



**TOWN OF LOS GATOS
COUNCIL POLICY COMMITTEE AGENDA
OCTOBER 22, 2019
110 EAST MAIN STREET
LOS GATOS, CA
5:00 PM**

*Marcia Jenson, Vice Mayor
Barbara Spector, Council Member*

MEETING CALLED TO ORDER

ROLL CALL

CONSENT ITEMS

1. [Approve](#) the Draft Minutes of September 24, 2019

VERBAL COMMUNICATIONS *(Members of the public are welcome to address the Town Council on any matter that is not listed on the agenda. To ensure all agenda items are heard and unless additional time is authorized by the Mayor, this portion of the agenda is limited to 30 minutes and no more than three (3) minutes per speaker. In the event additional speakers were not able to be heard during the initial Verbal Communications portion of the agenda, an additional Verbal Communications will be opened prior to adjournment.)*

OTHER BUSINESS *(Up to three minutes may be allotted to each speaker on any of the following items.)*

2. Discuss and Provide Direction on the Application of the Traffic Impact Policy and Associated Fees.
3. Discuss Town Code Section 29.10.09015 regarding "shoestring lights," and forward a recommendation to the Planning Commission and Town Council to remove the provision prohibiting them.

ADJOURNMENT *(Council policy is to adjourn no later than midnight unless a majority of Council votes for an extension of time)*



**TOWN OF LOS GATOS
TOWN COUNCIL
POLICY COMMITTEE**

MEETING DATE: 10/22/2019

ITEM NO: 1

**DRAFT
Minutes of the Regular Town Council Policy Committee Meeting
September 24, 2019**

The Town Council Policy Committee of the Town of Los Gatos conducted a regular meeting on Tuesday, September 24, 2019, at 5:00 p.m.

MEETING CALLED TO ORDER AT 5:00 P.M.

ROLL CALL

Members Present: Marcia Jensen, Barbara Spector.

Staff Present: Laurel Prevetti, Town Manager; Joel Paulson, Community Development Director; Sally Zarnowitz, Planning Manager; Lisa Petersen, Town Engineer; Holly Zappala, Management Analyst.

VERBAL COMMUNICATIONS

None.

OTHER BUSINESS

1. Approval of the August 27, 2019 Council Policy Committee Minutes.

Approved.

2. Discuss and Provide Direction on the Land Use Appeal Process.

After continuing the discussion from prior meetings, the Committee asked staff to send the Committee via email revised language reflecting the following two options for the land use appeal process:

- The Town Council may consider additional findings/information as part of the land use decision appeal; and
- The appeal is returned to the Planning Commission if the Town Council grants the appeal based on information not presented to the Planning Commission.

Upon approval of the emailed language, the Committee agreed to forward both options to the Town Council for discussion and decision.

3. Provide Direction on Potential Amendments to the Town Code Regarding Right of Way Dedication, Installation of Curbs, Gutters and Sidewalks, and Undergrounding of Utilities.

After discussion, the Committee agreed to forward a recommendation to adopt the proposed amendments to the Town Council with modifications to the language.

4. Provide direction on potential amendments to Chapter 29 (Zoning Regulations) of the Town Code regarding below market price regulations and options for the use of below market price in-lieu fees.

After discussion, the Committee asked staff to send the Committee via email revised language reflecting a goal of below market price units seamlessly integrating into the rest of the development. Upon approval of the emailed language, the Committee agreed to forward a recommendation to adopt the proposed amendment to the Town Council.

5. Discuss and Provide Direction on a Planning Grants Program Application.

Sally Zarnowitz, Planning Manager, presented the staff report.

After discussion, the Committee agreed to forward a recommendation to the Town Council to apply for the Planning Grants Program for implementation of qualifying action items in the current Housing Element of the General Plan. The Committee asked staff to include those items as an attachment to the Town Council report.

ADJOURNMENT

The meeting adjourned at 6:18 p.m.

