 square feet
OFFICE	$16,051	1.23	$19,731	per 1,000 square feet
INDUSTRIAL	$16,051	0.58	$9,255	per 1,000 square feet

Sources: Table 3 and Table 7

RESIDENTIAL FEES PER SQUARE FOOT

Per AB 602, residential fees adopted after July 1, 2022, must be charged proportionally to the size of the dwelling unit. Fees per DUE are divided by the average size of single family and multifamily units to arrive at a fee per residential square foot. The average size of single family and multi family dwelling units is derived from the five years of building permit data in Los Gatos. Note that the square footage is based on the physical coverage of the living quarters of the residential unit (i.e., does not reflect yard, garage, or other areas of the property). The resulting residential fees per square foot are summarized in Table 9.

TABLE 9: CALCULATION OF RESIDENTIAL FEES PER SQUARE FOOT

	TOTAL TIF PROGRAM FEES	AVERAGE SIZE (SQUARE FEET)	TIF PROGRAM FEES PER SQUARE FOOT
SINGLE FAMILY DWELLING UNITS [a]	$16,051	2,632	$6.10
MULTI FAMILY DWELLING UNITS	$11,472	1,649	$6.96

[a] *Includes ADUs of 750 or more square feet.*

Source: Town of Los Gatos.

FEES FOR SPECIALIZED LAND USES

Fees for development projects that do not correspond to one of the given generic land use categories may be determined by multiplying the fee per single family dwelling unit by the appropriate DUE rate and the quantity of specialized land use. The DUE rate is calculated with the applicable average weekday trip generation rate using the following formula:

> DUE Rate = Average weekday trips per unit of specialized land use/ Average weekday trips per single family dwelling unit /

The transportation impact fees are given by:

> Fee per single family dwelling unit * DUE rate * specialized land use quantity

Example: Fees for self-storage project

> Average daily trip generation rates:
>
> Single family dwelling unit = 9.43 trips per dwelling unit (DUE)
>
> Mini warehouse or self-storage = 1.45 trips per thousand square feet (KSF)
>
> DUE Rate = 1.45/9.43 = 0.15 DUE/KSF
>
> Fee per KSF of mini warehouse = 0.15 DUE/KSF*$16,282/DUE = $2,407 per KSF

COMPARABLE FEE RATES

When adopting a fee level, one consideration is the level of fees charged by nearby jurisdictions as well as the current transportation impact fees being collected in Los Gatos. Table 10 shows the fees charged by several South Bay jurisdictions as well as the current fee level for Los Gatos.

TABLE 10: TRANSPORTATION IMPACT FEES IN COMPARABLE JURISDICTIONS

JURISDICTION (UPDATE YEAR)	SINGLE FAMILY RESIDENTIAL PER DU	MULTIFAMILY RESIDENTIAL PER DU	OFFICE (PER KSF)	RETAIL (PER KSF)	HOTEL (PER ROOM)
MENLO PARK	$18,845	$6,352	$21,880	$12,760	$11,422
SAN MATEO	$6,868	$3,468	$8,367	$27,735	$4,368
SAN CARLOS	$7,243	$4,097	$8,413	$27,874	$4,390
LOS ALTOS	$6,774	$4,159	$9,994	$12,409	
REDWOOD CITY	$1,617	$992	$2,380	$940	$945
PALO ALTO	Citywide: $9,266 per net new PM peak hour trip Charleston/Arastradero district: $460/KSF commercial or $1,599 per DUE				
EAST PALO ALTO	$2,870	$2,025	$8,360	8,360	
MOUNTAIN VIEW	$5,364	$3,004	$5,720	5,720	$3,317
CUPERTINO	$6,797	$4,215	$19,150	10,940	$3,278
GILROY	"Low-Density" $13,012	"High-Density" $10,548	Low Traffic Commercial: 14,397 High Traffic Commercial: $29,082		
MORGAN HILL	$3,585	>1,200SF: $2222 <1,200: $1399	All remaining uses charged using $3,585/peak hour trip		
CITY OF SANTA CLARA	$1,391	$618	$1,610	Retail elements >50KSF: $5,350	$843
CURRENT LOS GATOS FEES [a]	$9,571	$6,841	$1,015 per daily trip		
PROPOSED LOS GATOS FEES	$16,051	$11,472	$19,731	$22,391	

[a] Based on $1,015 per daily trip.

