



**TOWN OF LOS GATOS
COUNCIL MEETING AGENDA
MAY 21, 2024
110 EAST MAIN STREET AND TELECONFERENCE
TOWN COUNCIL CHAMBERS
7:00 PM**

*Mary Badame, Mayor
Matthew Hudes, Vice Mayor
Rob Moore, Council Member
Rob Rennie, Council Member
Maria Ristow, Council Member*

IMPORTANT NOTICE

This is a hybrid meeting and will be held in-person at the Town Council Chambers at 110 E. Main Street and virtually through Zoom Webinar (log-in information provided below). Members of the public may provide public comments for agenda items in-person or virtually through the Zoom Webinar by following the instructions listed below. The live stream of the meeting may be viewed on television and/or online at www.LosGatosCA.gov/TownYouTube.

HOW TO PARTICIPATE

The public is welcome to provide oral comments in real-time during the meeting in three ways:

Zoom Webinar (Online): Join from a PC, Mac, iPad, iPhone or Android device. Please use this URL to join: https://losgatosca.gov.zoom.us/j/82232739012?pwd=1zlbRu029_33oyBb9l3AyTZQ7D2MEQ.kN8FbuOkINsmz-Jj
Passcode: 793054 You can also type in 822 3273 9012 in the "Join a Meeting" page on the Zoom website at and use passcode 793054.

When the Mayor announces the item for which you wish to speak, click the "raise hand" feature in Zoom. If you are participating by phone on the Zoom app, press *9 on your telephone keypad to raise your hand.

Telephone: Please dial (877) 336-1839 for US Toll-free or (636) 651-0008 for US Toll. (Conference code: 1052180)

If you are participating by calling in, press #2 on your telephone keypad to raise your hand.

In-Person: Please complete a "speaker's card" located on the back of the chamber benches and return it to the Town Clerk before the meeting or when the Mayor announces the item for which you wish to speak.

NOTES: (1) Comments will be limited to three (3) minutes or less at the Mayor's discretion.

(2) If you are unable to participate in real-time, you may email to Clerk@losgatosca.gov the subject line "Public Comment Item #___" (insert the item number relevant to your comment). All comments received will become part of the record.

(3) Deadlines to submit written comments are:

11:00 a.m. the Thursday before the Council meeting for inclusion in the agenda packet.

11:00 a.m. the Monday before the Council meeting for inclusion in an addendum.

11:00 a.m. on the day of the Council meeting for inclusion in a desk item.

(4) Persons wishing to make an audio/visual presentation must submit the presentation electronically to Clerk@losgatosca.gov no later than 3:00 p.m. on the day of the Council meeting.

CALL MEETING TO ORDER

ROLL CALL

APPROVE REMOTE PARTICIPATION *(This item is listed on the agenda in the event there is an emergency circumstance requiring a Council Member to participate remotely under AB 2449 (Government Code 54953)).*

PLEDGE OF ALLEGIANCE

PRESENTATIONS

- i. National Police Week Proclamation
- ii. Public Works Week Proclamation
- iii. Municipal Clerks Week Proclamation
- iv. Affordable Housing Month Proclamation
- v. Historic Preservation Month Proclamation
- vi. Building Safety Month Proclamation

CONSENT ITEMS *(Items appearing on the Consent Items are considered routine Town business and may be approved by one motion. Any member of the Council may request to have an item removed from the Consent Items for comment and action. Members of the public may provide input on any or multiple Consent Item(s) when the Mayor asks for public comments on the Consent Items. If you wish to comment, please follow the Participation Instructions contained on Page 1 of this agenda. If an item is removed, the Mayor has the sole discretion to determine when the item will be heard.)*

1. Approve Minutes of the May 7, 2024 Closed Session Town Council Meeting.
2. Approve Minutes of the May 7, 2024 Town Council Meeting.
3. Adopt an Ordinance Titled, “An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, ‘Zoning Regulations,’ Article I, ‘In General,’ Division 3 ‘Signs,’ of the Town Code Regarding Sign Regulations” as Introduced by the Town Council. The proposed amendments to the Town Code are not a project subject to CEQA [CEQA Guidelines Section 15061(b)(3)]. Town Code Amendment Application A-24-002. **Project Location: Town Wide.** Applicant: Town of Los Gatos.
4. Adopt an Ordinance Titled “An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, ‘Zoning Regulations,’ of the Town Code Regarding Senate Bill (SB) 9 For Modified Design Review Standards and Other Clarifying Revisions.” The Proposed Amendments to the Town Code are Not Considered a Project Under Section 15378 of the California Environmental Quality Act, and in Accordance with Government Code Section 66411.7(n) and 66452.21(g), SB 9 Ordinances are Not a Project Subject to the California Environmental Quality Act. Town Code Amendment Application A-24-003. Project Location: Town Wide. Applicant: Town of Los Gatos.
5. Receive the Monthly Financial and Investment Report for March 2024.
6. Staff Recommends that the Town Council:
 - a. Adopt a Resolution Approving the Engineer’s Report for all Landscape and Lighting Districts for FY 2024/25.
 - b. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Blackwell Drive Benefit Zone.

- c. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Kennedy Meadows Benefit Zone.
- d. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Santa Rosa Heights Benefit Zone.
- e. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Vasona Heights Benefit Zone.
- f. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Hillbrook Drive Benefit Zone.
- g. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 2-Gemini Court Benefit Zone.
- h. Set June 18, 2024 as the Date for the Public Hearing for the Levy and Collection of Assessments.
- 7. Authorize the Town Manager to Execute a Second Amendment with Dillingham Associates for Preliminary Design Services for the Pinehurst Community Garden (CIP No. 831-4610) and Lynn Avenue Pedestrian Path Design (CIP No. 832-4510) to Reduce the Scope of Services, Extend the Term, and Reduce the Contract Amount for a Total Amount Not to Exceed \$109,856.
- 8. Use Agreement with Los Gatos-Saratoga Community Education and Recreation:
 - a. Authorize the Town Manager to Execute a First Amendment to Use Agreement with Los Gatos-Saratoga Community Education and Recreation for an Additional One-Year Period from July 1, 2024 to June 30, 2025; and
 - b. Authorize the Town Manager to Execute any Forthcoming Amendments During the Duration of this Agreement.
- 9. Receive a Report on the State Route 17 Corridor Congestion Relief Capital Project (CIP No. 813-0237); and Authorize the Town Manager to Execute an Amendment to an Existing Agreement with the Santa Clara Valley Transportation Authority to Extend the End Date to December 31, 2027 and Increase the Town's Funding Contribution to \$1,470,000.
- 10. Adopt a Resolution to Designate the Town's Agents by Title to Obtain Federal and/or State Financial Assistance through the California Governor's Office of Emergency Services (Cal OES).

VERBAL COMMUNICATIONS *(Members of the public are welcome to address the Town Council on any matter that is not listed on the agenda and is within the subject matter jurisdiction of the Town Council. The law generally prohibits the Town Council from discussing or taking action on such items. However, the Council may instruct staff accordingly. To ensure all agenda items are heard, this portion of the agenda is limited to 30 minutes. 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. Each speaker is limited to no more than three (3) minutes or such time as authorized by the Mayor.)*

PUBLIC HEARINGS *(Applicants/Appellants and their representatives may be allotted up to a total of five minutes maximum for opening statements. Members of the public may be allotted up to three minutes to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of three minutes maximum for closing statements. Items requested/recommended for continuance are subject to Council's consent at the meeting.)*

11. Conduct a Public Hearing on the Town of Los Gatos Proposed Operating and Capital Budget for Fiscal Year (FY) 2024/25 and on the Proposed Capital Improvement Program for FY 2024/25 – FY 2028/29:
- a. Consider the Recommendations of the Finance Commission;
 - b. Provide Direction on the Proposed Operating Budget;
 - c. Provide Direction on the Proposed Capital Budget;
 - d. Approve the FY 2024/25 List of Potential Donations Consistent with the Town's Donation Policy; and
 - e. Review and Approve the Town Investment Policy.

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

12. Review Polling Results, Authorize the Town Manager to Execute an Amendment to the NBS Agreement to Include Phase 2 in the Scope of Services to Prepare a 1/8th Cent Sales Tax Measure for the November 2024 Ballot and Increase the Not to Exceed Amount to \$105,000, and Authorize an Expenditure Budget Adjustment in an Amount of \$60,400 from the Available General Fund Capital/Special Projects Reserve.

COUNCIL / MANAGER MATTERS

CLOSED SESSION REPORT

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

ADA NOTICE In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk's Office at (408) 354- 6834. Notification at least two (2) business days prior to the meeting date will enable the Town to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR §35.102-35.104]



**TOWN OF LOS GATOS
COUNCIL CLOSED SESSION MINUTES**

MEETING DATE: 05/21/2024

ITEM NO. 1.

**DRAFT
Minutes of the Town Council Special Meeting – Closed Session
Tuesday, May 7, 2024**

The Town Council of the Town of Los Gatos conducted a Special Meeting in-person and utilizing teleconferencing means on Tuesday, May 7, 2024, at 5:15 p.m. to hold a Closed Session to discuss public employee appointment.

MEETING CALLED TO ORDER AT 5:16 P.M.

ROLL CALL

Present: Mayor Mary Badame, Vice Mayor Matthew Hudes, Council Member Rob Moore, and Council Member Maria Ristow

Absent: Council Member Rob Rennie

VERBAL COMMUNICATIONS (ONLY ON ITEMS ON THE AGENDA)

None.

THE TOWN MOVED TO CLOSED SESSION ON THE FOLLOWING ITEM:

1. PUBLIC EMPLOYEE APPOINTMENT (Gov. Code Section 54957)
Title: Interim Town Manager

The Town Council reconvened in open session. The Town Attorney stated there was no reportable action.

ADJOURNMENT

The meeting adjourned at 6:37 p.m.

Attest:

Submitted by:

Wendy Wood, Town Clerk

Laurel Prevetti, Town Manager



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

ITEM NO. 2.

MEETING DATE: 05/21/2024

**DRAFT
Minutes of the Town Council Meeting
Tuesday, May 7, 2024**

The Town Council of the Town of Los Gatos conducted a regular meeting in-person and utilizing teleconferencing means on Tuesday, May 7, 2024, at 7:00 p.m.

MEETING CALLED TO ORDER AT 7:00 P.M.

ROLL CALL

Present: Mayor Mary Badame, Vice Mayor Matthew Hudes, Council Member Rob Moore, Council Member Rob Rennie (teleconference, arrived 7:07 p.m.), Council Member Maria Ristow.

Absent: None

PLEDGE OF ALLEGIANCE

Grace Krasniewicz led the Pledge of Allegiance. The audience was invited to participate.

PRESENTATIONS

The Mayor acknowledged National Police Week, Municipal Clerks Week, and Parks and Public Works Week.

CONSENT ITEMS (TO BE ACTED UPON BY A SINGLE MOTION)

1. Approve Minutes of the April 16, 2024 Closed Session Town Council Meeting.
2. Approve Minutes of the April 16, 2024 Town Council Meeting.
3. Approve Minutes of the April 23, 2024 Closed Session Town Council Meeting.
4. Adopt a Resolution Declaring Hazardous Vegetation (Brush) a Public Nuisance, Ordering Abatement, and Setting June 18, 2024 as a Public Hearing to Consider Objections to the Proposed Removal of Brush. **RESOLUTION 2024-018**
5. Parking Program Implementation – Wayfinding and Signage Project (CIP No. 813-0242):
 - a. Award and Authorize the Town Manager to Execute a Construction Agreement with Square Signs LLC., Dba Front Signs in an Amount Not to Exceed \$191,908.13; and
 - b. Authorize the Staff to Execute Change Orders in an Amount Not to Exceed \$38,381.63 Which Represents a Twenty Percent (20%) Contingency of the Contract Award Amount.
6. Authorize the Town Manager to Execute Agreements with the County of Santa Clara for:
 - a. AB 939 Implementation Fee Collection and Distribution; and
 - b. Countywide Household Hazardous Waste (HHW) Collection Program to Augment Funding up to an Additional \$94,219 to the Countywide HHW Program During Fiscal Year (FY) 2024/25.
7. Authorize the Town Manager to Execute a Fourth Amendment to the Agreement for Services with St. Francis Electric, Inc. for Traffic Signal and Streetlight Maintenance and

SUBJECT: Draft Minutes of the Town Council Meeting of May 7, 2024

DATE: May 7, 2024

Underground Service Alert Locating Services to Increase the Contract Amount for Fiscal Year 2023/24 in the Amount of \$55,000, for a Total Agreement Amount Not to Exceed \$1,008,948.

8. 2024 Annual Curb, Gutter, and Sidewalk Maintenance Project (CIP No. 813-9921):
 - a. Award and Authorize the Town Manager to Execute a Public Works Contract with Villalobos and Associates in the Amount of \$409,480;
 - b. Authorize Town Manager to Execute Change Orders in an Amount Not to Exceed Ten Percent (10%) of the Contract Award Amount;
 - c. Authorize an Expenditure Budget Transfer in an Amount of \$185,331 from the Annual Street Repair and Resurfacing Project (CIP No. 811-9901); and
 - d. Approve the Project Construction Plans as required by Government Code 830.6 – Design Immunity.
9. Authorize the Town Manager to Execute a Second Amendment to the Agreement for Consultant Services with Kier and Wright Civil Engineers and Surveyors, Inc. to Provide Services as the “Acting Town Surveyor” for Various Land Development Mapping Services, Extending the Term to June 30, 2025.
10. Authorize the Town Manager to Execute a Second Amendment to the Agreement for Consultant Services with AMS Electric LLC (dba Prime Electric LLC) for a Design-Build Project to Install a Battery Storage System at the Library (CIP 821-2505) to Extend the Term and Time of Performance through June 30, 2025.
11. Approve an Amendment to the Town Manager’s Employment Agreement.
12. Approve and Authorize the Town Manager to Execute a Side Letter of Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees (AFSCME) to Contract Out Street Sweeping Services Effective July 1, 2024.

Mayor Badame opened public comment.

No one spoke.

Mayor Badame closed public comment.

MOTION: Motion by Council Member Ristow to approve consent items 1-12. Seconded by Council Member Moore.

VOTE: Motion passed 4-0-1 by roll call vote. Council Member Rennie absent.

VERBAL COMMUNICATIONS

Tom Sandoval, Belwood of Los Gatos Homes Association

- Commented on the damaged neighborhood monument at Blossom Hill Road and Belwood Gateway and requested the Town partner with the Belwood community to get it rebuilt.

SUBJECT: Draft Minutes of the Town Council Meeting of May 7, 2024

DATE: May 7, 2024

Tevis Ignacio

- Commented on the World Cup and attracting national teams to stay in Los Gatos.

Joe Enz, Friends of Los Gatos Creek

- Commented on concerns with e-waste and safety.

Ron Meyer

- Commented on a recent court ruling regarding SB9 related to charter cities' "Home Rule" provisions.

Lee Fagot

- Commented on safety and requested the Town work with the Los Gatos Lodge property developer to incorporate bike and pedestrian access to the Los Gatos High School.

Aubrie Mastrangelo, Bill Wilson Center

- Commented on National Mental Health Awareness Month and mental health services in Santa Clara County.

Harani

- Commented on a recent court ruling regarding SB9 related to charter cities' "Home Rule" provision and stated that it is not applicable to the Town.

OTHER BUSINESS

13. Review Polling Results, Authorize the Town Manager to Execute an Amendment to the NBS Agreement to Include Phase 2 in the Scope of Services to Prepare a 1/8th Cent Sales Tax Measure for the November 2024 Ballot and Increase the Not to Exceed Amount to \$105,000, and Authorize an Expenditure Budget Adjustment in an Amount of \$60,400 from the Available General Fund Capital/Special Projects Reserve.

Katy Nomura, Assistant Town Manager, introduced Gene Bregman with NBS, who presented the polling results.

Mayor Badame opened public comment.

No one spoke.

Mayor Badame closed public comment.

Council discussed the item.

SUBJECT: Draft Minutes of the Town Council Meeting of May 7, 2024

DATE: May 7, 2024

MOTION: Motion by Vice Mayor Hudes to continue this item to the next Council meeting.

AMENDMENT: Refer the item to the Finance Commission for its review. **Seconded** by Mayor Badame.

VOTE: Motion passed unanimously by roll call vote.

14. Receive an Update on the Downtown Restroom Feasibility Study (CIP No. 821-2011) and Provide Direction to Town Staff.

Marina Chislett, Environmental Programs Specialist, presented the staff report.

Mayor Badame opened public comment.

No one spoke.

Mayor Badame closed public comment.

Council discussed the item.

MOTION: Motion by Council Member Rennie to limit the choices to site 4 option 1 and site 1 options 1 and 2 (as listed in the staff report); ask staff to continue to review the options; review safety concerns with Police Department; and ask Council to consider whether site 4 option 1 is visible enough. **Seconded** by Council Member Ristow.

VOTE: Motion passed unanimously by roll call vote.

15. Authorize the Town Manager to Execute an Agreement for Services with the Los Gatos Chamber of Commerce to Manage the Los Gatos Visitors Information Center and the Visit Los Gatos Website, Social Media and Destination Marketing Services for FY 2024/2025, in an amount not to exceed \$55,000.

Monica Renn, Economic Vitality Manager, presented the staff report.

Mayor Badame opened public comment.

Jennifer Lin, Chamber of Commerce

- Commented on the work of the Chamber of Commerce and requested Council approve the agreement in an amount of \$88,000.

Lauren Scalora, Chamber of Commerce

- Introduced herself and asked if Council Members had any questions.

Beth Foley, Chamber of Commerce

- Introduced herself and asked if Council Members had any questions.

SUBJECT: Draft Minutes of the Town Council Meeting of May 7, 2024

DATE: May 7, 2024

Randi Chen

- Supported Jennifer Lin's comments and requested Council approve the requested amount of \$88,000.

Jim Foley, Chamber of Commerce

- Supported Jennifer Lin's comments and requested Council approve the increase in funding.

Rachel Brown, Chamber of Commerce

- Commented on the important of the Chamber, echoed previous comments, and requested Council consider the requested funding amount.

Mayor Badame closed public comment.

Council discussed the item.

MOTION: Motion by Vice Mayor Hudes to approve \$88,000 with the intention to fund it from Transient Occupancy Tax (TOT) in excess over the current budget. **Seconded by Mayor Badame.**

VOTE: Motion passed unanimously.

Vice Mayor Hudes clarified the intention of his motion was to use the funds from TOT in excess over budget, understanding that if it is not achieved it will be funded from the reserve account.

Mayor Badame called recess at 9:16 p.m.

Mayor Badame reconvened the meeting at 9:26 p.m.

16. Approve West Valley Community Services, Counseling and Support Services for Youth, and AWO as Potential Community Service Partners to Provide their Respective Services at the Interim Community Center.

Robert Gray, Chief Building Official, presented the staff report.

Mayor Badame opened public comment.

Sujatha Venkatraman, West Valley Community Services

- Spoke about the services West Valley Community Services provides and commented on the opportunity to expand and enhance their services at the Interim Community Center.

Marico Sayoc, Executive Director of Counseling and Support Services for Youth (CASSY)

- Commented on the services of Counseling and Support Services for Youth (CASSY) and how they can utilize the community center to better serve the community.

SUBJECT: Draft Minutes of the Town Council Meeting of May 7, 2024

DATE: May 7, 2024

Mayor Badame closed public comment.

Council discussed the item.

MOTION: Motion by Council Member Ristow to approve West Valley Community Services, Counseling and Support Services for Youth (CASSY), and AWO as potential community service partners to provide their respective services at the interim community center. **Seconded by Council Member Moore.**

VOTE: Motion passed 4-1 by roll call vote. Vice Mayor Hudes voted no.

17. Discuss and Provide Direction on Outreach and Noticing Options for Senate Bill (SB) 330 Projects.

Jennifer Armer, Planning Manager, presented the staff report.

Mayor Badame opened public comment.

No one spoke.

Mayor Badame closed public comment.

Council discussed the item.

MOTION: Motion by Vice Mayor Hudes to amend the policy to state that whenever a pre-application or formal application for a development of three stories or more, including, but not limited to SB330 and Builder's Remedy application, is received or scheduled for a hearing, that neighbors within 1,000 feet will be notified and provided access to information in the visual renderings, signs, and the application itself. Further, if a project changes significantly, there will be re-notification. Fees will be recovered wherever possible. Notice will include a brief explanation of SB330 and current development process. **Seconded by Mayor Badame.**

VOTE: Motion passed unanimously by roll call vote.

18. Discuss and Provide Direction on Objective Design Standards.

Jennifer Armer, Planning Manager, presented the staff report.

Mayor Badame opened public comment.

No one spoke.

Mayor Badame closed public comment.

SUBJECT: Draft Minutes of the Town Council Meeting of May 7, 2024

DATE: May 7, 2024

Council discussed the item.

MOTION: Motion by Council Member Ristow to ask staff to look for a consultant, if necessary, and come back with objective standards for high-quality design. **Seconded by Council Member Moore.**

SUBSTITUTE MOTION: Motion by Vice Mayor Hudes to approach the existing consultant and ask for a proposal to work on high-quality building design, view standards, and architectural styles. **Seconded by Mayor Badame.**

VOTE: Substitute motion passed 3-2 by roll call vote. Council Members Moore and Ristow voted no.

MOTION: Motion by Council Member Moore to extend the meeting to 12:20 a.m. **Seconded by Mayor Badame.**

VOTE: Motion passed unanimously by roll call vote.

PUBLIC HEARINGS

19. Introduce an Ordinance Titled, “An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, ‘Zoning Regulations,’ Article I, ‘In General,’ Division 3 ‘Signs,’ of the Town Code Regarding Sign Regulations” as Recommended by the Planning Commission. The proposed amendments to the Town Code are not a project subject to CEQA [CEQA Guidelines Section 15061(b)(3)]. Town Code Amendment Application A-24-002. Project Location: Town Wide. Applicant: Town of Los Gatos.

Gabreille Whelan, Town Attorney, presented the staff report.

Mayor Badame opened public comment.

No one spoke.

Mayor Badame closed public comment.

Council discussed the item.

SUBJECT: Draft Minutes of the Town Council Meeting of May 7, 2024

DATE: May 7, 2024

MOTION: Motion by Council Member Ristow to Introduce an Ordinance Titled, “An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, ‘Zoning Regulations,’ Article I, ‘In General,’ Division 3 ‘Signs,’ of the Town Code Regarding Sign Regulations” in Attachment 3, as recommended by the Planning Commission, with the language the Town Attorney provided regarding removal regarding temporary signs relative to a specific event with the change from 15 days to seven days [Section 29.10.110 (15) In the last sentence replace the word “fifteen” with the word “seven”]. **Seconded by Council Member Hudes.**

VOTE: Motion passed unanimously.

20. Introduce an Ordinance Titled “An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, ‘Zoning Regulations,’ of the Town Code Regarding Senate Bill (SB) 9 For Modified Design Review Standards and Other Clarifying Revisions.” The Proposed Amendments to the Town Code are Not Considered a Project Under Section 15378 of the California Environmental Quality Act, and in Accordance with Government Code Section 66411.7(n) and 66452.21(g), SB 9 Ordinances are Not a Project Subject to the California Environmental Quality Act. Town Code Amendment Application A-24-003. Project Location: Town Wide. Applicant: Town of Los Gatos.

Ryan Safty, Associate Planner, presented the staff report.

Mayor Badame opened public comment.

Harini Chila

- Commented on concerns with inconsistency in the two-unit development fees and Accessory Dwelling Unit (ADU) standards and stated support for the revised step-back guidelines.

Mayor Badame closed public comment.

Council discussed concerns with requirements for screening mechanical equipment, prohibited materials, and step-backs.

MOTION: Motion by Vice Mayor Hudes to extend the meeting until 12:30 a.m. **Seconded by Council Member Moore.**

VOTE: Motion passed unanimously by roll call vote.

SUBJECT: Draft Minutes of the Town Council Meeting of May 7, 2024

DATE: May 7, 2024

MOTION: Motion by Council Member Ristow to introduce an Ordinance titled “An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, ‘Zoning Regulations,’ of the Town Code Regarding Senate Bill (SB) 9 For Modified Design Review Standards and Other Clarifying Revisions” with modifications to prohibit vinyl siding and plywood and to require the side setback for the second story to be nine feet regardless of where the first [story] setback is set. **Seconded by Council Member Moore.**

Associate Planner Safty clarified for the record the changes are to Section 29.10.630 (2)(i) to remove subsection 1 Exterior Foam Molding and subsection 4 Exterior Insulation Finishing System (EIFS); and Section 29.10.630 (2)(e) changing the step back to require a nine-foot side and rear setback for the second story.

VOTE: Motion passed unanimously by roll call vote.

MOTION: Motion by Mayor Badame to extend the meeting until 12:45 a.m. **Seconded by Council Member Moore.**

VOTE: Motion passed unanimously by roll call vote.

COUNCIL/TOWN MANAGER REPORTS

Council Matters

- Council Member Ristow stated she attended the Council Policy Committee and observed the Finance Commission meetings; met with Mark Robsen the developer for Belgatos site; met with Peter Norris the new Executive Director for the Los Gatos Terraces; attended the Jewish Community Center Challah Bake Event; and attended the Leadership Los Gatos graduation event and the Los Gatos Foundation for Older Adults to Thrive Monday morning monthly movie.
- Council Member Moore stated he attended a Passover Seder at Congregation Shir Hadash, the Community Police Academy graduation, the Leadership Los Gatos graduation event; spoke at the Relay for Life event in Cambrian; and attended the Power of Democracy event, the Life Moves luncheon, a meet and greet with Congressman Adam Schiff, an event at Daves Elementary School, and the grand opening of the new bookstore Beyond Text.
- Council Member Rennie stated he met with Rob Stump to discuss the Los Gatos Lodge development.
- Vice Mayor Hudes stated that in addition to the meetings already mentioned by other Council Members, he attended the NUMU ArtNow event and the Los Gatos Foundation for Older Adults to Thrive Monday morning monthly movie.
- Mayor Badame stated she attended Spring into Green event, the West Valley Mayors and Managers monthly meeting; celebrated Arbor Day by planting a tree at Los Gatos Parent Nursery School; attended a ribbon cutting at Aspire El Camino Health; gave a presentation at the NUMU ArtNow program; observed the Council Policy Committee meeting, Finance Commission meetings, a ribbon cutting for DAR Restaurant and Bar, a West Valley Clean

SUBJECT: Draft Minutes of the Town Council Meeting of May 7, 2024

DATE: May 7, 2024

Water Authority Board meeting; gave a presentation at the Leadership Los Gatos graduation event; and attended the Los Gatos Foundation for Older Adults to Thrive Monday morning monthly movie.

Manager Matters

- Announced the Town is moving forward with the adoption phase of the Housing Element and the Planning Commission will consider it on May 22, and Town Council consideration is tentatively scheduled for June 4.

CLOSED SESSION REPORT

Gabrielle Whelan, Town Attorney, stated the Town Council met in closed session to discuss appointment of an Interim Town Manager and no action was taken.

ADJOURNMENT

The meeting adjourned at 12:32 a.m.

Respectfully Submitted:

Jenna De Long, Deputy Town Clerk



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

ITEM NO. 3.

MEETING DATE: 05/21/2024

DATE: May 16, 2024
TO: Mayor and Town Council
FROM: Gabrielle Whelan, Town Attorney
SUBJECT: Adopt an Ordinance Titled, "An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, 'Zoning Regulations,' Article I, 'In General,' Division 3 'Signs,' of the Town Code Regarding Sign Regulations" as Introduced by the Town Council. The proposed amendments to the Town Code are not a project subject to CEQA [CEQA Guidelines Section 15061(b)(3)]. Town Code Amendment Application A-24-002. **Project Location: Town Wide.** Applicant: Town of Los Gatos.

RECOMMENDATION:

Adopt an Ordinance (Attachment 1) titled, "An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, 'Zoning Regulations,' Article I, 'In General,' Division 3 'Signs,' of the Town Code Regarding Sign Regulations" as introduced by the Town Council.

BACKGROUND:

The Town Council considered this ordinance for introduction at its April 2, 2024 meeting. A copy of the staff report for the April 2, 2024 meeting is available online.

At the April 2, 2024 meeting, the Town Council discussed the proposed 90-day time limit for the display of temporary signs. The Town Council was concerned that temporary signs would remain on display for too long a period. The Town Council expressed a preference that temporary signs, such as election signs, that are related to a specific event be required to be removed within a specified number of days from the event to which they pertain. Language was added to Section 29.10.110(15) to require the removal of temporary signs relating to a specific event within fifteen days after that event.

At its May 7, 2024 meeting, the Town Council requested that the fifteen-day period be reduced to seven days. The Town Attorney opined that the modification would be reasonable, and the Town Council voted to make that amendment to Section 29.10.110(15) and introduce the ordinance.

Reviewed by: Town Manager, Planning Manager, and Community Development Director

DISCUSSION:

The language of the proposed ordinance in Section 29.10.110(15) contains the Council's modification to require the removal of temporary signs relating to a specific event within seven days after the event.

A clean version of the revised ordinance proposed for adoption is provided as Attachment 1. If adopted by the Town Council, the ordinance will take effect 30 days after its adoption.

CEQA:

The proposed amendments to the Town's Sign Code are Exempt Pursuant to CEQA, Section 15061(b)(3), because it can be seen with certainty that they will not significantly affect the physical environment in that they make minor changes to the regulations applicable to temporary signs.

Attachment:

1. Sign Ordinance Proposed for Adoption

DRAFT ORDINANCE

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AMENDING CHAPTER 29, "ZONING REGULATIONS," ARTICLE I, "IN GENERAL," DIVISION 3, "SIGNS," OF THE TOWN CODE REGARDING SIGN REGULATIONS

WHEREAS, the Town's Sign Ordinance is codified at Sections 29.10.100 through 29.10.140 of the Town Code and was most recently amended in 1994; and

WHEREAS, since then, court decisions on the topic of the First Amendment and freedom of speech have been issued, including *Reed v. Gilbert*, 576 U.S. 155 (2015) in which the court overturned a local ordinance that imposed content-based sign regulations; and

WHEREAS, the Town's Sign Ordinance currently includes content-based regulations for several types of temporary signs; and

WHEREAS, the Town Council wishes to amend the Town Code to comply with State Law and make as minimal edits as possible; and

WHEREAS, the Planning Commission at its meeting on February 28, 2024, reviewed the proposed amendments to the Town Code regarding sign regulations and forwarded recommendations to the Town Council to revise the Ordinance which are incorporated below; and

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Los Gatos as follows:

The following sections of the Town Code are amended to read as follows:

SECTION I. Section 29.10.100, "Definitions," of the Town Code is amended to read as follows:

Section 29.10.100. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Abandoned sign means a sign located on a parcel of land or on a structure either of which is vacant for a period of ninety (90) days, a sign pertaining to a past occupant or business different from the present occupant of or business on the premises, a sign pertaining to a past event or any sign abandoned as the term is used in state law.

Arcade means a covered passageway with business establishments along at least one (1) side.

Attached sign means a sign which is affixed to and made an integral part of a building or structure. Attached signs include, but are not limited to wall signs, roof signs, and projecting signs, to distinguish them from freestanding and ground signs.

Attraction board is a sign constructed so that letters or other advertising material can be changed, and which relates to businesses or organizations which depend, on a large part, upon trade and attendance generated by temporary, independent and frequently changing events or showing, such as those engaged in providing live or filmed entertainment or sporting events.

Awning is synonymous with marquee.

Billboard means a sign, other than a directional sign, which directs attention to a business, commodity, service or entertainment conducted, sold or offered at a place other than where the sign is erected. Included are signs erected upon benches.

Bulletin board is a sign located on the same premises as a church, school, hospital, or public building, and allowing changeable messages.

Business frontage is that portion of a building which faces a street, parking lot, pedestrian mall, arcade or walkway. The primary business frontage is one which contains a customer entrance or which includes a glass-enclosed showroom facing the street. If a building has more than one (1) business frontage with a customer entrance, the property owner must designate one (1) of them as the primary business frontage. Unless otherwise stated, the phrase "business frontage" means "primary business frontage." All other business frontage is secondary frontage. As used in this section, "parking lot" means either a publicly owned and operated parking lot or a parking lot located on the same parcel as the business frontage.

Canopy is synonymous with marquee.

Conformance means the state of being in conformity with the provisions of this division, either because of reconstruction or modification pursuant to a sign permit, or because of removal or obliteration.

Construction sign is a sign located on a construction site during the course of construction, which identifies the architects, engineers, contractors, financiers or other persons and other individuals or firms involved with the construction, or announcing the building, enterprise or function for which the construction is intended.

Convenience sign is a sign which facilitates traffic flow and safety, not erected by a governmental agency, such as entrance-exit, caution, parking, right or left turns only, stop, drive-up window, or towaway zone.

Entity means any person and any distinct business enterprise even where adjacent business enterprises are owned or operated by a single person.

Erect means to construct, place, relocate, enlarge, alter, attach, suspend, paint, post, display, hang, or affix.

Face of a sign is the portion or portions of the exterior surface of a sign intended to or particularly adapted either to display an advertising message or to attract attention to the sign. The face of a sign is often the front, but may be any surface including a rear or blank portion. A

sign may have more than one (1) face and may be virtually all face. The fact that no message is imprinted on a portion of a sign does not necessarily prevent that portion from being a face, as in the case of a flat sign erected near and perpendicular to a street. Such sign would have two (2) faces even if one (1) were blank. In determining what constitutes a sign face, weight will be given to whether the particular aspect in question is readily viewable from public property or any premises other than those where the sign is erected, but a sign face may exist even where the face is visible only from some part of the premises where the sign is erected if the face is viewable from out-of-doors and the other elements of the definition of face are present. Usually, all of one (1) face is visible from one (1) point. Where, for example, several "boards" of a sign are erected on a single plane or parallel planes, they together comprise one (1) face, and are measured within a single perimeter, including the spaces between them.

Freestanding sign is a sign which is wholly or partly supported by a structural element which is not an integral part of a building.

Ground sign is a freestanding sign less than seven (7) feet high.

Height of a freestanding sign is the elevation above finished grade of the highest point of either the sign or the stand, poles, wall or other structure upon which it is mounted. Finished grade is the general finished ground surface where the sign is erected, not taking into account mounding or other alterations to the surface made in regard to the sign. However, where finished grade is below the elevation of the top of the curb on the frontage where the sign is erected, or if there is no curb below the elevation of the margin of the street surface, height is the elevation above the top of the curb, or at the margin of the street surface if there is no curb. The point on the curb or the margin of the street surface to be used as a base point for measurement is the point intersected by a line drawn perpendicular to the centerline of the street which intersects the center of the base of the sign.

Lot frontage means the property line of a lot abutting on a public street which affords access to the lot. In the case of a corner lot and other lots which are bordered on more than one (1) side by a street, lot frontage is the lot line in respect to which the business for which the sign is provided has its primary business frontage.

Marquee means a temporary or permanent structure attached to or supported by a building, designed for shelter over a pedestrian or vehicular way and which may or may not project over public property.

Neighborhood identification sign is a ground sign situated where a street enters a residential neighborhood, which serves only to identify the neighborhood.

Nonconforming sign is one which was lawfully erected but which does not comply with this division because of:

- (1) Annexation of territory to the Town;
- (2) Amendment to the zoning ordinance;
- (3) Rezoning, other than rezoning when the application for rezoning is made by or joined in by the owner of the real property where the sign is located.

However, a sign which was lawfully erected but which does not comply with this division because of:

- (1) Division of real property where the sign is located;
- (2) Alterations to any building on the lot or parcel where the sign is located; or
- (3) Rezoning, when the application for rezoning was made by or joined in by the owner of the real property where the sign is located;

is not a nonconforming sign. A sign may be a nonconforming sign because of a single characteristic, such as height or brightness, correction of which may result in conforming status for the sign, or a new amortization date. This section does not list all classes of signs which are not nonconforming signs.

Off-premises sign is any sign not located on the same parcel as the entity it advertises.

Pedestrian directional sign is an on-premises sign which shows the direction to or location of a customer entrance to a business.

Portable sign is a sign which is movable, not structurally attached to the ground, nor to a building, structure, or sign. "A"-frame and sandwich signs are portable signs.

Projecting sign is any sign erected on the wall of a building or structure, or suspended from an overhang, with display surfaces generally not parallel to the wall.

Roof sign is an attached sign erected on a roof or projecting above the eave or rake of a building or coping of a parapet. A sign erected on top of a canopy, arcade, awning or marquee is a roof sign.

Sign is any thing, or element of a thing, located out of doors or in a place where it is visible from out of doors, created, adapted, or installed, by a person for the primary and apparent purpose of communicating a message, and may include supports, standards and fixtures. A color scheme or special lighting effect on the exterior of a building is a sign where the placement of the colors or lighting effect in relation to the building create a primary effect of advertising. Exceptions:

- (1) Merchandise on display is generally not a sign because merchandise is ordinarily possessed for the primary purpose of permitting sales from stock on hand. A merchandise display located at a distance from the point of sale or displayed in the unusual manner might constitute a sign.
- (2) A structural element of a building or the supports, standard, or fixtures of a sign would not be a sign where the element is related to reasonable structural necessity, and the circumstances show that the element is not intended to be identified by viewers with the sale or promotion of goods or services.
- (3) Nighttime, white illumination, within reasonable brightness limitations, of a building or of merchandise is not of itself a sign, where the result is only to make visible without undue emphasis that which can be seen in the daytime.

Sign area is the total area of the face or faces of a sign. Each face is measured by determining the smallest area within a single perimeter composed of not more than eight (8) straight lines drawn by the applicant enclosing the extreme limits of the face. Where a sign consists of letters or symbols on a wall, the wall is not designed so that one (1) of its main purposes is to support a sign, and the sign's background is an indistinguishable part of a wall. For the purposes of measurement a six-inch margin around all of the words and symbols will be included in the perimeter composed of not more than eight (8) straight lines.

Sign permit is the permit issued by the Planning Director to evidence approval by any of the bodies or person authorized by this division to erect a sign.