This is to certify that the foregoing is a true
and correct copy of the minutes of the
September 24, 2019 meeting as approved by the
Town Council Policy Committee.

Holly Zappala, Management Analyst



**TOWN OF LOS GATOS
COUNCIL POLICY COMMITTEE REPORT**

MEETING DATE: 10/22/2019

ITEM NO: 2

DATE: October 15, 2019
TO: Council Policy Committee
FROM: Laurel Prevetti, Town Manager
SUBJECT: Discuss and Provide Direction on the Application of the Traffic Impact Policy and Associated Fees.

RECOMMENDATION:

Discuss and provide direction on the application of the Traffic Impact Policy and associated fees.

BACKGROUND:

The Traffic Impact Mitigation fee was revised by Council in 2014. Since then, the Policy Committee has reviewed the Traffic Impact Policy on two occasions (11/17/16 and 2/16/17) and recommended changes to the Town Council. In both cases the changes were adopted by the Town Council to provide a more streamlined and cost-effective process for changes of use in existing commercial spaces.

The modifications recommended in November 2016 reflect changes to how the Policy is applied in the C-2 zoning district/downtown, essentially applying the shopping center rate to downtown. This allows for a change of use without the assessment of the traffic impact fee unless new square footage is added. It is important to note that new square footage in downtown and shopping centers outside of downtown is still assessed a traffic impact fee.

The modifications adopted by the Council on March 21, 2017 were related to how traffic impact fees are applied to properties that have been vacant for longer than five years.

These changes have provided a streamlined and less expensive opportunity for businesses and property owners, and have provided the Town the opportunity to continue to attract new

PREPARED BY: Monica Renn
Economic Vitality Manager

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

businesses that may have historically chosen a neighboring jurisdiction because of the high traffic impact fee assessed for a change of use.

BACKGROUND (Continued):

Traffic impact fees are based on a study that identified the Town's traffic improvement needs related to growth and the expected cost per vehicle trip necessary to mitigate the growth. The vehicle trips associated with individual uses are most often identified through data provided by the Institute of Traffic Engineers (ITE). The Town's current Traffic Impact Policy is provided for the Policy Committee's reference (Attachment 1).

DISCUSSION:

As staff continues to work with business and property owners, there have been a few instances where businesses have moved on from considering Los Gatos as a potential new location because they are interested in a standalone building outside of the C-2/downtown. The fees have deterred such businesses from opening in Los Gatos. Mainly, the interest is with standalone buildings north of Highway 9 in the C-1 area often referred to as "downtown north" (N. Santa Cruz Avenue from Highway 9 to Blossom Hill Road).

Given that the Town Council has a strategic priority that encourages community vitality and supports streamlining efforts for business processes, staff is bringing this question to the Policy Committee for its consideration. Staff understands that traffic continues to be a serious concern for many stakeholders, as well as creating an inviting environment for new businesses. As these conversations with stakeholders take place, a few options have risen to the top for the Policy Committee to discuss:

1. Consider adding "downtown north" to the interpretation of downtown, extending the area of the "shopping center" rate to Blossom Hill Road, either on N. Santa Cruz Avenue solely, or N. Santa Cruz Avenue and University Avenue.
2. Modify the Traffic Impact Policy to be applied Town-wide to new square footage only, thus a change of use without additional square footage being added in any space would not require traffic impact fees to be paid.
3. Make no change to the Traffic Impact Policy or the current application of "shopping center."

Considerations one and two above would only apply for a change in use. Where structure square footage is expanded or new structures are added, the additional square footage would still be required to pay the traffic impact fee at the ITE rate for the proposed use, for the new square footage only.

SUBJECT: Discuss and provide direction on the application of the Traffic Impact Policy and
Associated Fees

DATE: October 15, 2019

CONCLUSION:

As the Town continues to promote Community Vitality and business process streamlining, there may be a desire to modify how Traffic Impact Fees are assessed on the change of use in commercial buildings. Three options are provided in the discussion section of this report; however, the Policy Committee may have additional thoughts or options to add to the discussion. Staff looks forward to the Committee's direction on this topic.