Sources:
*Menlo Park: Development guidelines City of Menlo Park, rates updated June 2022. San Mateo: San Mateo 2022-2023 Fee Schedule. San Carlos: City of San Carlos Development Impact Fees 2022-2023 rates (cost is assessed as $7.316*PM peak hour trips). Los Altos: City of Los Altos Proposed 2022-2023 Fees. Redwood City: Redwood City Development Fee Schedule (downtown area discounted fees not shown). Palo Alto: FY22 Impact Fee Information Sheet, $8,572.00 per net new PM peak hour trip, Charleston/Arastradero special zone discounted fees not shown. East Palo Alto: East Palo Alto Master Fee Schedule 2022, pm peak hour vehicle trip rate of $7,868.71 per trip, with internal trips percentage considered. Mountain View: Mountain View Development Fee Schedule 2022-2023, other low-trip-generating uses are charged at $3,100.00/am and pm peak-hour trip. Cupertino: City of Cupertino Engineering Fee Schedule 2022. Gilroy: City of Gilroy 2022 Impact Fees. Morgan Hill: City of Morgan Hill Fee Schedule, 2021. Santa Clara: Santa Clara Master Fee Schedule (rates shown apply for projects entitled after Oct 22, 2018). Implementation Policy and Revenue Projections*

PROJECTS SUBJECT TO THE FEE PROGRAM

The Town's Transportation Impact Policy provides for the following:

1. Projects that are determined by the Town to generate one or more new net Average Daily Trips (ADT) are subject to the Policy (and would presumably pay into the TIF program).
2. Accessory Dwelling Units (ADUs) smaller than 750 square feet shall be exempted from the requirements of Transportation Analysis and the TIF program[3].
3. The Town Council may exempt housing developments for extremely low, very-low, low-, and moderate-income residents (as defined by Town Ordinance, General Plan, or statute) from all or a portion of the traffic impact mitigation fee upon making a finding that the development provides a significant community benefit by meeting current needs for affordable housing. Any such exemptions will reduce the amount of revenue expected to be collected and require additional supplemental funding sources to fully deliver the project list.

In addition, the Town's TIF program will be subject to the requirements of California Government Code Section 66005.1, which requires a discounted fee rate reflecting lower automobile trip generation rates for qualifying housing developments. To qualify a development must be located within a half mile of a transit station (as defined in California Government Code Section 65460.1), include convenience retail uses a half mile of the housing, and limit parking spaces. Although the Town does not currently have a transit station meeting the statutory requirement, this statute may become applicable at some point in the future.

REVENUE PROJECTIONS AND USE

The amount of revenue that can be collected under the new TIF program will depend on the fee levels adopted by the Town as well as the expected growth over the planning horizon. Table 11 shows the estimated revenue to be collected by the updated TIF program assuming adoption of the recommended Transportation Improvement Fee.

[3] Proposed change to current policy which exempts all ADUs.

TABLE 11: MAXIMUM REVENUE PROJECTION

LAND USE	TIF FEES PER UNIT		EXPECTED GROWTH	REVENUE ESTIMATE
SINGLE FAMILY RESIDENTIAL	$16,051	per dwelling unit	333	$5,344,918
MULTI-FAMILY RESIDENTIAL	$11,472	per dwelling unit	2,072	$23,770,305
RETAIL	$22,391	per 1,000 square feet	368	$8,236,767
OFFICE	$19,731	per 1,000 square feet	147	$2,891,486
INDUSTRIAL	$9,255	per 1,000 square feet	157	$1,457,037
			Total	$41,700,514

Sources: Table 1 and Table 8.