Temporary sign is a sign, usually constructed of cloth or fabric, cardboard, wallboard, wood or other light materials, intended to be displayed for fewer than 90 days or a short period of time as set forth elsewhere in this Division. Examples of temporary signs are yard signs, for sale signs, for rent signs, flags, balloons, and banners.

Time and temperature sign is a sign which shows time and/or temperature and which contains no advertising.

Vehicular directional sign is an off-premises sign which shows the direction to or location of a use or activity.

Wall is a surface which has a slope steeper than one (1) foot horizontal to two (2) vertical.

Wall sign is a sign erected on a wall or fascia of a building or structure (other than a structure, one (1) of whose main purposes is to support a sign), the face of which is generally parallel to the wall or fascia and all of which is below the coping of the parapet, below the rake, the top of the fascia, the eave line, or in any event, below the top of the structure. A sign which meets the definition of this section but is erected between posts, pillars, or columns which support a roof or second story, rather than on a wall, is also a wall sign. A sign which is erected on and incidental to a freestanding wall or fence, including any gateway portion of a wall or fence, is also a wall sign.

Window sign is a sign which is displayed in or through a window, is less than twenty-four (24) inches inside glass, and is visible from a street, walkway, parking lot, or pedestrian plaza, any of which is accessible to the public.

Yard sign is a temporary freestanding sign that is supported by a frame, pole, or other structure placed directly in or upon the ground on private property.

SECTION II. Section 29.10.105, "Generally," of the Town Code is amended to read as follows:

Section 29.10.105. Generally.

- (a) *Application.* The regulations in this Division apply to all signs in all zones. Regulations of the number and area of signs refer to the signs allowed on a parcel, except where the regulations prescribe the number and area of signs allowed on a business frontage.

(b) *Intent.* The intent of this Division is as follows:

- (1) The Town is a predominantly residential community of natural beauty, distinctive architecture and historic character. The economic stability of the Town is dependent upon its high quality and Town-oriented, commercial and residential environment. Unregulated and uncontrolled erection and maintenance of advertising structures tends to create a garish and gaudy atmosphere which is not in harmony with the character and environment of the business or residential community.
 - (2) The purpose of a sign is to inform the general public that a business enterprise and function exists in the Town.
 - (3) This Chapter recognizes the right of the public to be directed, warned, advised, and informed; and also recognizes the economic need for a sign to function as a means of identification, expression of business character, and positive notification of product and service availability for consumption.
 - (4) This Chapter regulates the location, height, width, shape, proportion, design, illumination and construction (except as provided by building codes) of signs for the purpose of insuring that they are architecturally compatible with the planned image of the Town.
 - (5) The purpose of this Chapter is to assist in the continuation of existing and introduction of new commercial activities in architectural harmony with the existing and planned Town, to take advantage of the unusual character of the Town and to encourage proper maintenance and rehabilitation of real property. To accomplish this:
 - a. Local public values must be balanced with general public rights and economic functions related to signs.
 - b. The size of a sign must be prevented from overpowering its surroundings or becoming a determinant factor in consumer evaluation of competitive enterprises.
 - c. The shape of a sign must not conflict with the architectural lines of its setting.
 - d. A sign must be prevented from overpowering its surroundings through hue, saturation, and brilliance or close combination of incompatible colors.
 - e. Normal maintenance and speedy repair is required for all signs.
- (c) *Permits.* Sign permits must be obtained before erection of all signs, except as provided by section 29.10.110. A building permit may be required by another ordinance.
- (d) *Variances.* The provisions of this Chapter concerning variances are not available to modify the terms of this division.
- (e) *Authority to erect.* No sign shall be erected without the express permission of the landowner. A lease to a lessee would be sufficient evidence of the authority to erect a sign.

- (f) *Noncommercial Signs.* Notwithstanding any provision of this Section, signs containing noncommercial speech are permitted anywhere that advertising or business signs are permitted, subject to the same regulations applicable to such signs.

SECTION III. Section 29.10.110, “Exceptions,” of the Town Code is amended to read as follows:

Section 29.10.110. Exceptions.

A sign permit is not required for the signs described in this Section. The number and area of these signs are regulated only by this Section and they are allowed in addition to signs of other classes.

- (1) *House numbers, traffic, etc.* House numbers, street names, signs warning against danger, railroad crossing signs, authorized traffic or parking signs and rural delivery boxes.
- (2) *Nameplates.* Nameplates having an area not over one and one-half (1½) square feet, affixed flat against the wall of a building, which only show the name or address of a person or persons or entity occupying the area, up to a limit of six (6) plates per building.
- (3) *Building directories.* Building directories for buildings with more than six (6) tenants, the sign having an area not over nine (9) square feet, affixed flat against the wall of a building, which only show the name or address of the persons or entities occupying the building.
- (4) *Plaques.* Solid metal plaques or cut inscriptions, either erected by recognized historical agencies, or which show names of buildings and dates of erection, provided the sign does not exceed four (4) square feet in area.
- (5) *Temporary Sign.*
 - a. On Fence or Building. One (1) nonilluminated sign on each street frontage for any fence or building where the sign is located, provided the sign does not exceed twelve (12) square feet in area if the sign is in a commercial, professional or industrial zone, or six (6) square feet in area if the sign is in a residential zone. This exception is only available when all or part of the premises is actually available for sale or lease.
 - b. At Intersection or on Parcel. Nonilluminated, off-site, portable signs are permitted, unlimited in total number, but limited to one (1) double-faced sign per corner of an intersection or parcel. The signs shall not exceed an area of one (1) square foot per face and shall not be more than four (4) feet high. Prior permission shall be obtained from the property owner if the sign is to be placed on a privately owned parcel. The signs shall be removed each day. Such signs are an exception to the rule prohibiting off-premises signs and signs on public property.
- (6) *Interior signs.* Signs in the interior of a building, enclosed lobby or court, not visible from the outside and signs not visible from off the premises.

- (7) *Convenience signs.* Convenience signs not exceeding two (2) square feet in area providing directions only. Exception: Hospital emergency signs may be as large as four (4) square feet and may be illuminated.
- (8) *No trespassing signs.* "No trespassing" or "no dumping" signs not exceeding three (3) square feet in area.
- (9) *Window signs.* Window signs not exceeding twenty-five (25) percent of the window area.
- (10) *Parking signs.* Not more than one (1) parking control sign for each parking entrance, not exceeding an area of two (2) square feet. Parking control signs may contain the name(s) of the business(es) controlling the parking lot.
- (11) *Public notices and warnings.* Notices posted by a public officer in the performance of a public duty, or by any person for the purpose of giving legal notice, and warning or informational signs required or authorized by governmental regulations.
- (12) *Recycling and vending facilities.* Recycling and vending facility signs shall not exceed two (2) square feet, plus one (1) square foot for every one hundred (100) square feet of facility or machine in excess of one hundred (100) total square feet of floor area.
- (13) *Other public agency signs.* Street signs, traffic signs, emergency warnings, and the like erected by a public agency.
- (14) *Special event signs.* Any sign permitted by a special event permit issued under Article X of Chapter 14 of this Code.
- (15) *Temporary signs.* With the exception of yard signs, any number of temporary signs, either freestanding or attached, is permitted, limited to a total sign area not exceeding six (6) square feet in residential zones and eighteen (18) square feet in other zones. There is no limit on the number of yard signs, but no yard sign shall exceed six square feet in size. All persons who erect temporary signs, including yard signs, or who own or control the premises where temporary signs are erected, are jointly and severally responsible to remove such signs after ninety (90) days or as otherwise set forth in this Division. Temporary signs relating to an event, such as an election, shall be removed within seven (7) days after the event.

SECTION IV. Section 29.10.115, "Prohibited signs," of the Town Code is amended to read as follows:

Section 29.10.115. Prohibited signs.

Except as otherwise provided in this Chapter, the signs described in this Section are prohibited.

- (1) *Lighted signs.* Lighted signs that flash on and off, fluctuate or appear to move.
- (2) *Moving signs.* Signs that rotate or move in any fashion, except barber poles.

- (3) *Excessively bright signs.* Lighted signs whose brightness is detrimental to the reasonable enjoyment of surrounding property or are a traffic hazard.
- (4) *Obstructing signs generally.* Signs which prevent free use of a door, window or fire escape, or obstruct the view from any living area in the building to which the sign is attached.
- (5) *Signs obstructing standpipes, etc.* Signs attached to a standpipe or fire escape.
- (6) *Signs obstructing traffic devices.* Signs located so as to obstruct the view of a traffic sign, signal, or device.
- (7) *Confusing signs.* Signs which might be mistaken for or confuse the viewers of a traffic light or a signal.
- (8) *Posters.* Placards, posters, announcement and similar signs erected on any fence, pole, tree, pavement, wall, bus stop, bench, or any other object in a public thoroughfare, except those of an official nature as provided in Section 29.10.110(11).
- (9) *Portable signs.* Portable signs and signs erected on parked vehicles or trailers, when such vehicles or trailers are parked in such a location or manner that it is clear the intention is to advertise the services of a business.
- (10) *Freeway signs.* Signs erected for the dominant purpose of being seen by travelers on a freeway.
- (11) *Off-premises signs.* Off-premises signs, except those authorized by sections 29.10.110(5), (15), 29.10.120(2), (4), and 29.10.130(1).
- (12) *Indecent signs.* Signs containing matter which is obscene under State law.
- (13) *Projected light signs.* Signs which are flashed or projected onto walls or other structures by means of a projector or other device.
- (14) *Billboards.* Any billboard sign.
- (15) *Temporary signs in Portions of the Public Right of Way.* Temporary signs in the median of the public right of way or the portion of the right of way between the road and the sidewalk.
- (16) *Unauthorized signs.* Any sign not specifically authorized in Sections 29.10.110, 29.10.120 and 29.10.130.

SECTION V. Section 29.10.120, "Temporary signs," of the Town Code is amended to read as follows:

Section 29.10.120. Temporary Signs Requiring Permits.

Every sign described in this Section, regardless of the manner of its construction, is a temporary sign. The number and area of such signs are regulated only by this Section and are in addition to the allowed number and area for other classes of signs.

- (1) *On Premises Sign Erected by Business.* Temporary signs erected on premises of a business are permitted for up to forty-five (45) calendar days. The total area of temporary signs may be equal to or less than the total sign area permitted for the business by Section 29.10.135. The permit shall state the maximum sign area allowed and the date the sign is to be removed as set by the erector or this Chapter, whichever is more restrictive.
- (2) *On Premises of Subdivision.* Nonilluminated, on-site signs on property which has received subdivision or development approval from the Town, from that approval until issuance of a building permit for the last lot to be sold or completion of the development project, are permitted, limited to one (1) double-faced sign not exceeding an area of twenty-five (25) square feet per face, placed at a right angle to the street, or two (2) single-faced signs not exceeding an area of twenty-five (25) square feet each placed parallel to a street. The signs shall not be more than fifteen (15) feet high and shall be erected at least fifteen (15) feet from a street right-of-way line. Up to four additional signs are permitted in residential subdivisions. Additional signs shall have an area not exceeding three (3) square feet, nor a height of more than four (4) feet. One off-premises signs erected by subdividers which are not located on a major arterial street as defined by the Town general plan is permitted. The sign shall not exceed eighteen (18) square feet in area, shall not be more than fifteen (15) feet high and shall be erected at least fifteen (15) feet from a street right-of-way line and shall be in a commercial or industrial zone. Such signs may be erected for up to 90 days. Off-premises signs erected by subdividers are an exception to the rules prohibiting billboards and off-premises signs.
- (3) *Sign Erected on Commercial, Office, or Industrial Development for Sale or Lease.* One (1) single-faced sign on property for sale or lease of a commercial, office, or industrial development to be built in the future. The sign shall not have an area exceeding twenty (20) square feet, shall not be more than fifteen (15) feet high, and shall be erected parallel to a street, at least fifteen (15) feet from a street right-of-way line. The sign shall not be erected for over 90 days.
- (4) *Sign Erected by Special Event Sponsor.*
 - a. Subject to the conditions of this Section, a permit may be issued to the sponsor of a civic, political, charitable, cultural, recreational, educational or religious event as follows:
 - (i) An event in town sponsored by a non-profit organization; or
 - (ii) An event sponsored by a non-profit organization with its principal business address in Town; or
 - (iii) An event sponsored by a public school; or
 - (iv) An event sponsored by a non-profit organization to which the Town contributes funds; or
 - (v) An event co-sponsored by the Town.

- b. If a non-profit organization's event does not qualify under subsection (a), the non-profit organization may submit an application to the Town Planning Director for a temporary sign if the organization can demonstrate to the satisfaction of the Planning Director that the event will occur within Santa Clara County and the proceeds from the event will be used to benefit residents of Los Gatos. The Planning Director shall review the application and determine whether to grant the application based upon whether the proceeds from the event will benefit residents of Los Gatos. If the Director denies the application, the applicant may appeal the decision to the Town Council within ten (10) days of the Director's decision.
- c. Application. The event sponsor shall submit an application with applicable fee to the Planning Director. The application shall specify the proposed location for each sign for which approval is requested, a calculation of the total sign area proposed and permitted under section 29.10.135, and a description of the sign material and means of posting proposed.
- d. Conditions of approval.
 - (i) The sign may not be erected more than fourteen (14) days prior to the event and shall be removed within twenty-four (24) hours after the event.
 - (ii) The sign shall be no larger than permitted under section 29.10.135.
 - (iii) No more than a total of three (3) signs per event sponsor shall be allowed in the Town. Within this limit of three (3) signs, the following restrictions apply:
 - A. Except as provided under subsection (B) below, no more than one sign per event shall be permitted in the Downtown Area.
 - B. No more than one sign shall be permitted at the event site. Should the event have a number of locations or not have a fixed location, the event site sign shall be placed within five hundred (500) feet of the beginning or end of the event. Should the event site be located within the Downtown Area, the sign at the event site shall not count against the limitation imposed by subsection (A) above.
 - (iv) Event signs shall be secured at all four (4) corners to avoid flapping.
 - (v) No temporary structure may be erected for the purpose of displaying an event sign.
- e. General restrictions.
 - (i) No more than three (3) event signs in total shall be permitted at any one time within five hundred (500) feet of any intersection in Town.
 - (ii) The square footage of an event sign shall not exceed the calculation of total sign area permitted under Section 29.10.135.

- (iii) No more than one sign is permitted on any one property at one time.
- f. For purposes of this section, "non-profit organization" is defined as:
 - (i) A non-profit corporation existing under Division 2 of Title 1 of the Corporations Code; or
 - (ii) A non-profit association as defined in Corporations Code Section 21000; or
 - (iii) A non-profit corporation existing under the laws of another state governing non-profit corporations and which is permitted to do business in California under California law.
- g. For the purposes of this section, Downtown Area means the C-2 zone.
- (5) *Signs on construction sites.* On parcels of under one acre, one (1) nonilluminated sign of not more than thirty-two (32) square feet in total area at each street frontage during the time of construction or remodeling of the property. On parcels of one acre or more, one (1) nonilluminated sign of not more than sixty-four (64) square feet in total area at each street frontage during the time of construction or remodeling of the property. No construction sign shall be erected prior to the issuance of a building permit, and each shall be removed as soon as a certificate of use and occupancy is issued.

SECTION VI. Section 29.10.135, "Zone regulations," of the Town Code is amended to read as follows:

Section 29.10.135. Zone regulations.

- (a) *Scope.* This Section specifies the signs which may be erected in each zone, other than signs which by the express provisions of this Chapter may be erected in all zones. Except where this Section specifies, nonconforming uses shall have only those signs allowed for the zone and not signs which might otherwise be allowed for similar uses in other zones.
- (b) *Residential zones.* In residential zones (defined by Section 29.40.010) the following signs may be erected:

Land Use			Class of Sign	Number of Signs	Total Area
1.	Multiple Family Developments:				
	a.	Less than 10 units	wall signs	one per lot frontage	18 sq. ft.
	b.	10 units or more	wall signs	one per lot frontage	24 sq. ft.
2.	Authorized Nonresidential Uses (including recreational activities, schools, churches, public utilities, lawful nonconforming uses, etc.)		ground signs	one per parcel	24 sq. ft.
			wall signs	one per lot frontage	24 sq. ft.
3.	Neighborhood Identification Signs (only for neighborhoods with an area of 3 acres or more)		ground signs	number and location subject to determination by the deciding body	24 sq. ft.

- (c) *Nonresidential zones.* The rules for nonresidential zones (defined by Section 29.50.010) are specified in this Section, and by number in the following list, table and footnotes. Rules 1 and 2 govern the calculation of the area of attached signs for each entity. Rules 3 through 9 govern the calculation of the total area of all signs for each parcel. The following paragraph applies to all nonresidential zones. The numbered rules apply only where the table so indicates. The maximum sign area for attached signs on any frontage may not exceed the area derived from the calculation for that frontage. Attached signs may be erected on any wall of the building, however, the area of a sign on a wall that is not a business frontage may not exceed twenty-five (25) percent of the sign area predicated on the primary business frontage. In addition, signs cannot be erected on a nonbusiness frontage wall if the parcel is contiguous to a residential zone and if the wall faces that zone.

- (1) Allowed sign area is one (1) square foot for each lineal foot of primary business frontage plus one (1) square foot for each lineal foot of secondary business frontage provided that the sign area generated by each secondary business frontage cannot exceed fifty (50) percent of the sign area generated by the primary business frontage.
- (2) Allowed sign area is one (1) square foot for each lineal foot of primary business frontage plus one-half square foot for each lineal foot of secondary business frontage.
- (3) For vehicle sales the area of freestanding signs is not restricted by any rule limiting total sign area on the parcel.
- (4) The total area of all signs on a parcel shall not exceed one (1) square foot of sign area for each lineal foot of lot frontage.
- (5) The total area of all signs on a parcel is limited to the area derived from the business frontage calculation.
- (6) For shopping centers the area of a ground sign is not restricted by any rule limiting total sign area on the parcel.
- (7) For shopping centers the area of a freestanding sign is not restricted by any rule limiting total sign area on the parcel.
- (8) The area of time and temperature signs is not restricted by any rule limiting total sign area.
- (9) The area of any attraction board shall be included in the calculation of the area of signs of the same class and in the calculation of the total area of signs on a parcel.

TABLE OF SIGN REGULATIONS

ZONES	O	C-1	C-2	CH	LM	CM
ATTACHED SIGNS					(Maximum Area 100 sq. ft./sign)	
Wall	X	X	X	X	X	X
Roof		X	X	X		
Projecting		X	X	X		
Suspended from a Marquee (limited to one per entity)	X	X	X	X		
Formulas for Area Calculations	Rule 1	Rules 1 & 8	Rules 2 & 8	Rule 1	Rule 1	Rule 1
TIME & TEMPERATURE SIGNS (limited to one per zoning plot)						
Area per Face (sq. ft.)		12	12	12		
Total Area (sq. ft.)		24	24	24		
GROUND SIGNS (limited to one per zoning plot except in the O and CM District - See Note 3)		See Note 1				
Area per face (sq. ft.)	16	20	16	20	20	20
Total Area (sq. ft.)	32	40	32	40	40	40
May be used as a Tenant Directory	X		X		X	X
FREESTANDING SIGNS (limited to one per zoning plot except in the CH District - See Note 2)		For shopping centers only		FIRST SIGN	SECOND SIGN See Note 2	
Area per Face (sq. ft.)		50		125	75	
Total Area (sq. ft.)		100		250	150	
Height (ft.)		15		25	20	
ATTRACTION BOARDS		X	X	X		
Rules for Calculating Total Sign Area of Zoning Plot	Rule 4	Rules 5, 6, 7, 8 & 9	Rules 5, 6, 8 & 9	Rules 3, 5, 8 & 9	Rule 4	Rule 4
<p><u>Note 1:</u> Shopping centers may have a ground sign in addition to a freestanding sign if the center has more than one lot frontage.</p> <p><u>Note 2:</u> Zoning plots which exceed one acre and have more than one lot frontage may have an additional freestanding sign.</p> <p><u>Note 3:</u> Zoning plots which have a lot frontage exceeding 300 feet may have a ground sign for each 300 feet of frontage or fraction thereof.</p>						

- (d) *Planned development overlay zone.* The signs shown on the official development plan referred to in Division 2 of Article VIII of this Chapter may be erected in the PD zone.

SECTION VII. Section 29.10.140, "Nonconforming signs," of the Town Code is amended to read as follow

Section 29.10.140. Nonconforming signs.

- (a) *Scope.* This section regulates the use and removal of nonconforming, unlawful, and abandoned signs.
- (b) *Modifications to nonconforming signs.* The following modifications to nonconforming signs are allowed:
- (1) Changes in sign copy.

- (2) Modifications that reduce the extent to which the sign does not comply with this chapter.

No modification of a nonconforming sign shall have any effect on the length of the amortization period for the sign.

- (c) *Record of nonconforming signs.* The Planning Director shall prepare a list of all signs in the Town which are nonconforming signs.
- (d) *Mailing of notices.* The Planning Director shall mail a notice by certified return receipt mail to the occupant business, if known, and to the owner (as shown on the last equalized assessment roll) of the land where each nonconforming sign is located. The notice shall contain:
 - (1) A description of the land where the sign is located and a description of the sign, both in terms reasonably sufficient for the owner to identify the sign.
 - (2) A statement that the sign is a nonconforming sign.
 - (3) The applicable date for removal of the sign under the provisions of subsection (f).

Information concerning more than one (1) sign, and information concerning separate amortization dates for different characteristics of one (1) or more single signs, separately stated, may be included in a single notice. If the Planning Director subsequently learns that for any reason notice has not been given in a timely manner, or that notice given is defective in any way, the Planning Director shall promptly mail a proper notice to the occupant and owner, even if the regular time for notification has expired. Notice mailed after the time required by this subsection meets the requirements of subsection (e) and is effective to start the time period provided in subsection (f).

- (e) *Effect of mailing of notices.* Notice mailed as provided in subsection (d) is deemed to be notice to the owners of nonconforming signs and to all persons having any right, title or interest therein. The mailing of notices is intended as a convenience to sign owners. However, no failure to give notice shall invalidate any proceeding to enforce this chapter to abate any sign, or to punish any sign violation.
- (f) *Duration of nonconforming signs.* A nonconforming sign which becomes nonconforming shall be a nonconforming sign for the applicable period shown on the following schedule:
 - (1) Painted on wall signs, excessive brightness of signs, roof signs, signs suspended from a marquee: two (2) years.
 - (2) Freestanding signs, wall signs, projecting signs and all signs not otherwise specified in this section: five (5) years.
 - (3) Signs where total area of all signs on a building or parcel exceed permitted area: five (5) years.
- (g) *Notification and other procedures concerning subsequent nonconforming signs.* Within six (6) months of the date when a sign described in subsection (f) becomes a nonconforming sign, the Planning Director shall add the sign to the list of nonconforming signs and mail

notices in the manner specified in subsection (d), and such notices shall have the same effects as the notices provided for other nonconforming signs.

- (h) *Extension of nonconforming sign status.* During the deliberations on the provisions of this Chapter concerning signs, it was determined that this chapter should not include provisions for granting extensions of nonconforming status since the basic periods for nonconforming status were extended by the same number of years originally proposed for allowable extension.
- (i) *Removal of unlawful signs.* Any sign erected or maintained contrary to the provisions of this Division or any other ordinance of the Town including unlawfully erected signs, and formerly nonconforming signs whose nonconforming status has terminated, is in its entirety an unlawful sign. The provisions of Sections 29.20.950 and 29.20.955 are applicable to unlawful signs, and to those who erect or maintain them.
- (j) *Abandoned signs.* The owner must have all copy removed from an abandoned sign and the sign shall remain blank until a new entity has occupied the premises. Further, if any sign has been abandoned for a period of one (1) year the owner shall remove the sign and any appurtenant structures.
- (k) *Maintenance.* All signs shall be maintained and kept in repair and shall be painted and repainted at reasonable intervals. If the owner fails to comply, after ten (10) days' written notice by the Planning Director, or duly appointed deputy, to so maintain such signs, the Planning Director shall have the sign removed at the owner's expense.

(Ord. No. 1316, §§ 3.39.010—3.39.070, 6-7-76; Ord. No. 1380, 1-23-78)

SECTION VIII. Severability.

In the event that a court of competent jurisdiction holds any Section, subsection, paragraph, sentence, clause, or phrase in this Ordinance unconstitutional, preempted, or otherwise invalid, the invalid portion shall be severed from this Section and shall not affect the validity of the remaining portions of this Section. The Town hereby declares that it would have adopted each Section, subsection, paragraph, sentence, clause, or phrase in this Section irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses or phrases in this Section might be declared unconstitutional, preempted, or otherwise invalid.

SECTION IX. CEQA.

Adopting this Ordinance is not a project subject to CEQA because it can be seen with certainty that it will not impact the environment (CEQA Guidelines Section 15378).

SECTION X. Publication.

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. The Town Council hereby directs the City Clerk to cause this Ordinance or a summary thereof to be published or posted in accordance with Section 36933 of the Government Code of the State of California.

SECTION XI. Effective Date.

This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the 7th day of May 2024, and adopted by the Town Council of the Town of Los Gatos at its regular meeting on the ____ day of ____ 20 , by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

ITEM NO. 4.

MEETING DATE: 05/21/2024

DATE: May 14, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt an Ordinance Titled "An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, 'Zoning Regulations,' of the Town Code Regarding Senate Bill (SB) 9 For Modified Design Review Standards and Other Clarifying Revisions." The Proposed Amendments to the Town Code are Not Considered a Project Under Section 15378 of the California Environmental Quality Act, and in Accordance with Government Code Section 66411.7(n) and 66452.21(g), SB 9 Ordinances are Not a Project Subject to the California Environmental Quality Act. Town Code Amendment Application A-24-003. Project Location: Town Wide. Applicant: Town of Los Gatos.

RECOMMENDATION:

Adopt an Ordinance (Attachment 1) titled "An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, 'Zoning Regulations,' of the Town Code Regarding Senate Bill (SB) 9 For Modified Design Review Standards and Other Clarifying Revisions."

DISCUSSION:

On May 7, 2024, the Town Council considered and voted unanimously to introduce an Ordinance amending Chapter 29 (Zoning Regulations) of the Town Code regarding SB 9 with specific modifications. Adoption of the attached Ordinance (Attachment 1) would finalize this decision and includes the modifications requested by the Town Council described below.

The Town Council motion included specific modifications to remove the five-foot second-story step-back requirement for SB 9 units within Town Code Section 29.10.630(2)(e) and replace it with a nine-foot internal side and rear setback for the second story of a two-unit development. Additionally, the Town Council motion included a modification to remove exterior foam molding and Exterior Insulation Finishing Systems (EIFS) from the four prohibited exterior materials as recommended by Planning Commission. These modifications are reflected in Town Code Section 29.10.630(2)(i) of the Ordinance for adoption in Attachment 1.

PREPARED BY: Ryan Safty
Associate Planner

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Community Development Department Director

ENVIRONMENTAL ASSESSMENT:

The proposed amendments to the Town Code are not considered a project under Section 15378 of the California Environmental Quality Act. Additionally, in accordance with Government Code Section 66411.7(n) and 66452.21(g), SB 9 Ordinances are not a project subject to the California Environmental Quality Act.

Attachment:

1. Ordinance for Adoption

DRAFT ORDINANCE

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
AMENDING CHAPTER 29, "ZONING REGULATIONS," OF THE TOWN CODE
REGARDING SENATE BILL (SB) 9 FOR MODIFIED DESIGN REVIEW STANDARDS
AND OTHER CLARIFYING REVISIONS**

TOWN CODE AMENDMENT APPLICATION A-24-003

**PROPERTY LOCATION: TOWN WIDE
APPLICANT: TOWN OF LOS GATOS**

WHEREAS, the Town of Los Gatos (Town) has adopted a General Plan to ensure a well-planned and safe community; and

WHEREAS, protection of public health, safety, and welfare is fully articulated in the General Plan; and

WHEREAS, State law requires that the Town's Zoning Code conform with the General Plan's goals and policies; and

WHEREAS, in 2021, the California Legislature approved, and the Governor signed into law Senate Bill (SB) 9, which among other things, adds Government Code Sections 65852.21 and 66411.7 to impose new limits on local authority to regulate two-unit housing developments and urban lot splits; and

WHEREAS, SB 9 requires the Town to provide for the ministerial (or "by right") approval of a housing development containing no more than two residential units of at least 800 square feet in floor area (two-unit housing development) and a parcel map dividing one existing lot into two approximately equal parts (urban lot split) within a single-family residential zone for residential use; and

WHEREAS, SB 9 eliminates discretionary review and public oversight of proposed housing developments containing no more than two residential units by removing public notice and hearings by the Development Review Committee or Planning Commission, by authorizing only administrative review of the project, and by requiring ministerial approval of a two-unit housing development that meets objective standards; and

WHEREAS, SB 9 eliminates discretionary review and public oversight of the proposed subdivision of one lot into two parcels by removing public notice and hearings by the Development Review Committee or Planning Commission, by requiring only administrative review of the project, and by providing ministerial approval of an urban lot split, and also authorizes local agencies to adopt an ordinance allowing for up to a 24-month additional map extension, for the use of an approved or conditionally approved Tentative Parcel Map; and

WHEREAS, SB 9 exempts SB 9 projects from environmental review as required by the California Environmental Quality Act (CEQA), by establishing a ministerial review process without discretionary review or a public hearing; and

WHEREAS, SB 9 allows the Town to adopt objective zoning and subdivision standards for two-unit housing developments and urban lot splits; and

WHEREAS, the Town desires to amend its local regulatory scheme to comply with and implement Government Code Sections 65852.21 and 66411.7 and to appropriately regulate projects under SB 9; and

WHEREAS, on November 15, 2022, Town Council adopted Ordinance 2334 to regulate SB 9 projects within the Town; and

WHEREAS, at the February 13, 2024, Strategic Priorities meeting, Town Council voted to include a request for a modification to the second-story step-back requirement for SB 9 units (Section 29.10.630.(2)(e) of Ordinance 2334) within the Town's upcoming Strategic Priorities for ordinance amendments; and

WHEREAS, the Planning Commission at its meeting on April 10, 2024, reviewed the proposed amendments to the Town Code regarding SB 9 second-story step-back requirements and other clarifying revisions as recommended by staff, held a public hearing, and forwarded a recommendation of approval to the Town Council with recommended modifications related to prohibited exterior materials and screening requirements for ground-mounted mechanical equipment; and

WHEREAS, this matter was regularly noticed in conformance with State and Town law and came before the Town Council for public hearing on May 7, 2024; and

WHEREAS, on May 7, 2024, the Town Council accepted the report of the Planning Commission's recommendation of approval for the proposed amendments to the Town Code regarding SB 9, held a public hearing, and voted to introduce the Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Los Gatos as follows:

SECTION I. Section 29.10.600, "Purpose and Applicability," of Division 10., "Two-Unit Housing Development and Urban Lot Splits," of Chapter 29, "Zoning Regulations," is amended to read as follows:

The Town Council finds and determines that this Division is applicable only to voluntary applications for two-unit housing developments and urban lot splits consistent with Senate Bill (SB) 9. Owners of real property or their representatives may continue to exercise rights for

property development in conformance with the Zoning Code and Subdivision Code. Development applications that do not satisfy the definitions for a two-unit housing development or an urban lot split provided in Section 29.10.610 (Definitions) shall not be subject to this Ordinance. Any provision of this Division which is inconsistent with SB 9 shall be interpreted in a manner which is the most limiting on the ability to create a two-unit housing development or urban lot split, but which is consistent with State law. The provisions of this Division shall supersede and take precedence over any inconsistent provision of the Town Code to the extent necessary to effect the provisions of this Division.

SECTION II. Section 29.10.610, “Definitions,” of Division 10., “Two-Unit Housing Development and Urban Lot Splits,” of Chapter 29, “Zoning Regulations,” is amended to read as follows:

In addition to definitions contained in Chapter 24 (Subdivision Regulations) and Chapter 29 (Zoning Regulations), the following definitions apply for purposes of this Division. Where a conflict may exist, the definitions in this Division shall apply.

Acting in concert means persons, as defined by Government Code Section 82047, as that section existed on January 1, 2022, acting jointly to pursue development of real property whether or not pursuant to a written agreement and irrespective of individual financial interest.

Addition means any construction which increases the size of a building or facility in terms of site coverage, height, length, width, or gross floor area.

Adjacent parcel means any parcel of land that is: touching the parcel at any point; separated from the parcel at any point only by a public right-of-way, private street or way, or public or private utility, service, or access easement; or separate from another parcel only by other real property which is in common ownership or control of the applicant.

Alteration means any construction or physical change in the arrangement of rooms or the supporting members of a building or structure or change in the relative position of buildings or structures on a site, or substantial change in appearances of any building or structure.

Car-share vehicle means a motor vehicle that is operated as part of a regional fleet by a public or private car sharing company or organization and provides hourly or daily service.

Common ownership or control means property owned or controlled by the same person, persons, or entity, or by separate entities in which any shareholder, partner, member, or family member of an investor of the entity owns ten percent or more of the interest in the property.

Entry feature means a structural element, which leads to an entry door.

Existing structure means a lawfully constructed building that has received final building permit clearance.

First residential unit means one of two primary dwelling units developed under a two-unit

housing development and can be an existing primary dwelling unit if it meets or is modified to meet the 1,200-square foot floor area limitation on first residential units.

Flag lot means "lot, corridor" as defined in Section 29.10.020 of Town Code.

Nonconforming zoning condition means a physical improvement on a property that does not conform with current zoning standards.

Two-unit housing development means an application proposing no more than two primary dwelling units on a single parcel located within a single-family residential zone as authorized by Government Code Section 65852.21. A two-unit housing development shall consist of either the construction of no more than two new primary dwelling units, one new primary dwelling unit and retention of one existing primary dwelling unit, or retention of two existing legal non-conforming primary dwelling units where one or both units are subject to a proposed addition or alteration.

Public transportation means a high-quality transit corridor, as defined in subdivision (b) of Public Resources Code Section 21155, or a major transit stop, as defined in Public Resources Code Section 21064.3.

Single-family residential zone means a "R-1 or Single-Family residential Zone", "R-1D or Single-Family Residential Downtown Zone", or "HR or Hillside Residential Zone" as specified in Article IV, "Residential Zones," of the Zoning Code.

Subdivision Code means Chapter 24 of the Los Gatos Town Code.

Sufficient for separate conveyance means that each attached or adjacent dwelling unit is constructed in a manner adequate to allow for the separate sale of each unit in a common interest development as defined in Civil Code Section 1351 (including a residential condominium, planned development, stock cooperative, or community apartment project), or into any other ownership type in which the dwelling units may be sold individually.

Urban lot split means a ministerial application for a parcel map to subdivide an existing parcel located within a single-family residential zone into two parcels, as authorized by Government Code Section 66411.7.

Zoning Code means Chapter 29 of the Los Gatos Town Code.

SECTION III. Section 29.10.620, "Eligibility," of Division 10., "Two-Unit Housing Development and Urban Lot Splits," of Chapter 29, "Zoning Regulations," is amended to read as follows:

An urban lot split or a two-unit housing development may only be created on parcels satisfying all of the following general requirements:

- (1) *Zoning District.* A parcel that is located within a single-family residential zone.
- (2) *Legal Parcel.* A parcel which has been legally created in compliance with the Subdivision Map Act (Government Code Section 66410 et seq.) and the Town's

Subdivision Regulations in effect at the time the parcel was created. Applications for an urban lot split or two-unit housing development will only be accepted on parcels with either a recorded parcel map or certificate of compliance. When both an urban lot split and two-unit housing development application are submitted simultaneously, no construction or building permits for new construction or grading activities may be issued until the new parcel map for the urban lot split approval has been recorded.

- (3) *Excluding Historic Property.* A parcel that is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or a parcel that does not contain a Historic Structure, as defined in Town Code Section 29.10.020, or is not listed on the Town of Los Gatos Historic Resource Inventory, as defined by Town Code Chapter 29, Article VII, Division 3, "Historic Preservation and LHP or Landmark and Historic Preservation Overlay Zone."
- (4) *Excluding Very High Fire Hazard Severity Zone.* A parcel that is not within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Government Code Section 51178, or within a state responsibility area, as defined in Section 4102 of the Public Resources Code. This subparagraph does not apply to sites that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development, including, but not limited to, standards established under all of the following or their successor provisions: (i) Section 4291 of the Public Resources Code or Section 51182, as applicable; (ii) Section 4290 of the Public Resources Code; and (iii) Section 7A of the California Building Code (Title 24 of the California Code of Regulations).
- (5) *Excluding Hazardous Waste Sites.* A parcel that is not identified as a hazardous waste site pursuant to Government Code Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Health and Safety Code Section 25356, unless the State Department of Public Health, State Water Resources Control Board, or Department of Toxic Substances Control has cleared the site for residential use.
- (6) *Excluding Earthquake Fault Zone.* A parcel that is not located within a delineated earthquake fault zone as determined by the State Geologist on any official maps published by the State Geologist, unless the two-unit housing development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Health and Safety Code Division 13), and by any local building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2.
- (7) *Excluding Flood Zone.* A parcel that is not located within a special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) on the official maps published by the Federal Emergency Management Agency unless a Letter of Map Revision prepared by the Federal Emergency Management Agency has

been issued or if the proposed two-unit housing development is constructed in compliance with the provisions of Town Code Chapter 29, Article XI, "Floodplain Management," as determined by the floodplain administrator.

- (8) *Excluding Natural Habitat.* A parcel that is not recognized by the Town as a habitat for protected species identified as a candidate, sensitive, or species of special status by State or Federal agencies, fully protected species, or species protected by the Federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).
- (9) *Excluding Prime Farmland and Wetlands.* A parcel that contains either prime farmland or farmland of statewide importance, as defined pursuant to the United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction; or wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).
- (10) *Excluding Conservation Easements.* A parcel subject to a recorded conservation easement.