COORDINATION:

This report was prepared in coordination with the Town Manager's Office, Community Development Department, and Parks and Public Works Department.

FISCAL IMPACT:

Action on this item does not affect the proposed budget however may decrease potential fees collected. A reduction in fees may reduce the Town's ability to mitigate traffic impacts from intensification of use.

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Traffic Impact Policy

TITLE: Traffic Impact Policy

POLICY NUMBER: 1-05

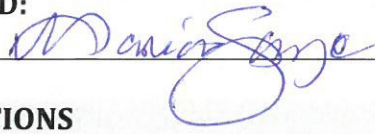
EFFECTIVE DATE: 3/22/2017

PAGES: 5

ENABLING ACTIONS: 1991-174; 2014-017; 2016-068; 2017-011

REVISED DATES: 8/5/91; 3/24/14; 12/6/16; 3/21/17

APPROVED:



I. DEFINITIONS

Average Daily Trips. Average Daily Trips (ADT) are the total number of trips, both in-bound and out-bound, within a 24 hour weekday period, generated by a particular use or development.

Pass-By Trip. Trips generated by the proposed Project that would be attracted from traffic passing the proposed project site on an adjacent street that contains direct access to the Project.

Peak Hour Trip. Peak Hour Trips are vehicle trips, both in-bound and out-bound, occurring during a one hour period either during the A.M. Peak (7 A.M. to 9 A.M.) or the P.M. Peak (4 P.M. to 6 P.M.), generated by a particular use or Project.

Project. A Project subject to this policy encompasses all land use development projects affecting the built environment, including changes in occupancy or intensification of existing uses, over which the Town has administrative or legislative authority, that require review and approval and issuance of a building permit, certificate of use or occupancy, or other land use approval by Town staff, Commissions, or Council.

Specialty Retail. Specialty Retail uses are defined as walk-in and impulse businesses such as juice bars, yogurt shops, coffee shops, donut shops, and similar uses which do not generally serve meals and have limited or no seating. Specialty Retail uses are defined under this policy for purposes of establishing trip generation data and this definition does not provide any land use or zoning guidance.

II. GENERAL CONDITIONS AND APPLICABILITY

1. This policy is intended to provide guidance to Town staff and the development community in implementing the provisions of the Town Municipal Code, Chapter 15, Article VII, Traffic Impact Mitigation Fees.
2. Projects that are determined by the Town to generate one or more new net Average Daily Trips are subject to this policy.
3. Projects that will generate 20 or more new Peak Hour Trips shall be required to complete a comprehensive traffic impact analysis report as described in more detail in Section VI, TRAFFIC IMPACT MITIGATION REPORT.
4. Consistent with Transportation Impact Analysis (TIA) Guidelines adopted by the Santa Clara County Transportation Authority (VTA) Congestion Management Program, Pass-by Trips shall not be considered in calculating the 20 new Peak Hour Trip threshold that triggers the requirement for conducting a comprehensive traffic impact analysis report.
5. In order to determine how much new traffic a Project will generate, the Town will use applicable trip generation rates and pass-by trip data from the most recent edition of the Institute of Traffic Engineers (ITE) *Trip Generation Manual*. Alternatively, trip generation rates from the following resources may be used if determined by the Town to be more appropriate than the available ITE rates: San Diego Association of Governments (SanDAG); California Department of Transportation (Caltrans); or the City of San Jose. A Town-sponsored or peer-reviewed traffic study may also be used to determine trip generation rates.
6. Nothing in this Policy shall prohibit or restrict a Project applicant from completing a traffic study for a Project anticipated to generate less than 20 new Peak Hour trips.