APPENDIX

DKS

1970 BROADWAY, SUITE 740, OAKLAND, CA 94612 • 510.763.2061 • DKSASSOCIATES.COM

CONTENTS

SECTION 1. PROJECT LIST

Town of Los Gatos TIF Project List

ID	Project Name	Category	Source	Description	Fee Program Component	Cost Estimate ($2022)	Estimated Funding from Other Sources	Unfunded Cost Allocated to TIF Calculation
1	State Route 17 Corridor Congestion Relief Project [1]	Safety and Capacity Improvements	Santa Clara VTA Measure B Projects	Modify the SR 17/SR 9 interchange's on- and off-ramps Implement advance transportation technology Install traffic signals control system, traveler information system, and ramp meters	TI	$ 110,820,000	$ 99,738,000	$ 10,482,000
2	Shannon Rd Widening and Safety Improvements	Safety and Capacity Improvements	Town of Los Gatos Capital Improvement Program	Add shoulders and retaining wall between Santa Rosa Drive and Diduca Way.	TI	$ 4,371,513	$ 1,471,513	$ 2,900,000
3	Union Avenue Widening and Sidewalks	Complete Streets (Carryover)	Carryover from previous TIF project list	Add sidewalks and bike lanes between Blossom Valley Dr to Lynne Ave	TI	$ 4,226,672	$ 3,170,004	$ 1,056,668
4	Traffic Signal Modernization Program	Traffic Signal	Town of Los Gatos Capital Improvement Program	Smart Signals Project will modernize and upgrade the Town's traffic signals/communications equipment to provide real-time data for the advanced traffic management and adaptive traffic control systems	TI	$ 20,452,114	$ 12,452,114	$ 8,000,000
5	Highway 17 Bicycle & Pedestrian Overcrossing	BPMP Priority Projects	Bicycle and Pedestrian Master Plan	Overcrossing of SR-17 south of Blossom Hill Road	VMT	$ 25,288,625	$ 18,966,469	$ 6,322,156
6	Kennedy Sidewalk & Bike Lanes	BPMP Priority Projects	Kennedy Road	Add sidewalks and Class II bicycle lanes from Los Gatos Bld to Englewood Ave	VMT	$ 1,402,065	$ 138,740	$1,263,325
7	Sidewalk Gap Filling Projects	Other BPMP Projects - New Facilities	Bicycle and Pedestrian Master Plan	Fill gaps in sidewalks, multiple locations on Town-wide circulation network	VMT	$ 600,000		$ 600,000
8	New and Expanded Bicycle and Pedestrian Facilities (Non Priority Projects)	Other BPMP Projects - New Facilities	Bicycle and Pedestrian Master Plan	Construct new bicycle lanes, cycle tracks and multiuse paths	VMT	$ 2,000,000		$ 2,000,000
9	Los Gatos Almaden Road Complete Streets Improvements	Complete Streets (Carryover)	Carryover from previous TIF project list	Fill gaps in sidewalks between Peach Blossom Lane and Camino del Cerro	TI	$ 4,226,672	$ 3,170,004	$ 1,056,668
10	Los Gatos Boulevard Multimodal Widening	Complete Streets (Carryover)	Carryover from previous TIF project list	Add sidewalks and bicycle lanes between Samaritan Drive and Camino Del Sol	TI	$ 5,635,562	$ 4,226,672	$ 1,408,891
11	Parking Program Implementation	Lighting and Signage	Downtown Parking Roadmap	Add lighting, signage, and other project elements	TI	$ 400,000		$ 400,000
12	Bicyle and Pedestrian Improvements Program - Safety Improvements	Other BPMP Projects - Bicyclist and Pedestrian Safety	Bicycle and Pedestrian Master Plan; Local Road Safety Plan	High visibility crosswalks, midblock crossings, pedestrian beacons, and other project elements on Town-wide circulation network	TI	$ 1,000,000		$ 1,000,000
13	Priority Projects from Bicycle and Pedestrian Master Plan	BPMP Priority Projects	Bicycle and Pedestrian Master Plan	Work towards implement priority projects from BPMP as feasible	VMT	$ 11,232,751	$ 5,616,375	$ 5,616,375
Notes:							Total:	$ 42,106,083
1) Unfunded cost for this project reduced by 2023 transfer of traffic impact fee funding to project account.								