SECTION IV. Section 29.10.630, "Requirements," of Division 10., "Two-Unit Housing Development and Urban Lot Splits," of Chapter 29, "Zoning Regulations," is amended to read as follows:

Two-unit housing developments must comply with the following objective zoning standards, design review standards, and general requirements and restrictions:

- (1) *Zoning Standards.* The following objective zoning standards supersede any other standards to the contrary that may be provided elsewhere in the Zoning Code, as they pertain to a two-unit housing development under Government Code Section 65852.21. Two-unit housing developments shall be constructed only in accordance with the following objective zoning standards, except as provided by subsection (4), "Exceptions:"
 - a. *Building Height.* Maximum building height shall be as specified by the applicable zoning district for the main structure. Buildings located within the required side or rear setbacks of the applicable zoning district, and those located in the Hillside Residential (HR) zones, shall not exceed 16 feet in height;
 - b. *New Driveways.* Each parcel shall include no more than a single driveway unless the parcel has more than 100 feet of contiguous street frontage or more than one existing driveway. Any new driveway shall satisfy the following requirements:

1. A minimum width of 10 feet up to a maximum width of 18 feet. Driveways in the Hillside Residential (HR) zones shall have a minimum width of 12 feet;
 2. A minimum depth of 18 feet measured from the front or street side property line;
 3. Surfacing shall comply with Town Code Section 29.10.155(e);
 4. Only a single driveway curb-cut shall be permitted per parcel unless the parcel has more than 100 feet of contiguous street frontage, designed in accordance with the Town's Standard Specifications and Plans for Parks and Public Works Construction; and
 5. A maximum slope of 15 percent.
- c. *Dwelling Unit Type.* The primary dwelling units comprising a two-unit housing development may take the form of detached single-family dwellings, attached units, and/or duplexes. A duplex may consist of two dwelling units in a side-by-side or front-to-back configuration within the same structure or one dwelling unit located atop another dwelling unit within the same structure;
- d. *Fencing.* All new fencing shall comply with the requirements of Sections 29.40.030 through 29.40.0325 of the Zoning Code;
- e. *Floor Area Ratio and Lot Coverage.*
1. The maximum floor area ratio and lot coverage shall be as specified by the applicable zoning regulations.
 2. For flag/corridor lots, the gross lot size includes the access corridor for the purposes of determining maximum floor area ratio and lot coverage as follows:
 - i. When an easement is used to provide access, the access corridor is included in the gross lot size for the lot granting the easement; and
 - ii. When the access corridor is owned in-fee and is part of the rear lot, the access corridor is included in the gross lot size for the rear lot.
 3. The maximum size of the first new residential unit shall not exceed 1,200 square feet.
 4. When a two-unit housing development is proposed and the existing structures are at or below the maximum allowed floor area, a 10 percent increase in the floor area ratio standards for residential structures is allowed, excluding garages, and this increase in floor area cannot be combined with a separate increase for an Accessory Dwelling Unit allowed by Town Code Section 29.10.320. The additional floor area allowed by this subsection shall not exceed 1,200 square feet.

5. Notwithstanding the floor area ratio and lot coverage standards in this subsection, a new two-unit housing development with unit sizes of 800 square feet or less shall be permitted.

f. *Grading.*

1. To the extent required by Chapter 12, Article II and Section 29.10.09045(b) of the Town Code, the grading activities set forth in subsection 2. below may require a Grading Permit, but will not require discretionary review of an Architecture and Site Application;
2. Grading activity associated with a two-unit housing development shall not exceed 50 cubic yards, cut plus fill, except:
 - i. Light wells that do not exceed the minimum required per Building Code shall not count as grading activity for the purpose of this section;
 - ii. Grading activities required to provide the minimum driveway and fire access as required by the Santa Clara County Fire Department shall not count as grading activity for the purpose of this section; and
 - iii. Excavation within the footprint of a primary dwelling unit or garage shall not count as grading activity for the purpose of this section.

- g. *Cut and Fill.* Two-unit housing developments shall be subject to the cut and fill requirements specified by Table 1-1 (Cut and Fill Requirements) below:

Table 1-1 - Cut and Fill Requirements		
Site Element	Cut *	Fill *
House and attached garage	8' **	3'
Detached accessory building *	4'	3'
Driveways ***	4'	3'
Other (decks, yards) *	4'	3'
* Combined depths of cut plus fill for development other than the main residence shall be limited to 6 feet.		
** Excludes below grade square footage pursuant to Section 29.40.072 of the Town Code and light-wells that do not exceed the minimum required per Building Code.		
*** Excludes cut and fill for the minimum driveway and fire access standards as required by the Santa Clara County Fire Department.		

- h. *Building Sites.* The footprint of the proposed residential unit(s) and garage(s) shall not be located on lands with slopes exceeding 30 percent. This provision applies only to the building site, not the property as a whole;

- i. *Retaining Walls.* Retaining walls shall not exceed five feet in height and shall not run in a straight continuous direction for more than 50 feet without a break, offset, or planting pocket. Retaining walls shall have a five-foot landscaped buffer when adjacent to the street;
- j. *Light Reflectivity Value.* Exterior material colors for primary dwelling units and garages in the Hillside Residential (HR) zones shall comply with requirements in Chapter V, Section I, of the Town's Hillside Development Standards and Guidelines;
- k. *Landscaping Requirement.* All landscaping shall comply with the California Model Water Efficient Landscape Ordinance (MWELo);
- l. *Lighting.* New exterior lighting fixtures shall be downward directed and utilize shields so that no bulb is visible to ensure that the light is directed to the ground surface and does not spill light onto neighboring parcels consistent with Section 29.10.09015 of the Zoning Code;
- m. *Trees.* Any proposed work shall comply with the protection, removal, and replacement requirements for protected trees in Chapter 29, Article 1, Division 2, "Tree Protection," of Town Code;
- n. *Minimum Living Area.* The minimum living area of a primary dwelling unit shall be 150 square feet, subject to the restrictions specified by Health and Safety Code Section 17958.1;
- o. *Parking.*
 - 1. One parking stall per primary dwelling unit shall be required, except for two-unit housing developments located on parcels within one-half mile walking distance of public transportation; or where there is a designated parking area for one or more car-share vehicles within one block of the parcel.
 - 2. Parking stalls may either be uncovered or covered (garage or carport) in compliance with applicable developments standards of the Zoning Code, including Chapter 29, Article I, Division 4, "Parking," except that uncovered parking spaces may be provided in a front or side setback abutting a street on a driveway (provided that it is feasible based on specific site or fire and life safety conditions) or through tandem parking.
- p. *Setbacks.* Two-unit housing developments and attached garages shall be subject to the setback and building separation requirements specified by Table 1-2 (Setback Requirements), below. Detached garages and detached accessory structures shall meet the setback requirements specified in Town Code Section 29.40.015 (Accessory Buildings).

Table 1-2 - Setback Requirements		
Setback		Requirement ⁽²⁾
Property Line Setbacks ⁽¹⁾	Front	Per the applicable zoning district. ⁽⁵⁾

	Garage Entry	18 feet
	Interior Sides	4 feet ⁽³⁾
	Rear	
	Street Side	Per the applicable zoning district.
Separation Between Detached Structures ⁽³⁾⁽⁴⁾		5 feet
<p>Exceptions:</p> <p>(1) Cornices, eaves, belt courses, sills, canopies, bay windows, chimneys, or other similar architectural features may extend into required setbacks as specified Section 29.40.070(b) of the Zoning Code.</p> <p>(2) No setback shall be required for an existing structure, or a structure constructed in the same location and to the same dimensions as an existing structure.</p> <p>(3) For parcels created through an urban lot split where the parcels are under the same ownership, no interior side setback shall be required for two-unit housing development units constructed as attached units on separate lots, provided that the structures meet building code safety standards and are sufficient to allow separate conveyance as a separate fee parcel. Similarly, no rear setback (for the front property) or front setback (for the rear property) shall be required for two-unit housing development units constructed as attached units in a flag-lot configuration where the parcels are under the same ownership.</p> <p>(4) Except for primary dwellings constructed as a duplex or attached single-family residences.</p> <p>(5) Flag/corridor lots shall use the interior side setback requirements for all property lines other than the rear.</p>		

- q. *Stormwater Management.* The development shall comply with the requirements of the Town's National Pollution Discharge Elimination System Permit as implemented by Chapter 22 of the Town Code, and as demonstrated by a grading and drainage plan prepared by a registered civil engineer; and
 - r. *Utilities.* New units shall be designed as individual units, with separate gas, electric, and water utility connections directly between each dwelling unit and the utility.
- (2) *Design Review Standards.* The following objective design review standards apply to construction of new primary dwelling units and to any addition and/or alteration to existing primary dwelling units as part of a two-unit housing development, except as provided by subsection (4) below, "Exceptions:"
- a. *Balconies/Decks.* Rooftop and second floor terraces and decks are prohibited. Balconies shall only be permitted on the front- and street-side elevations of a primary dwelling unit fronting a public street. Such balconies shall be without any projections beyond the building footprint;
 - b. *Finished Floor.* The finished floor of the first story shall not exceed three feet in height as measured from finished grade;
 - c. *Front Entryway.* A front entryway framing a front door shall have a roof eave that matches or connects at the level of the adjacent eave line;
 - d. *Front Porch.* If proposed, porches shall have a minimum depth of six feet and a minimum width equal to 25 percent of the linear width of the front elevation;

- e. *Second Story Setback.* The interior side and rear elevations of the second story of a two-story primary dwelling unit shall have a minimum setback of nine feet;
 - f. *Garages.* Street-facing attached garages shall not exceed 50 percent of the linear width of the front-yard or street-side yard elevation;
 - g. *Plate Height.* The plate height of each story shall be limited to a maximum of 10 feet as measured from finished floor, and when above the first floor the plate height shall be limited to a maximum of eight feet; and
 - h. *Windows.* All second story windows less than 10 feet from rear and interior side property lines shall be clerestory with the bottom of the glass at least six feet above the finished floor except as necessary for egress purposes as required by the Building Code.
 - i. *Prohibited Materials.* The following exterior materials are prohibited on all building exteriors:
 - 1. Vinyl siding; and
 - 2. Plywood.
 - j. *Mechanical Equipment.* Heating, ventilation, and air conditioning (HVAC) units, generators, energy storage systems (ESS), and other similar ground-mounted mechanical equipment shall be screened from view from any adjacent street if not already located out of view behind a building or solid fence.
- (3) *General Requirements and Restrictions.* The following requirements and restrictions apply to all two-unit housing developments, inclusive of existing and new primary dwelling units, except as provided by subsection (4) below, "Exceptions:"
- a. *Number of Units.* A maximum of four units, with a maximum of two primary dwelling units, on lots that have not undergone an urban lot split.
 - b. *Accessory Dwelling Units.* In addition to the two residential units allowed under this section, consistent with Chapter 29, Article 1, Division 7, "Accessory Dwelling Units," of the Town Code, one accessory dwelling unit and one junior accessory dwelling unit shall be allowed on lots that have not undergone an urban lot split.
 - c. *Building and Fire Codes.* The International Building Code ("Building Code"), and the California Fire Code and International Fire Code (together, "Fire Code"), as adopted by Chapter 6 of the Town Code, respectively, apply to all two-unit housing developments.
 - d. *Encroachment Permits.* Separate encroachment permits, issued by the Parks and Public Works Department, shall be required for the installation of utilities to serve two-unit housing developments. Applicants shall apply for and pay all necessary fees for utility permits for sanitary sewer, gas, water, electric, and all other utility work.

- e. *Restrictions on Demolition.* The two-unit housing development shall not require either demolition of more than 25 percent of the exterior walls or alteration of any of the following types of housing:
1. Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income. This shall be evidenced by an attestation from the property owner;
 2. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power. This shall be evidenced by an attestation from the property owner; or
 3. Housing that has been occupied by a tenant in the last three years. This shall be evidenced by an attestation from the property owner.

If any existing housing is proposed to be altered or demolished, the owner of the property proposed for a two-unit housing development shall sign an affidavit, stating that none of the conditions listed above exist and shall provide a comprehensive history of the occupancy of the units to be altered or demolished for the past three years on a form prescribed by the Town.

If any existing dwelling unit is proposed to be demolished, the applicant shall comply with the replacement housing provisions of Government Code Section 66300(d).

- f. *Recorded Covenant.* Prior to building permit issuance, the applicant shall record a restrictive covenant in the form prescribed by the Town, which shall run with the land and provide for the following:
1. A limitation restricting the property to residential uses only; and
 2. A requirement that any dwelling units on the property may only be rented for a period longer than thirty (30) days.

- (4) *Exceptions.* If any of the provided zoning standards or design review standards would have the effect of physically precluding construction of up to two (2) primary dwelling units or physically preclude either of the two (2) primary dwelling units from being at least eight hundred (800) square feet in floor area, the Community Development Director shall grant an exception to the applicable standard(s) to the minimum extent necessary as specified by this section. An exception request shall be explicitly made on the application for a two-unit housing development.

- a. *Determination.* In order to retain adequate open space to allow for recreational enjoyment, protection of the urban forest, preservation of the community character, reduction of the ambient air temperature, and to allow for the percolation of rainfall into the groundwater system, when considering an exception request, the Community Development Director shall first determine that a reduction in any other zoning and/or design review standard(s) will not allow the construction of the two-unit housing

development as specified by this section prior to allowing an exception(s) to the landscaping requirement, front-yard setback, or street-side setbacks standards.

SECTION V. Section 29.10.640, “Application Process for Two-Unit Housing Development,” of Division 10., “Two-Unit Housing Development and Urban Lot Splits,” of Chapter 29, “Zoning Regulations,” is amended to read as follows:

Applications for two-unit housing developments shall be submitted and processed in compliance with the following requirements:

- (1) *Application Type.* Two-unit housing developments shall be reviewed ministerially by the Community Development Director for compliance with the applicable regulations. The permitting provisions of Town Code Sections 29.20.135 through 29.20.160, "Architecture and Site Approval," shall not be applied;
- (2) *Application Filing.* An application for a two-unit housing development, including the required application materials and fees, shall be filed with the Community Development Department;
- (3) *Neighbor Notification.* In addition to the standard application materials, the applicant will be required to submit one (1) set of stamped, addressed envelopes to neighboring residents and property owners. The Planning Department will assist the applicant in determining the neighboring properties to be notified (which will consist of all properties abutting the applicant's parcel, properties directly across the street and the two (2) parcels on each side of the properties directly across the street).
- (4) *Building Permits.* Approval of a two-unit housing development application shall be required prior to acceptance of an application for building permit(s) for the new and/or modified primary dwelling unit(s) comprising the two-unit housing development;
- (5) *Denial.* The Community Development Director may deny a two-unit housing development project only if the Building Official makes a written finding, based upon a preponderance of the evidence, that the two-unit housing development would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Government Code Section 65589.5, upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact; and
- (6) *Appeals.* Two-unit housing application decisions are ministerial and are not subject to an appeal.

SECTION VI. Section 29.10.650, “Subdivision Standards,” of Division 10., “Two-Unit Housing Development and Urban Lot Splits,” of Chapter 29, “Zoning Regulations,” is amended to read as follows:

Urban lot splits shall comply with the following objective subdivision standards, and general requirements and restrictions:

- (1) *Subdivision Standards.* The following objective subdivision standards supersede any other standards to the contrary that may be provided in the Zoning Code or Subdivision Code, as they pertain to creation of an urban lot split under Government Code Section 66411.7:
 - a. *Flag/Corridor Lots.* The access corridor of a flag/corridor lot (Town Code Section 29.10.085) shall be either in fee as part of the parcel or as an easement, and shall be a minimum width of 12 feet;
 - b. *Minimum Lot Size.* Each new parcel shall be approximately equal in lot area provided that one (1) parcel shall not be smaller than forty (40) percent of the lot area of the original parcel proposed for subdivision. In no event shall a new parcel be less than 1,200 square feet in lot area. If one (1) of the proposed lots is a flag/corridor lot, the area of the access corridor shall count toward the lot area as follows:
 1. When an easement is used to provide access, the access corridor is included in the gross lot size for the lot granting the easement; and
 2. When the access corridor is owned in-fee and is part of the rear lot, the access corridor is included in the gross lot size for the rear lot.
 - c. *Minimum Lot Width.* Each new parcel shall maintain a minimum lot width of twenty (20) feet;
 - d. *Minimum Public Frontage.* Each new parcel shall have frontage upon a street with a minimum frontage dimension of twenty (20) feet, except as allowed above for flag/corridor lots;
 - e. *Number of Lots.* The parcel map to subdivide an existing parcel shall result in no more than two (2) parcels; and
 - f. *Lot Merger.* Lots resulting from an urban lot split shall not be merged unless that lot merger can be done without loss of housing units and without causing a non-conforming building, lot, or use.
- (2) *General Requirements and Restrictions.* The following requirements and restrictions apply to all proposed urban lot splits:
 - a. *Adjacent Parcels.* Neither the owner of the parcel being subdivided nor any person acting in concert with the owner has previously conducted an urban lot split to create an adjacent parcel as provided for in this Division;
 - b. *Dedication and Easements.* The Town Engineer shall not require dedications of rights-of-way nor the construction of offsite improvements but may, however, require recording of easements necessary for the provision of private services, facilities, and future public improvements or future public services, facilities, and future public improvements;

- c. *Existing Structures.* Existing structures located on a parcel subject to an urban lot split shall not be subject to a setback requirement. However, any such existing structures shall not be located across the shared property line resulting from an urban lot split, unless the structure is converted to an attached unit as provided for in Table 1-2 (Setback Requirements, Exception Number 3). All other existing structures shall be modified, demolished, or relocated prior to recordation of a parcel map;
- d. *Intent to Occupy.* The applicant shall submit a signed affidavit to the Community Development Director attesting that the applicant intends to occupy one (1) of the housing units on the newly created parcels as their principal residence for a minimum of three (3) years from either:
 - 1. The date of the approval of the urban lot split when the intent is to live in an existing residence; or
 - 2. Certificate of occupancy when the intent is to occupy a newly constructed residential unit.

This requirement shall not apply to an applicant that is a "community land trust," as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code, or a "qualified nonprofit corporation" as described in Section 214.15 of the Revenue and Taxation Code;

- e. *Non-Conforming Conditions.* The Town shall not require, as a condition of approval, the correction of nonconforming zoning conditions. However, no new nonconforming conditions may result from the urban lot split other than setbacks as specified by Table 1-2 (Setback Requirements, Exception Number 2), maximum allowed lot coverage, and maximum allowed floor area ratio;
- f. *Number of Units.* No more than two (2) dwelling units may be located on any lot created through an urban lot split, including primary dwelling units, accessory dwelling units, junior accessory dwelling units, density bonus units, and units created as two-unit developments. Any excess dwelling units that do not meet these requirements shall be relocated, demolished, or otherwise removed prior to approval of a parcel map;
- g. *Prior Subdivision.* A parcel created through a prior urban lot split may not be further subdivided. The subdivider shall submit a signed deed restriction to the Community Development Director documenting this restriction. The deed restriction shall be recorded on the title of each parcel concurrent with recordation of the parcel map;
- h. *Restrictions on Demolition.* The proposed urban lot split shall not require either the demolition of more than twenty-five (25) percent of the exterior walls or alteration of any of the following types of housing:
 - 1. Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate,

low, or very low income. This shall be evidenced by an attestation from the property owner;

2. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power. This shall be evidenced by an attestation from the property owner; or
3. Housing that has been occupied by a tenant in the last three (3) years. This shall be evidenced by an attestation from the property owner;

If any existing housing is proposed to be altered or demolished, the owner of the property proposed for an urban lot split shall sign an affidavit, stating that none of the conditions listed above exist and shall provide a comprehensive history of the occupancy of the units to be altered or demolished for the past three (3) years on a form prescribed by the Town. The owner and applicant shall also sign an affidavit stating that neither the owner nor applicant, nor any person acting in concert with the owner or applicant, has previously subdivided an adjacent parcel using an urban lot split;

- i. *Replacement Units.* If any existing dwelling unit is proposed to be demolished, the applicant will comply with the replacement housing provisions of Government Code Section 66300(d);
- j. *Recorded Covenant.* Prior to approval and recordation of the parcel map, the applicant shall record a restrictive covenant and agreement in the form prescribed by the Town, which shall run with the land and provide for the following:
 1. A prohibition against further subdivision of the parcel using the urban lot split procedures as provided for in this section;
 2. A limitation restricting the properties to residential uses only; and
 3. A requirement that any dwelling units on the property may only be rented for a period longer than thirty (30) days.
- k. *Stormwater Management.* The subdivision shall comply with the requirements of the Town's National Pollution Discharge Elimination System Permit as implemented by Chapter 22 of the Town Code, and as demonstrated by a grading and drainage plan prepared by a registered civil engineer;
- l. *Utility Providers.* The requirements of the parcel's utility providers shall be satisfied prior to recordation of a parcel map; and
- m. *Compliance with Subdivision Map Act.* The urban lot split shall conform to all applicable objective requirements of the Subdivision Map Act (commencing with Government Code Section 66410), except as otherwise expressly provided in Government Code Section 66411.7.

SECTION VII. Section 29.10.660, "Application Process for Urban Lot Splits," of Division 10.,

“Two-Unit Housing Development and Urban Lot Splits,” of Chapter 29, “Zoning Regulations,” is amended to read as follows:

Applications for urban lot splits shall be submitted and processed in compliance with the following requirements:

- (1) *Application Type.* Urban lot splits shall be reviewed ministerially by the Community Development Director for compliance with the applicable regulations. A tentative parcel map shall not be required;
- (2) *Application Filing.* An urban lot split application, including the required application materials and fees, shall be filed with the Community Development Department;
- (3) *Neighbor Notification.* In addition to the standard application materials, the applicant will be required to submit one (1) set of stamped, addressed envelopes to neighboring residents and property owners. The Planning Department will assist the applicant in determining the neighboring properties to be notified (which will consist of all properties abutting the applicant's parcel, properties directly across the street and the two (2) parcels on each side of the properties directly across the street).
- (4) *Parcel Map.* Approval of an urban lot split permit shall be required prior to acceptance of an application for a parcel map for an urban lot split. Applicants shall apply for an Urban Lot Split Parcel Map and pay all fees;
- (5) *Development.* Development on the resulting parcels is limited to a project approved by the two-unit housing development process, the Town's Accessory Dwelling Unit process, or through the Town's standard discretionary process;
- (6) *Denial.* The Community Development Director may deny an urban lot split only if the Building Official makes a written finding, based upon a preponderance of the evidence, that an urban lot split or two-unit housing development located on the proposed new parcels would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact; and
- (7) *Appeals.* Urban lot split application decisions are ministerial and are not subject to an appeal.

SECTION VIII. Severability.

In the event that a court of competent jurisdiction holds any Section, subsection, paragraph, sentence, clause, or phrase in this Ordinance unconstitutional, preempted, or otherwise invalid, the invalid portion shall be severed from this Section and shall not affect the validity of the remaining portions of this Section. The Town hereby declares that it would have adopted each Section, subsection, paragraph, sentence, clause, or phrase in this Section irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences,

clauses or phrases in this Section might be declared unconstitutional, preempted, or otherwise invalid.

SECTION IX. CEQA.

Adopting this Ordinance is not a project subject to CEQA because it can be seen with certainty that it will not impact the environment (CEQA Guidelines Section 15378). Additionally, in accordance with Government Code Section 66411.7(n) and 66452.21(g), Senate Bill 9 Ordinances are not a project subject to the California Environmental Quality Act.

SECTION X. Consistency with General Plan.

The amendments to the Town Code are consistent with the General Plan as SB 9 is a state law; and

SECTION XI. Publication.

In accordance with Section 63937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. The Town Council hereby directs the Town Clerk to cause this Ordinance or a summary thereof to be published or posted in accordance with Section 36933 pf the Government Code of the State of California.

SECTION XII. Effective Date.

This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the 7th day of May 2024, and adopted by the Town Council of the Town of Los Gatos at its regular meeting on the ___ day of _____ 2024, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

***This Page
Intentionally
Left Blank***



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

ITEM NO. 5.

MEETING DATE: 05/21/2024

DATE: May 14, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive the Monthly Financial and Investment Report for March 2024

RECOMMENDATION:

Receive the Monthly Financial and Investment Report for March 2024.

BACKGROUND:

California Government Code Section 41004 requires that the Town Treasurer submit to the Town Clerk and the legislative body a written report and accounting of all receipts, disbursements, and fund balances. The Finance Director assumes the Town Treasurer role.

Attachment 1 contains the March 2024 Monthly Financial and Investment Report which fulfills this requirement. The March 2024 Monthly Financial and Investment Report was received by Finance Commission on May 13, 2024.

DISCUSSION:

The March 2024 Monthly Financial and Investment Report includes a Fund Balance Schedule, representing estimated funding available for all funds at the end of the respective month. The fund balances were estimated at a point in time and will be finalized at the final close of the fiscal year.

Please note that the amount in the Fund Schedule differs from the Portfolio Allocation and Treasurer's Cash Fund Balances Summary schedule because assets and liabilities are components of the fund balance.

PREPARED BY: Eric Lemon
Finance and Accounting Manager

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

SUBJECT: Monthly Financial and Investment Report for March 2024

DATE: May 14, 2024

DISCUSSION (continued):

As illustrated in the summary below, Total Cash is adjusted by the addition of Total Assets less the amount of Total Liabilities to arrive at the Ending Fund Balance – which represents the actual amount of funds available.

Reconciling Cash to Fund Balance - March 31, 2024		
Total Cash	\$	74,499,958
Plus: Assets	\$	13,049,455
Less: Liabilities	\$	(29,101,596)
Estimated Fund Balance	\$	58,447,817

As of March 31, 2024, the Town's financial position (Assets \$87.55M, Liabilities \$29.10M, and Fund Equity \$58.45M) remains strong and there are no issues meeting financial obligations in the near future.

As of March 31, 2024, the Town's weighted portfolio yield for investments under management was 4.34% which was 11 basis points above the Local Agency Investment Fund (LAIF) yield of 4.23% for the same reporting period. Currently, the LAIF portfolio's weighted average maturity (WAM) is 226 days versus the Town's longer WAM of 653 days. The longer maturity (WAM) for Town assets under management reflects the Town's strategy to take advantage of higher yields associated with longer maturities balanced with shorter term yields available on investments held with the State's LAIF. The Town's weighted average rate of return on investments under management of 4.34% at the close of March was 2 basis points higher when compared to the prior month's return of 4.32% reported as of February 29, 2024.

Since March 2023, LAIF yields had climbed from 283 basis points (2.83%) to 423 basis points (4.23%) through the end of March 2024.

Staff, in coordination with the Town's investment advisor, primarily replaced maturing investments with long term maturities in the four-to-five-year maturity range. These investments capture current yields that exceed the rates expected to be earned in the LAIF pool during that same time period. The State LAIF pool typically lags the market when current market yields are either increasing or decreasing.

On March 22, 2023, the Federal Reserve voted to approve a ¼ percentage basis point increase from 4.75% to 5.00%. This action was followed with additional hikes in May 2023 from 5.00% to 5.25% and July from 5.25 % to 5.5 %. Through these actions over time, the Federal Open Market Committee's (FOMC) goal is to bring year to year inflation to its targeted level of 2%.

SUBJECT: Monthly Financial and Investment Report for March 2024

DATE: May 14, 2024

DISCUSSION (continued):

The US economy added 275,000 jobs in February, above consensus for 200,000. The prior two months were revised down by 160,000. The unemployment rate rose from 3.7% to 3.9% the highest since late 2020 while the labor force participation rate was unchanged at 62.5%.

The Town's investments are in compliance with the Town's Investment Policy dated February 21, 2023, and also in compliance with the requirements of Section 53600 at seq. of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

CONCLUSION:

Receive Monthly Financial and Investment Report for March 2024.

Attachment:

1. Financial and Investment Report (March 2024)

Town of Los Gatos
Summary Investment Information
March 31, 2024

Weighted Average YTM Portfolio Yield on Investments under Management

4.34%

Weighted Average Maturity (days)

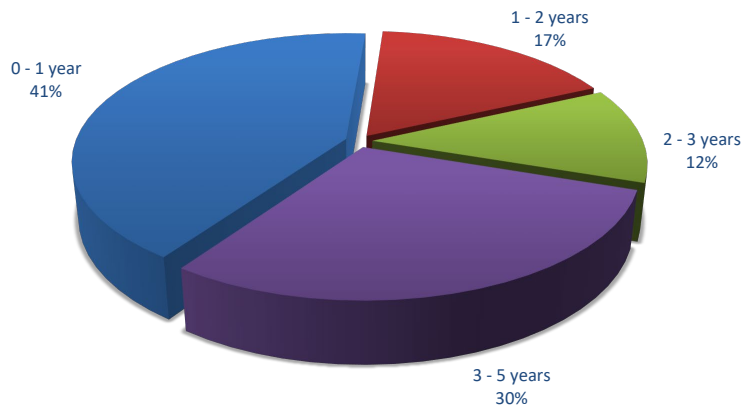
653

	This Month	Last Month	One year ago
Portfolio Allocation & Treasurer's Cash Balances	\$74,499,958	\$71,152,030	\$70,079,332
Cert. of Participation 2002 Lease Payment Fund			
Managed Investments	\$49,565,242		
Local Agency Investment Fund	\$16,391,357		
Reconciled Demand Deposit Balances	\$8,543,360		
Portfolio Allocation & Treasurer's Cash Balances	\$74,499,958		

Benchmarks/ References:

Town's Average Yield	4.34%	4.32%	2.71%
LAIF Yield for month	4.23%	4.12%	2.83%
3 mo. Treasury	5.38%	5.39%	4.80%
6 mo. Treasury	5.33%	5.32%	4.91%
2 yr. Treasury	4.62%	4.62%	4.03%
5 yr. Treasury (most recent)	4.21%	4.25%	3.58%
10 Yr. Treasury	4.20%	4.25%	3.47%

Portfolio Maturity Profile



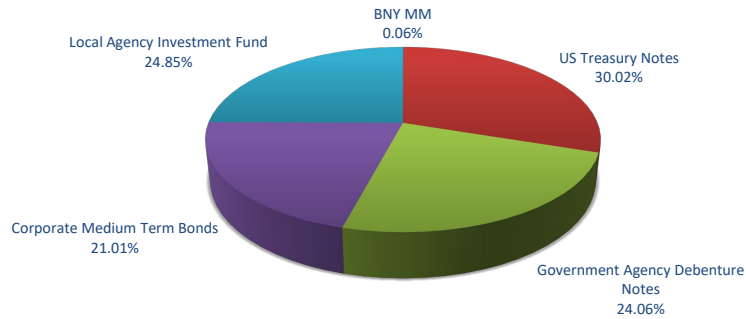
Compliance: The Town's investments are in compliance with the Town's investment policy dated February 21, 2023 and also in compliance with the requirements of Section 53600 at seq. of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

Town of Los Gatos
Portfolio Allocation & Treasurer's Cash Balances
March 31, 2024

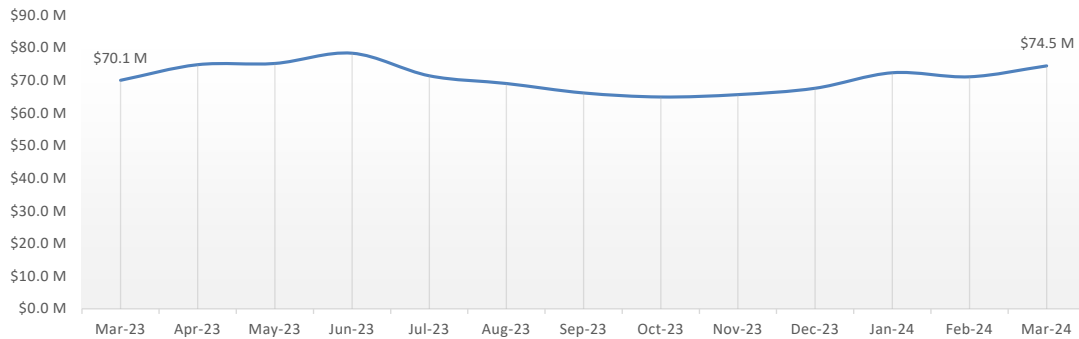
	Month	YTD
Cash & Investment Balances - Beginning of Month/Period	\$ 71,152,030.35	\$ 78,384,947.79
Receipts	12,047,260.22	56,780,334.37
Disbursements	(8,699,332.81)	(60,665,324.40)
Cash & Investment Balances - End of Month/Period	\$74,499,957.76	\$74,499,957.76

Portfolio Allocation	Amount	% of Portfolio	Max. % or \$ Allowed per State Law or Policy
BNY MM	\$38,631.37	0.06%	20% of Town Portfolio
US Treasury Notes	\$19,802,509.31	30.02%	No Max. on US Treasuries
Government Agency Debenture Notes	\$15,867,942.90	24.06%	No Max. on Non-Mortgage Backed
Corporate Medium Term Bonds	\$13,856,158.01	21.01%	30% of Town Portfolio
Local Agency Investment Fund	\$16,391,356.50	24.85%	\$75 M per State Law
Subtotal - Ir Subtotal - Investments	65,956,598.09	100.00%	
Reconciled Demand Deposit Balances	8,543,359.67		
Total Portfolio Allocation & Treasurer's Cash Balances	\$74,499,957.76		

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
March 31, 2024

	Beginning Balance	March 2024 Deposits Realized Gain/Adj.	March 2024 Interest/ Earnings	March 2024 Withdrawals	Ending Balance	
Non-Treasury Funds:						
Cert. of Participation 2002 Ser A Reserve Fund	\$ 689,178.32	\$ -	\$ 2,732.05	\$ -	\$ 691,910.37	Note 1
Cert. Of Participation 2010 Ser Lease Payment Fund	100.71	-	0.29	-	101.00	Note 1
Cert. of Participation 2002 Ser A Lease Payment Fund	29,294.25	-	7.95	-	29,302.20	Note 1
Cert. of Participation 2010 Ser Reserve Fund	1,365,280.82	-	5,640.53	-	1,370,921.35	Note 2
Total Restricted Funds:	<u>\$ 2,083,854.10</u>	<u>\$ -</u>	<u>\$ 8,380.82</u>	<u>\$ -</u>	<u>\$ 2,092,234.92</u>	
CEPPT IRS Section 115 Trust	2,147,176.12	-	33,566.98	-	\$ 2,180,743.10	Note 3
Grand Total COP's and CEPPT Trust	<u>\$ 4,231,030.22</u>	<u>\$ -</u>	<u>\$ 41,947.80</u>	<u>\$ -</u>	<u>\$ 4,272,978.02</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: The three original funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Note 2: The 2010 COP Funds are all for the Library construction, reserves to guarantee lease payments, and a lease payment fund for the life of the COP issue. The COI fund was closed in September 2010.

Note 3: The CEPPT Section IRS Section 115 Trust was established as an irrevocable trust dedicated to accumulate resources to fund the Town's unfunded liabilities related to pension and other post employment benefits.