III. TRAFFIC IMPACT MITIGATION FEES

1. All Projects that generate one or more new Average Daily Trips are required to pay Traffic Impact Mitigation Fees.
2. All required Traffic Impact Mitigation Fees shall be paid in full to the Town in association with and prior to issuance of a building permit. If no building permit is required, the fee shall be paid in full prior to issuance of a certificate of use and occupancy, or similar entitlement. The amount due shall be calculated based on the fee in place as approved by the Town Council by resolution at the time the fee is paid.

TITLE: Traffic Impact Policy	PAGE: 3 of 5	POLICY NUMBER: 1-05
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3. The per trip amount of the fee shall be as set forth by the Town Council by resolution, pursuant to Town Municipal Code, Chapter 15, Article VII, Traffic Impact Mitigation Fees.
4. Fees shall be calculated by multiplying net new ADT by the per trip amount in place at the time the fees are paid.
5. ADT shall be determined by using the applicable trip generation rate and pass-by trip data from the most recent edition of the Institute of Traffic Engineers (ITE) *Trip Generation Manual*. When a use is not listed in the ITE *Trip Generation Manual*, or where ADT data is not available, the Town Traffic Engineer shall use available Peak Hour Trip data or select the most appropriate trip generation rate and pass-by trip classification for use in calculating ADT. Trip generation rates from alternate sources may be used if determined by the Town Traffic Engineer to be more appropriate than the available ITE rates. Examples of alternate sources of data include: San Diego Association of Governments (SanDAG); California Department of Transportation (Caltrans); City of San Jose; comparable store/business traffic studies.

IV. CREDIT FOR EXISTING TRIPS

1. In calculating new Peak Hour Trips for purposes of determining whether or not a traffic impact analysis report is required pursuant to this Policy, trip credit shall be granted for an existing use or the most recent former use.
2. In calculating new Average Daily Trips for purposes of determining the amount of the Traffic Impact Mitigation Fee due, trip credit shall be granted for an existing use or the most recent former use.
3. Where the property is vacant, the most recent former use shall be used.
4. Where a portion of the space is changing use, credit will apply to the proportionate square footage of the space under review.
5. Where the change in use results in fewer trips than the existing or former use, no credit or refund will be due the applicant.

V. CREDIT FOR TRAFFIC MITIGATION IMPROVEMENTS

1. Credit against Traffic Impact Mitigation Fees due shall be granted up to the amount of the Estimated Project Cost shown on Attachment 1, Town of Los Gatos Traffic Mitigation

Improvements Project List, for any listed projects for which the developer, as a condition of approval, is required to either construct at the developer's sole cost, or contribute a fixed or percentage amount of funding toward future construction of the listed improvement. Where construction is fully funded and completed by the developer, said credit shall be equal to the Project Cost as shown in Attachment 1. Where payment is a fixed amount or a percentage of Project Cost, credit shall be equal to the actual amount due, whether the project is constructed by the developer or others.

2. No credit shall be given for any public right-of-way dedication required for completion of projects listed on Attachment 1.
3. Credit will be given on a case-by-case basis and shall not exceed the impact fee payable. Any request for credit shall be made prior to the payment of the Traffic Impact Mitigation Fees. No credit shall be given for installation of Town-standard frontage improvements, Project access improvements, or internal circulation improvements.
4. Credit shall only be granted for payment of costs or construction of projects listed in Attachment 1, unless otherwise approved by the Town Council.

VI. TRAFFIC IMPACT ANALYSIS

1. Traffic impact analysis reports required pursuant to this policy shall be prepared consistent with the Transportation Impact Analysis (TIA) Guidelines adopted by the Santa Clara County Transportation Authority (VTA) Congestion Management Program (August 2009), or as such Guidelines may be amended or updated from time to time, except that the threshold for preparation of a traffic report under this policy is 20 new Peak Hour trips, whereas the VTA TIA threshold is 100 new Peak Hour Trips.
2. Traffic impact analysis reports shall be funded in full by the project applicant. Project applicants shall deposit funds with the Town in an amount deemed necessary to cover the cost of an independent consultant report, plus staff administrative and review costs. Following deposit of funds, the Town will hire a professional transportation consultant to complete the required study. Alternatively, the project applicant may hire their own professional engineering or transportation consultant to complete a traffic study, in which case they must deposit with the Town funds sufficient for the Town to hire a professional firm to conduct a peer review of the applicant-prepared traffic report, plus staff administrative and review costs.
3. The Town shall conduct an open, competitive process to establish a list of firms which are qualified to prepare traffic reports and/or conduct peer review of traffic studies under