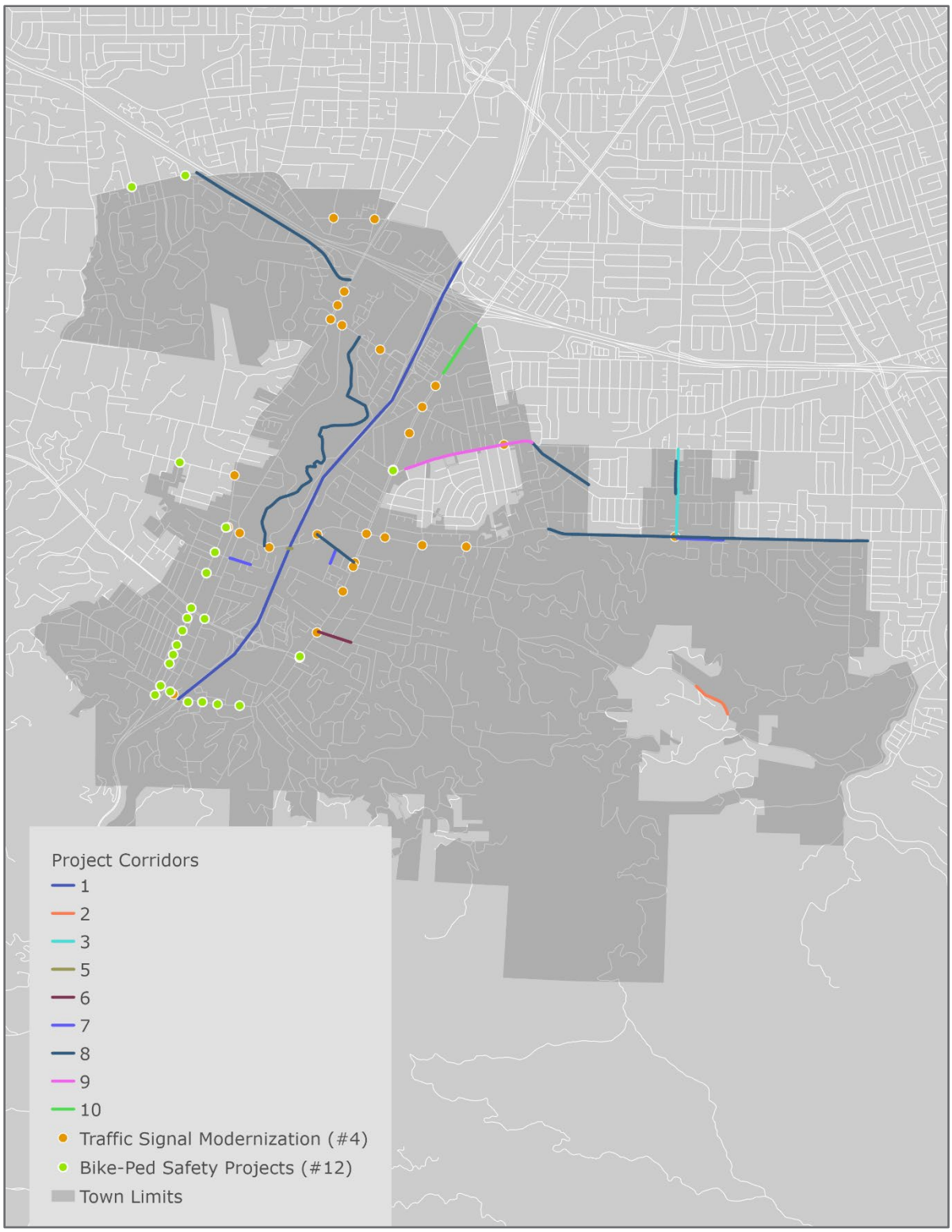

FIGURE 2: TIF PROJECTS

SECTION 2. UNIT COST DETAIL

Transportation Infrastructure Costs (2022)					
Town of Los Gatos Impact Fee					
#	Infrastructure Type	Unit	Total Unit Cost[1]	Total Quantity	Total Cost
1	Roadway	Square Foot	$ 94	11,208,202	$ 1,054,467,624
2	Sidewalk	Square Foot	$ 64	1,481,236	$ 94,562,121
3	Curb & Gutter	Linear Foot	$ 214	311,245	$ 66,511,907
4	Median	Square Foot	$ 85	88,386	$ 7,483,786
5	Bicycle Path	Square Foot	$ 65	244,859	$ 15,796,361
6	Bicycle Lane*	Linear Foot	$ 14	65,719	$ 927,422
7	Traffic Signal**	Intersection	$ 1,098,720	31	$ 34,060,320
Sum					**$ 1,273,809,540**