Town of Los Gatos
Statement of Interest Earned
March 31, 2024

July 2023	\$	133,845.42
August 2023	\$	131,615.82
September 2023	\$	158,361.71
October 2023	\$	149,112.14
November 2023	\$	163,137.22
December 2023	\$	177,498.26
January 2024	\$	183,950.61
February 2024	\$	183,453.40
March 2024	\$	206,361.80
April 2024		-
May 2024		-
June 2024		-
	\$	<u>1,487,336.38</u>

**Town of Los Gatos
Investment Schedule
March 31, 2024**

Institution	CUSIP #	Security	Coupon	Deposit Date	Par Value	Original Cost	Original Issue (Discount) Premium	Market Value	Market Value Above (Under) Cost	Purchased Interest	Maturity Date or Call Date	Yield to Maturity or Call	Interest Received to Date	Interest Earned Prior Yr.	Interest Earned Current FY	Days to Maturity
Apple	037833D83	Corporate Bond	2.90%	12/20/2022	1,300,000.00	1,228,591.00	(71,409.00)	1,230,398.00	1,807.00		6/21/2027	4.19%	\$ 46,287.22	\$ 28,170.97	\$ 40,349.05	1177
Home Depot	437076BM3	Corporate Bond	3.00%	8/4/2022	1,000,000.00	991,960.00	(8,040.00)	994,850.00	(27,110.00)		1/1/2026	3.04%	\$ 34,750.00	\$ 29,252.66	\$ 24,377.22	641
US Treasury	912828ZW3	US Treasury Note	0.25%	8/9/2022	350,000.00	322,096.88	(27,903.12)	330,463.00	8,366.12		6/30/2025	3.16%	\$ 1,217.39	\$ 9,366.72	\$ 7,925.68	456
IBM	459200YR8	Corporate Bond	3.00%	3/25/2021	1,000,000.00	1,071,040.00	71,040.00	996,540.00	(74,500.00)		5/15/2024	0.71%	\$ 79,166.67	\$ 16,751.96	\$ 5,570.48	45
FFCB	3133ENSV8	Gov. Agency Debenture	4.13%	1/17/2023	236,000.00	239,174.20	3,174.20	233,923.20	(5,251.00)		1/11/2027	3.76%	\$ 9,572.75	\$ 4,016.30	\$ 6,734.65	1016
US Treasury	91282CBT7	US Treasury Note	0.75%	9/30/2022	800,000.00	712,565.18	(87,434.82)	741,400.00	(28,874.82)		3/31/2026	4.14%	\$ 9,000.00	\$ 23,165.06	\$ 23,334.77	730
FFCB	3133ENP95	Gov. Agency Debenture	4.25%	9/30/2022	900,930.00	900,939.60	939.60	892,251.00	(8,688.60)		9/30/2025	4.14%	\$ 57,375.00	\$ 28,374.86	\$ 28,582.74	548
American Honda	02665WC22	Corporate Bond	2.40%	11/27/2019	1,000,000.00	1,012,410.01	12,410.01	992,570.00	(19,840.01)		6/27/2024	2.12%	\$ 108,733.34	\$ 76,483.79	\$ 16,043.51	88
JP Morgan Chase	46625HRS1	Corporate Bond	3.20%	9/23/2022	500,000.00	474,660.00	(25,340.00)	481,235.00	6,575.00		3/15/2026	4.70%	\$ 19,644.44	\$ 17,865.15	\$ 17,546.13	714
Honeywell Int'l.	438516BW5	Corporate Bond	2.30%	11/20/2019	1,000,000.00	1,014,660.00	14,660.00	987,630.00	(27,030.00)		7/15/2024	1.64%	\$ 96,983.33	\$ 71,679.55	\$ 14,955.90	106
Caterpillar Financial Serv	14819Q2V0	Corporate Bond	2.85%	2/23/2021	1,000,000.00	1,077,370.00	77,370.00	996,780.00	(80,590.00)		5/17/2024	0.44%	\$ 77,900.00	\$ 10,677.18	\$ 3,426.17	47
FNMA	3135G0V75	Gov. Agency Debenture	1.75%	10/17/2019	1,100,000.00	1,105,833.30	5,833.30	1,089,968.00	(15,865.30)		7/2/2024	1.63%	\$ 81,331.25	\$ 66,718.86	\$ 13,570.77	93
FFCB	3133EKQA7	Gov. Agency Debenture	2.08%	10/21/2019	1,000,000.00	1,019,780.00	19,780.00	986,260.00	(33,520.00)		9/10/2024	1.66%	\$ 91,231.11	\$ 61,888.40	\$ 12,625.60	163
FHLB	3135G05X7	Gov. Agency Debenture	0.38%	6/10/2022	1,200,000.00	1,102,952.40	(97,047.60)	1,127,892.00	24,939.60		8/25/2025	3.04%	\$ 7,687.50	\$ 36,626.55	\$ 26,161.82	512
US Treasury	912828ZL7	US Treasury Note	0.38%	4/12/2022	1,700,000.00	1,583,927.57	(116,072.43)	1,618,247.00	34,319.43		4/30/2025	2.72%	\$ 9,879.49	\$ 54,017.06	\$ 33,456.51	395
FHLB	3130AQF65	Gov. Agency Debenture	1.25%	11/30/2022	1,300,000.00	1,160,559.40	(139,440.60)	1,194,960.00	34,400.60		12/21/2026	4.15%	\$ 17,197.92	\$ 29,385.32	\$ 38,117.76	995
US Treasury	912828X70	US Treasury Note	2.00%	12/30/2019	1,000,000.00	1,010,589.29	10,589.29	997,300.00	(13,289.29)		4/30/2024	1.75%	\$ 76,703.30	\$ 61,478.37	\$ 13,228.91	90
US Treasury	912828X12	US Treasury Note	2.00%	10/31/2019	1,000,000.00	1,015,667.41	15,667.41	994,600.00	(21,067.41)		5/31/2024	1.64%	\$ 81,639.34	\$ 60,792.37	\$ 12,494.70	61
FHLB	3130APH19	Gov. Agency Debenture	1.00%	1/17/2023	1,000,000.00	907,010.00	(92,990.00)	929,950.00	22,940.00		10/28/2026	4.17%	\$ 8,354.17	\$ 15,544.14	\$ 26,064.86	941
FFCB	3133EN5N6	Gov. Agency Debenture	4.00%	2/8/2023	1,700,000.00	1,706,732.00	6,732.00	1,678,665.00	(28,067.00)		1/6/2028	3.91%	\$ 61,955.56	\$ 25,921.64	\$ 50,200.36	1376
Freddie Mac	3137EAE3X	Gov. Agency Debenture	0.38%	5/1/2023	750,000.00	689,032.50	(60,967.50)	702,652.00	13,620.00		9/23/2025	3.97%	\$ 2,516.62	\$ 4,638.18	\$ 21,258.35	541
American Honda	02665WED9	Corporate Bond	4.70%	5/11/2023	600,000.00	608,856.00	8,856.00	597,792.00	(11,064.00)		1/12/2028	4.34%	\$ 18,878.33	\$ 3,603.61	\$ 19,819.86	1382
US Treasury	91282CE44	US Treasury Note	2.50%	6/9/2023	1,500,000.00	1,416,626.12	(83,373.88)	1,420,725.00	4,098.88		3/31/2027	4.09%	\$ 30,327.87	\$ 3,416.23	\$ 44,736.40	1095
US Treasury	91282CGA3	US Treasury Note	4.00%	6/20/2023	2,100,000.00	2,080,558.59	(19,441.41)	2,074,569.00	(5,989.59)		12/15/2025	4.40%	\$ 40,852.46	\$ 2,515.25	\$ 69,169.29	624
Colgate-Palmolive	194162AR4	Corporate Bond	4.60%	7/14/2023	500,000.00	504,655.00	4,655.00	505,465.00	810.00		2/1/2028	4.37%	\$ 14,502.79	\$ -	\$ 15,715.00	1402
FannieMae	3135G06G3	Gov. Agency Debenture	4.00%	7/14/2023	500,000.00	455,157.00	(44,843.00)	467,290.00	12,133.00		11/7/2025	4.63%	\$ 784.72	\$ -	\$ 15,605.88	586
FFCB	3133EPQC2	Gov. Agency Debenture	4.63%	7/17/2023	500,000.00	501,957.50	1,957.50	499,345.00	(2,612.50)		7/17/2026	4.48%	\$ 11,562.50	\$ -	\$ 15,885.09	838
FFCB	3133EPBM6	Gov. Agency Debenture	4.13%	7/14/2023	600,000.00	596,220.00	(3,780.00)	593,892.00	(2,328.00)		8/23/2027	4.29%	\$ 15,056.25	\$ -	\$ 18,355.23	1240
PNC Bank	69533RF12	Corporate Bond	3.25%	7/25/2023	1,000,000.00	921,490.00	(78,510.00)	935,270.00	13,780.00		12/23/2027	5.23%	\$ 15,979.17	\$ -	\$ 34,436.14	1362
US Treasury	91282CFU0	US Treasury Note	4.13%	7/31/2023	1,300,000.00	1,290,660.60	(9,339.40)	1,290,250.00	(410.60)		10/31/2027	4.31%	\$ 13,406.25	\$ -	\$ 37,315.31	1309
Toyota Motor Credit	892361KL8	Corporate Bond	5.45%	8/25/2023	1,600,000.00	1,617,168.00	17,168.00	1,630,992.00	13,824.00		8/25/2027	5.16%	\$ 18,166.67	\$ -	\$ 49,875.40	1319
US Treasury	912810EF3	US Treasury Note	5.50%	10/3/2023	1,200,000.00	1,238,207.14	38,207.14	1,260,048.00	21,840.86		8/15/2028	4.76%	\$ 24,211.96	\$ -	\$ 28,679.96	1598
PepsiCo Inc	713448DF2	Corporate Bond	2.85%	10/16/2023	1,000,000.00	947,570.00	(52,430.00)	965,560.00	17,990.00		11/24/2025	5.24%	\$ 10,133.33	\$ -	\$ 24,410.91	603
FFCB	3133EPUW3	Gov. Agency Debenture	4.75%	10/13/2023	1,000,000.00	994,338.00	(5,662.00)	1,003,440.00	9,102.00		9/1/2026	4.96%	\$ 18,208.33	\$ -	\$ 23,036.51	884
Freddie Mac	3137EAE9P	Gov. Agency Debenture	1.50%	10/13/2023	1,000,000.00	951,540.00	(48,460.00)	969,430.00	17,890.00		2/12/2025	5.32%	\$ 4,958.33	\$ -	\$ 23,867.86	318
US Treasury	91282CEW7	US Treasury Note	3.25%	10/16/2023	1,000,000.00	950,039.06	(49,960.94)	966,090.00	16,050.94		6/30/2027	4.73%	\$ 6,711.96	\$ -	\$ 21,036.51	1186
US Treasury	91282CEN7	US Treasury Note	2.75%	10/31/2023	1,300,000.00	1,214,336.39	(85,663.61)	1,238,458.00	24,121.61		4/30/2027	4.82%	\$ 21,406.25	\$ -	\$ 25,084.12	1125
US Treasury	91282YVY6	US Treasury Note	1.50%	11/15/2023	700,000.00	673,667.97	(26,332.03)	683,067.00	9,399.03		11/30/2024	5.36%	\$ 420.33	\$ -	\$ 13,409.57	244
US Treasury	91282CAB7	US Treasury Note	0.25%	11/15/2023	675,000.00	623,900.39	(51,099.61)	635,053.50	11,153.11		7/31/2025	4.92%	\$ 353.09	\$ -	\$ 11,853.38	487
US Treasury	91282CGU9	US Treasury Note	3.88%	11/30/2023	1,000,000.00	983,515.62	(16,484.38)	988,790.00	5,274.38		3/31/2025	5.17%	\$ 12,916.67	\$ -	\$ 17,081.61	365
US Treasury	91282CC82	US Treasury Note	1.25%	12/21/2023	900,000.00	798,647.55	(101,352.45)	795,024.00	(3,623.55)		6/30/2028	3.99%	\$ 305.71	\$ -	\$ 9,305.75	1552
FNMA	3135G0Q22	Gov. Agency Debenture	1.88%	12/21/2023	900,000.00	845,676.00	(54,324.00)	843,957.00	(1,719.00)		9/24/2026	4.22%	\$ 4,359.38	\$ -	\$ 10,112.70	907
US Treasury	91282CFB2	US Treasury Note	2.75%	1/2/2024	1,000,000.00	960,354.91	(39,645.09)	950,080.00	(10,274.91)		7/31/2027	3.95%	\$ 2,167.12	\$ -	\$ 9,407.17	1217
US Treasury	91282CH64	US Treasury Note	3.63%	1/17/2024	1,800,000.00	1,775,185.72	(24,814.28)	1,755,288.00	(19,897.72)	8,557.37	5/31/2028	3.97%	\$ (8,557.37)	\$ -	\$ 14,379.30	1522
JP Morgan Chase	46647PDG8	Corporate Bond	4.85%	2/1/2024	1,400,000.00	1,396,528.00	(3,472.00)	1,387,834.00	(8,694.00)		7/25/2027	4.93%	\$ 1,131.90	\$ -	\$ 11,139.18	1211
US Bancorp	91159HJF8	Corporate Bond	4.55%	2/5/2024	1,000,000.00	989,200.00	(10,800.00)	980,380.00	(8,820.00)		7/22/2027	4.89%	\$ (1,642.33)	\$ -	\$ 7,323.46	1208
Treasury	91282CH80	US Treasury Note	3.63%	2/23/2024	1,175,000.00	1,151,962.92	(23,037.08)	1,152,005.25	42.33	11,701.58	5/15/2026	4.56%	\$ (11,701.58)	\$ -	\$ 5,367.44	775
FHLB	3130AXB31	Gov. Agency Debenture	4.88%	2/27/2024	1,000,000.00	1,003,060.00	3,060.00	1,003,680.00	620.00		3/13/2026	4.72%	\$ 2,979.17	\$ -	\$ 4,271.99	712
FFCB	3133EP5U5	Gov. Agency Debenture	4.13%	3/28/2024	1,700,000.00	1,687,981.00	(12,019.00)	1,690,004.00	2,023.00	1,558.33	3/20/2029	4.28%	\$ (1,558.33)	\$ -	\$ 596.20	1815
Subtotal					\$ 50,786,000.00	\$ 49,526,610.22	\$(1,259,389.78)	\$ 49,452,353.45	\$ (74,256.77)	\$ 24,591.51			\$ 1,221,786.28	\$ 742,350.18	\$ 1,017,303.15	
BNY MM		Money Market				38,631.37		38,631.37	0.00			0.00%				1
LAIF		State Investment Pool				16,391,356.50		16,296,143.49	(95,213.01)			4.23%			377,767.72	1
						65,956,998.09		\$65,787,128.31	\$(169,469.78)	\$24,591.51			\$ 1,221,786.28	\$ 742,350.18	\$ 1,395,070.87	
Matured Assets																
PNC Financial	69349LAM0	Corporate Bond	3.80%	2/7/2022	1,000,000.00	1,033,470.00	33,470.00				7/25/2023	1.49%	\$ 55,733.33	\$ 20,987.56	\$ 1,032.85	
US Treasury	91282CCN9	US Treasury Note	0.13%	1/13/2022	1,200,000.00	1,188,375.00	(11,625.00)				7/31/2023	0.75%	\$ 2,323.37	\$ 13,176.45	\$ 766.36	
Toyota Motor Credit	89236THA6_1	Corporate Bond	1.35%	4/12/2021	500,000.00	510,580.00	10,580.00				8/25/2023	0.45%	\$ 15,993.75	\$ 5,065.91	\$ 350.67	
Toyota Motor Credit	89236THA6	Corporate Bond	1.35%	1/11/2022	1,100,000.00	1,107,315.00	7,315.00				8/25/2023	0.94%	\$ 24,090.00	\$ 15,144.57	\$ 1,585.23	
US Treasury	91282CA46	US Treasury Note	0.25%	1/31/2022	1,100,000.00	1,085,222.44	(14,777.56)				9/30/2023	1.07%	\$ 4,579.74	\$ 16,417.94	\$ 2,932.91	
American Honda	02665WCQ2	Corporate Bond	3.63%	9/14/2021	950,000.00	1,012,871.00	62,871.00				10/10/2023	0.41%	\$ 71,362.15	\$ 7,316.05	\$ 1,141.03	
FFCB	3133EMCQ3	Gov. Agency														

**Town of Los Gatos
Investment Transaction Detail
March 31, 2024**

Date	Cusip/Id	Description	Transaction Type	Settlement Date	Par	Coupon	Maturity Date	Price	Principal	Interest	Transaction Total
3/1/2024	194162AR4	COLGATE-PALMOLIVE CO 4.6% 01MAR2028 (CALLABLE 01FEB28)	BOND INTEREST	3/1/2024	500,000	4.600%	3/1/2028	-	-	11,500.00	11,500.00
3/1/2024	3133EPUW3	FEDERAL FARM CREDIT BANK 4.75% 01SEP2026	BOND INTEREST	3/1/2024	1,000,000	4.750%	9/1/2026	-	-	23,750.00	23,750.00
3/4/2024	Cash-USD	Cash-USD	SHORT TERM INVESTMENT FUND INCOME	3/4/2024	602.92	0.000%		100.00	-	-	602.92
3/11/2024	3133EKQA7	FEDERAL FARM CREDIT BANK 2.08% 10SEP2024	BOND INTEREST	3/10/2024	1,000,000	2.080%	9/10/2024	-	-	10,400.00	10,400.00
3/12/2024	037833DB3	APPLE INC 2.9% 12SEP2027 (CALLABLE 12JUN27)	BOND INTEREST	3/12/2024	1,300,000	2.900%	9/12/2027	-	-	18,850.00	18,850.00
3/13/2024	3130AXB31	FEDERAL HOME LOAN BANK 4.875% 13MAR2026	BOND INTEREST	3/13/2024	1,000,000	4.875%	3/13/2026	-	-	23,562.50	23,562.50
3/25/2024	3137EAEX3	FREDDIE MAC 0.375% 23SEP2025	BOND INTEREST	3/23/2024	750,000	0.375%	9/23/2025	-	-	1,406.25	1,406.25
3/25/2024	3135G0Q22	FANNIE MAE 1.875% 24SEP2026	BOND INTEREST	3/24/2024	900,000	1.875%	9/24/2026	-	-	8,437.50	8,437.50
3/28/2024	3133EP5U5	FEDERAL FARM CREDIT BANK 4.125% 20MAR2029	PURCHASE	3/28/2024	1,700,000	4.125%	3/20/2029	99.29	1,687,981.00	1,558.33	1,689,539.33
3/28/2024	3133EMBE1	FEDERAL FARM CREDIT BANK 0.3% 28MAR2024 CALLABLE	BOND INTEREST	3/28/2024	1,600,000	0.300%	3/28/2024	-	-	2,400.00	2,400.00
3/28/2024	3133EMBE1	FEDERAL FARM CREDIT BANK 0.3% 28MAR2024 CALLABLE	REDEMPTION	3/28/2024	1,600,000	0.300%	3/28/2024	100.00	1,600,000.00	-	1,600,000.00

Town of Los Gatos								
Insight ESG Ratings as of March 31, 2024								
Security Description	Maturity Date	Par/Shares	S&P Rating	Moody Rating	Insight ESG Rating	Environment	Social	Governance
IBM CORP 3.0% 15MAY2024	5/15/2024	\$ 1,000,000	A-	A3	2	1	2	4
CATERPILLAR FIN SERVICES 2.85% 17MAY24	5/17/2024	\$ 1,000,000	A	A2	4	5	3	4
AMERICAN HONDA FINANCE 2.4% 27JUN2024	6/27/2024	\$ 1,000,000	A-	A3	3	3	3	3
HONEYWELL INTERNATIONAL 2.3% 15AUG2024 (CALLABLE 15JUL24)	8/15/2024	\$ 1,000,000	A	A2	4	3	4	4
PEPSICO INC 2.85% 24FEB2026 (CALLABLE 24NOV25)	2/24/2026	\$ 1,000,000	A+	A1	2	2	2	3
HOME DEPOT INC. 3% 01APR2026 (CALLABLE 01JAN2026)	4/1/2026	\$ 1,000,000	A	A2	2	3	2	3
JPMORGAN CHASE & CO 3.2 15JUN2026 (CALLABLE 15MAR26)	6/15/2026	\$ 500,000	A-	A1	3	1	3	4
APPLE INC. 2.9% 12SEP2027 (CALLABLE 12JUN27)	9/12/2027	\$ 1,300,000	AA+	Aaa	4	1	4	5
TOYOTA MOTOR CREDIT CORP 5.45% 10NOV2027	11/10/2027	\$ 1,600,000	A+	A1	4	2	3	4
AMERICAN HONDA FINANCE 4.7% 12JAN2028	1/12/2028	\$ 600,000	A-	A3	3	3	3	3
PNC BANK NA 3.25% 22JAN2028 (CALLABLE 01 FEB28)	1/22/2028	\$ 1,000,000	A	A2	3	2	3	3
COLGATE-PALMOLIVE CO 4.6% 01MAR2028 (CALLABLE 01FEB28)	3/1/2028	\$ 500,000	AA-	Aa3	3	2	3	3
US BANCORP 4.548% 22JUL2028 (CALLABLE 22JUL27)	7/22/2028	\$ 1,000,000	A	A3	3	3	4	3
JPMORGAN CHASE & CO 4.851% 25JUL2028 (CALLABLE 25JUL28)	7/25/2028	\$ 1,400,000	A-	A1	3	1	3	4
Total/Average		\$ 13,900,000			3.1	2.3	2.9	3.6

*ESG ratings are from 1 to 5, with 1 as the highest rating and 5 as the lowest. All ratings are weighted by industry rankings, based on the importance of the category within the individual industry.

Fund Schedule

ITEM NO. 5.

Fund Number	Fund Description	Prior Year Carryforward 7/1/2023	Increase/ (Decrease) July - Feb	Mar 2024				Estimated Fund Balance 3/31/2024*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
111	GENERAL FUND							
	Non-Spendable:							
	Loans Receivable	159,000	-	-	-	-	-	159,000
	Restricted Fund Balances:							
	Pension	1,400,163	-	-	-	-	-	1,400,163
	Land Held for Resale	44,338	-	-	-	-	-	44,338
	Committed Fund Balances:							
	Budget Stabilization	6,129,774	-	-	-	-	-	6,129,774
	Catastrophic	6,129,775	-	-	-	-	-	6,129,775
	Pension/OPEB	300,000	-	-	-	-	-	300,000
	Measure G District Sales Tax	590,581	-	-	-	-	-	590,581
	Assigned Fund Balances:							
	Open Space	410,000	-	-	-	-	-	410,000
	Sustainability	140,553	-	-	-	-	-	140,553
	Capital/Special Projects	10,359,577	-	-	-	-	-	10,359,577
	Carryover Encumbrances	37,698	-	-	-	-	-	37,698
	Compensated Absences	1,580,623	-	-	-	-	-	1,580,623
	ERAF Risk Reserve	689,608	-	-	-	-	-	689,608
	Council Priorities - Economic Recovery	1,556,614	-	-	-	-	-	1,556,614
	Unassigned Fund Balances:							
	Other Unassigned Fund Balance Reserve (Pre YE distribution)	-	(964,810)	4,006,016	(4,009,957)	-	-	(968,751)
	General Fund Total	29,528,304	(964,810)	4,006,016	(4,009,957)	-	-	28,559,553

* Interfund transfers and ARPA funding allocation to be performed as part of the fiscal year end closing entries.

Fund Schedule

ITEM NO. 5.

Fund Number	Fund Description	Prior Year Carryforward 7/1/2023	Increase/ (Decrease) July - Feb	Mar 2024				Estimated Fund Balance 3/31/2024*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
	SPECIAL REVENUE							
211/212	CDBG	166,653	-	-	-	-	-	166,653
222	Urban Runoff (NPDES)	629,843	50,593	29,996	(17,874)	-	-	692,558
231-236	Landscape & Lighting Districts	176,964	2,564	-	(672)	-	-	178,856
251	Los Gatos Theatre	74,991	37,607	9,830	(194)	-	-	122,234
711-716	Library Trusts	530,173	70,432	-	(5,148)	-	-	595,457
	Special Revenue Total	1,578,624	161,196	39,826	(23,888)	-	-	1,755,758
	CAPITAL PROJECTS							
411	GFAR - General Fund Appropriated Reserve	21,725,837	(1,399,369)	87,279	(186,014)	-	-	20,227,733
412	Community Center Development	-	866,281	-	-	-	-	866,281
421	Grant Funded Projects	(406,890)	35,775	-	(232,742)	-	-	(603,857)
461-463	Storm Basin Projects	3,218,331	167,517	3,952	-	-	-	3,389,800
471	Traffic Mitigation Projects	431,079	-	-	-	-	-	431,079
472	Utility Undergrounding Projects	3,438,996	20,806	794	-	-	-	3,460,596
481	Gas Tax Projects	1,671,245	(491,746)	136,769	-	-	-	1,316,268
	Capital Projects Total	30,078,598	(800,736)	228,794	(418,756)	-	-	29,087,900
	INTERNAL SERVICE FUNDS							
611	Town General Liability	212,022	3,189	-	(18,165)	-	-	197,046
612	Workers Compensation	514,813	(517,420)	17,333	(66,412)	-	-	(51,686)
621	Information Technology	2,474,618	(153,622)	165,303	(23,629)	-	-	2,462,670
631	Vehicle & Equipment Replacement	2,413,719	466,319	256,685	-	-	-	3,136,723
633	Facility Maintenance	927,700	55,580	235,808	(65,513)	-	-	1,153,575
	Internal Service Funds Total	6,542,872	(145,954)	675,129	(173,719)	-	-	6,898,328
	Trust/Agency							
942	RDA Successor Agency	(6,187,789)	(1,665,816)		(117)	-	-	(7,853,722)
	Trust/Agency Fund Total	(6,187,789)	(1,665,816)	-	(117)	-	-	(7,853,722)
	Total Town	61,540,609		4,949,765	(4,626,437)	-	-	58,447,817

* Interfund transfers and ARPA funding allocation to be performed as part of the fiscal year end closing entries.

Deposit Accounts of Interest:

111-23541 General Plan Update deposit account balance \$697,897.51
 111-23521 BMP Housing deposit account balance \$4,021,280.60



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/21/2024

DATE: May 16, 2024

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Staff Recommends that the Town Council:

- a. Adopt a Resolution Approving the Engineer's Report for all Landscape and Lighting Districts for FY 2024/25.
- b. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Blackwell Drive Benefit Zone.
- c. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Kennedy Meadows Benefit Zone.
- d. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Santa Rosa Heights Benefit Zone.
- e. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Vasona Heights Benefit Zone.
- f. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Hillbrook Drive Benefit Zone.
- g. Adopt a Resolution of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 2-Gemini Court Benefit Zone.
- h. Set June 18, 2024 as the Date for the Public Hearing for the Levy and Collection of Assessments.

PREPARED BY: Meredith Johnston
Administrative Technician

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

SUBJECT: Landscape and Lighting Assessment Districts 1 & 2

DATE: May 16, 2024

RECOMMENDATION:

Staff recommends that the Town Council:

- i. Adopt a Resolution (Attachment 1) approving the Engineer's Report for all Landscape and Lighting Districts (Attachment 8) for FY 2024/25.
- j. Adopt a Resolution (Attachment 2) of intention to order the levy and collection of assessments for Landscape and Lighting District No. 1-Blackwell Drive Benefit Zone.
- k. Adopt a Resolution (Attachment 3) of intention to order the levy and collection of assessments for Landscape and Lighting District No. 1-Kennedy Meadows Benefit Zone.
- l. Adopt a Resolution (Attachment 4) of intention to order the levy and collection of assessments for Landscape and Lighting District No. 1-Santa Rosa Heights Benefit Zone.
- m. Adopt a Resolution (Attachment 5) of intention to order the levy and collection of assessments for Landscape and Lighting District No. 1-Vasona Heights Benefit Zone.
- n. Adopt a Resolution (Attachment 6) of intention to order the levy and collection of assessments for Landscape and Lighting District No. 1-Hillbrook Drive Benefit Zone.
- o. Adopt a Resolution (Attachment 7) of intention to order the levy and collection of assessments for Landscape and Lighting District No. 2-Gemini Court Benefit Zone.
- p. Set June 18, 2024 as the date for the public hearing to hear and consider and consider protests for the levy and collection of assessments.

BACKGROUND:

On April 16, 2024, the Town Council adopted a Resolution 2024-14 (Attachment 9) Describing Improvements and Directing the Preparation of the Engineer's Report for Fiscal Year (FY) 2024/25 for Landscape and Lighting Assessment Districts No. 1 and 2.

DISCUSSION:

In accordance with the adopted Resolution and pursuant to the requirements of the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500), the Engineer's Report (Attachment 8) contains the following information:

1. Plans and specifications for the maintenance of the existing improvements and for proposed new improvements, if any, to be made within the Assessment Districts or within any zones thereof.
2. An estimate of the costs of said proposed new improvements, if any, to be made along with the costs of maintenance or servicing, or both, thereof, and of any existing improvements, together with the incidental expenses in connection therewith.

SUBJECT: Landscape and Lighting Assessment Districts 1 & 2

DATE: May 16, 2024

DISCUSSION (continued):

3. A diagram showing the exterior boundaries of the Assessment Districts and of any zones within said Districts and the lines and dimensions of each lot or parcel of land within the Districts as such lot or parcel of land is shown on the County Assessor's map for the fiscal year to which the report applies, each of which lots or parcels of land shall be identified by a distinctive number or letter on the said diagram.
4. A proposed assessment of the total amount of the estimated costs and expenses of the maintenance activities and proposed new improvements, if any, upon the several lots or parcels of land in said Districts in proportion to the estimated particular and distinct benefits to be received by each of such lots or parcels of land, respectively, from said improvements, including the maintenance or servicing, or both, thereof, and of the expenses incidental thereto.

The recommended actions would maintain the assessments at each of the benefit zones at the current level, with no additions or reductions as these funding levels are appropriate to address regular ongoing maintenance as well as capital maintenance as needed.

The Council may also direct that modifications be made to the Engineer's Report if it so desires.

After Council's consideration and adoption of the Resolutions Approving the FY 2024/25 Preliminary Engineer's Report (Attachment 1), Intentions to Levy and Collect Assessments (Attachments 2 through 7), and setting the date and time for the public hearing for June 18, 2024, Town staff will mail a Notice of Intention to Levy Annual Assessments for FY 2024/25 to all property owners, which will include the public hearing date, time, and location.

Persons wishing to protest the levy and collection of assessments may do so by submitting/ mailing the protest to the Town Clerk, 110 E. Main Street, Los Gatos, CA 95030; emailing to the Town Clerk - Clerk@LosGatosCA.gov; or attending the public hearing. Any written protest must be received by the Town Clerk no later than the public hearing of June 18, 2024, as described above.

Protests must identify the grounds for the protest, the person filing the protest, and the property owned by the person filing the protest.

At the conclusion of the public hearing, the Town staff will transmit the assessment amounts to the County Assessor which will appear as a separate item on the property tax bill for each parcel.

SUBJECT: Landscape and Lighting Assessment Districts 1 & 2

DATE: May 16, 2024

CONCLUSION:

Staff recommends that the Town Council adopt the attached seven resolutions to continue the annual process of renewing the Landscape and Lighting Assessment Districts 1 & 2 for FY 2024/25. If the Town Council approves these actions, staff will mail Notices of Intention to Levy Annual Assessments for FY 2024/25 to all property owners within the districts prior to the public hearing in June.

FISCAL IMPACT:

There are no direct fiscal impacts on the Town's General Fund as a result of administering the Landscape and Lighting Assessment Districts. All of the costs associated with the Districts are recovered via the assessments levied against the property owners within the Districts. There are no proposed increases in any of the parcel assessments for FY 2024/25 that would require a ballot vote under Proposition 218.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Resolution Approving Engineer's Report for all Landscape and Lighting Districts for FY 2024/25
2. Resolution of Intention to Order the Levy and Collection of Assessments - Blackwell Drive Benefit Zone
3. Resolution of Intention to Order the Levy and Collection of Assessments – Kennedy Meadows Benefit Zone
4. Resolution of Intention to Order the Levy and Collection of Assessments – Santa Rosa Heights Benefit Zone
5. Resolution of Intention to Order the Levy and Collection of Assessments – Vasona Heights Benefit Zone
6. Resolution of Intention to Order the Levy and Collection of Assessments – Hillbrook Drive Benefit Zone
7. Resolution of Intention to Order the Levy and Collection of Assessments – Gemini Court Benefit Zone
8. Engineer's Report for FY 2024/25
9. Resolution 2024-14 Describing Improvements and Directing the Preparation of Engineers Report for LLD 1. And 2.

RESOLUTION 2024-**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
APPROVING THE ENGINEER'S REPORT FOR
LANDSCAPE AND LIGHTING ASSESSMENT DISTRICTS NO. 1 & 2 FOR
FISCAL YEAR 2024/25**

WHEREAS, pursuant to the Landscaping and Lighting Act of 1972, on the 16th day of April 2024, said Council did adopt its Resolution No. 2024-14 "A Resolution Describing Improvements and Directing Preparation of Engineer's Report For Fiscal Year 2024/25 for the Town of Los Gatos Landscape and Lighting Assessment Districts No. 1 & 2," in said Town and did refer the proposed improvements to the Engineer of the Town and did therein direct said Engineer to prepare and file with the Town Clerk of said Town a report, in writing, all as therein more particularly described; and

WHEREAS, said Town Engineer prepared and filed with the Town Clerk a report in writing as called for in said Resolution No. 2024-14 and under and pursuant to said Act, which report has been presented to this Council for consideration; and

WHEREAS, said Council has duly considered said report and each and every part thereof, and finds that each and every part of said report is sufficient, and that neither said report, nor any part thereof should be modified in any respect.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the plans and specifications for the existing improvements and the proposed new improvements to be made within the assessment districts or within any zone thereof, contained in said report, be, and they are hereby preliminarily approved.

ATTACHMENT 1

2. That the Engineer's estimate of the itemized and total costs and expenses of said improvements, maintenance, and servicing thereof, and of the incidental expenses in connection therewith, contained in said report, be, and each of them are hereby preliminarily approved.

3. That the diagram showing the exterior boundaries of the assessment districts referred to and described in said Resolution No. 2024-14 and also the boundaries of any zones therein, and the lines and dimensions of each lot or parcel of land within said districts as such lot or parcel of land is shown on the County Assessor's maps for the fiscal year to which the report applies, each of which lot or parcel of land has been given a separate number upon said diagram, as contained in said report, be, and it hereby is preliminarily approved.

4. That the proposed assessment of the total amount of the estimated costs and expenses of the proposed improvements upon the several lots or parcels of land in said assessment districts in proportion to the estimated benefits to be received by such lots or parcels, respectively, from said improvements including the maintenance or servicing or both, thereof, and of the expenses incidental thereto, as contained in said report, be, and they are hereby preliminarily approved.

5. That said report shall stand as the Engineer's Report for the purpose of all subsequent proceedings to be had pursuant to said Resolution No. 2024-14.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, at a meeting thereof held on the 21st day of May 2024 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

RESOLUTION 2024-

**RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF LOS GATOS
OF ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2024/25 IN
LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1--
BLACKWELL DRIVE BENEFIT ZONE,
AND TO SET PUBLIC MEETING AND PUBLIC HEARING
TO CONSIDER THE PROPOSED ASSESSMENTS**

WHEREAS, Landscape and Lighting Assessment District No. 1--Blackwell Drive Benefit Zone is generally located in Tract No. 8306, as generally shown in Part D hereto and generally consists of the following improvements:

Landscaping and appurtenances in the median
island and the streetlights constructed as a part of
Tract No. 8306, Blackwell Drive and National
Avenue.

WHEREAS, on April 16, 2024, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1--Blackwell Drive Benefit Zone, regarding the improvements in the District and proposed assessment to support those improvements; and

WHEREAS, the Town Engineer has prepared and filed that report; and

WHEREAS, the Town Council has considered and approved that report; and

WHEREAS, no substantial changes are proposed to be made in the improvements in the District; and

ATTACHMENT 2

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District and the benefit zones within the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the Town Council intends to consider levying and collecting assessments upon the assessable lots and parcels of land within the District that are equal to those levied and collected in Fiscal Year 2024/25; and

WHEREAS, the proposed assessment should be set for public hearing in accordance with the Streets and Highways Code,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Town Council will consider the levying and collection of assessment in Landscape and Lighting Assessment District No. 1--Blackwell Drive Benefit Zone at a public hearing Tuesday, June 18, 2024, at 7:00 p.m., in the Council Chambers of the Civic Center, 110 E. Main Street, Los Gatos, CA, when all interested persons may attend and be heard. This hearing may be continued from time to time.
2. Persons wishing to protest the levy and collection of assessments may do so by mailing the protest to the Town Clerk at 110 E. Main Street, Los Gatos, CA 95030; emailing to the Town Clerk – Clerk@LosGatosCA.gov, or attending the public hearing by teleconference and speaking. Any written protest must be received by the Town Clerk no later than the public hearing of June 18, 2024, as described above.
3. The Town Clerk is ordered to cause notice of the hearing to be published once in the Los Gatos Weekly Times at least 10 days before the public hearing.

4. The Town Clerk is further ordered to cause notice of the public hearing to be mailed to the owners of assessable lots and parcels within the district at least 10 days before the public hearing.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, at a meeting thereof held on the 21st day of May 2024 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

RESOLUTION 2024-

**RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF LOS GATOS
OF ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2024/25 IN
LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1--
KENNEDY MEADOWS BENEFIT ZONE,
AND TO SET PUBLIC MEETING AND PUBLIC HEARING
TO CONSIDER THE PROPOSED ASSESSMENTS**

WHEREAS, Landscape and Lighting Assessment District No. 1--Kennedy Meadows Benefit Zone is generally located in Tract No. 8612, as generally shown in Part D hereto and generally consists of the following improvements:

The maintenance of trees, landscaping, irrigation systems, trail and streetlights within open space areas (Parcels A and B) and along Kennedy Court and Forrester Court, as shown on the approved improvement for Tract No. 8612, Los Gatos, California and the riparian and wetlands area described in the report by H. T. Harvey Associates, dated November 11, 1994.

WHEREAS, on April 16, 2024 the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1--Kennedy Meadows Benefit Zone, regarding the improvements in the District and proposed assessment to support those improvements; and

WHEREAS, the Town Engineer has prepared and filed that report; and

ATTACHMENT 3

WHEREAS, the Town Council has considered and approved that report; and

WHEREAS, no substantial changes are proposed to be made in the improvements in the district; and

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District and the benefit zones within the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the Town Council intends to consider levying and collecting assessments upon the assessable lots and parcels of land within the District that equal to those levied and collected in Fiscal Year 2024/25; and

WHEREAS, the proposed assessment should be set for public hearing in accordance with the Streets and Highways Code,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Town Council will consider the levying and collection of assessment in Landscape and Lighting Assessment District No. 1— Kennedy Meadows Benefit Zone at a public hearing Tuesday, June 18, 2024, at 7:00 p.m., in the Council Chambers of the Civic Center, 110 E. Main Street, Los Gatos, CA, when all interested persons may attend and be heard. This hearing may be continued from time to time.
2. Persons wishing to protest the levy and collection of assessments may do so by mailing the protest to the Town Clerk at 110 E. Main Street, Los Gatos, CA 95030; emailing to the Town Clerk – Clerk@LosGatosCA.gov, or attending the public hearing by teleconference and speaking. Any written protest must be received by the Town Clerk no later than the public hearing of June 18, 2024, as described above.

3. The Town Clerk is ordered to cause notice of the hearing to be published once in the Los Gatos Weekly Times at least 10 days before the public hearing.
4. The Town Clerk is further ordered to cause notice of the public hearing to be mailed to the owners of assessable lots and parcels within the district at least 10 days before the public hearing.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, at a meeting thereof held on the 21st day of May 2024 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

RESOLUTION 2024-

**RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF LOS GATOS
OF ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2024/25 IN
LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1--
SANTA ROSA HEIGHTS BENEFIT ZONE,
AND TO SET PUBLIC MEETING AND PUBLIC HEARING
TO CONSIDER THE PROPOSED ASSESSMENTS**

WHEREAS, Landscape and Lighting Assessment District No. 1--Santa Rosa Heights Benefit Zone is generally located in Tract No. 8400, as generally shown in Part D hereto and generally consists of the following improvements:

Open space and a maintained trail constructed as a
part of Tract No. 8400, Santa Rosa Drive and
Shannon Road.