contract to the Town. The list of firms shall be selected in accordance with the Town Purchasing Policy. A new list shall be created at a minimum of once every five years.

VII. OTHER PROVISIONS

1. The Institute of Traffic Engineers (ITE) *Trip Generation Manual* trip generation rates for Specialty Retail Center shall apply to all Specialty Retail uses as defined in this policy.
2. A secondary dwelling unit shall be exempt from this policy.
3. The Town Council may exempt housing developments for 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.
4. Uses within the Central Business District (C-2 Zone) are expected to change periodically as part of the natural business cycle. For the purpose of Traffic Impact Fees, changes in use without changes in net building square footage within the C-2 Zone shall not be considered to create a traffic impact, shall be exempt from this policy, and no fees shall be charged for a change in use. Any increases in building square footage shall pay impact fees at the ITE Shopping Center rate or comparable equivalent rate for the expanded area, as determined by the Town Traffic Engineer.

APPROVED AS TO FORM:



Robert Schultz, Town Attorney

Attachment 1

Town of Los Gatos Traffic Mitigation Improvements Project List

Source	Description	Estimated Project Cost (2014 \$)	Growth Related Project Cost	Mitigation Impact Fee Eligible Cost
GP/VTP 2035	Blossom Hill Rd and Union Ave Intersection Improvements	\$ 1,200,000	90.00%	\$ 1,080,000
GP/VTP 2035	Los Gatos - Almaden Rd Improvements	\$ 3,000,000	50.00%	\$ 1,500,000
GP/VTP 2035	Los Gatos Blvd Widening - Samaritan Dr to Camino Del Sol - Road widening, new sidewalks and bike lanes	\$ 4,000,000	50.00%	\$ 2,000,000
GP/VTP 2035	Union Ave Widening and Sidewalks - complete ped and bike routes	\$ 3,000,000	50.00%	\$ 1,500,000
GP/VTP 2035	Wood Rd Gateway on Santa Cruz Ave - roundabout	\$ 1,200,000	50.00%	\$ 600,000
GP/VTP 2035	Central Traffic Signal Control System	\$ 750,000	9.68%	\$ 72,600
GP/VTP 2035	Hwy 9 Los Gatos Creek Trail connector - new path and bridge for	\$ 1,000,000	50.00%	\$ 500,000
GP/VTP 2035	Hwy 9/N Santa Cruz Ave Intersection Improvements	\$ 1,400,000	90.00%	\$ 1,260,000
CIP	Roberts Road Improvements from bridge to University	\$ 600,000	50.00%	\$ 300,000
CIP	Pollard Road Widening from Knowles to York Avenue	\$ 2,500,000	50.00%	\$ 1,250,000
CIP	Sidewalks infill - Van Meter, Fischer and Blossom Hill Schools	\$ 1,000,000	50.00%	\$ 500,000
CIP	Winchester Blvd/Lark Avenue Intersection Improvements	\$ 850,000	90.00%	\$ 765,000
CIP	Westbound Lark to Hwy 17 northbound ramps - add two right-turn	\$ 3,750,000	90.00%	\$ 3,375,000
CIP	Unfunded Deferred Street Maintenance (Annual PMS Survey)	\$ 10,500,000	9.68%	\$ 1,016,400
GP	Lark/Los Gatos Intersection Improvements - Add Third Left Turn Lanes for Eastbound and Northbound Approaches	\$ 1,200,000	90.00%	\$ 1,080,000
GP	Complete Street Improvements - Lark from Garden Hill to Los Gatos	\$ 2,100,000	50.00%	\$ 1,050,000
GP	Complete Street Improvements - SR 9 from University to Los Gatos	\$ 650,000	50.00%	\$ 325,000
GP	Complete Street Improvements - Blossom Hill Road from Old Blossom Hill Road to Regent Drive	\$ 3,000,000	50.00%	\$ 1,500,000
GP	Complete Street Improvements - Knowles from Pollard to Winchester	\$ 2,000,000	50.00%	\$ 1,000,000
GP	Complete Street Improvements - Winchester from Blossom Hill to Lark	\$ 1,500,000	50.00%	\$ 750,000
GP	Blossom Hill Road widening over Highway 17	\$ 2,000,000	50.00%	\$ 1,000,000
GP	Local Bikeway Improvements	\$ 750,000	50.00%	\$ 375,000
Total		\$ 47,950,000		\$ 22,799,000