[1] See Unit Cost Table for detailed information

Transportation Infrastructure Unit Costs (2022) Town of Los Gatos Impact Fee						
#	Infrastructure Type	Unit	Construction Cost ($)	Design & Management Cost[1]	Contingency	Total Unit Cost[2]
1	Roadway[3]	Square Foot	$ 56	40%	20%	$ 94
2	Sidewalk	Square Foot	$ 38	40%	20%	$ 64
3	Curb & Gutter	Linear Foot	$ 127	40%	20%	$ 214
4	Median	Square Foot	$ 50	40%	20%	$ 85
5	Bicycle Path	Square Foot	$ 38	40%	20%	$ 65
6	Bicycle Lane	Linear Foot	$ 8	40%	20%	$ 14
7	Traffic Signal	Intersection	$ 654,000	40%	20%	$ 1,098,720

[1] Percent of total before contingency. Includes 20% for project design, 15% for construction engineering, and 5% for project management

[2] Construction Cost*(1+Design Management%)*(1+ Contingency%)

[3] Cost of street lighting, water pollution prevention, street furniture and drainage not included in unit cost

DKS Associates

Planning Cost Estimate

1970 Broadway Ste 740, Oakland CA 94612

Project Number

☑ Click here if the project schedule for this project is to be 50 days or more; also click here if this is a bridge

☐ Click here if this project is a surface treatment or overlay project.

Infrastructure Type: Roadway

Date of Estimate: Jul. 9, 2022

Prepared by: Tommy Cho

Revision No.
Revision Date
Revised by

No.	Description	Quantity	Units	Unit Cost	Total
1	Clearing and Grubbing	1.00	SF	$3.48	$ 3.48
2	Remove Existing Pavement (Obliteration)	1.00	SF	$6.50	$ 6.50
3	Roadway Excavation (2' depth)	0.07	CY	$190.00	$ 14.07
4	Finish Grading within Right of Way	1.00	SF	$0.38	$ 0.38
5	Class 2 Aggregate Base (18")	0.06	CY	$196.00	$ 11.76
6	Asphalt Concrete (6")(Type A, assume 150 lbs/CF)	0.04	Ton	$280.00	$ 10.50
7	Temporary Traffic Control	1.00	LS	$4.70	$ 4.70
8	Mobilization	1	LS	$ 4.70	$ 4.70

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000) $ 47.00

Total Contract Items $ 56.00

DKS Associates

Planning Cost Estimate

1970 Broadway Ste 740, Oakland CA 94612

Project Number

☑ Click here if the project schedule for this project is to be 50 days or more; also click here if this is a bridge

☐ Click here if this project is a surface treatment or overlay project.

Infrastructure Type: Sidewalk

Date of Estimate: Jul. 9, 2022

Prepared by: Tommy Cho

Revision No.
Revision Date
Revised by

No.	Description	Quantity	Units	Unit Cost	Total
1	Clearing and Grubbing	1.00	SF	$0.63	$ 0.63
2	Finish Grading within Right of Way	1.00	SF	$0.38	$ 0.38
3	Concrete Sidewalk	1.00	SF	$28.63	$ 28.63
5	Curb Ramp	0.0002	EA	$5,000.00	$ 1.00
6	Temporary Traffic Control	1	LS	$ 3.10	$ 3.10
7	Mobilization	1	LS	$ 3.10	$ 3.10

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000) 31

Total Contract Items $ 38

DKS Associates

Planning Cost Estimate

1970 Broadway Ste 740, Oakland CA 94612

Project Number

☑ Click here if the project schedule for this project is to be 50 days or more; also click here if this is a bridge

☐ Click here if this project is a surface treatment or overlay project.