WHEREAS, on April 16, 2024, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1--Santa Rosa Heights Benefit Zone, regarding the improvements in the District and proposed assessment to support those improvements; and

WHEREAS, the Town Engineer has prepared and filed that report; and

WHEREAS, the Town Council has considered and approved that report; and

WHEREAS, no substantial changes are proposed to be made in the improvements in the District; and

ATTACHMENT 4

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District and the benefit zones within the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the Town Council intends to consider levying and collecting assessments upon the assessable lots and parcels of land within the District that are equal to those levied and collected in Fiscal Year 2024/25; and

WHEREAS, the proposed assessment should be set for public hearing in accordance with the Streets and Highways Code,

NOW, THEREFORE, BE IT **RESOLVED AS FOLLOWS:**

1. The Town Council will consider the levying and collection of assessment in Landscape and Lighting Assessment District No. 1-- Santa Rosa Heights Benefit Zone at a public hearing Tuesday, June 18, 2024, at 7:00 p.m., in the Council Chambers of the Civic Center, 110 E. Main Street, Los Gatos, CA, when all interested persons may attend and be heard. This hearing may be continued from time to time.
2. Persons wishing to protest the levy and collection of assessments may do so by mailing the protest to the Town Clerk at 110 E. Main Street, Los Gatos, CA 95030; emailing to the Town Clerk – Clerk@LosGatosCA.gov, or attending the public hearing by teleconference and speaking. Any written protest must be received by the Town Clerk no later than the public hearing of June 18, 2024, as described above.
3. The Town Clerk is ordered to cause notice of the hearing to be published once in the Los Gatos Weekly Times at least 10 days before the public hearing.
4. The Town Clerk is further ordered to cause notice of the public hearing to be

mailed to the owners of assessable lots and parcels within the district at least 10 days before the public hearing.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, at a meeting thereof held on the 21st day of May 2024 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

RESOLUTION 2024-

**RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF LOS GATOS
OF ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2024/25 IN
LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1--
VASONA HEIGHTS BENEFIT ZONE,
AND TO SET PUBLIC MEETING AND PUBLIC HEARING
TO CONSIDER THE PROPOSED ASSESSMENTS**

WHEREAS, Landscape and Lighting Assessment District No. 1--Vasona Heights Benefit Zone is generally located in Tract No. 8280, as generally shown in Part D hereto and generally consists of the following improvements:

The maintenance of trees, landscaping, irrigation systems, trail, emergency access, and retaining wall within open space areas, as shown on the approved improvement for Tract No. 8280, Los Gatos, California.

WHEREAS, on April 16, 2024, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1--Vasona Heights Benefit Zone, regarding the improvements in the District and proposed assessment to support those improvements; and

WHEREAS, the Town Engineer has prepared and filed that report; and

WHEREAS, the Town Council has considered and approved that report; and

WHEREAS, no substantial changes are proposed to be made in the improvements in the District; and

ATTACHMENT 5

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District and the benefit zones within the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the Town Council intends to consider levying and collecting assessments upon the assessable lots and parcels of land within the District that are equal to those levied and collected in Fiscal Year 2024/25; and

WHEREAS, the proposed assessment should be set for public hearing in accordance with the Streets and Highways Code,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Town Council will consider the levying and collection of assessment in Landscape and Lighting Assessment District No. 1--Vasona Heights Benefit Zone at a public hearing Tuesday, June 18, 2024, at 7:00 p.m., in the Council Chambers of the Civic Center, 110 E. Main Street, Los Gatos, CA, when all interested persons may come and be heard. This hearing may be continued from time to time.
2. Persons wishing to protest the levy and collection of assessments may do so by mailing the protest to the Town Clerk at 110 E. Main Street, Los Gatos, CA 95030; emailing to the Town Clerk – Clerk@LosGatosCA.gov, or attending the public hearing by teleconference and speaking. Any written protest must be received by the Town Clerk no later than the public hearing of June 18, 2024, as described above.
3. The Town Clerk is ordered to cause notice of the hearing to be published once in the Los Gatos Weekly Times at least 10 days before the public hearing.

4. The Town Clerk is further ordered to cause notice of the public hearing to be mailed to the owners of assessable lots and parcels within the district at least 10 days before the public hearing.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, at a meeting thereof held on the 21st day of May 2024 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

RESOLUTION 2024-

**RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF LOS GATOS
OF ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2024/25 IN
LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1--
HILLBROOK BENEFIT ZONE
AND TO SET PUBLIC HEARING CONSIDERING
THE PROPOSED ASSESSMENTS**

WHEREAS, Landscape and Lighting Assessment District No. 1--Hillbrook Benefit Zone is generally located along Fairmead Lane and Hillbrook Drive, as generally shown in Part D hereto and generally consists of the following improvements:

Landscaping, turf, lighting and appurtenances on Assessor's Parcel Number 523-11-028, located at the southeast corner of Blossom Hill Road and Hillbrook Drive.

WHEREAS, on April 16, 2024, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1--Hillbrook Benefit Zone, regarding the improvements in the District and proposed assessment to support those improvements; and

WHEREAS, the Town Engineer has prepared and filed that report; and

WHEREAS, the Town Council has considered and approved that report; and

WHEREAS, no substantial changes are proposed to be made in the improvements in the District; and

ATTACHMENT 6

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the Town Council intends to consider levying and collecting assessments upon the assessable lots and parcels of land within the District that are equal to those levied and collected in Fiscal Year 2024/25; and

WHEREAS, this proposed assessment should be set for public hearing in accordance with the Streets and Highways Code,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Town Council will consider the levying and collection of assessment in Landscape and Lighting Assessment District No. 1--Hillbrook Benefit Zone at a public hearing Tuesday, June 18, 2024, at 7:00 p.m., in the Council Chambers of the Civic Center, 110 E. Main Street, Los Gatos, CA, when all interested persons may come and be heard. This hearing may be continued from time to time.
2. Persons wishing to protest the levy and collection of assessments may do so by mailing the protest to the Town Clerk at 110 E. Main Street, Los Gatos, CA 95030; emailing to the Town Clerk – Clerk@LosGatosCA.gov, or attending the public hearing by teleconference and speaking. Any written protest must be received by the Town Clerk no later than the public hearing of June 18, 2024, as described above.
3. The Town Clerk is ordered to cause notice of the hearing to be published once in the Los Gatos Weekly Times at least 10 days before the public hearing.

4. The Town Clerk is further ordered to cause notice of the public hearing to be mailed to the owners of assessable lots and parcels within the district at least 10 days before the public hearing.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, at a meeting thereof held on the 21st day of May 2024 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

RESOLUTION 2024-

**RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF LOS GATOS
OF ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2024/25 IN
LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 2--
GEMINI COURT BENEFIT ZONE,
AND TO SET PUBLIC MEETING AND PUBLIC HEARING
TO CONSIDER THE PROPOSED ASSESSMENTS**

WHEREAS, Landscape and Lighting Assessment District No. 2--Gemini Court Benefit Zone is generally located in Tract No. 8439, as generally shown in Part D hereto and generally consists of the following improvements:

Landscaping and appurtenances in the landscape strips and the streetlights constructed as a part of Tract No. 8439, Gemini Court and Blossom Hill Road.

WHEREAS, on April 16, 2024, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 2--Gemini Court Benefit Zone, regarding the improvements in the District and proposed assessment to support those improvements; and

WHEREAS, the Town Engineer has prepared and filed that report; and

WHEREAS, the Town Council has considered and approved that report; and

WHEREAS, no substantial changes are proposed to be made in the improvements in the District; and

ATTACHMENT 7

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District and the benefit zones within the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the Town Council intends to consider levying and collecting assessments upon the assessable lots and parcels of land within the District that are equal to those levied and collected in Fiscal Year 2024/25; and

WHEREAS, the proposed assessment should be set for public hearing in accordance with the Streets and Highways Code,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Town Council will consider the levying and collection of assessment in Landscape and Lighting Assessment District No. 2--Gemini Court Benefit Zone at a public hearing Tuesday, June 18, 2024, at 7:00 p.m., in the Council Chambers of the Civic Center, 110 E. Main Street, Los Gatos, CA, when all interested persons may come and be heard. This hearing may be continued from time to time.
2. Persons wishing to protest the levy and collection of assessments may do so by mailing the protest to the Town Clerk at 110 E. Main Street, Los Gatos, CA 95030; emailing to the Town Clerk – Clerk@LosGatosCA.gov, or attending the public hearing by teleconference and speaking. Any written protest must be received by the Town Clerk no later than the public hearing of June 18, 2024, as described above.
3. The Town Clerk is ordered to cause notice of the hearing to be published once in the Los Gatos Weekly Times at least 10 days before the public hearing.

4. The Town Clerk is further ordered to cause notice of the public hearing to be mailed to the owners of assessable lots and parcels within the district at least 10 days before the public hearing.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, at a meeting thereof held on the 21st day of May 2024 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

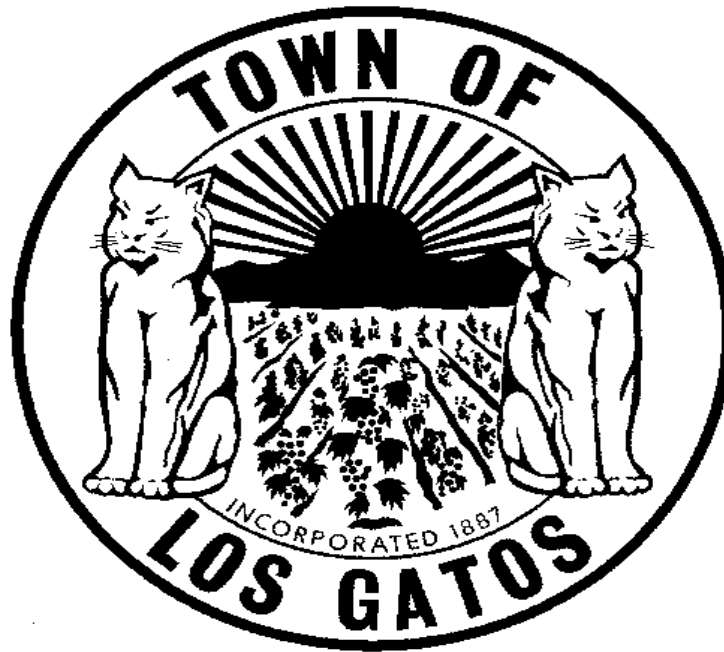
MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____



**Landscape and Lighting
Assessment Districts No. 1 and 2**

**Fiscal Year
2024/25**

ENGINEER'S REPORT

ATTACHMENT 8

ENGINEER'S REPORT

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1 AND 2

(Pursuant to the Landscape and Lighting Act of 1972)

The Engineer of Work respectfully submits the enclosed report as directed by the Town Council.

Gary Heap
GARY HEAP
Town Engineer

May 6, 2024
DATE

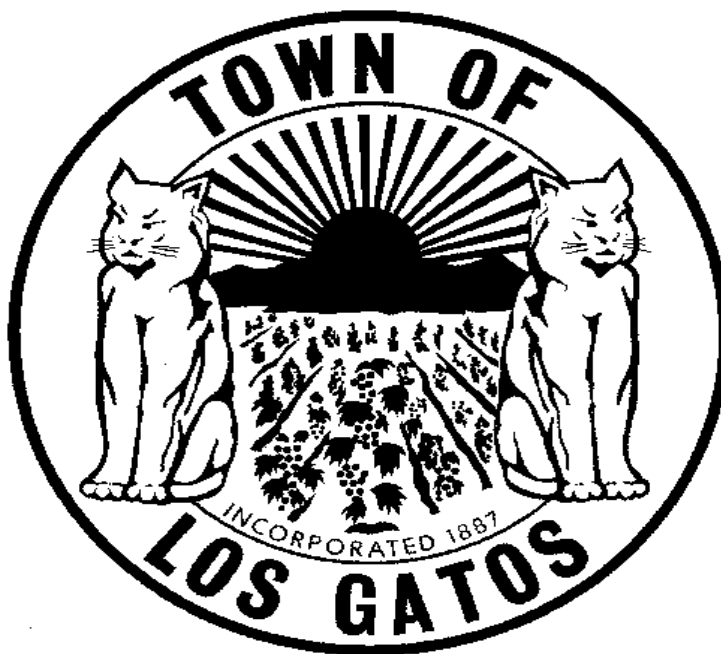
I HEREBY CERTIFY that the enclosed Engineer's Report, with Assessment and Assessment Diagram thereto attached was filed with me on the 6th day of May, 2024.

TOWN CLERK, Town of Los Gatos
Santa Clara County, California

I HEREBY CERTIFY that the enclosed Engineer's Report, with Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Town Council of the Town of Los Gatos, California on the 21st day of May 2024, by Resolution No. 2024-_____

TOWN CLERK, Town of Los Gatos
Santa Clara County, California

I HEREBY CERTIFY that the enclosed Engineer's Report, with Assessment and Assessment Diagram thereto attached was filed with the County Assessor of the County of Santa Clara on the _____ day of _____, 2024.



**Landscape and Lighting
Assessment District No. 1**

**BLACKWELL DRIVE
BENEFIT ZONE**

**Fiscal Year
2024/25**

ENGINEER'S REPORT

**ENGINEER'S REPORT
FISCAL YEAR 2024/25**

ITEM NO. 6.

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

BLACKWELL DRIVE BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 1, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

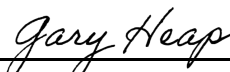
The improvements that are the subject of this report are briefly described as follows:

Maintaining the landscaping in the median island constructed as a part of Tract No. 8306 and maintaining the streetlights installed along Blackwell Drive and National Avenue as a part of Tract No. 8306.

This report consists of four parts, as follows:

- PART A: Plans and specifications for the improvements are filed in the Clerk Department. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.
- PART B: An estimate of the cost of the improvements.
- PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the proposed assessment against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.
- PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,



GARY HEAP
Town Engineer

May 6, 2024
DATE

Type text here

PART A

ITEM NO. 6.

FISCAL YEAR 2024/25

PLANS, SPECIFICATIONS AND REPORTS

BLACKWELL DRIVE BENEFIT ZONE

Plans and specifications for the improvements are those prepared by Greg G. Ing, and Associates, dated February 16, 1990. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

PART B

ESTIMATE OF THE COST OF IMPROVEMENTS

FISCAL YEAR 2023/24

BLACKWELL DRIVE BENEFIT ZONE

Fiscal Year 2022/23 Resources			
--------------------------------------	--	--	--

	Fund Balance 6/30/22	\$	13,741
	Assessment		3,160
	Delinquent Assessment		0
	Penalties/Late Fees		0
	Interest		243
	Total Resources Available for FY 2022/23	\$	17,143

Fiscal Year 2022/23 Expenses				
------------------------------	--	--	--	--

	Santa Clara County Collection Fee	\$	32
	Publication & Notification Charges		476
	Light Pole Maintenance		0
	Electric Utility		0
	San Jose Water		681
	Landscape Contractor		1,340
	Town Administrative Charges		460
	Total Expenses for FY 2022/23	\$	2,988

Ending Fund Balance for FY 2022/23	\$	14,155
------------------------------------	----	--------

Fiscal Year	2023/24	Estimated Resources

[illegible][illegible]

	Santa Clara County Collection Fee	\$	32
	Publication & Notification Charges		300
	Tree Services		0
	Weed Abatement		0
	Light Pole Maintenance		0
	Electric Utility		0
	San Jose Water		910
	Landscape Contractor		1,742
	District Capital Improvement		0
	Town Administrative Charges		460
	Total Estimated Expenses for FY 2023/24	\$	3,444

Estimated Ending Fund Balance for FY 2023/24	\$	13,921
--	----	--------

PART C**ASSESSMENT ROLL
FISCAL YEAR 2024/25****BLACKWELL DRIVE BENEFIT ZONE**

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	\$632	424-12-123
Lot 2	\$632	424-12-124
Lot 3	\$632	424-12-125
Lot 4	\$632	424-12-126
Lot 5	\$632	424-12-127
Total Assessment:	\$3,160	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

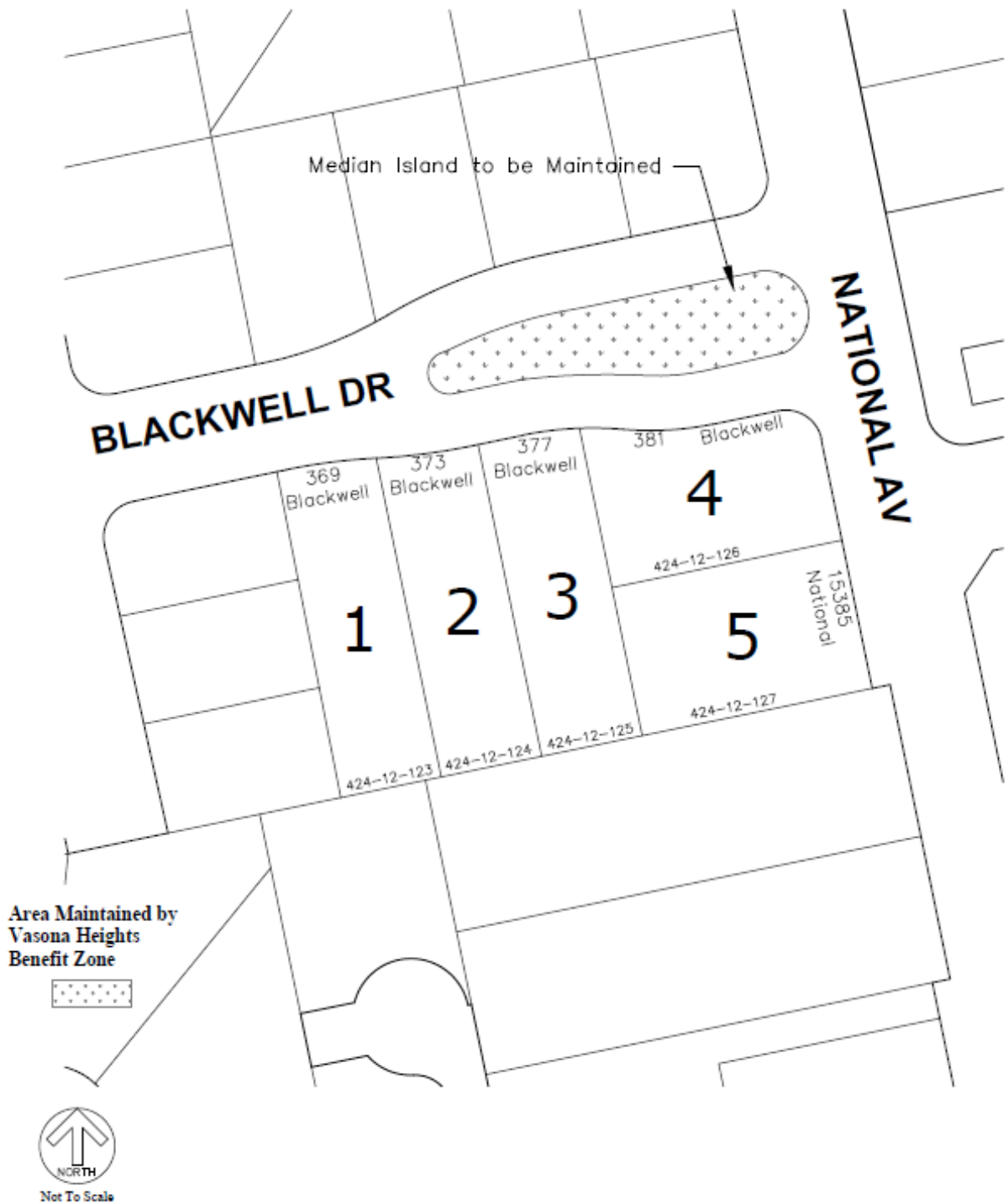
The total amount of the assessment was apportioned equally to all the lots within the Blackwell Drive Benefit Zone of Landscape and Lighting Assessment District No. 1.

BLACKWELL DRIVE BENEFIT ZONE

PROPERTY OWNERS LIST

APN
42412123
42412124
42412125
42412126
42412127

PART "D"
Assessment Diagram



Blackwell Drive Benefit Zone
Landscaping & Lighting Assessment District No. 1



**Landscape and Lighting
Assessment District No. 1**

**KENNEDY MEADOWS
BENEFIT ZONE**

**Fiscal Year
2024/25**

ENGINEER'S REPORT

ENGINEER'S REPORT
FISCAL YEAR 2024/25

ITEM NO. 6.

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

KENNEDY MEADOWS BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 1--Kennedy Meadows Benefit Zone, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

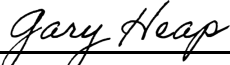
The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, irrigation systems, trail, and streetlights within open space areas (Parcels A and B) and along Kennedy Court and Forrester Court, as shown on the approved improvement for Tract No. 8612, Los Gatos, California and the riparian and wetlands area described in the report by H. T. Harvey Associates, dated November 11, 1994.

This report consists of four parts, as follows:

- PART A: Plans and specifications for the improvements and the report by H. T. Harvey Associates are filed in the Clerk Department. Although separately bound, the plans, specifications and H.T. Harvey report are a part of this report and are included in it by reference.
- PART B: An estimate of the cost of the improvements, including interest on the funds advanced to the benefit zone by the Town.
- PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the amount proposed to be assessed against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.
- PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,



GARY HEAP
Town Engineer

May 6, 2024
DATE

PART A**FISCAL YEAR 2024/25****PLANS, SPECIFICATIONS AND REPORTS****KENNEDY MEADOWS BENEFIT ZONE**

Plans and specifications for the improvements are those prepared by Nowack and Associates, Civil Engineers, dated September 21, 1994, their job number 90-263C, pages 1 - 11. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

The wetlands mitigation and monitoring plan was prepared by H.T. Harvey & Associates, Ecological Consultants, dated November 11, 1994, their file number 733-04, 11 pages. A revised wetlands mitigation plan is contained in a letter to the U.S. Army Corp of Engineers and California Regional Water Quality Control Board dated August 30, 1995 and as-built plans in a letter dated February 21, 1995. The original report and letters have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in this Report by reference.

PART C**ASSESSMENT ROLL
FISCAL YEAR 2024/25****KENNEDY MEADOWS BENEFIT ZONE**

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	\$685.00	532-18-050
Lot 2	\$685.00	532-18-049
Lot 3	\$685.00	532-18-048
Lot 4	\$685.00	532-18-047
Lot 5	\$685.00	532-18-052
Lot 6	\$685.00	532-18-063
Lot 7	\$685.00	532-18-062
Lot 8	\$685.00	532-18-061
Lot 9	\$685.00	532-18-060
Lot 10	\$685.00	532-18-059
Lot 11	\$685.00	532-18-058
Lot 12	\$685.00	532-18-057
Lot 13	\$685.00	532-18-056
Lot 14	\$685.00	532-18-055
Lot 15	\$685.00	532-18-054
Total Assessment:	\$10,275	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within Kennedy Meadows Benefit Zone of Landscape and Lighting Assessment District No. 1.

KENNEDY MEADOWS BENEFIT ZONE

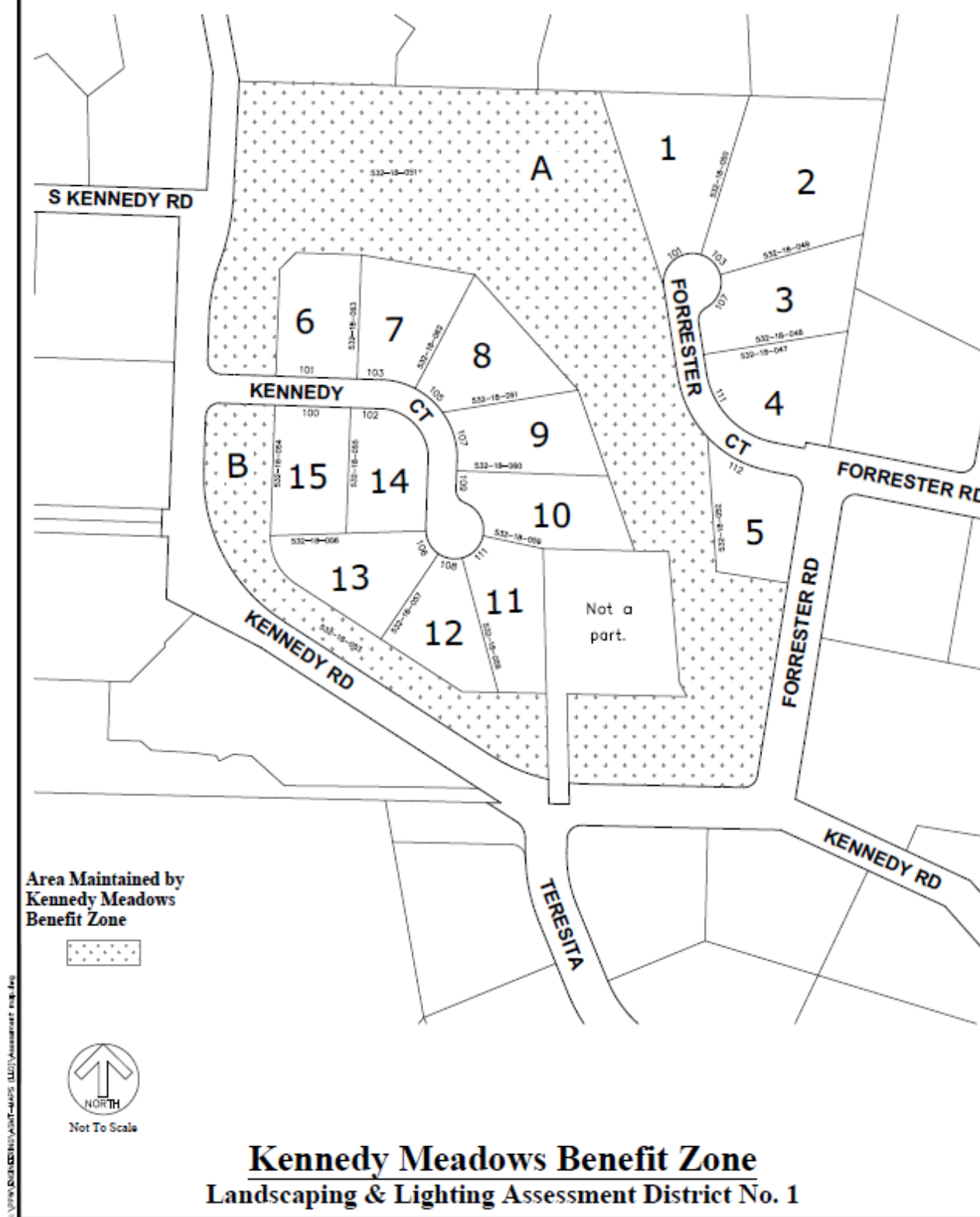
ITEM NO. 6.

PROPERTY OWNERS LIST

APN
53218047
53218048
53218049
53218050
53218052
53218054
53218055
53218056
53218057
53218058
53218059
53218060
53218061
53218062
53218063

PART "D"

Assessment Diagram





**Landscape and Lighting
Assessment District No. 1**

**SANTA ROSA HEIGHTS
BENEFIT ZONE**

**Fiscal Year
2024/25**

ENGINEER'S REPORT

**ENGINEER'S REPORT
FISCAL YEAR 2024/25**

ITEM NO. 6.

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

SANTA ROSA HEIGHTS BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 1--Santa Rosa Heights Benefit Zone, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

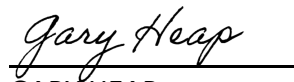
The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, trail and retaining walls, as shown on the approved improvement plans for Tract No. 8400, Los Gatos, California.

This report consists of four parts, as follows:

- PART A: Plans and specifications for the improvements are filed in the Clerk Department. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.
- PART B: An estimate of the cost of the improvements.
- PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the amount proposed to be assessed against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.
- PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,


GARY HEAP
Town Engineer

May 6, 2024
DATE

Type text here

PART A**FISCAL YEAR 2024/25****PLANS, SPECIFICATIONS AND REPORTS****SANTA ROSA HEIGHTS BENEFIT ZONE**

Plans and specifications for the improvements are those prepared by Nowack & Associates, dated February 1991, their job number 90-295. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

PART B

ESTIMATE OF THE COST OF IMPROVEMENTS

FISCAL YEAR 2023/24

SANTA ROSA HEIGHTS BENEFIT ZONE				
--	--	--	--	--

Fiscal Year 2022/23 Resources			
--------------------------------------	--	--	--

		Fund Balance 6/30/22			\$	40,708
		Assessment				4,545
		Delinquent Assessment				0
		Penalties/Late Fees				0
		Interest				690
		Total Resources Available for FY 2022/23			\$	45,942

Fiscal Year 2022/23 Expenses				
------------------------------	--	--	--	--

	Santa Clara County Collection Fee		\$	45
	Publication & Notification Charges			470
	Light Pole Maintenance			0
	Electric Utility			0
	San Jose Water			0
	Landscape Contractor			8,398
	Town Administrative Charges			660
	Total Expenses for FY 2022/23		\$	9,573

Ending Fund Balance for FY 2022/23		\$	36,369
------------------------------------	--	----	--------

Fiscal Year 2023/24 Estimated Resources			
--	--	--	--

	Fund Balance 6/30/23			\$	36,369
	Assessment				4,500
	Interest				50
	Total Estimated Resources Available for FY 2023/24			\$	40,919

Fiscal Year 2023/24 Estimated Expenses			
---	--	--	--

	Santa Clara County Collection Fee		\$	45
	Publication & Notification Charges			300
	Tree Services			0
	Weed Abatement			0
	Light Pole Maintenance			0
	Electric Utility			0
	San Jose Water			0
	Landscape Contractor			11,882
	Town Administrative Charges			660
	District Capital Improvements			0
	Total Estimated Expenses for FY 2023/24		\$	12,887

Estimated Ending Fund Balance for FY 2023/24	\$ 28,032
---	------------------

PART C

ITEM NO. 6.

**ASSESSMENT ROLL
FISCAL YEAR 2024/25**

SANTA ROSA HEIGHTS BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	\$300.00	537-31-001
Lot 2	\$300.00	537-31-002
Lot 3	\$300.00	537-31-003
Lot 4	\$300.00	537-31-022
Lot 5	\$300.00	537-31-023
Lot 6	\$300.00	537-31-006
Lot 7	\$300.00	537-31-007
Lot 8	\$300.00	537-31-008
Lot 9	\$300.00	537-31-009
Lot 10	\$300.00	537-31-010
Lot 11	\$300.00	537-31-011
Lot 12	\$300.00	537-31-012
Lot 13	\$300.00	537-31-013
Lot 14	\$300.00	537-31-014
Lot 15	\$300.00	537-31-015
Total Assessment:	\$4,500	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within Santa Rosa Heights Benefit Zone of Landscape and Lighting Assessment District No. 1.

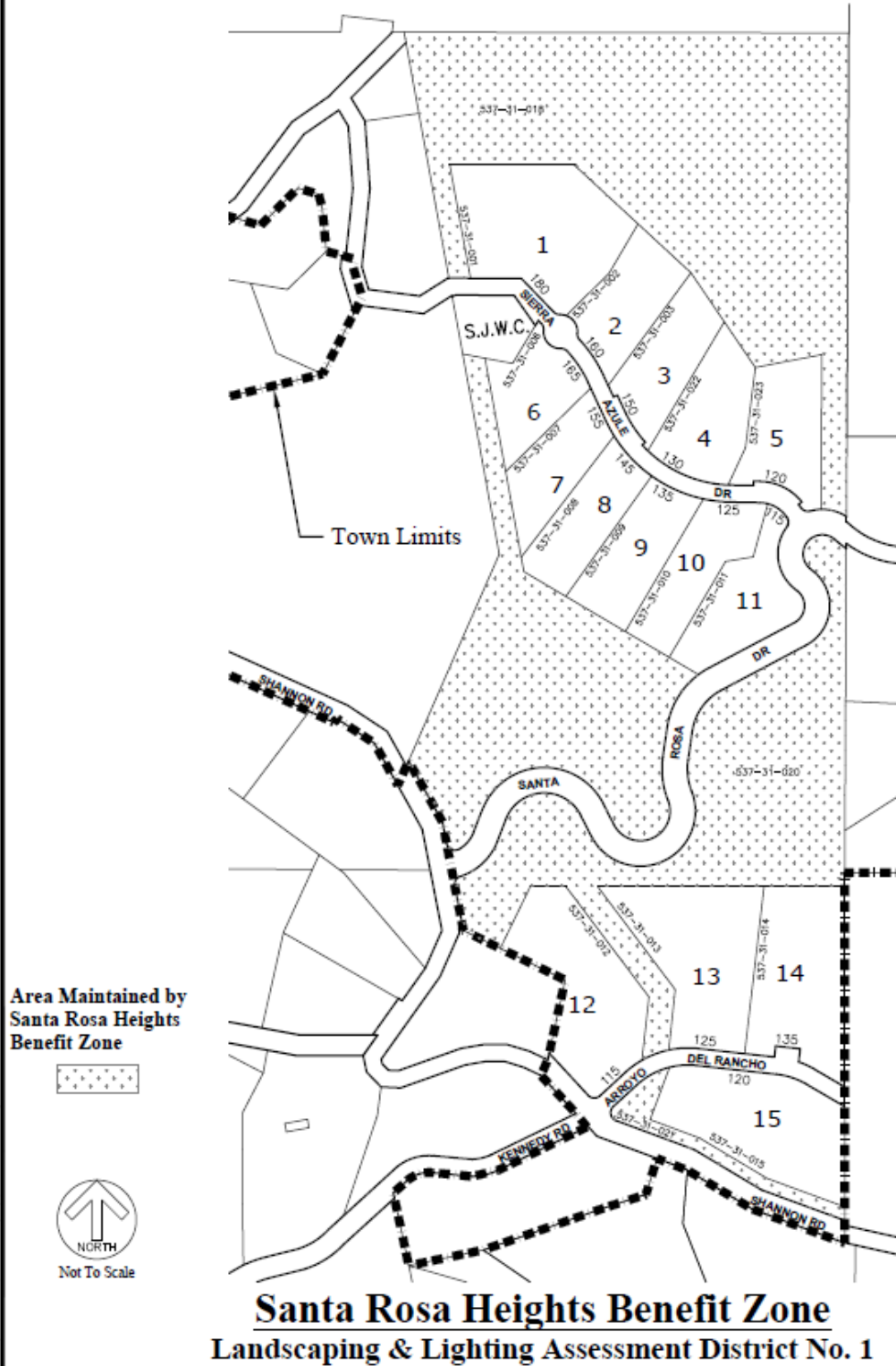
SANTA ROSA HEIGHTS BENEFIT ZONE

ITEM NO. 6.

PROPERTY OWNERS LIST

APN
53731001
53731002
53731003
53731006
53731007
53731008
53731009
53731010
53731011
53731012
53731013
53731014
53731015
53731022
53731023

PART "D"
Assessment Diagram





**Landscaping and Lighting
Assessment District No. 1**

**VASONA HEIGHTS
BENEFIT ZONE**

**Fiscal Year
2024/25**

ENGINEER'S REPORT

**ENGINEER'S REPORT
FISCAL YEAR 2024/25**

ITEM NO. 6.

LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

VASONA HEIGHTS BENEFIT ZONE

WooJae Kim, Town Engineer for Landscaping and Lighting Assessment District No. 1--Vasona Heights Benefit Zone, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, irrigation systems, trail, emergency access, and retaining wall within open space areas, as shown on the approved improvement for Tract No. 8280, Los Gatos, California.

This report consists of four parts, as follows:

- PART A: Plans and specifications for the improvements are filed in the Clerk Department. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.
- PART B: An estimate of the cost of the improvements.
- PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the amount proposed to be assessed against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.
- PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,


GARY HEAP
Town Engineer

May 6, 2024
DATE

PART A

ITEM NO. 6.