Notes:

VTP = Valley Transportation Plan, 2035 by Santa Clara Valley Transportation Authority.

Town CIP = Town of Los Gatos, Capital Improvement Program and pending construction project list.

Source: Town of Los Gatos.



**TOWN OF LOS GATOS
COUNCIL POLICY COMMITTEE REPORT**

MEETING DATE: 10/22/2019

ITEM NO: 3

DATE: October 14, 2019
TO: Council Policy Committee
FROM: Laurel Prevetti, Town Manager
SUBJECT: Discuss Town Code Section 29.10.09015 regarding "shoestring lights," and forward a recommendation to the Planning Commission and Town Council to remove the provision prohibiting them.

RECOMMENDATION:

Discuss Town Code Section 29.10.09015 regarding "shoestring lights," and forward recommendation to the Planning Commission and Town Council to remove the provision prohibiting them.

BACKGROUND:

Town Code Section 29.10.09015, below, prohibits "shoestring lights." Town staff has always interpreted this section to apply to all outdoor lights, exclusive of private property. However, the Town does have such lights in trees throughout the downtown.

Sec. 29.10.09015. - Control of outdoor lighting.

Outdoor lights must be shielded and directed to shine on improvements including plants on the zoning plot where the lights are located and not directly on other property or any public right-of-way. Shoestring lighting is not permitted.

(Ord. No. 1316, § 3.47.010, 6-7-76; Ord. No. 1335, 10-4-76)

DISCUSSION:

Many businesses with outdoor seating areas wish to have ambient lighting for guests and one way to achieve this is with shoestring/bistro lights (individual light bulbs on a power string). The interest in bistro lights is increasing with the addition of parklets to the downtown, as businesses look to provide lighting for these dining areas.

PREPARED BY: Monica Renn
Economic Vitality Manager

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

CONCLUSION:

The Town receives many positive comments on the ambiance provided in the downtown by the trees along the street lit with shoestring lights. These are provided by the Town. Thus, staff is recommending that the Policy Committee discuss "shoestring lights" and forward a recommendation to the Council to remove this provision from the Code. Any changes to Chapter 29/Zoning Regulations of the Town Code must be heard by the Planning Commission first for a recommendation to the Town Council.

Below is a redline version of the Town Code amendment recommendation from the staff:

Sec. 29.10.09015. - Control of outdoor lighting.

Outdoor lights must be shielded and directed to shine on improvements including plants on the zoning plot where the lights are located and not directly on other property or any public right-of-way. ~~Shoestring lighting is not permitted.~~

(Ord. No. 1316, § 3.47.010, 6-7-76; Ord. No. 1335, 10-4-76)

Staff looks forward to the discussion with the Committee and will be available to discuss the other options and related issues.

COORDINATION:

This report was prepared in coordination with the Town Manager's Office, Community Development Department, and Parks and Public Works Department.

FISCAL IMPACT:

There is not a fiscal impact associated with this item.

ENVIRONMENTAL ASSESSMENT:

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