Infrastructure Type: Curb and Gutter

Date of Estimate: Jul. 9, 2022

Prepared by: Tommy Cho

Revision No.
Revision Date
Revised by

No.	Description	Quantity	Units	Unit Cost	Total
1	Curb and Gutter	1	LF	$106.40	$ 106
2	Sawcut Gutter	1	LF		$ -
3	Temporary Traffic Control	1	LS	$10.60	$ 11
4	Mobilization	1	LS	$10.60	$ 11

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000) $ 106

Total Contract Items $ 127

DKS Associates

Planning Cost Estimate

1970 Broadway Ste 740, Oakland CA 94612

Project Number

☑ Click here if the project schedule for this project is to be 50 days or more; also click here if this is a bridge

☐ Click here if this project is a surface treatment or overlay project.

Infrastructure Type: Median

Date of Estimate: Jul. 9, 2022

Prepared by: Tommy Cho

Revision No.
Revision Date
Revised by

No.	Description	Quantity	Units	Unit Cost	Total
1	Median (Island) Paving	1.00	SF	$17.00	$ 17
2	Class 2 Aggregate Base (6")	1.00	SF	$4.00	$ 4
3	Curb	0.20	LF	$106.40	$ 21
4	Temporary Traffic Control	1	LS	$4.20	$ 4
5	Mobilization	1	LS	$ 4.20	$ 4

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000) $ 42

Total Contract Items $ 50

DKS Associates

Planning Cost Estimate

1970 Broadway Ste 740, Oakland CA 94612

Project Number

☑ Click here if the project schedule for this project is to be 50 days or more; also click here if this is a bridge

☐ Click here if this project is a surface treatment or overlay project.

Infrastructure Type: Bicycle Path (Shared Use Path)

Date of Estimate: Jul. 9, 2022

Prepared by: Tommy Cho

Revision No.
Revision Date
Revised by

No.	Description	Quantity	Units	Unit Cost	Total
1	Clearing and Grubbing	1.00	SF	$3.48	$ 3.48
2	Remove Existing Pavement (Obliteration)	1.00	SF	$6.50	$ 6.50
3	Roadway Excavation (1.5')	0.06	CY	$190.00	$ 11.40
3	Finish Grading within Right of Way	1.00	SF	$0.38	$ 0.38
4	Class 2 Aggregate Base (4")	0.02	CY	$196.00	$ 2.94
5	Hot Mix Asphalt (Type A) (4")(assume 150 lbs./CF)	0.03	Ton	$280.00	$ 7.00
6	Temporary Traffic Control	1	LS	$3.20	$ 3.20
7	Mobilization	1	LS	$ 3.20	$ 3.20

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000) $ 32

Total Contract Items $ 38

DKS Associates

Planning Cost Estimate

1970 Broadway Ste 740, Oakland CA 94612

Project Number

☑ Click here if the project schedule for this project is to be 50 days or more; also click here if this is a bridge

☐ Click here if this project is a surface treatment or overlay project.

Infrastructure Type: Bicycle Lane (Class II)

Date of Estimate: Jul. 9, 2022

Prepared by: Tommy Cho

Revision No.
Revision Date
Revised by

No.	Description	Quantity	Units	Unit Cost	Total
1	Remove existing striping	1.00	LF	$2.30	$ 2.30
2	Striping	1.00	LF	$4.51	$ 4.51
3	Signage	0.0008	EA	$500.00	$ 0.38
4	Temporary Traffic Control	1	LS	$0.70	$ 0.70
5	Mobilization	1	LS	$ 0.70	$ 0.70

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000) $ 7

Contotal Contract Items $ 8

DKS Associates

Planning Cost Estimate

1970 Broadway Ste 740, Oakland CA 94612

Project Number

☑ Click here if the project schedule for this project is to be 50 days or more; also click here if this is
☐ Click here if this project is a surface treatment or overlay project.