FISCAL YEAR 2024/25

PLANS, SPECIFICATIONS AND REPORTS

VASONA HEIGHTS BENEFIT ZONE

Plans and specifications for the improvements are those prepared by Dillon/Drulias Associates, Landscape Architects, dated April 16, 1990, their job number 8840, pages L1 - L17 and revised planting and irrigation plans as prepared by Greg Ing and Associates, dated November 3, 1992 and revised November 23, 1993. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

PART B

ESTIMATE OF THE COST OF IMPROVEMENTS

FISCAL YEAR 2023/24

VASONA HEIGHTS BENEFIT ZONE

Fiscal Year 2022/23 Resources												
		Fund Balance 6/30/22								\$	37,510	
		Assessment									9,735	
		Delinquent Assessment									0	
		Penalties/Late Fees									0	
		Interest									673	
Total Resources Available for FY 2022/23										\$	47,918	
Fiscal Year 2022/23 Expenses												
		Santa Clara County Collection Fee								\$	97	
		Publication & Notification Charges									476	
		Light Pole Maintenance									0	
		Electric Utility									0	
		San Jose Water									1,869	
		Landscape Contractor									3,781	
		Town Administrative Charges									1,430	
		District Capital Improvements									0	
Total Expenses for FY 2022/23										\$	7,653	
Ending Fund Balance for FY 2022/23										\$	40,265	
Fiscal Year 2023/24 Estimated Resources												
		Fund Balance 6/30/23								\$	40,265	
		Assessment									9,735	
		Interest									340	
Total Estimated Resources Available for FY 2023/24										\$	50,340	
Fiscal Year 2023/24 Estimated Expenses												
		Santa Clara County Collection Fee								\$	97	
		Publication & Notification Charges									300	
		Tree Services									0	
		Weed Abatement									0	
		Light Pole Maintenance									0	
		Electric Utility									0	
		San Jose Water									2,319	
		Landscape Contractor									5,356	
		Town Administrative Charges									1,430	
		District Capital Improvements									0	
Total Estimated Expenses for FY 2023/24										\$	9,502	
Estimated Ending Fund Balance for FY 2023/24										\$	40,838	

PART C
ASSESSMENT ROLL
FISCAL YEAR 2024/25

VASONA HEIGHTS BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	\$295.00	529-13-056
Lot 2	\$295.00	529-13-055
Lot 3	\$295.00	529-13-054
Lot 4	\$295.00	529-13-053
Lot 5	\$295.00	529-13-052
Lot 6	\$295.00	529-13-051
Lot 7	\$295.00	529-13-049
Lot 8	\$295.00	529-13-048
Lot 9	\$295.00	529-13-047
Lot 10	\$295.00	529-13-046
Lot 11	\$295.00	529-13-044
Lot 12	\$295.00	529-13-043
Lot 13	\$295.00	529-13-042
Lot 14	\$295.00	529-13-041
Lot 15	\$295.00	529-13-040
Lot 16	\$295.00	529-13-039
Lot 17	\$295.00	529-13-038
Lot 18	\$295.00	529-13-037
Lot 19	\$295.00	529-13-036
Lot 20	\$295.00	529-13-035
Lot 21	\$295.00	529-13-060
Lot 22	\$295.00	529-13-061
Lot 23	\$295.00	529-13-032
Lot 24	\$295.00	529-13-031
Lot 25	\$295.00	529-13-030
Lot 26	\$295.00	529-13-029
Lot 27	\$295.00	529-13-028
Lot 28	\$295.00	529-13-063
Lot 29	\$295.00	529-13-062
Lot 30	\$295.00	529-13-022
Lot 31	\$295.00	529-13-021
Lot 32	\$295.00	529-13-058
Lot 33	\$295.00	529-13-059
Total Assessment:	\$9,735.00	

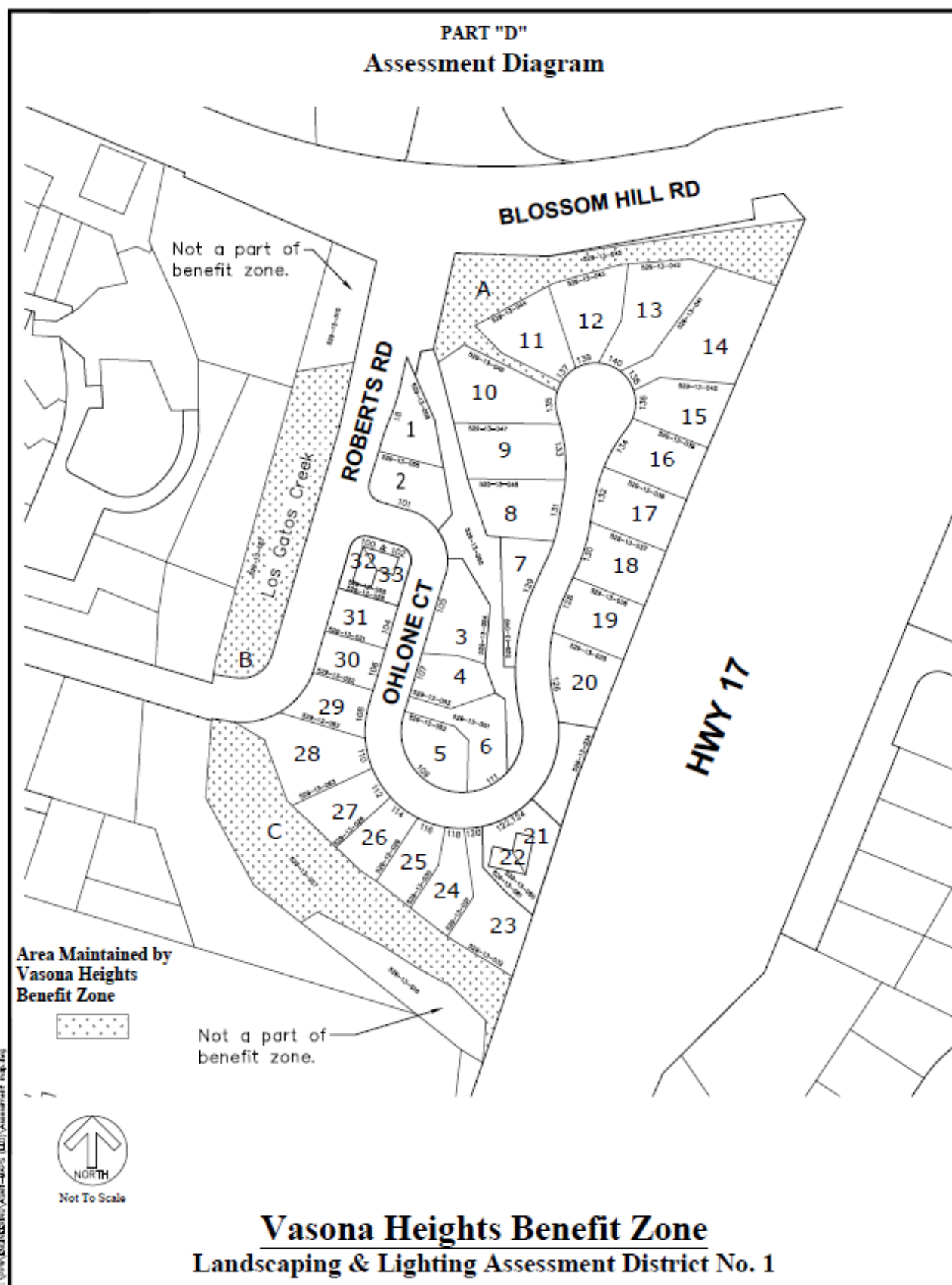
METHOD OF APPORTIONMENT OF ASSESSMENT

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

The total amount of the assessment was apportioned equally to all the lots within Vasona Heights Benefit Zone of Landscaping and Lighting Assessment District No. 1.

VASONA HEIGHTS BENEFIT ZONE**PROPERTY OWNERS LIST**

APN
52913021
52913022
52913028
52913029
52913030
52913031
52913032
52913035
52913036
52913037
52913038
52913039
52913040
52913041
52913042
52913043
52913044
52913046
52913047
52913048
52913049
52913051
52913052
52913053
52913054
52913055
52913056
52913058
52913059
52913060
52913061
52913062
52913063





**Landscape and Lighting
Assessment District No. 1**

**HILLBROOK
BENEFIT ZONE**

**Fiscal Year
2024/25**

ENGINEER'S REPORT

ENGINEER'S REPORT
FISCAL YEAR 2024/25

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

HILLBROOK BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 1--Hillbrook Benefit Zone, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, irrigation systems, hardscape, and fences currently exist on APN: 523-11-028, located at the southeast corner of Blossom Hill Road and Hillbrook Drive, Los Gatos, California.

This report consists of four parts, as follows:

PART A: Diagram of Existing Improvements.

PART B: An estimate of the cost of the improvements.

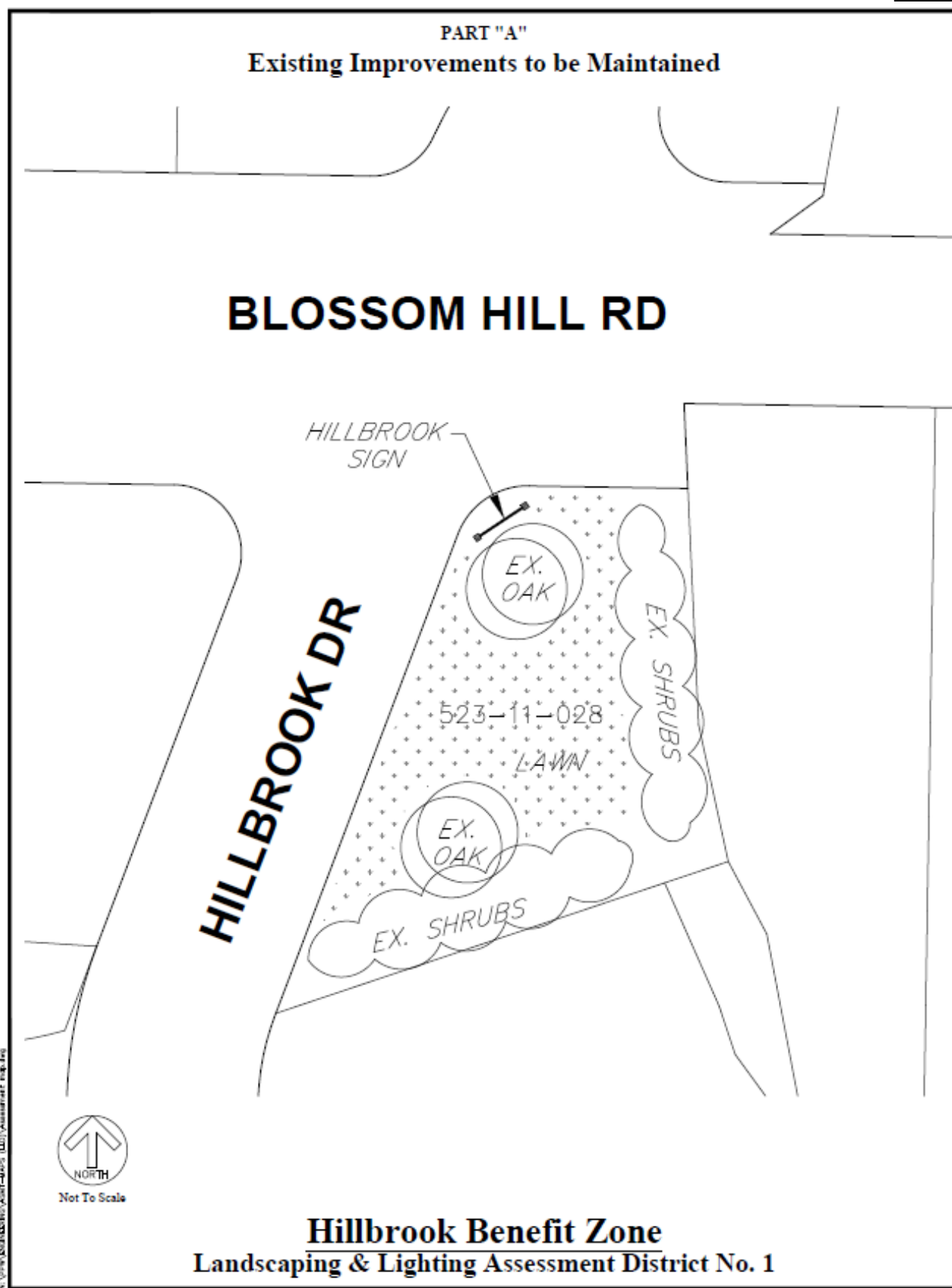
PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the amount proposed to be assessed against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.

PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,


GARY HEAP
Town Engineer

May 6, 2024
DATE



PART B

ESTIMATE OF THE COST OF IMPROVEMENTS

FISCAL YEAR 2023/24

HILLBROOK DRIVE BENEFIT ZONE			
------------------------------	--	--	--

Fiscal Year 2022/23 Resources				
--------------------------------------	--	--	--	--

	Fund Balance 6/30/22	\$	24,138
	Assessment		5,995
	Delinquent Assessment		0
	Penalties/Late Fees		0
	Interest		426
	Total Resources Available for FY 2022/23	\$	30,559

Fiscal Year 2022/23 Expenses			
------------------------------	--	--	--

	Santa Clara County Collection Fee		\$	60
	Publication & Notification Charges			470
	Light Pole Maintenance			0
	Electric Utility			0
	San Jose Water			2,249
	Landscape Contractor			1,254
	Town Administrative Charges			250
	Total Expenses for FY 2022/23		\$	4,282

Ending Fund Balance for FY 2022/23	\$	26,277
------------------------------------	----	--------

Fiscal Year 2023/24 Estimated Resources			
--	--	--	--

	Fund Balance 6/30/23			\$	26,277
	Assessment				5,950
	Interest				90
	Total Estimated Resources Available for FY 2023/24			\$	32,317

[illegible]

	Santa Clara County Collection Fee		\$	60
	Publication & Notification Charges			300
	Tree Services			0
	Weed Abatement			0
	Light Pole Maintenance			0
	Electric Utility			0
	San Jose Water			2,500
	Landscape Contractor			1,794
	District Capital Improvements			0
	Town Administrative Charges			250
	Total Estimated Expenses for FY 2023/24		\$	4,904

Estimated Ending Fund Balance for FY 2023/24	\$	27,413
--	----	--------

PART C
ASSESSMENT ROLL
FISCAL YEAR 2024/25

HILLBROOK BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	\$175.00	523-11-027
Lot 2	\$175.00	523-11-026
Lot 3	\$175.00	523-11-025
Lot 4	\$175.00	523-11-024
Lot 5	\$175.00	523-11-023
Lot 6	\$175.00	523-11-022
Lot 7	\$175.00	523-11-021
Lot 8	\$175.00	523-11-020
Lot 9	\$175.00	523-11-019
Lot 10	\$175.00	523-11-018
Lot 11	\$175.00	523-07-030
Lot 12	\$175.00	523-07-029
Lot 13	\$175.00	523-07-028
Lot 14	\$175.00	523-07-027
Lot 15	\$175.00	523-07-026
Lot 16	\$175.00	523-07-025
Lot 17	\$175.00	523-07-024
Lot 18	\$175.00	523-07-023
Lot 19	\$175.00	523-07-022
Lot 20	\$175.00	523-07-021
Lot 21	\$175.00	523-07-020
Lot 22	\$175.00	523-07-019
Lot 23	\$175.00	523-07-018
Lot 24	\$175.00	523-07-017
Lot 25	\$175.00	523-07-016
Lot 26	\$175.00	523-07-015
Lot 27	\$175.00	523-07-014
Lot 28	\$175.00	523-07-013
Lot 29	\$175.00	523-07-012
Lot 30	\$175.00	523-07-011
Lot 31	\$175.00	523-07-010
Lot 32	\$175.00	523-07-009
Lot 33	\$175.00	523-07-008
Lot 34	\$175.00	523-07-007
Total Assessment:	\$5,950	

**ASSESSMENT ROLL
FISCAL YEAR 2024/25**

HILLBROOK BENEFIT ZONE

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

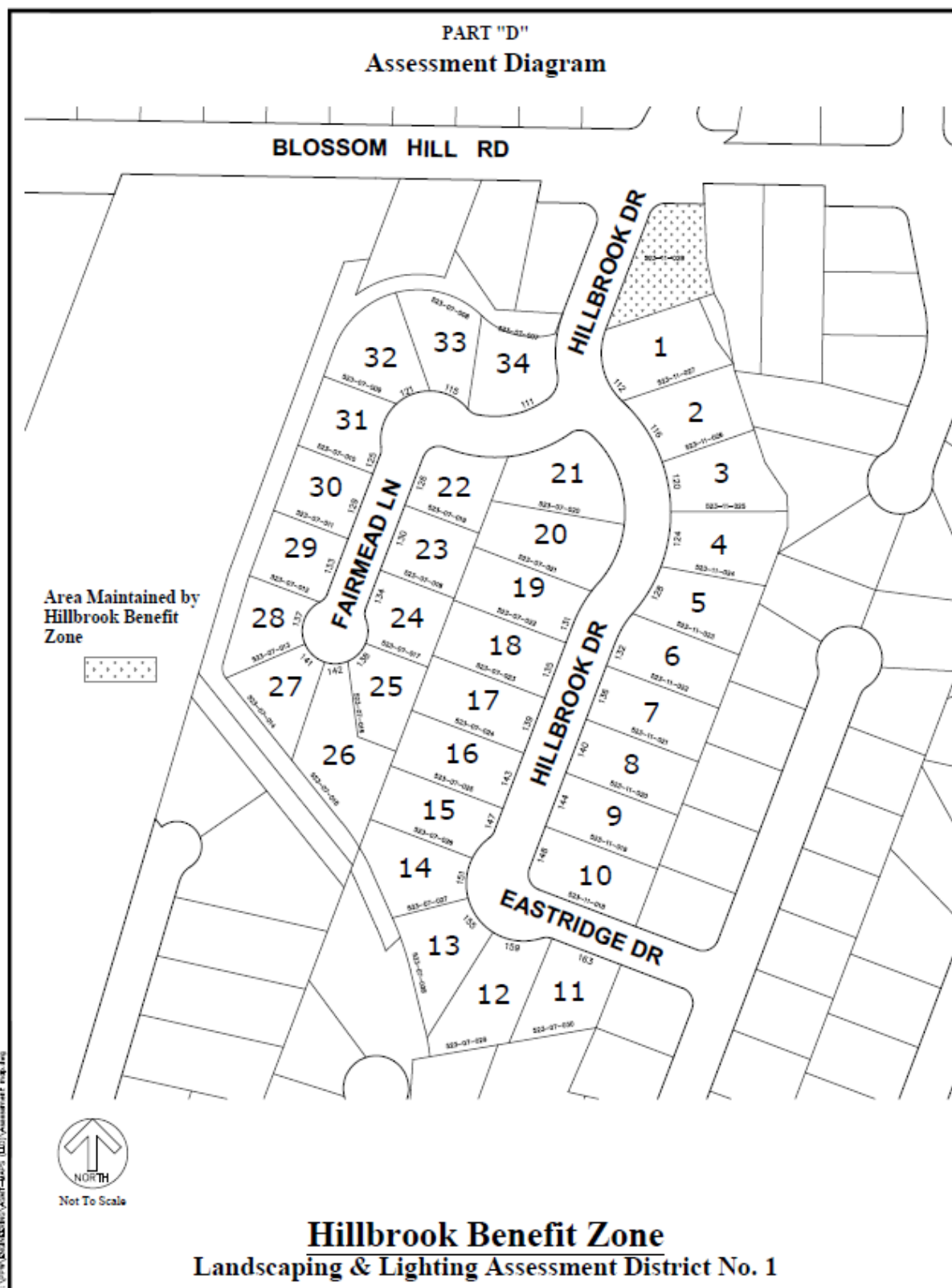
METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within Landscape and Lighting Assessment District No. 1--Hillbrook Benefit Zone.

HILLBROOK BENEFIT ZONE

PROPERTY OWNERS LIST

APN
52307007
52307008
52307009
52307010
52307011
52307012
52307013
52307014
52307015
52307016
52307017
52307018
52307019
52307020
52307021
52307022
52307023
52307024
52307025
52307026
52307027
52307028
52307029
52307030
52311018
52311019
52311020
52311021
52311022
52311023
52311024
52311025
52311026
52311027





**Landscape and Lighting
Assessment District No. 2**

**GEMINI COURT
BENEFIT ZONE**

**Fiscal Year
2024/25**

ENGINEER'S REPORT

ENGINEER'S REPORT FISCAL YEAR 2024/25

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 2 (Pursuant to the Landscaping and Lighting Act of 1972)

GEMINI COURT BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 2, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

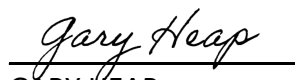
The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, irrigation systems, lighting, sound wall and fences as shown on the approved improvement and landscape plans for Tract No. 8439, Los Gatos, California.

This report consists of four parts, as follows:

- PART A: Plans and specifications for the improvements are filed in the Clerk Department. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.
- PART B: An estimate of the cost of the improvements.
- PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the proposed assessment against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Clerk Administrator.
- PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,


GARY HEAP
Town Engineer

May 6, 2024
DATE

Type text here

PART A**FISCAL YEAR 2024/25****PLANS, SPECIFICATIONS AND REPORTS****GEMINI COURT BENEFIT ZONE**

Plans and specifications for the improvements are those prepared by Greg G. Ing, and Associates, dated September 14, 1990, their job number 9031. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

PART C**ASSESSMENT ROLL
FISCAL YEAR 2024/25****GEMINI COURT BENEFIT ZONE**

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	\$230.00	567-64-051
Lot 2	\$230.00	567-64-050
Lot 3	\$230.00	567-64-049
Lot 4	\$230.00	567-64-048
Lot 5	\$230.00	567-64-047
Lot 6	\$230.00	567-64-046
Lot 7	\$230.00	567-64-045
Lot 8	\$230.00	567-64-044
Lot 9	\$230.00	567-64-054
Lot 10	\$230.00	567-64-053
Lot 11	\$230.00	567-64-052
Lot 12	\$230.00	567-64-042
Lot 13	\$230.00	567-64-041
Lot 14	\$230.00	567-64-040
Lot 15	\$230.00	567-64-039
Lot 16	\$230.00	567-64-038
Lot 17	\$230.00	567-64-037
Lot 18	\$230.00	567-64-036
Lot 19	\$230.00	567-64-035
Lot 20	\$230.00	567-64-034
Total Assessment:	\$4,600.00	

*formerly Lot 9 – split into 3 parcels.

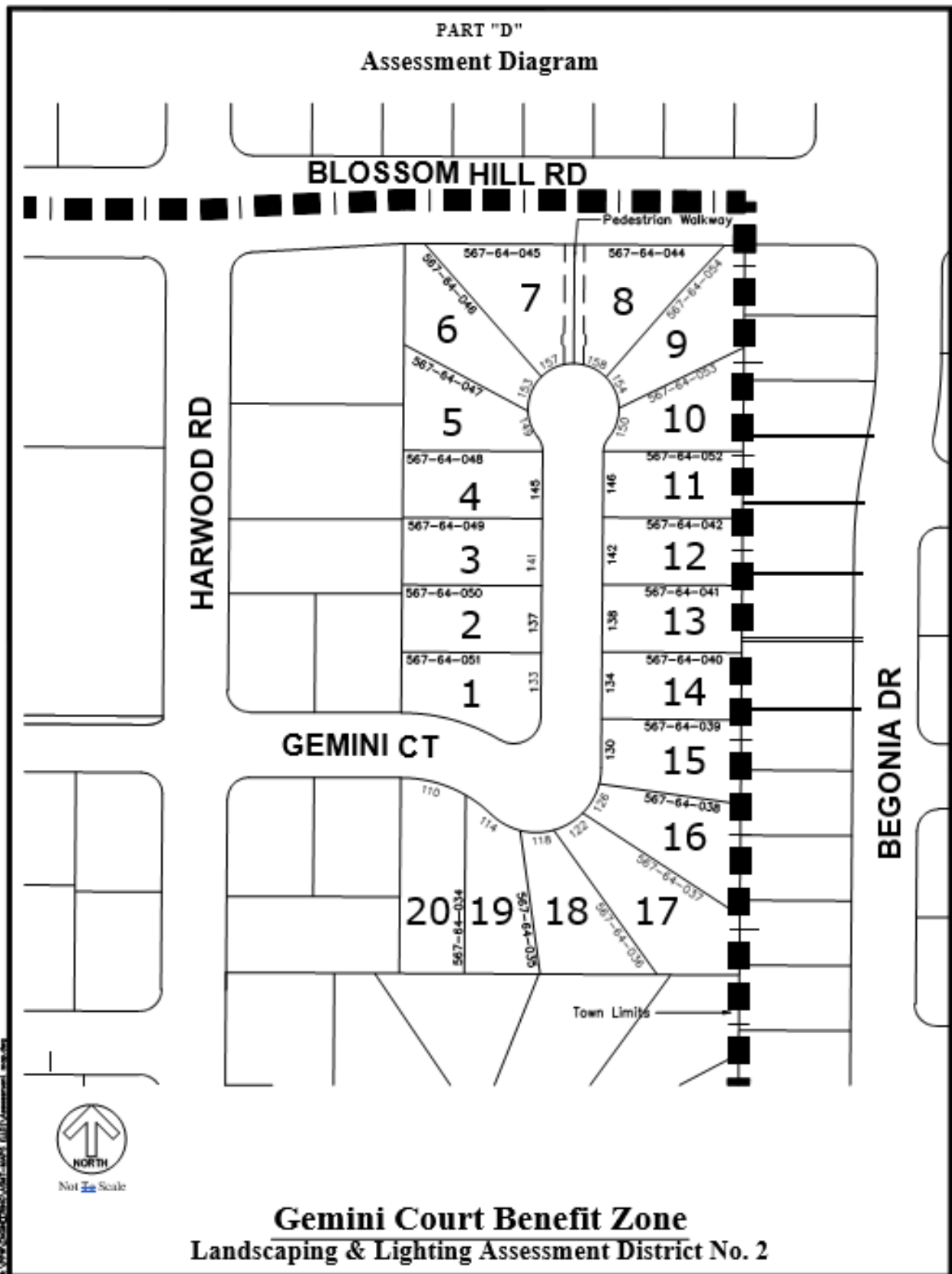
The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within the Gemini Court Benefit Zone of Landscape and Lighting Assessment District No. 2.

GEMINI COURT BENEFIT ZONE**PROPERTY OWNERS LIST**

APN
56764034
56764035
56764036
56764037
56764038
56764039
56764040
56764041
56764042
56764044
56764045
56764046
56764047
56764048
56764049
56764050
56764051
56764052
56764053
56764054



RESOLUTION 2024-014**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
DESCRIBING IMPROVEMENTS AND DIRECTING PREPARATION OF ENGINEER'S
REPORT FOR FISCAL YEAR 2024/25 TOWN OF LOS GATOS LANDSCAPE AND
LIGHTING ASSESSMENT DISTRICTS NO. 1 AND 2**

WHEREAS, the Town Council did, pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the Streets and Highways Code of the State of California, conduct proceedings for the formation of the Town of Los Gatos Landscaping and Lighting Assessment Districts No. 1 and 2; and

WHEREAS, the public interest, convenience and necessity require, and it is the intention of said Council to undertake proceedings for the levy and collection of assessments upon the several lots or parcels of land in said Districts, for the construction or installation of improvements, including the maintenance or servicing, or both, thereof, for the fiscal year 2024/25; and

WHEREAS, the improvements to be constructed or installed, including the maintenance or servicing, or both, thereof, are more particularly described in (Exhibit A) hereto attached and by reference incorporated herein; and

WHEREAS, the costs and expenses of said improvements, including the maintenance or servicing, or both, thereof, are to be made chargeable upon said Districts, the exterior boundaries of which Districts are the composite and consolidated area as more particularly shown on a map thereof on file in the Clerk Department of the Town of Los Gatos to which reference is hereby made for further particulars. Said map indicates, by a boundary line, the extent of the territory included in said Districts and of any zone thereof and shall govern for all details as to the extent of the assessment districts; and

NOW, THEREFORE, BE IT RESOLVED: The Engineer of said Town is hereby directed to prepare and file with said Town Clerk a report, in writing, referring to the assessment districts by their distinctive designations, specifying the fiscal year to which the report applies, and, with respect to that year, presenting the following:

- a. Plans and specification of the existing improvements and for proposed new improvements, if any, to be made within the assessment districts or within any zones thereof;
- b. An estimate of the costs of said proposed new improvements, if any, to be made, the costs of maintenance or servicing, or both, thereof, and of any existing improvements, together with the incidental expenses in connection therewith;
- c. A diagram showing the exterior boundaries of the assessment districts and of any zones within said districts and the lines and dimensions of each lot or parcel of land within the districts as such lot or parcel of land is shown on the County Assessor's map for the fiscal year to which the report applies, each of which lots or parcels of land shall be identified by a distinctive number or letter on said diagram; and
- d. A proposed assessment of the total amount of the estimated costs and expenses of the proposed new improvements, including the maintenance or servicing, or both, thereof, and of any existing improvements upon the several lots or parcels of land in said districts in proportion to the estimated particular and distinct benefits to be received by each of such lots or parcels of land, respectively, from said improvements, including the maintenance or servicing, or both, thereof, and of the expenses incidental thereto.

NOW, THEREFORE, BE IT FURTHER RESOLVED: The Office of the Engineer of said Town is hereby designated as the office to answer inquiries regarding any protest proceedings to be had herein and may be contacted during regular office hours at 41 Miles Avenue, Los Gatos, California 95030 or by calling (408) 399-5770.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 16th day of April, 2024, by the following vote:

COUNCIL MEMBERS:

AYES: Maria Ristow, Rob Rennie, Rob Moore, Matthew Hudes, Mayor Mary Badame
NAYS: None
ABSENT: None
ABSTAIN: None

SIGNED:



MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 04/18/2024

ATTEST:



TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 4/18/2024

**DESCRIPTION OF IMPROVEMENTS
TOWN OF LOS GATOS
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 1**

1. General Description of Improvements:

The design, construction or installation, including the maintenance or servicing, or both, thereof, of landscaping, including trees, shrubs, grass or other ornamental vegetation, statuary, fountains or other ornamental structures and facilities, and public lighting facilities for the lighting of any public places, ornamental standards, luminaries, poles, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments and appurtenances, including the cost of repair, removal or replacement of all or any part thereof; providing for the life, growth, health and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements; and the operation of any fountains or the maintenance of any other improvements.

2. Specific Descriptions of Improvements:

Blackwell Drive Benefit Zone - Maintenance of the landscaping in the median island on Blackwell Drive constructed as a part of the public improvements required of Tract No. 8306, and maintenance of the street lights installed along Blackwell Drive and National Avenue installed as a part of the public improvements required of Tract No. 8306.

Hillbrook Benefit Zone - The maintenance of trees, landscaping, irrigation systems, hardscape and fences as currently exist on APN 523-11-028, located at the southeast corner of Blossom Hill Road and Hillbrook Drive.

Kennedy Meadows Benefit Zone - The maintenance of trees, landscaping, irrigation systems, trail and street lights within the open space areas (Parcels A and B) and along Kennedy Court and Forrester Court, installed as a part of the public improvements required of Tract No. 8612, and the implementation of mitigation and enhancement measures within the riparian and wetlands areas of said Tract described in the report prepared by H.T. Harvey Associates, dated November 11, 1994.

Santa Rosa Heights Benefit Zone - The maintenance of trees, landscaping, trails and retaining walls constructed as a part of the public improvements required of Tract No. 8400.

Vasona Heights Benefit Zone - The maintenance of trees, landscaping, irrigation systems, trails, emergency access roads and retaining walls within the open space areas required as a part of the public improvements required of Tract No. 8280.

**DESCRIPTION OF IMPROVEMENTS
TOWN OF LOS GATOS
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2**

1. General Description of Improvements:

The design, construction or installation, including the maintenance or servicing, or both, thereof, of landscaping, including trees, shrubs, grass or other ornamental vegetation, statuary, fountains or other ornamental structures and facilities, and public lighting facilities for the lighting of any public places, ornamental standards, luminaries, poles, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments and appurtenances, including the cost of repair, removal or replacement of all or any part thereof; providing for the life, growth, health and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements; and the operation of any fountains or the maintenance of any other improvements.

2. Specific Description of Improvements:

Gemini Court Benefit Zone - The maintenance of trees, landscaping, irrigation systems, lighting, sound walls, and fences installed as a part of the public improvements required of Tract No. 8439.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

ITEM NO. 7.

MEETING DATE: 05/21/2024

DATE: May 16, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Execute a Second Amendment with Dillingham Associates for Preliminary Design Services for the Pinehurst Community Garden (CIP No. 831-4610) and Lynn Avenue Pedestrian Path Design (CIP No. 832-4510) to Reduce the Scope of Services, Extend the Term, and Reduce the Contract Amount for a Total Amount Not to Exceed \$109,856

RECOMMENDATION:

Authorize the Town Manager to execute a Second Amendment (Attachment 1) with Dillingham Associates for preliminary design services for the Pinehurst Community Garden (CIP No. 831-4610) and Lynn Avenue Pedestrian Path Design (CIP No. 832-4510) to reduce the scope of services, extend the term, and reduce the contract amount for a total amount not to exceed \$109,856.

BACKGROUND:

On June 20, 2023, Council authorized the Town Manager to enter into an agreement with Dillingham Associates for preliminary design services for the Pinehurst Community Garden and Lynn Avenue Pedestrian Path Design for a total amount not to exceed \$123,556.

In January 2024, Town staff identified a miscalculation in the fee summary where Direct Cost (\$500) was added twice in the subtotal, although each line-item amount was correct. The Town issued a first amendment on January 5, 2024 (Attachment 2), bringing the project total from \$123,556 to \$123,056. Since there were no changes in the cost table shared with Council, and this was a simple subtotal miscalculation, Town staff did not bring the first amendment back to Town Council.

PREPARED BY: Marina Chislett
Environmental Programs Specialist

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

PAGE 2 OF 3

SUBJECT: Authorize the Town Manager to Execute a Second Amendment with Dillingham Associates for the Pinehurst Community Garden and Lynn Avenue Pedestrian Path Design

DATE: May 16, 2024

DISCUSSION:

On December 19, 2023, Town staff received direction from Town Council to conduct further community outreach prior to proceeding forward with concept design. Town staff scheduled meetings with property owners and residents that directly about the project locations. This work was completed in April 2024.

During this outreach, community members consistently asked questions about the potential for soil contamination in both project sites. To address this concern, Town staff met with staff of the State of California's Department of Toxic Substances Control (DTSC) to discuss results of past soil sampling and the best approach to proceed with development of the projects.

While the original contract with Dillingham Associates included developing plans to address soil contamination, it has become clear that this work would best be completed by Town staff working directly with the DTSC. As the project progresses, staff will seek support from Ninyo and Moore, a consulting firm that provides solutions to geotechnical and environmental challenges through such applications as soil analysis. Staff is currently coordinating with PG&E as the property owner of the Lynn Avenue site to include that property in our discussions with DTSC.

Since staff has determined that Dillingham Associates will not be supporting the coordination with DTSC, the proposed second amendment (Attachment 1) removes Task 2C for Supplemental Soil Toxicology Analysis (\$13,200) from the Pinehurst Community Garden Fee Summary. This would bring the new project total from \$123,056 to \$109,856. The second amendment would also extend the contract term from June 30, 2024 to June 30, 2025 to allow the necessary time to complete these concept designs following coordination with DTSC.

CONCLUSION:

Authorize the Town Manager to execute a second amendment with Dillingham Associates for Preliminary Design Services for the Pinehurst Community Garden and the Lynn Avenue Pedestrian Path Design to adjust the scope of services, term, and contract amount for total amount not to exceed \$109,856.

COORDINATION:

This staff report was coordinated with the Town Attorney, Town Manager and Finance Director.

PAGE 3 OF 3

SUBJECT: Authorize the Town Manager to Execute a Second Amendment with Dillingham Associates for the Pinehurst Community Garden and Lynn Avenue Pedestrian Path Design

DATE: May 16, 2024

FISCAL IMPACT:

The adopted Fiscal Year 2023/24-2027/28 Capital Improvement Program (CIP) Budget is sufficient for this preliminary design service phase of the Pinehurst Community Garden and the Lynn Avenue Pedestrian Path Design.

Pinehurst Community Garden CIP No. 831-4610		
	Budget	Costs
GFAR	\$ 285,000	
Total Budget	\$285,000	
		Costs
Consultation Services with Ninyo & Moore		\$ 14,064
Agreement Amendment with Dillingham Associates (Requested with this Staff Report)		\$ 54,908
Misc. Project Expenses		\$ 250
Total Costs		\$ 69,222
Available Balance		\$ 215,778
Lynne Avenue Pedestrian Path Design CIP No. 832-4510		
	Budget	Costs
GFAR	\$ 190,000	
Total Budget	\$190,000	
		Costs
Consultation Services with Ninyo & Moore		\$ 2,500
Agreement with Dillingham Associates		\$ 54,948
Total Costs		\$ 57,448
Available Balance		\$ 132,552

ENVIRONMENTAL ASSESSMENT:

The recommended action is not a project as defined under CEQA, and no further action is required. The construction phase of the Pinehurst Community Garden and Lynn Avenue Pedestrian Path are projects as defined under CEQA and environmental review will be completed in future phases.

Attachments:

1. Second Amendment
2. First Amendment
3. Original Agreement

SECOND AMENDMENT TO AGREEMENT

This SECOND AMENDMENT TO AGREEMENT for CONSULTANT SERVICES is dated for identification this 22nd day of April 2024 and amends that certain First Amendment to Agreement for Consultant Services dated January 5, 2024, made by and between the Town of Los Gatos, ("Town,") and Dillingham Associates ("Consultant") identified as a Sole Proprietor and whose address is 2927 Newbury Street, Berkeley, CA 94703.

RECITALS

- A. Town and Consultant entered into an Agreement for Consultant Services for Preliminary Design Services on June 20, 2023, ("Agreement"), a First Amendment to Agreement for Consultant Services on January 5, 2024, copies of which are attached hereto and incorporated by reference as Exhibit A to this Amendment.
- B. Town desires to amend the Agreement to extend the term of this contract and adjust the Scope of Services and Contract Amount for the Pinehurst Community Garden in the following ways:

Contract Term

- Extend the term of this contract from June 30, 2024 to June 30, 2025

Pinehurst Community Garden

- Remove Task 2C Supplemental Soil Toxicology Analysis
- Decreasing the Project Total from \$68,108 to \$54,908

<i>Task Number</i>	<i>Task Name</i>	<i>Lump Sum Fee</i>
1	Project Management	\$3,038
2	Site Analysis	\$1,355
2A	Topographic & Boundary Survey	\$3,080
2B	Consulting Certified Arborist Services	\$1,465
2C	Supplemental Soil Toxicology Analysis	\$13,200
3	Community Engagement	\$12,125
4	Conceptual Design and 35% Design	\$32,995
DC	Direct Costs, maximum not-to-exceed	\$850
PROJECT TOTAL		\$54,908
Items not included in this current contract		
Optional Task A	Pinehurst Community Garden – Risk Assessment and Statistical Analysis	\$44,000
Optional Task B	Illustrated Perspective Renderings, fee per rendering	\$4,000

Total Compensation

- Decrease total compensation amount from \$123,056 to \$109,856

AMENDMENT

1. Section 2.1 Scope of Services is amended to read as follows:

Exhibit C is to replace Exhibit B

2. Section 2.6 Compensation is amended to read as follows:

Compensation for Consultant's professional services shall not exceed \$109,856

3. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos:

Approved as to Consent:

Laurel Prevetti, Town Manager

M. Reed Dillingham, Principal

Department Approval:

Nicolle Burnham
Director of Parks and Public Works

Approved as to Form:

Attest:

Gabrielle Whelan, Town Attorney

Wendy Wood, CMC, Town Clerk

FIRST AMENDMENT TO AGREEMENT

This FIRST AMENDMENT TO AGREEMENT for CONSULTANT SERVICES is dated for identification this 5th day of January 2024 and amends that certain Agreement for Consultant Services dated June 20, 2023, made by and between the Town of Los Gatos, ("Town,") and Dillingham Associates ("Consultant") identified as a Sole Proprietor and whose address is 2927 Newbury Street, Berkeley, CA 94703.

RECITALS

- A. Town and Consultant entered into an Agreement for Consultant Services for Preliminary Design Services on June 20, 2023, ("Agreement"), a copy of which is attached hereto and incorporated by reference as Exhibit A to this Amendment.
- B. Town desires to amend the Agreement to adjust the scope of services and compensation for the Pinehurst Community Garden and the Lynn Avenue Pedestrian Path Design in the following ways:

Pinehurst Community Garden

- Reduce the cost of task 2B Consulting Certified Arborist Services from \$1,650 to \$1,465.
- Increase the cost of task 2C Supplemental Soil Toxicology Analysis from \$11,000 to \$13,200.
- Update the Project Total from \$66,093 to \$68,108.