Infrast Traffic Signal for One Intersection

Date o Jul. 9, 2022

Revision No.
Revision Date
Revised by

Prepa Tommy Cho

No.	Description	Quantity	Units	Unit Cost*	Total
1	Furnish & Install Cabinet and Controller on New Foundation	1	EA	$45,000.00	$ 45,000
2	Furnish and Install Fiber Switch In Controller Cabinet.	1	EA	$2,500.00	$ 2,500
3	Terminate fiber optic cable in cabinet	1	EA	$2,500.00	$ 2,500
4	Splice 12 Strand SMFO Cable to trunk cable in vault	1	EA	$1,000.00	$ 1,000
5	Furnish & Install Opticom EVP system in signal cabinet	1	EA	$7,500.00	$ 7,500
6	Furnish & Install Opticom Card Rack	1	EA	$1,000.00	$ 1,000
7	Furnish & Install Opticom Detector	4	EA	$1,200.00	$ 4,800
8	Furnish & Install VIVDS System, incl. cameras, comms manager, and SDLC hub (per intersection)	1	EA	$25,000.00	$ 25,000
9	Furnish & Install CCTV Camera	1	EA	$5,000.00	$ 5,000
10	Furnish & Install Detector Handhole	4	EA	$500.00	$ 2,000
11	Furnish & Install Detector Loops (6'x6')	8	EA	$2,000.00	$ 16,000
12	Furnish & Install LED Countdown Pedestrian Signal Head	8	EA	$800.00	$ 6,400
13	Furnish & Install Polara Navigator Pedestrian Pushbutton	8	EA	$1,200.00	$ 9,600
14	Furnish & Install Polara CCU in Cabinet	1	EA	$4,500.00	$ 4,500
15	Furnish & Install SNS on Mast Arm	4	EA	$2,000.00	$ 8,000
16	Furnish & Install LED Luminaire	4	EA	$1,500.00	$ 6,000
17	Furnish & Install Photoelectric Control Unit (PEU)	1	EA	$500.00	$ 500
18	Furnish & Install Pull Box #5	4	EA	$900.00	$ 3,600
19	Furnish & Install Pull Box #6	2	EA	$1,000.00	$ 2,000
20	Furnish & Install Fiber Optic Splice Vault	1	EA	$1,250.00	$ 1,250
21	Furnish and install 2" conduit with backfill and trenching	100	LF	$120.00	$ 12,000
22	Furnish and install 3" conduit with backfill and trenching	1000	LF	$125.00	$ 125,000
23	Furnish and install 4" conduit with backfill and trenching	100	LF	$130.00	$ 13,000
24	Furnish & Install Type 1-B 4' Pole and Foundation	4	EA	$3,500.00	$ 14,000
25	Furnish & Install Type 1-B 10' Pole and Foundation	4	EA	$6,500.00	$ 26,000
26	Furnish & Install Type 28-5-100 Pole and Foundation	4	EA	$26,000.00	$ 104,000
27	Furnish & Install Signal Head Mount Type SV-1-T	4	EA	$700.00	$ 2,800
28	Furnish & Install Pedestrian Signal Head Mount SP-2-T	4	EA	$1,000.00	$ 4,000
29	Furnish & Install #14 Conductors	7000	LF	$1.50	$ 10,500
30	Furnish & Install #10 Conductors	1500	LF	$2.00	$ 3,000
31	Furnish & Install #8 Conductors	600	LF	$2.50	$ 1,500
32	Furnish & Install #6 Conductors	50	LF	$3.00	$ 150
33	Furnish & Install #2 Conductors	1000	LF	$4.00	$ 4,000
34	Furnish & Install Detector Lead-in Cables	250	LF	$3.00	$ 750
35	Furnish & Install EVP Cable (Opticom Model 138)	500	LF	$3.00	$ 1,500
36	Furnish & Install CCTV Cable (CAT6)	100	LF	$3.00	$ 300
37	Furnish & Install VIVDS Cable (3-wire)	500	LF	$3.00	$ 1,500
38	Furnish & Install 12-strand Fiber Optic Cable	300	LF	$5.00	$ 1,500
39	Furnish & Install Trace Cable (#10)	300	LF	$2.00	$ 600
40	Temporary Traffic Control	1	LS	$54,500.00	$ 54,500
41	Mobilization	1	LS	$ 54,500.00	$ 54,500

*2020 unit costs

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL, ESC TO 2022 AT 3% (TO NEAREST 1,000) $ 545,000

Total Contract Items $ 654,000