<i>Task Number</i>	<i>Task Name</i>	<i>Lump Sum Fee</i>
1	Project Management	\$3,038
2	Site Analysis	\$1,355
2A	Topographic & Boundary Survey	\$3,080
2B	Consulting Certified Arborist Services	\$1,465
2C	Supplemental Soil Toxicology Analysis	\$13,200
3	Community Engagement	\$12,125
4	Conceptual Design and 35% Design	\$32,995
DC	Direct Costs, maximum not-to-exceed	\$850
PROJECT TOTAL		\$68,108
Items not included in this current contract		
Optional Task A	Pinehurst Community Garden – Risk Assessment and Statistical Analysis	\$44,000
Optional Task B	Illustrated Perspective Renderings, fee per rendering	\$4,000

Lynn Avenue Pedestrian Path Design

- Reduce the cost of task 2B Consulting Certified Arborist Services from \$1,650 to \$1,465.
- Update the Project Total from \$55,133 to \$54,948.
 - (Note: the previous sum was calculated incorrectly, this was addressed in this new total).

<i>Task Number</i>	<i>Task Name</i>	<i>Lump Sum Fee</i>
1	Project Management	\$3,038
2	Site Analysis	\$1,195
2A	Topographic & Boundary Survey	\$3,630
2B	Consulting Certified Arborist Services	\$1,465
3	Community Engagement	\$12,125
4	Conceptual Design and 35% Design	\$32,995
DC	Direct Costs, maximum not-to-exceed	\$500
PROJECT TOTAL		\$54,948
Items not included in this current contract		
Optional Task B	Illustrated Perspective Renderings, fee per rendering	\$4,000
Optional Task C	Master Plan design report	\$10,000

Total Compensation

- Decrease total compensation amount from \$123,556 to \$123,056.

AMENDMENT

1. Section 2.1 Scope of Services is amended to read as follows:

Exhibit B is to replace Exhibit A

2. Section 2.6 Compensation is amended to read as follows:

Compensation for Consultant's professional services shall not exceed \$123,056.

3. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos:

DocuSigned by:

Laurel Prevetti

853FEEA2EB39470...

Laurel Prevetti, Town Manager

Approved as to Consent:

DocuSigned by:

M. Reed Dillingham

ECE003A626B5437...

M. Reed Dillingham, Principal

Department Approval:

DocuSigned by:

Nicolle Burnham

0E97831349044C3...

Nicolle Burnham

Director of Parks and Public Works

Approved as to Form:

DocuSigned by:

Gabrielle Whelan

EFD6738A5534428...

Gabrielle Whelan, Town Attorney

Attest:

DocuSigned by:

Wendy Wood

BF6EBCBE2C214F8...

Wendy Wood, CMC, Town Clerk

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is dated for identification on the 20th day of June 2023 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Dillingham Associates ("Consultant"), identified as an Individual/Sole Proprietor and whose address is 2927 Newbury Street, Berkeley, CA 94703. This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 The Town desires to engage Consultant for the Preliminary Design Services for the Pinehurst Community Garden (CIP No. 831-4610) and Lynne Avenue Pedestrian Path Design (CIP No. 832-4510).
- 1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

- 2.1 Scope of Services. Consultant shall provide services as described in that certain proposal sent to the Town on June 2, 2023, which is hereby incorporated by reference and attached as Exhibit A.
- 2.2 Term and Time of Performance. This contract will remain in effect upon execution to June 30, 2024. Consultant shall perform the services described in this agreement as described in Exhibit A.
- 2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services

pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

- 2.6 Compensation. Compensation for Consultant's professional services **shall not exceed \$123,556**, inclusive of all costs. Payment shall be based upon Town approval of each task.
- 2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

- 2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.
- 2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.
- 2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to

testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

- 2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

- 3.1 Minimum Scope of Insurance:
- i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars (\$2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
 - ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

- iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.
- iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than \$1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. The Town, its elected and appointed officials, employees, and, agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
 - ii. The Consultant's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
 - iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.
 - iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.
- 3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

- 3.4 Indemnification. The Consultant shall save, keep, hold harmless and indemnify and defend the Town its elected and appointed officials, agents, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant.

IV. GENERAL TERMS

- 4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- 4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- 4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.
- 4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.
- 4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.
- 4.6 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

Dillingham Associates
2927 Newbury Street
Berkeley, CA 94703

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

- 4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- 4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

DocuSigned by:

Laurel Prevetti

853FEEA2EB39470...

Laurel Prevetti, Town Manager

Consultant, by:

DocuSigned by:

M. Reed Dillingham

EGE003A628D5437...

M. Reed Dillingham, Principal

Recommended by:

DocuSigned by:

Jim Harbin

E7195960535444C...

Jim Harbin

Acting Director of Parks and Public Works

Approved as to Form:

DocuSigned by:

Gabrielle Whelan

EFD6738A6634428...

Gabrielle Whelan, Town Attorney

Attest:

DocuSigned by:

Wendy Wood

BF0EBCBE2C214F8...

Wendy Wood, CMC, Town Clerk

Proposal for Landscape Architectural Services
 Pinehurst Community Garden (CIP No. 831-4610) and
 Lynne Avenue Pedestrian Path Design (CIP No. 832-4510)
 Prepared for the Town of Los Gatos
 Prepared by Dillingham Associates Landscape Architects

May 18, 2023

Key:
Items in bold (Arial) are total fees per task phase.
 Items in blue show subconsultant fees.
 Items in orange show proposed Deliverables.

Approach & Understanding of Each Project

Pinehurst Community Garden

Municipal community gardens have become increasingly popular in the past ten years, a movement that increased during pandemic conditions. Santa Clara has recently opened the Eddie Souza Community Garden on the San Tomas Aquino Creek Trail, which has classes and a wait list for plots. Cupertino is currently building a new community garden in Wilson Park. Under-utilized parcels such as the Pinehurst lot are a perfect opportunity for a use that creates a community gathering place, as well as a new civic facility.

The groundwork for the community garden project has already been laid with the support of a community that has already developed a preliminary site layout. This effort suggests that the process of outreach and engagement can be a productive one. The sketch plan creates a good starting point for discussion of program, size, scope, function, and adjacencies. Preliminary comments from PG&E and from Ninyo & Moore also provide clear guidance for design constraints and for outreach meeting agenda items.

The key task for this type of project is the ability to listen and respond to community ideas and concerns. The neighborhood has already invested energy into this project, and they will be the workers who will maintain the garden, and over time will curate the site into a unique garden. More so than many park projects, a community garden is an opportunity to incorporate the public's vision into its physical form.

The proposed program is relatively straightforward, buildable and feasible. We can support the current program, but will endeavor to work with community members to verify whether any additional elements may be feasible.

While preliminary comments from PG&E and from Ninyo & Moore provide guidance, they also pose design challenges. We are fortunate to be able to partner with Christian Macke of 122 West landscape architects, who have a deep portfolio of community garden projects built upon extensive outreach processes.

After preliminary conversations with Ninyo & Moore, we propose to work with their team to refine the boundary of food operations, by further analyzing the limits of organochlorine pesticides (OCP) in the soil. Organochlorine pesticides were used extensively from the 1940s through the 1960s in agriculture and mosquito control, but due to both their environmental persistence and neurotoxicity, their use has been banned or greatly reduced in the last decades. We propose to sample and analyze three (3) additional borings, and to provide a sequential analysis, which can be used to potentially save lab costs, pending results.

Beyond the basic amenities shown in the Sample Layout diagrammatic plan, many enhancements could

be considered.

- The meeting area can be planned and designed to be an outdoor classroom, a small plaza, and a setting for group meetings. Many good ideas and discussions come from informal gatherings and chance encounters.
- The garden would benefit from both informal seating areas, and one or more larger group areas.
- An attractive entryway and signage can provide a new neighborhood landmark and site identity.
- The type of buffer interface between the garden and adjacent residences should be considered, despite the small site area.
- Storage for group and personal gardening tools will be useful.
- Parking for site managers, and optionally also for gardeners.
- Shaded seating and/or gathering areas.
- Storage of compost, soil, mulch and other materials.

While limitations from PG&E and Valley Water, among others may impact the plan and project, we are passionate to advocate for a design that the community backs, to the extent that it is feasible in terms of costs and permissions. This garden can create an opportunity and a public space that Los Gatos does not yet have. The proposed garden and path, along with Howes Play Lot, will create a unique greenway with a sequence of experiences.

Most proposed planting will be in raised planter beds, the design of which allows for very low risks from any remnant soil pesticides (Organochlorine pesticides) due to the ease of installing a soil cap and importing soil as a growing medium. A soil cap could come in the form of clean soil, or a concrete slab, or a combination of the two throughout the site. It is not advised to pave a concrete slab base for the entire garden; however, a concrete cap might form an entry plaza, a driveway, or a work space while portions of the remainder of the site would be capped with only clean soil, a geotextile fabric, and optionally a wire mesh.

Lynn Avenue Pedestrian Path

This parcel has the potential to act as a bridge, connecting the Howes Play Lot with the new community garden. Depending on the results of community outreach and input, our approach to the design may be relatively straightforward. The plan would prioritize visibility of the pathway from streets at both ends. In addition to the pathway, some amenities that may be desired may include the following:

- compacted crushed rock jogging path;
- benches;
- trash containers at either end of path;
- drought-tolerant plantings;
- temporary irrigation for plant establishment
- pedestrian / security lighting. Amenities, including lighting, would not be located near residences in order to minimize impact on neighbors.

For a unique parcel such as this, some considerations should be taken during design:

- The existing site has easements for both PG&E overhead electric lines and for Valley Water pipelines, with minimal existing vegetation.
- whether easements, utilities and site conditions may limit the location of a paved pathway within the parcel. Our office would assist the Town with coordination with each utility agency, and all other stakeholders.
- any need, by the Town or other agencies, to have limited control of public access to the parcel;
- specific limitations on pavement structures, trees and shrubs, and new irrigation infrastructure within the right-of-way;
- design limitations related to security visibility or fire access;
- limitations on any additional site furnishings and amenities, such as benches, signs, and lights.

After preliminary conversations with Ninyo & Moore, we believe that the possible presence of orchard pesticides (OCPs) on this parcel does not pose a risk to users of a pathway. However, as our site knowledge is still preliminary, we have included a fee allowance for testing for budgeting purposes.

Description of Scope Tasks

Task 1 – Project Management

Project management for planning and design projects encompass the key project areas of schedule, fees, communications, team management, scope coordination, and quality control. Below is an outline of related proposed tasks. See the Fee Proposal worksheet for more details.

- Develop Project Work Plan;
- Management of team sub-consultants;
- Site Analysis and Background Documents Review;
- Attend (2) Field Meetings / Site Visits (including travel time);
- Attend up to (2) Coordination Meetings with Town and other agencies involved the project, including PG&E, Santa Clara Valley Water (SCVW), and San Jose Water.
- Attend one (1) Coordination Meeting with Town's Staff Arborist. Subconsultant Arborist scope is included below in Task 2
- Preparation of Meeting Notes;
- Quality Control reviews.

Coordination efforts with PG&E and with SCVW will have the objective of determining restraints on site design, such as construction limitations, minimum access needs, and site security. A second objective will be to seek the utility districts' guidance on the best ways to meet project needs, such as shaded gathering spaces and tool storage, within the standard restrictions.

Deliverables: Project Management/Work Plan, addressing schedule, communications, team roles, and review process; Meeting Minutes.

Task 2 – Site Analysis

- A. Topographic & Boundary Survey
- B. Supplemental Soil Toxicology Analysis
- C. Consulting Certified Arborist
- D. Horticultural and Fertility Soil Analysis

Task 2, Dillingham Associates tasks

In addition to the sub-consultant tasks shown below, Site Analysis tasks to be performed by the prime consultant include preparation of Base Maps, development of Site Inventory Plans, and development of Opportunities & Constraints Plans. These plans will be developed based upon site information provided by subconsultants, and verified by one or more site visits.

Per our standard practices, we will submit a soil sample from the West Parcel site to a lab for horticultural planting analysis. This task and analysis is separate from Task 2C, below to expand upon previously performed soil toxicity analyses.

Task 2A) Topographic & Boundary Survey

As shown in our fee proposal, we will prepare topographic and boundary survey mapping for both sites, what are labeled in this proposal as the West Parcel, the site of a future community garden; and the East Parcels (two parcels), the site of a future pathway. We propose to complete the survey field work simultaneously for both project sites, while keeping the fees for each project clear and separate. Note that Lynn Avenue itself will not be included in the topographic surveying scope area, as this project does not propose new sidewalks along Lynn Avenue. Rights-of-way and easements will be defined from record maps and documents supplied by PG&E and by the Santa Clara Valley Water District. The survey will include surface utilities, fences, approximate location of overhead utility wires, crosswalks, signs, curb, gutter, sidewalk, trees over 4-inches in diameter, driveways and gates. Sufficient number of spot elevations will be taken to generate 1-foot contours.

Topographic surveying fee, for multiple sites, with subconsultant PLS Surveys is shown in the Fee Summary Table. Figures include 10% prime management fee. See also proposal from PLS Surveys, Inc.

Task 2B) Consulting Certified Arborist Services

We propose to work with our Arborist subconsultant Molly Batchelder of SBCA Tree Consulting in Crockett. The arborist will survey all trees on site that are over 4-inches in diameter (estimated to be 10-15 trees). The survey will include a Tree Location Map, and will record data on the species; DBH; height; spread; health and structural condition; suitability for retention; pruning or health mitigation recommendations; Root Protection Zones (RPZ); and other pertinent arborist notes. A summary report will contain pre-construction health mitigation recommendations, commentary on tree retention suitability, and replacement species suggestions. The Arborist fee includes any needed coordination with the Town's staff arborist or Tree Division, as needed. We do not propose to file for Tree Removal Permits during the 35% phase of work. The Arborist will also make recommendations to the Town for treatment of neighboring tree branches which encroach into the project parcels across fence lines.

If needed, the Arborist would assist in coordination with PG&E and/or SCVW to discuss tree trimming and removal requirements.

We propose to complete the Arborist consulting work simultaneously for both project sites, while keeping the fees for each project clear and separate.

Arborist services fee, for each project, with subconsultant SBCA Tree Consulting, is shown in the Fee Summary Table. Figures include 10% prime management fee.

Task 2C) Supplemental Soil Characterization Analysis – Garden site only

The Town is already in possession of a 2022 Soil Characterization Report by Ninyo & Moore, for the West Parcel, for the proposed Pinehurst Community Garden site. The objective was to assess the lateral and vertical extent of soil impacts from constituents of concern, including organochlorine pesticides (OCPs). Previously, samples from four boring locations were analyzed, and OCPs were present in notable quantities at boring location B-4. Subsequently, in April 2022, samples from four ‘step-out’ borings near location B-4 were also analyzed.

In order to refine the location of pesticides, the proposed additional soil analysis would include soil sampling analyses of (4) new borings, at 3-ft depth, with (2) samples per boring location. Samples will be analyzed for the presence of organochlorine pesticides (OCPs), and Title 22 Metals. The additional analysis work would be performed at the same screening level as the 2022 work, a Tier 1 Environmental Screening Level (ESL), a level that is used for ‘terrestrial habitat,’ such as park land projects.

We have also listed an additional optional task below for Risk Assessment and Statistical Analysis.

Soil assessment fee, for the West parcel only, with subconsultant Ninyo & Moore is shown in the Fee Summary Table. Figures include 10% prime management fee.

The future program for the Lynn Avenue Pathway project at the East Parcels is less determinate. As such, we propose that the Town defer the task of soil testing and toxicology analysis within the East Parcels until both a site program and a master plan or conceptual design plan are available. The program and concept plan will allow the Town to determine whether soil testing is advisable, what type of testing, and in which locations. Under similar project conditions, the site is often not tested until construction is near.

Deliverables: Boundary and Topographical Survey; refinement of Soil Analysis; Risk Assessment and Statistical Analysis; Arborist report and supplemental comments; Horticultural lab test recommendations; Site Inventory Plan; Opportunities & Constraints Plan.

Task 3 – Community Engagement

We propose to lead the Town's efforts to prepare outreach materials, graphics, meeting agendas, presentations, and meeting minutes. In addition, we will prepare for and moderate three community meetings, either in-person or virtual, and will work with the information the Town has and the Town's methods of communicating with neighbors and other interested parties. Techniques vary for working with different size groups vary, particularly in reference to feedback from the audience. With smaller groups, it is easy to have direct back and forth conversations about concerns. With much larger groups, the interaction needs to be more structures such as advance delivery of questionnaires and responses so that complex issues can be addressed at the actual meeting. Our subconsultants will help lead these meetings.

Both the Garden project and the Pathway project would be addressed at each meeting described below, with a joint agenda. Because the Garden project already has some level of community support and awareness, the joint nature of the two projects makes for an excellent opportunity to for joint meetings. This format would likely provide a great form of public input for the Lynn Avenue Pathway project, input that would be difficult to provide if the two projects did not hold joint meetings. One likely scenario is that community members may attend meetings about the Garden project, and would stay to be able to provide input and comment on the Pathway project. However, the meeting agendas should be designed with the understanding that the type of input needed for each project is quite different.

The Garden-related meeting agendas are described below. However, the Pathway-related meeting agendas are not yet developed. The breadth of the Pathway agenda should be developed in concert with Town staff. Because this project is still more preliminary than the Garden project, the meeting agenda will require discussion to determine whether to focus on Phase One improvements, long-term options, or both. Below are some optional meeting topics:

- Assessment of local recreation opportunities;
- Site Analysis;
- Goals and Objectives;
- Site Program, including passive and/or active recreation;
- Constraints and Opportunities of Site and Program;
- Support elements, including parking, circulation, buffers at neighboring properties, noise, and lighting; Development Phasing, Schedule, and Costs.

Our subconsultant landscape architects, garden design Christian Macke and trail designer Sofia Zander, would assist with early Community Engagement meetings, as they have extensive experience in public engagement. Their efforts would focus more upon the community meetings than on the Parks Commission meetings.

In our experience, two to three outreach meetings form a minimum or baseline for community outreach. If special conditions warrant additional outreach meetings, the consultant scope and fee can be discussed and negotiated. There is little reason at this point to believe that additional outreach meetings would be needed during later stages of design (e.g. 65%, 100%), but the question should be considered once the final design stage has commenced.

Meeting no. 1 would be a pre-design kickoff discussions for the community. The Garden agenda would allow the Town to inform the public about the project background, including site opportunities and constraints, schedule, budget, soil limitations, program limitations, and easement limitations. The Garden agenda would also allow garden users to inform the Town of the desired programs, elements, types and scale of urban

agriculture programs, and any concerns they may have. Depending on the number of participants, small groups could be formed for sketching and brief discussion, and then ideas could be summarized as a large group. To generate more discussion, consultants may show images of related Urban Agriculture programs that other communities have built.

Meeting no. 2A would allow the consultants to present to the community one or more concept plans which synthesize and clarify the ideas discussed in Meeting no. 1. One or more sketch plans would be presented for discussion. A key goal of the meeting is to build consensus. Meeting no. 2B would present to the Parks Commission a summary of this Meeting 2A.

Meeting no. 3A would allow the Town to provide a final nor nearly final preferred plan, at a point after most coordination issues have been resolved with utility districts and subconsultant site analyses. A Phasing Plan or a draft Phasing Plan has been prepared. Concerns have been addressed. A preliminary cost estimate has been prepared. Again, one goal is to report, and another is to build consensus. Meeting no. 3B would present to the Parks Commission a summary of this Meeting 3A.

Subconsultant Fees

Fees shown for this phase include fees for our subconsultant landscape architects, Christian Macke and Sofia Zander. Their fees are not shown here, to allow for better project flexibility; their fees are approximated on the Fee Worksheet. This arrangement will allow the design team to adapt to project needs for their expertise as they arise, and to allow the team members with the most capacity to undertake relevant tasks.

Design Work

Much of the related tasks of Conceptual Design and illustration for these Community Meetings is shown under Task 4, below.

Deliverables: Meeting facilitation, outreach graphics (including Design Concepts or Alternates), presentations, meeting agendas, meeting minutes, fliers or handouts, surveys, etc.

Task 4 – Conceptual Design and 35% Design Services

Each project will result in a separate 35% design packet, and separate cost opinions will be prepared for each project. Each project will require separate Phasing Plans. See the Approach & Understanding section above which provides additional relevant details for these two projects.

Pinehurst Community Garden

A kick-off meeting will be held with Town staff. A project management plan will be presented and reviewed, including project schedule and milestones. The site analysis steps will be reviewed, and the Community Engagement will be developed beyond what is shown in this document.

The input generated during the Community Engagement phase will be used to guide work during the Conceptual Design and during the 35% Design plan. The goal during this stage is to advocate for the community's vision as best possible, within the constraints of costs and permissions.

The work that falls under Site Analysis Task B1 above (Soil analysis and refinement of pesticide location) will allow the design team enough site information to better define which parts of the site will require programs that separate the users from toxic soils, such as driveways and paved areas.

The Concept Plan will be prepared to allow consensus with Town staff and with the community and the Parks Commission. The following criteria and elements will guide design at this stage:

- Site Programming
- Utility District restrictions
- Relation with East Lot
- Bed locations
- Dwarf tree planting
- Gathering space(s)
- Neighbor buffer zones
- Parking
- Fences and gates
- Work (lay-down) space
- Tool storage (also wheelbarrows)
- Layout that is feasible with plant needs (light, soil, space, height)

Work for the final 35% plan would develop the consensus Concept Plan, and refine it to allow the Town and consultant to develop a well-defined work scope for final 100% plans, specifications, and estimates. This stage would focus on further criteria and elements:

- Staff availability for classes and site events;
- Define planting bed sizes;
- Size of gathering spaces and informal seating locations, and amount of shade;
- Entryway scale and signage;
- Parking capacity in alignment with anticipated need;
- Visibility and adoption of CPTED practices;
- Size of buffer spaces between garden and neighboring properties;
- Define size of areas with use restricted by utility districts;
- Tree protection measures;

- Water and hose locations;
- Define vehicle unloading and lay-down spaces;
- Define soil storage area;
- Define tool storage type and area;
- Material selection and level of finish;

Examples of design tasks that would be excluded from this stage include irrigation design; soil specifications; and construction details.

Deliverables:

Program Diagram; Final Concept Plan; 35% Design Plan, 35% Cost Opinion; project Phasing Plan.

Lynn Avenue Pedestrian Path

The proposed garden and path project, along with Howes Play Lot, would create a unique greenway with a sequence of experiences.

A kick-off meeting will be held with Town staff. A project management plan will be presented and reviewed, including project schedule and milestones. The site analysis steps will be reviewed, and the Community Engagement will be developed beyond what is shown in this document.

A summary of existing conditions will be prepared, based on site visits, and on the work of the land surveyor, the Geologist and toxicologist, the soil lab report, and the project Arborist.

During the Community Engagement process, existing local recreation opportunities in the neighborhood will be assessed and evaluated, to allow informed consideration of possible new passive and active recreation programming. A Site Assessment and Analysis will then be developed based upon the public meeting notes and Town staff input. Constraints and opportunities will be presented for optional passive and active recreation uses. This analysis will include review of Town policies and maintenance capabilities.

The final Concept Plan will show proposed site programs, locations, approximate scale, and relationships between programs.

The 35% Design Plan will include a Cost Opinion, a Phasing Plan, and a range of possible timelines.

Concept Design Alternatives

Our process for this phase of design will be to prepare several alternative plans or concepts to elicit ideas and comments from the audience of neighbors and other interested participants. The result may be the selection one or another of alternative ideas or some combination of ideas into a preliminary plan.

35% Design Documents

Based on comments at the public meetings as well as any comments received by mail or email, we will synthesize the ideas from the public as well as those from the Town and our own into one or more options or alternative plans. These will be reviewed with Town staff for consistency of intent with the comments and feasibility with project requirements. Important design details will be developed and included as part of the 35% project documents.

Optional Master Plan Design Report

The future program for the Lynn Avenue Pathway project at the East Parcels is less determinate than that of the Pinehurst Community Garden. Because of this difference in project progress, the Town may feel it helpful or necessary to invest more planning and design effort in this project in the form of a Master Plan design report. A report would allow for more in-depth discussion of short-term and long-term developments, in both graphical and narrative form. Topics of discussion would likely include project Goals and Objectives; Site Analysis and Existing Conditions; Master Plan including organizing ideas, parking, circulation, buffers at neighboring properties, noise, and lighting; Program Development; Facilities Development; and Development Phasing, Schedule and Costs.

This work is out of scope for Taks 4. See description of Optional Tasks below.

Subconsultant Fees

Fees shown for this phase include fees for our subconsultant landscape architects, Christian Macke and Sofia Zander. Their fees are not shown to allow for better project flexibility. This arrangement will allow the design team to adapt to project needs for their expertise as they arise, and to allow the team members with the most capacity to undertake relevant tasks.

*Deliverables:**Final Concept Plan; 35% Design Plan, 35% Cost Opinion; project Phasing Plan.**Optional Report deliverable: Master Plan design report.*

Task 5 – Final Design and Construction Documents

Scope for this task has not yet been developed.

Task 6 – Bid Award and Construction Administration

Scope for this task has not yet been developed.

Optional Tasks**Optional Task A - Pinehurst Community Garden – Risk Assessment and Statistical Analysis**

For the Pinehurst Community Garden site, most proposed planting will be in raised planter beds. The design of the raised beds allows for very low risks from any remnant soil pesticides (Organochlorine pesticides) due to the ease of installing a soil cap and importing soil as a growing medium.

Our preliminary site assessment has indicated that the site would benefit from tree crops, which form a good buffer at neighboring properties, and provide more definition and interest to many gardens. At the same time, our review of PG&E's Impact Letter (dated 2/3/2023) indicates that this would be acceptable along the border of the transmission line right-of-way, so long as such trees are dwarf species no taller than 10-feet.

For tree planting specifically, a Risk Assessment and Statistical Analysis performed by Ninyo & Moore could provide the Town with some environmental liability protection. If the Risk Assessment outcome is unfavorable, the result would provide guidance to not plant trees, and if the outcome is favorable, it would provide some liability protection. Tree crops, in theory, could benefit from a Risk Assessment. Be aware that most tree fruits and crops are not the locus where toxins are found, as they tend to concentrate in tree leaves and other parts of the anatomy. If the risk assessment demonstrates the site to be unsafe, we would work with Ninyo & Moore to propose and evaluate solutions such as complete soil remediation (excavation and disposal), capping of toxic soil areas, and limiting garden use to only raised planters.

We are showing an optional task for Ninyo & Moore to prepare a Risk Assessment and Statistical Analysis. Optional Task 1 would include sampling of 10 new borings, laid on a grid, with collection of two samples per boring, to have sufficient data set for a statistical analysis. By proposing likely future crops, the analysis would allow us to complete a risk assessment of those crops, yielding the probability that a toxin of concern would reach that crop or would reach a garden user.

Risk Assessment and Statistical Analysis fee, for the Pinehurst Community Garden on the West parcel only, including 10 new borings and 20 samples, with subconsultant Ninyo & Moore is shown in the Fee Summary Table. Figures include 10% prime management fee.

Optional Task B - Illustrated Perspective Renderings (for either or both projects)Optional Task C - Lynn Avenue Pedestrian Pathway Master Plan design report

Topics of discussion would include project Goals and Objectives; Site Analysis and Existing Conditions; Master Plan including organizing ideas, parking, circulation, buffers at neighboring properties, noise, and lighting; Program Development; Facilities Development; and Development Phasing, Schedule and Costs. See narrative description above for more details.

Standard Project Procedures and Disclaimers

Submittal to Planning Department or Planning Commission is not within scope.

CEQA, NEPA, Environmental or other regulatory permitting is not within scope.

C.3 stormwater calculations and mitigations, and preparation of stormwater control plans are not included, and no civil engineering work is within scope.

Structural engineering, inclusive of wall design, is not within scope.

LEED, SITES, GreenPoint, and Bay-Friendly certifications have not been included.

Section 508 Document Remediation services are not within scope.

Additional revisions will be charged at hourly rates; as stated elsewhere in this proposal; or as agreed with client.

Project is subject to review by only those agencies and entities explicitly noted in this proposal.

Additional meetings, site visits, submittals, and revisions shall be billed at hourly rates shown on Fee Worksheet.

Only those subconsult tasks and fees shown have been included in this proposal. Other subconsultant tasks are excluded, including but not limited to civil engineering, architecture, electrical engineering, geotechnical engineering, structural engineering, environmental permitting, CASp access consulting, and irrigation design.

If significant findings are made regarding the existing site conditions that affect the scope of the landscape architect's work, the contract scope and fee shall be re-negotiated.

Fee Summary
Pinehurst Community Garden Design (CIP No. 831-4610)

Task number	Task Name	Lump Sum Fee
1	Project Management	\$ 3,038
2	Site Analysis	\$ 1,355
2A	Topographic & Boundary Survey	\$ 3,080
2B	Consulting Certified Arborist Services	\$ 1,650
2C	Supplemental Soil Toxicology Analysis	\$ 11,000
3	Community Engagement	\$ 12,125
4	Conceptual Design and 35% Design	\$ 32,995
DC	Direct Costs, maximum not-to-exceed	\$ 850
PROJECT TOTAL		\$ 66,093.00
Items not included in this current contract		
Optional Task A	Pinehurst Community Garden – Risk Assessment and Statistical Analysis	\$ 44,000
Optional Task B	Illustrated Perspective Renderings, fee per rendering	\$ 4,000

Fees shown include prime consultant management fees of subconsultants.

Fee Summary
Lynn Avenue Pedestrian Path Design (CIP No. 832-4510)

Task number	Task Name	Lump Sum Fee
1	Project Management	\$ 3038
2	Site Analysis	\$ 1195
2A	Topographic & Boundary Survey	\$ 3630
2B	Consulting Certified Arborist Services	\$ 1650
3	Community Engagement	\$ 12,125
4	Conceptual Design and 35% Design	\$ 32,995
DC	Direct Costs, maximum not-to-exceed	\$ 500
PROJECT TOTAL		\$ 55,133.00
Items not included in this current contract		
Optional Task B	Illustrated Perspective Renderings, fee per rendering	\$ 4,000
Optional Task C	Master Plan design report	\$ 10,000

Fees shown include prime consultant management fees of subconsultants.

Schedule

1. Project Start-up / Project Management

Project start date anticipated in July 2023. Start-up tasks duration of (6) weeks. Project management tasks continue throughout project.

Provide regular updates to the Town's project manager, including a coordination meeting with Town and other agencies involved, meeting agendas and minutes. Conduct field visits and site analysis as well as reviewing project existing documents to fully understand project background and to develop a work plan.

2. Topo Survey and Soil Analysis

Allow (1) month, Concurrently with Task 1. Start July 2023

3. Community Engagement

Allow (3) months. Concurrently with Task 4. Start September 2023

Assistance in outreach efforts; facilitation of community meetings (both in-person and video); presentation of design concepts and graphics to the public.

4. Conceptual Design Options

4A . Conceptual Design Options:

Allow (1) month. Start September 2023

Comment and Feedback Turnaround

Allow (2) weeks for comments and feedback turnaround

Document Revisions after Comments from Community and Town Parks Commission Allow

(2) weeks for comments and feedback turnaround

4B. 35% Design

Allow (10) weeks. Start January 2024 Design

Package Submittal

Comment and Feedback Turnaround

Allow (2) weeks for comments and feedback turnaround

Document Revisions after Comments from Community and Town Parks Commission Allow

(2) weeks for comments and feedback turnaround

5. 100% Project Completion

April 2024

Fee Summary
Pinehurst Community Garden Design (CIP No. 831-4610)

Task number	Task Name	Lump Sum Fee
1	Project Management	\$ 3,038
2	Site Analysis	\$ 1,355
2A	Topographic & Boundary Survey	\$ 3,080
2B	Consulting Certified Arborist Services	\$ 1,465
2C	Supplemental Soil Toxicology Analysis	\$ 13,200
3	Community Engagement	\$ 12,125
4	Conceptual Design and 35% Design	\$ 32,995
LUMP SUM TOTAL		\$ 67,258
Direct Costs, maximum not-to-exceed		\$ 850
TOTAL PROJECT FEE		\$ 68,108
Items not included in this current contract		
Optional Task A	Pinehurst Community Garden – Risk Assessment and Statistical Analysis	\$ 44,000
Optional Task B	Illustrated Perspective Renderings, fee per rendering	\$ 4,000

Fee Summary
Lynn Avenue Pedestrian Path Design (CIP No. 832-4510)

Task number	Task Name	Lump Sum Fee
1	Project Management	\$ 3,038
2	Site Analysis	\$ 1,195
2A	Topographic & Boundary Survey	\$ 3,630
2B	Consulting Certified Arborist Services	\$ 1,465
3	Community Engagement	\$ 12,125
4	Conceptual Design and 35% Design	\$ 32,995
LUMP SUM TOTAL		\$ 54,448
Direct Costs, maximum not-to-exceed		\$ 500
TOTAL PROJECT FEE		\$ 54,948
Items not included in this current contract		
Optional Task B	Illustrated Perspective Renderings, fee per rendering	\$ 4,000
Optional Task C	Master Plan design report	\$ 10,000

All fees shown include prime consultant management fees of subconsultants.

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is dated for identification on the 20th day of June 2023 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Dillingham Associates ("Consultant"), identified as an Individual/Sole Proprietor and whose address is 2927 Newbury Street, Berkeley, CA 94703. This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 The Town desires to engage Consultant for the Preliminary Design Services for the Pinehurst Community Garden (CIP No. 831-4610) and Lynne Avenue Pedestrian Path Design (CIP No. 832-4510).
- 1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

- 2.1 Scope of Services. Consultant shall provide services as described in that certain proposal sent to the Town on June 2, 2023, which is hereby incorporated by reference and attached as Exhibit A.
- 2.2 Term and Time of Performance. This contract will remain in effect upon execution to June 30, 2024. Consultant shall perform the services described in this agreement as described in Exhibit A.
- 2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services

pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

- 2.6 Compensation. Compensation for Consultant's professional services **shall not exceed \$123,556**, inclusive of all costs. Payment shall be based upon Town approval of each task.
- 2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

- 2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.
- 2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.
- 2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to

testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

- 2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

- i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars (\$2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
- ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

- iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.
- iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than \$1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. The Town, its elected and appointed officials, employees, and, agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
 - ii. The Consultant's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
 - iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.
 - iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.
- 3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

- 3.4 Indemnification. The Consultant shall save, keep, hold harmless and indemnify and defend the Town its elected and appointed officials, agents, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant.

IV. GENERAL TERMS

- 4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- 4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- 4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.
- 4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.
- 4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.
- 4.6 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

Dillingham Associates
2927 Newbury Street
Berkeley, CA 94703

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

- 4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- 4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

DocuSigned by:

Laurel Prevetti

853FEEA2EB39479...

Laurel Prevetti, Town Manager

Consultant, by:

DocuSigned by:

M. Reed Dillingham

EGE003A628D5437...

M. Reed Dillingham, Principal

Recommended by:

DocuSigned by:

Jim Harbin

E7195960535444C...

Jim Harbin

Acting Director of Parks and Public Works

Approved as to Form:

DocuSigned by:

Gabrielle Whelan

EF06738A6634428...

Gabrielle Whelan, Town Attorney

Attest:

DocuSigned by:

Wendy Wood

BF0EBCBE2C214F8...

Wendy Wood, CMC, Town Clerk

Proposal for Landscape Architectural Services
 Pinehurst Community Garden (CIP No. 831-4610) and
 Lynne Avenue Pedestrian Path Design (CIP No. 832-4510)
 Prepared for the Town of Los Gatos
 Prepared by Dillingham Associates Landscape Architects

May 18, 2023

Key:
Items in bold (Arial) are total fees per task phase.
 Items in blue show subconsultant fees.
 Items in orange show proposed Deliverables.

Approach & Understanding of Each Project

Pinehurst Community Garden

Municipal community gardens have become increasingly popular in the past ten years, a movement that increased during pandemic conditions. Santa Clara has recently opened the Eddie Souza Community Garden on the San Tomas Aquino Creek Trail, which has classes and a wait list for plots. Cupertino is currently building a new community garden in Wilson Park. Under-utilized parcels such as the Pinehurst lot are a perfect opportunity for a use that creates a community gathering place, as well as a new civic facility.

The groundwork for the community garden project has already been laid with the support of a community that has already developed a preliminary site layout. This effort suggests that the process of outreach and engagement can be a productive one. The sketch plan creates a good starting point for discussion of program, size, scope, function, and adjacencies. Preliminary comments from PG&E and from Ninyo & Moore also provide clear guidance for design constraints and for outreach meeting agenda items.

The key task for this type of project is the ability to listen and respond to community ideas and concerns. The neighborhood has already invested energy into this project, and they will be the workers who will maintain the garden, and over time will curate the site into a unique garden. More so than many park projects, a community garden is an opportunity to incorporate the public's vision into its physical form.

The proposed program is relatively straightforward, buildable and feasible. We can support the current program, but will endeavor to work with community members to verify whether any additional elements may be feasible.

While preliminary comments from PG&E and from Ninyo & Moore provide guidance, they also pose design challenges. We are fortunate to be able to partner with Christian Macke of 122 West landscape architects, who have a deep portfolio of community garden projects built upon extensive outreach processes.

After preliminary conversations with Ninyo & Moore, we propose to work with their team to refine the boundary of food operations, by further analyzing the limits of organochlorine pesticides (OCP) in the soil. Organochlorine pesticides were used extensively from the 1940s through the 1960s in agriculture and mosquito control, but due to both their environmental persistence and neurotoxicity, their use has been banned or greatly reduced in the last decades. We propose to sample and analyze three (3) additional borings, and to provide a sequential analysis, which can be used to potentially save lab costs, pending results.

Beyond the basic amenities shown in the Sample Layout diagrammatic plan, many enhancements could

be considered.

- The meeting area can be planned and designed to be an outdoor classroom, a small plaza, and a setting for group meetings. Many good ideas and discussions come from informal gatherings and chance encounters.
- The garden would benefit from both informal seating areas, and one or more larger group areas.
- An attractive entryway and signage can provide a new neighborhood landmark and site identity.
- The type of buffer interface between the garden and adjacent residences should be considered, despite the small site area.
- Storage for group and personal gardening tools will be useful.
- Parking for site managers, and optionally also for gardeners.
- Shaded seating and/or gathering areas.
- Storage of compost, soil, mulch and other materials.

While limitations from PG&E and Valley Water, among others may impact the plan and project, we are passionate to advocate for a design that the community backs, to the extent that it is feasible in terms of costs and permissions. This garden can create an opportunity and a public space that Los Gatos does not yet have. The proposed garden and path, along with Howes Play Lot, will create a unique greenway with a sequence of experiences.

Most proposed planting will be in raised planter beds, the design of which allows for very low risks from any remnant soil pesticides (Organochlorine pesticides) due to the ease of installing a soil cap and importing soil as a growing medium. A soil cap could come in the form of clean soil, or a concrete slab, or a combination of the two throughout the site. It is not advised to pave a concrete slab base for the entire garden; however, a concrete cap might form an entry plaza, a driveway, or a work space while portions of the remainder of the site would be capped with only clean soil, a geotextile fabric, and optionally a wire mesh.

Lynn Avenue Pedestrian Path

This parcel has the potential to act as a bridge, connecting the Howes Play Lot with the new community garden. Depending on the results of community outreach and input, our approach to the design may be relatively straightforward. The plan would prioritize visibility of the pathway from streets at both ends. In addition to the pathway, some amenities that may be desired may include the following:

- compacted crushed rock jogging path;
- benches;
- trash containers at either end of path;
- drought-tolerant plantings;
- temporary irrigation for plant establishment
- pedestrian / security lighting. Amenities, including lighting, would not be located near residences in order to minimize impact on neighbors.

For a unique parcel such as this, some considerations should be taken during design:

- The existing site has easements for both PG&E overhead electric lines and for Valley Water pipelines, with minimal existing vegetation.
- whether easements, utilities and site conditions may limit the location of a paved pathway within the parcel. Our office would assist the Town with coordination with each utility agency, and all other stakeholders.
- any need, by the Town or other agencies, to have limited control of public access to the parcel;
- specific limitations on pavement structures, trees and shrubs, and new irrigation infrastructure within the right-of-way;
- design limitations related to security visibility or fire access;
- limitations on any additional site furnishings and amenities, such as benches, signs, and lights.

After preliminary conversations with Ninyo & Moore, we believe that the possible presence of orchard pesticides (OCPs) on this parcel does not pose a risk to users of a pathway. However, as our site knowledge is still preliminary, we have included a fee allowance for testing for budgeting purposes.

Description of Scope Tasks

Task 1 – Project Management

Project management for planning and design projects encompass the key project areas of schedule, fees, communications, team management, scope coordination, and quality control. Below is an outline of related proposed tasks. See the Fee Proposal worksheet for more details.

- Develop Project Work Plan;
- Management of team sub-consultants;
- Site Analysis and Background Documents Review;
- Attend (2) Field Meetings / Site Visits (including travel time);
- Attend up to (2) Coordination Meetings with Town and other agencies involved the project, including PG&E, Santa Clara Valley Water (SCVW), and San Jose Water.
- Attend one (1) Coordination Meeting with Town's Staff Arborist. Subconsultant Arborist scope is included below in Task 2
- Preparation of Meeting Notes;
- Quality Control reviews.

Coordination efforts with PG&E and with SCVW will have the objective of determining restraints on site design, such as construction limitations, minimum access needs, and site security. A second objective will be to seek the utility districts' guidance on the best ways to meet project needs, such as shaded gathering spaces and tool storage, within the standard restrictions.

Deliverables: Project Management/Work Plan, addressing schedule, communications, team roles, and review process; Meeting Minutes.

Task 2 – Site Analysis

- A. Topographic & Boundary Survey
- B. Supplemental Soil Toxicology Analysis
- C. Consulting Certified Arborist
- D. Horticultural and Fertility Soil Analysis

Task 2, Dillingham Associates tasks

In addition to the sub-consultant tasks shown below, Site Analysis tasks to be performed by the prime consultant include preparation of Base Maps, development of Site Inventory Plans, and development of Opportunities & Constraints Plans. These plans will be developed based upon site information provided by subconsultants, and verified by one or more site visits.

Per our standard practices, we will submit a soil sample from the West Parcel site to a lab for horticultural planting analysis. This task and analysis is separate from Task 2C, below to expand upon previously performed soil toxicity analyses.

Task 2A) Topographic & Boundary Survey

As shown in our fee proposal, we will prepare topographic and boundary survey mapping for both sites, what are labeled in this proposal as the West Parcel, the site of a future community garden; and the East Parcels (two parcels), the site of a future pathway. We propose to complete the survey field work simultaneously for both project sites, while keeping the fees for each project clear and separate. Note that Lynn Avenue itself will not be included in the topographic surveying scope area, as this project does not propose new sidewalks along Lynn Avenue. Rights-of-way and easements will be defined from record maps and documents supplied by PG&E and by the Santa Clara Valley Water District. The survey will include surface utilities, fences, approximate location of overhead utility wires, crosswalks, signs, curb, gutter, sidewalk, trees over 4-inches in diameter, driveways and gates. Sufficient number of spot elevations will be taken to generate 1-foot contours.

Topographic surveying fee, for multiple sites, with subconsultant PLS Surveys is shown in the Fee Summary Table. Figures include 10% prime management fee. See also proposal from PLS Surveys, Inc.

Task 2B) Consulting Certified Arborist Services

We propose to work with our Arborist subconsultant Molly Batchelder of SBCA Tree Consulting in Crockett. The arborist will survey all trees on site that are over 4-inches in diameter (estimated to be 10-15 trees). The survey will include a Tree Location Map, and will record data on the species; DBH; height; spread; health and structural condition; suitability for retention; pruning or health mitigation recommendations; Root Protection Zones (RPZ); and other pertinent arborist notes. A summary report will contain pre-construction health mitigation recommendations, commentary on tree retention suitability, and replacement species suggestions. The Arborist fee includes any needed coordination with the Town's staff arborist or Tree Division, as needed. We do not propose to file for Tree Removal Permits during the 35% phase of work. The Arborist will also make recommendations to the Town for treatment of neighboring tree branches which encroach into the project parcels across fence lines.

If needed, the Arborist would assist in coordination with PG&E and/or SCVW to discuss tree trimming and removal requirements.

We propose to complete the Arborist consulting work simultaneously for both project sites, while keeping the fees for each project clear and separate.

Arborist services fee, for each project, with subconsultant SBCA Tree Consulting, is shown in the Fee Summary Table. Figures include 10% prime management fee.

Task 2C) Supplemental Soil Characterization Analysis – Garden site only

The Town is already in possession of a 2022 Soil Characterization Report by Ninyo & Moore, for the West Parcel, for the proposed Pinehurst Community Garden site. The objective was to assess the lateral and vertical extent of soil impacts from constituents of concern, including organochlorine pesticides (OCPs). Previously, samples from four boring locations were analyzed, and OCPs were present in notable quantities at boring location B-4. Subsequently, in April 2022, samples from four ‘step-out’ borings near location B-4 were also analyzed.

In order to refine the location of pesticides, the proposed additional soil analysis would include soil sampling analyses of (4) new borings, at 3-ft depth, with (2) samples per boring location. Samples will be analyzed for the presence of organochlorine pesticides (OCPs), and Title 22 Metals. The additional analysis work would be performed at the same screening level as the 2022 work, a Tier 1 Environmental Screening Level (ESL), a level that is used for ‘terrestrial habitat,’ such as park land projects.

We have also listed an additional optional task below for Risk Assessment and Statistical Analysis.

Soil assessment fee, for the West parcel only, with subconsultant Ninyo & Moore is shown in the Fee Summary Table. Figures include 10% prime management fee.

The future program for the Lynn Avenue Pathway project at the East Parcels is less determinate. As such, we propose that the Town defer the task of soil testing and toxicology analysis within the East Parcels until both a site program and a master plan or conceptual design plan are available. The program and concept plan will allow the Town to determine whether soil testing is advisable, what type of testing, and in which locations. Under similar project conditions, the site is often not tested until construction is near.

Deliverables: Boundary and Topographical Survey; refinement of Soil Analysis; Risk Assessment and Statistical Analysis; Arborist report and supplemental comments; Horticultural lab test recommendations; Site Inventory Plan; Opportunities & Constraints Plan.

Task 3 – Community Engagement

We propose to lead the Town's efforts to prepare outreach materials, graphics, meeting agendas, presentations, and meeting minutes. In addition, we will prepare for and moderate three community meetings, either in-person or virtual, and will work with the information the Town has and the Town's methods of communicating with neighbors and other interested parties. Techniques vary for working with different size groups vary, particularly in reference to feedback from the audience. With smaller groups, it is easy to have direct back and forth conversations about concerns. With much larger groups, the interaction needs to be more structures such as advance delivery of questionnaires and responses so that complex issues can be addressed at the actual meeting. Our subconsultants will help lead these meetings.

Both the Garden project and the Pathway project would be addressed at each meeting described below, with a joint agenda. Because the Garden project already has some level of community support and awareness, the joint nature of the two projects makes for an excellent opportunity to for joint meetings. This format would likely provide a great form of public input for the Lynn Avenue Pathway project, input that would be difficult to provide if the two projects did not hold joint meetings. One likely scenario is that community members may attend meetings about the Garden project, and would stay to be able to provide input and comment on the Pathway project. However, the meeting agendas should be designed with the understanding that the type of input needed for each project is quite different.

The Garden-related meeting agendas are described below. However, the Pathway-related meeting agendas are not yet developed. The breadth of the Pathway agenda should be developed in concert with Town staff. Because this project is still more preliminary than the Garden project, the meeting agenda will require discussion to determine whether to focus on Phase One improvements, long-term options, or both. Below are some optional meeting topics:

- Assessment of local recreation opportunities;
- Site Analysis;
- Goals and Objectives;
- Site Program, including passive and/or active recreation;
- Constraints and Opportunities of Site and Program;
- Support elements, including parking, circulation, buffers at neighboring properties, noise, and lighting; Development Phasing, Schedule, and Costs.

Our subconsultant landscape architects, garden design Christian Macke and trail designer Sofia Zander, would assist with early Community Engagement meetings, as they have extensive experience in public engagement. Their efforts would focus more upon the community meetings than on the Parks Commission meetings.

In our experience, two to three outreach meetings form a minimum or baseline for community outreach. If special conditions warrant additional outreach meetings, the consultant scope and fee can be discussed and negotiated. There is little reason at this point to believe that additional outreach meetings would be needed during later stages of design (e.g. 65%, 100%), but the question should be considered once the final design stage has commenced.

Meeting no. 1 would be a pre-design kickoff discussions for the community. The Garden agenda would allow the Town to inform the public about the project background, including site opportunities and constraints, schedule, budget, soil limitations, program limitations, and easement limitations. The Garden agenda would also allow garden users to inform the Town of the desired programs, elements, types and scale of urban

agriculture programs, and any concerns they may have. Depending on the number of participants, small groups could be formed for sketching and brief discussion, and then ideas could be summarized as a large group. To generate more discussion, consultants may show images of related Urban Agriculture programs that other communities have built.

Meeting no. 2A would allow the consultants to present to the community one or more concept plans which synthesize and clarify the ideas discussed in Meeting no. 1. One or more sketch plans would be presented for discussion. A key goal of the meeting is to build consensus. Meeting no. 2B would present to the Parks Commission a summary of this Meeting 2A.

Meeting no. 3A would allow the Town to provide a final or nearly final preferred plan, at a point after most coordination issues have been resolved with utility districts and subconsultant site analyses. A Phasing Plan or a draft Phasing Plan has been prepared. Concerns have been addressed. A preliminary cost estimate has been prepared. Again, one goal is to report, and another is to build consensus. Meeting no. 3B would present to the Parks Commission a summary of this Meeting 3A.

Subconsultant Fees

Fees shown for this phase include fees for our subconsultant landscape architects, Christian Macke and Sofia Zander. Their fees are not shown here, to allow for better project flexibility; their fees are approximated on the Fee Worksheet. This arrangement will allow the design team to adapt to project needs for their expertise as they arise, and to allow the team members with the most capacity to undertake relevant tasks.

Design Work

Much of the related tasks of Conceptual Design and illustration for these Community Meetings is shown under Task 4, below.

Deliverables: Meeting facilitation, outreach graphics (including Design Concepts or Alternates), presentations, meeting agendas, meeting minutes, fliers or handouts, surveys, etc.

Task 4 – Conceptual Design and 35% Design Services

Each project will result in a separate 35% design packet, and separate cost opinions will be prepared for each project. Each project will require separate Phasing Plans. See the Approach & Understanding section above which provides additional relevant details for these two projects.

Pinehurst Community Garden

A kick-off meeting will be held with Town staff. A project management plan will be presented and reviewed, including project schedule and milestones. The site analysis steps will be reviewed, and the Community Engagement will be developed beyond what is shown in this document.

The input generated during the Community Engagement phase will be used to guide work during the Conceptual Design and during the 35% Design plan. The goal during this stage is to advocate for the community's vision as best possible, within the constraints of costs and permissions.

The work that falls under Site Analysis Task B1 above (Soil analysis and refinement of pesticide location) will allow the design team enough site information to better define which parts of the site will require programs that separate the users from toxic soils, such as driveways and paved areas.

The Concept Plan will be prepared to allow consensus with Town staff and with the community and the Parks Commission. The following criteria and elements will guide design at this stage:

- Site Programming
- Utility District restrictions
- Relation with East Lot
- Bed locations
- Dwarf tree planting
- Gathering space(s)
- Neighbor buffer zones
- Parking
- Fences and gates
- Work (lay-down) space
- Tool storage (also wheelbarrows)
- Layout that is feasible with plant needs (light, soil, space, height)

Work for the final 35% plan would develop the consensus Concept Plan, and refine it to allow the Town and consultant to develop a well-defined work scope for final 100% plans, specifications, and estimates. This stage would focus on further criteria and elements:

- Staff availability for classes and site events;
- Define planting bed sizes;
- Size of gathering spaces and informal seating locations, and amount of shade;
- Entryway scale and signage;
- Parking capacity in alignment with anticipated need;
- Visibility and adoption of CPTED practices;
- Size of buffer spaces between garden and neighboring properties;
- Define size of areas with use restricted by utility districts;
- Tree protection measures;

- Water and hose locations;
- Define vehicle unloading and lay-down spaces;
- Define soil storage area;
- Define tool storage type and area;
- Material selection and level of finish;

Examples of design tasks that would be excluded from this stage include irrigation design; soil specifications; and construction details.

Deliverables:

Program Diagram; Final Concept Plan; 35% Design Plan, 35% Cost Opinion; project Phasing Plan.

Lynn Avenue Pedestrian Path

The proposed garden and path project, along with Howes Play Lot, would create a unique greenway with a sequence of experiences.

A kick-off meeting will be held with Town staff. A project management plan will be presented and reviewed, including project schedule and milestones. The site analysis steps will be reviewed, and the Community Engagement will be developed beyond what is shown in this document.

A summary of existing conditions will be prepared, based on site visits, and on the work of the land surveyor, the Geologist and toxicologist, the soil lab report, and the project Arborist.

During the Community Engagement process, existing local recreation opportunities in the neighborhood will be assessed and evaluated, to allow informed consideration of possible new passive and active recreation programming. A Site Assessment and Analysis will then be developed based upon the public meeting notes and Town staff input. Constraints and opportunities will be presented for optional passive and active recreation uses. This analysis will include review of Town policies and maintenance capabilities.

The final Concept Plan will show proposed site programs, locations, approximate scale, and relationships between programs.

The 35% Design Plan will include a Cost Opinion, a Phasing Plan, and a range of possible timelines.

Concept Design Alternatives

Our process for this phase of design will be to prepare several alternative plans or concepts to elicit ideas and comments from the audience of neighbors and other interested participants. The result may be the selection one or another of alternative ideas or some combination of ideas into a preliminary plan.

35% Design Documents

Based on comments at the public meetings as well as any comments received by mail or email, we will synthesize the ideas from the public as well as those from the Town and our own into one or more options or alternative plans. These will be reviewed with Town staff for consistency of intent with the comments and feasibility with project requirements. Important design details will be developed and included as part of the 35% project documents.

Optional Master Plan Design Report

The future program for the Lynn Avenue Pathway project at the East Parcels is less determinate than that of the Pinehurst Community Garden. Because of this difference in project progress, the Town may feel it helpful or necessary to invest more planning and design effort in this project in the form of a Master Plan design report. A report would allow for more in-depth discussion of short-term and long-term developments, in both graphical and narrative form. Topics of discussion would likely include project Goals and Objectives; Site Analysis and Existing Conditions; Master Plan including organizing ideas, parking, circulation, buffers at neighboring properties, noise, and lighting; Program Development; Facilities Development; and Development Phasing, Schedule and Costs.

This work is out of scope for Taks 4. See description of Optional Tasks below.

Subconsultant Fees

Fees shown for this phase include fees for our subconsultant landscape architects, Christian Macke and Sofia Zander. Their fees are not shown to allow for better project flexibility. This arrangement will allow the design team to adapt to project needs for their expertise as they arise, and to allow the team members with the most capacity to undertake relevant tasks.

Deliverables:

Final Concept Plan; 35% Design Plan, 35% Cost Opinion; project Phasing Plan.

Optional Report deliverable: Master Plan design report.

Task 5 – Final Design and Construction Documents

Scope for this task has not yet been developed.

Task 6 – Bid Award and Construction Administration

Scope for this task has not yet been developed.

Optional Tasks

Optional Task A - Pinehurst Community Garden – Risk Assessment and Statistical Analysis

For the Pinehurst Community Garden site, most proposed planting will be in raised planter beds. The design of the raised beds allows for very low risks from any remnant soil pesticides (Organochlorine pesticides) due to the ease of installing a soil cap and importing soil as a growing medium.

Our preliminary site assessment has indicated that the site would benefit from tree crops, which form a good buffer at neighboring properties, and provide more definition and interest to many gardens. At the same time, our review of PG&E's Impact Letter (dated 2/3/2023) indicates that this would be acceptable along the border of the transmission line right-of-way, so long as such trees are dwarf species no taller than 10-feet.

For tree planting specifically, a Risk Assessment and Statistical Analysis performed by Ninyo & Moore could provide the Town with some environmental liability protection. If the Risk Assessment outcome is unfavorable, the result would provide guidance to not plant trees, and if the outcome is favorable, it would provide some liability protection. Tree crops, in theory, could benefit from a Risk Assessment. Be aware that most tree fruits and crops are not the locus where toxins are found, as they tend to concentrate in tree leaves and other parts of the anatomy. If the risk assessment demonstrates the site to be unsafe, we would work with Ninyo & Moore to propose and evaluate solutions such as complete soil remediation (excavation and disposal), capping of toxic soil areas, and limiting garden use to only raised planters.

We are showing an optional task for Ninyo & Moore to prepare a Risk Assessment and Statistical Analysis. Optional Task 1 would include sampling of 10 new borings, laid on a grid, with collection of two samples per boring, to have sufficient data set for a statistical analysis. By proposing likely future crops, the analysis would allow us to complete a risk assessment of those crops, yielding the probability that a toxin of concern would reach that crop or would reach a garden user.

Risk Assessment and Statistical Analysis fee, for the Pinehurst Community Garden on the West parcel only, including 10 new borings and 20 samples, with subconsultant Ninyo & Moore is shown in the Fee Summary Table. Figures include 10% prime management fee.

Optional Task B - Illustrated Perspective Renderings (for either or both projects)

Optional Task C - Lynn Avenue Pedestrian Pathway Master Plan design report

Topics of discussion would include project Goals and Objectives; Site Analysis and Existing Conditions; Master Plan including organizing ideas, parking, circulation, buffers at neighboring properties, noise, and lighting; Program Development; Facilities Development; and Development Phasing, Schedule and Costs. See narrative description above for more details.

Standard Project Procedures and Disclaimers

Submittal to Planning Department or Planning Commission is not within scope.

CEQA, NEPA, Environmental or other regulatory permitting is not within scope.

C.3 stormwater calculations and mitigations, and preparation of stormwater control plans are not included, and no civil engineering work is within scope.

Structural engineering, inclusive of wall design, is not within scope.

LEED, SITES, GreenPoint, and Bay-Friendly certifications have not been included.

Section 508 Document Remediation services are not within scope.

Additional revisions will be charged at hourly rates; as stated elsewhere in this proposal; or as agreed with client.

Project is subject to review by only those agencies and entities explicitly noted in this proposal.

Additional meetings, site visits, submittals, and revisions shall be billed at hourly rates shown on Fee Worksheet.

Only those subconsult tasks and fees shown have been included in this proposal. Other subconsultant tasks are excluded, including but not limited to civil engineering, architecture, electrical engineering, geotechnical engineering, structural engineering, environmental permitting, CASp access consulting, and irrigation design.

If significant findings are made regarding the existing site conditions that affect the scope of the landscape architect's work, the contract scope and fee shall be re-negotiated.

Fee Summary
Pinehurst Community Garden Design (CIP No. 831-4610)

Task number	Task Name	Lump Sum Fee
1	Project Management	\$ 3,038
2	Site Analysis	\$ 1,355
2A	Topographic & Boundary Survey	\$ 3,080
2B	Consulting Certified Arborist Services	\$ 1,650
2C	Supplemental Soil Toxicology Analysis	\$ 11,000
3	Community Engagement	\$ 12,125
4	Conceptual Design and 35% Design	\$ 32,995
DC	Direct Costs, maximum not-to-exceed	\$ 850
PROJECT TOTAL		\$ 66,093.00
Items not included in this current contract		
Optional Task A	Pinehurst Community Garden – Risk Assessment and Statistical Analysis	\$ 44,000
Optional Task B	Illustrated Perspective Renderings, fee per rendering	\$ 4,000

Fees shown include prime consultant management fees of subconsultants.

Fee Summary
Lynn Avenue Pedestrian Path Design (CIP No. 832-4510)

Task number	Task Name	Lump Sum Fee
1	Project Management	\$ 3038
2	Site Analysis	\$ 1195
2A	Topographic & Boundary Survey	\$ 3630
2B	Consulting Certified Arborist Services	\$ 1650
3	Community Engagement	\$ 12,125
4	Conceptual Design and 35% Design	\$ 32,995
DC	Direct Costs, maximum not-to-exceed	\$ 500
PROJECT TOTAL		\$ 55,133.00
Items not included in this current contract		
Optional Task B	Illustrated Perspective Renderings, fee per rendering	\$ 4,000
Optional Task C	Master Plan design report	\$ 10,000

Fees shown include prime consultant management fees of subconsultants.

Schedule

1. Project Start-up / Project Management

Project start date anticipated in July 2023. Start-up tasks duration of (6) weeks. Project management tasks continue throughout project.

Provide regular updates to the Town's project manager, including a coordination meeting with Town and other agencies involved, meeting agendas and minutes. Conduct field visits and site analysis as well as reviewing project existing documents to fully understand project background and to develop a work plan.

2. Topo Survey and Soil Analysis

Allow (1) month, Concurrently with Task 1. Start July 2023

3. Community Engagement

Allow (3) months. Concurrently with Task 4. Start September 2023

Assistance in outreach efforts; facilitation of community meetings (both in-person and video); presentation of design concepts and graphics to the public.

4. Conceptual Design Options

4A . Conceptual Design Options:

Allow (1) month. Start September 2023

Comment and Feedback Turnaround

Allow (2) weeks for comments and feedback turnaround

Document Revisions after Comments from Community and Town Parks Commission Allow

(2) weeks for comments and feedback turnaround

4B. 35% Design

Allow (10) weeks. Start January 2024 Design

Package Submittal

Comment and Feedback Turnaround

Allow (2) weeks for comments and feedback turnaround

Document Revisions after Comments from Community and Town Parks Commission Allow

(2) weeks for comments and feedback turnaround

5. 100% Project Completion

April 2024



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

ITEM NO. 8.

MEETING DATE: 05/21/2024

DATE: May 16, 2024

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Use Agreement with Los Gatos-Saratoga Community Education and Recreation:

- a. Authorize the Town Manager to Execute a First Amendment to Use Agreement with Los Gatos-Saratoga Community Education and Recreation for an Additional One-Year Period from July 1, 2024 to June 30, 2025; and
- b. Authorize the Town Manager to Execute any Forthcoming Amendments During the Duration of this Agreement.

RECOMMENDATION:

Use Agreement with Los Gatos-Saratoga Community Education and Recreation

- a. Authorize the Town Manager to execute a First Amendment to Use Agreement with Los Gatos-Saratoga Community Education and Recreation for an additional one-year period from July 1, 2024 to June 30, 2025; and
- b. Authorize the Town Manager to execute any forthcoming amendments during the duration of this Agreement.

BACKGROUND:

Los Gatos-Saratoga Community Education and Recreation (LGSR), established in 1956, serves the residents of Los Gatos, Saratoga, Monte Sereno, and Santa Cruz Mountains communities by providing community education and recreation services. The Town has had a historical partnership with LGSR, including a lease agreement since 2009 and a programming agreement since 2014.

PREPARED BY: Meredith Johnston
Administrative Technician

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

PAGE 2 OF 3

SUBJECT: Authorize the Town Manager to Execute a First Amendment to Use Agreement with Los Gatos-Saratoga Community Education and Recreation

DATE: May 9, 2024

BACKGROUND (continued):

The existing terms of the Use Agreement governing LGSR's utilization of specific Town Parks for programming are:

1. Use of Premises: LGSR to provide schedules for programming sessions.
2. Term of Agreement: One year with nine additional one-year periods.
3. Annual Use Fee: \$15,500, which includes provision for senior programming.
4. Facility Maintenance Fee: \$4.00 per participant.
5. Annual Use Fee Adjustment: Adjusted annually based on CPI changes.
6. Maintenance: LGSR responsible for site clean-up.
7. Facility Use Policies: LGSR to comply with all applicable provisions of the Los Gatos Town Code and park regulations.

DISCUSSION:

The proposed First Amendment to Use Agreement (Attachment 1) provides LGSR the continued use of certain facilities at Blossom Hill Park, Creekside Park, La Rinconada Park, and Oak Meadow Park (collectively, the "Premises") for an additional year.

The amended terms of the proposed First Amendment to Use Agreement upon which both parties agree are as follows:

1. Term of Agreement:
The amendment will extend the term of the agreement by an additional year, to June 30, 2025, with eight additional one-year periods remaining. The Town Manager would be authorized the execute future amendments extending the term of the Agreement for up to eight additional one-year periods.
2. Annual Use Fee:
Beginning July 1, 2024 LGSR shall pay the Town of Los Gatos \$16,042.50. The Annual Use Fee shall be considered full and fair compensation for use of the Premises for those days and times on the approved Annual Schedule.

CONCLUSION:

Authorize the Town Manager to execute a First Amendment to Use Agreement with Los Gatos-Saratoga Community Education and Recreation for an additional one-year period from July 1, 2024 to June 30, 2025 and authorize the Town Manager to execute any forthcoming amendments during the duration of this Agreement, including any future extensions.

SUBJECT: Authorize the Town Manager to Execute a First Amendment to Use Agreement
with Los Gatos-Saratoga Community Education and Recreation

DATE: May 9, 2024

FISCAL IMPACT:

Approval of the First Amendment to Use Agreement with LGSR would result in annual revenue of \$16,042.50 beginning July 1, 2024. Each future year of the agreement the fee will increase as defined in the Agreement terms. Additional revenue will be derived from the Facility Maintenance Fee, which will be paid to the Town on a semi-annual basis.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Use Agreement with Los Gatos-Saratoga Community Education and Recreation
2. First Amendment to Use Agreement with Los Gatos-Saratoga Community Education and Recreation

FIRST AMENDMENT TO AGREEMENT

This FIRST AMENDMENT TO USE AGREEMENT is dated for identification this 21st day of May 2024 and amends that certain Use Agreement dated July 1, 2023, made by and between the Town of Los Gatos, ("Town,") and the Los Gatos-Saratoga Community Education and Recreation ("LGSR") identified as a Joint Powers Authority and whose address is 208 E. Main Street, Los Gatos, CA 95030.

RECITALS

- A. Town and LGSR entered into a Use Agreement on July 1, 2023, ("Agreement"), a copy of which is attached hereto and incorporated by reference as Exhibit A to this Amendment.
- B. Town desires to amend the Agreement to extend the term and to increase the annual use fee of the Agreement.

AMENDMENT

1. Section 2.3 Term of Agreement is amended to read:

The Agreement will remain in effect from July 1, 2023, to June 30, 2025, with eight additional optional one-year extensions remaining. The Town Manager is authorized to approve future amendments extending the term of this Agreement for up to eight additional one-year extensions.

2. Section 2.4 Annual Use Fee is amended to read as follows:

Beginning July 1, 2024, LGSR shall pay \$16,042.50. The Annual Use Fee shall be considered full and fair compensation for use of the Premises for those days and times on the approved Annual Schedule.

3. All other terms and conditions of the Agreement remain in full force and effect.

ATTACHMENT 1

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos:

Approved as to Consent:

Laurel Prevetti, Town Manager

Nancy Rollett, Executive Director

Department Approval:

Nicolle Burnham
Director of Parks and Public Works

Approved as to Form:

Attest:

Gabrielle Whelan, Town Attorney

Wendy Wood, CMC, Town Clerk

**USE AGREEMENT
BETWEEN THE TOWN OF LOS GATOS
AND
LOS GATOS-SARATOGA COMMUNITY EDUCATION AND RECREATION**

THIS AGREEMENT is dated for identification this 1st day of July 2023 and is made by and between TOWN OF LOS GATOS, State of California ("Town") and LOS GATOS-SARATOGA COMMUNITY EDUCATION AND RECREATION ("LGSR") identified as a Joint Powers Authority and whose address is 208 E. Main Street, Los Gatos, CA 95030.

I. RECITALS

- 1.1 Los Gatos-Saratoga Community Education and Recreation ("LGSR"), a joint powers agency of the Los Gatos Union School District, Saratoga Union School District, and Los Gatos-Saratoga Union High School District was established to ensure the effective and efficient provision of community education and recreation services to the communities of Los Gatos, Saratoga, Monte Sereno, and Santa Cruz Mountains communities.
- 1.2 LGSR provides fee-based public recreation, supplemental education, and childcare programs for Los Gatos, Monte Sereno, Saratoga, and the Santa Cruz Mountains communities. LGSR and the Town have been under contract since 2014 for programs within certain parks that are owned and operated by the Town.
- 1.3 In order to provide convenient and effective programs to its constituent communities, LGSR desires to use various parks and open spaces owned and maintained by the Town of Los Gatos ("Town").
- 1.4 The Town requested and LGSR has agreed to provide recreational programming for adults aged 55 years and older for the Town of Los Gatos.

II. AGREEMENTS

- 2.1 Subject Premises. The premises covered by this agreement are the portions of Blossom Hill Park, Creekside Sports Park, La Rinconada Park, and Oak Meadow Park (collectively, the "Premises") denoted in Attachment 1. LGSR may request the use of additional premises which shall be considered by the Town and authorized for use as more fully described in Section 2.7.
- 2.2 Use of Premises. LGSR shall be allowed the use of the Premises for approved Programs during those times and dates as shown on the "Annual Schedule". The Annual Schedule shall cover camps and classes and shall identify what portion or portions of the Premises shall be designated for each approved Program. Each year this Agreement is in force, LGSR shall submit a schedule no later than June 30th for the upcoming Fall session, no later than

September 30th for the upcoming Winter and Spring session, and no later than February 28th for the upcoming Summer session.

LGSR may request changes to the Annual Schedule by written notification to the Department of Parks and Public Works but shall endeavor to minimize changes to the schedule. All changes should be made in writing no less than 30 days prior to the effective date of the change. Town has the final say in establishing the master schedule. Town will attempt to accommodate user groups at their requested time but reserves the right to propose use hours that balance the needs of all user groups equitably. The Town of Los Gatos shall have sole authority to approve the Annual Schedule and any requested changes to the Annual Schedule.

LGSR may partner with third party providers that have executed Use Agreements with the Town. In the case of such partnerships the Use Hours and Facility Maintenance Fee payments will be paid by the third party and not by LGSR.

- 2.3 Term of Agreement. Unless terminated sooner pursuant to Section 4.3 of this Agreement, the Use Agreement remains in effect from July 1, 2023 through June 30, 2024. The term of this Agreement may be extended for up to nine additional one-year periods.
- 2.4 Annual Use Fee. Beginning July 1, 2023, and every year thereafter, LGSR shall pay the Town of Los Gatos an Annual Use Fee for the use of the Premises. The initial Annual Use Fee shall be \$15,500, which represents 4,607 hours of Premises Use. The Annual Use Fee shall be considered full and fair compensation for use of the Premises for those days and times on the approved Annual Schedule, and in conjunction with the Facility Maintenance Fee described in Section 2.5, shall be used by the Town to help fund the cost of the maintenance of the Premises.
- 2.5 Facility Maintenance Fee. Beginning July 1, 2023, and continuing for the full term of this agreement, including any extensions, each participant in programs or classes offered by LGSR on Town premises will be charged a four (\$4.00) Facility Maintenance Fee (FMF) per session. The Facility Maintenance Fee shall be assessed by LGSR at the time of registration or payment of program fees and shall be remitted to the Town quarterly. Participants shall be charged an FMF for each separate registration in a program or class offered by LGSR offered on the Premises covered by this agreement.
- 2.6 Annual Use Fee Adjustment-Change in CPI. On July 1, 2024, and each anniversary thereafter, the Annual User Fee shall be adjusted according to the percent change in the U. S. Department of Labor, Bureau of Labor Statistics Consumer Price Index, *All Items, All Urban Consumers, San Francisco-Oakland-San Jose, 1982-84-100 Index*.
- 2.7 Annual Use Fee Adjustment-Change in Programming or Facilities. On July 1, 2024, and each anniversary thereafter, the Annual User Fee shall also be adjusted based on programming changes resulting in a material increase or decrease in the use of the

Premises. In addition, the Annual User Fee shall be adjusted to reflect the addition of any new facilities or cessation of use at any of the facilities that comprise the Premises. Should LGSR increase or decrease its requested hours of use as set forth in the Annual Schedule, by 5% or more, the Annual Use Fee shall be adjusted proportionally based on the percentage change in hours. Any fee adjustment under this section will be negotiated in good faith between the Town and LGSR as part of the development of the Annual Schedule. Programming that is specifically marketed to and participation is limited to senior participants aged 55 years and older shall not be included in the calculated increase of hours.

- 2.8 Maintenance. LGSR shall be responsible for general site clean-up including pick up and disposal of trash that may result from the approved use of the Premises.
- 2.9 Facility Use Policies. LGSR shall comply, without limitation, with all applicable provisions of the Los Gatos Town Code, with special attention to Chapter 19, Parks and Recreation provisions. LGSR shall also comply with any park rules and regulations established by the Director of Parks and Public Works pursuant to Section 19.10.025(17) of the Town Code, including those rules set forth in Attachment A, Town of Los Gatos Park Rules and Regulations. LGSR agrees to comply with the current rules and regulations available at www.losgatosca.gov/parkres as well as any future amendments to those rules and regulations. Failure to comply with these policies may result in suspension and/or termination of this agreement.

LGSR agrees to comply with the state "Fair Play in Community Sports Act." LGSR will not discriminate on the basis of gender and boys' and girls' teams will have equal access to the facilities.

- 2.10 Payment. LGSR shall make all payments, whether or not invoiced by Town, required pursuant to this Agreement no later than November 1 and April 1 of each year that such payments are due. All payments shall be mailed by first class mail or delivered in person at Town offices and addressed as follows:

Town of Los Gatos
Attn: Finance Department
P.O. Box 697
Los Gatos, California 95031

- 2.11 Assignment. LGSR shall not assign any portion of this Agreement or allow any use of the Premises by any other person or entity contrary to this Agreement's terms, without the Town's prior written approval. LGSR is expressly prohibited from use of the Premises for any activity other than activities sanctioned and associated with LGSR.
- 2.12 Personal Property. Personal property of LGSR shall be LGSR's sole responsibility to acquire, repair, replace and store. Any storage of personal property on the Premises shall

require prior approval by the Town. LGSR shall remove all personal property at the expiration or termination of this Agreement, or sooner, as directed by the Town in its sole discretion. Any personal property not so removed with 30 days of notification by the Town shall become the sole property of Town with no compensation.

- 2.13 Temporary Signage. LGSR shall be permitted to install temporary event signage on the Premises upon approval of an application to the Town of Los Gatos Planning Department pursuant to the provisions of Section 29.10.120 (4) Event Signs of the Town Code. Each LGSR Activity Quarter (summer, fall spring, winter) shall be eligible for temporary event signage. All temporary event signage must include the LGSR logo of such size and placement that it is clear that the signage is for a program or activity sponsored by LGSR. The Town shall charge a single Temporary Signage fee for each year.
- 2.14 New Program Vendors Referral. The Town and LGSR shall meet and negotiate in good faith a New Program Vendor Referral procedure, wherein the Town directs prospective new program vendors to LGSR for initial consideration prior to any issuance of permits or negotiation of use agreements directly between the Town and the prospective vendor.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

- i. LGSR agrees to have and maintain for the duration of this Agreement, General Liability insurance policies insuring LGSR, its elected and appointed officials, employees, and agents to an amount not less than two million dollars (\$2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage. Insurance is to be placed with insurers with a current Best's rating of no less than B+.
- ii. LGSR agrees to have and maintain, for the duration of this Agreement, an Automobile Liability insurance policy insuring the LGSR, its elected and appointed officials, employees, and agents to an amount not less than one million (\$1,000,000) combined single limit per accident for bodily injury and property damage.
- iii. LGSR shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. LGSR shall provide all certificates and endorsements before term of Agreement begins.

General Liability:

- i. The Town, its elected and appointed officials, employees and agents are to be covered as additional insured as respects to liability arising out of activities occurring on or related to the occupancy and use of the Premises by LGSR.
- ii. The LGSR's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees and agents. Any insurance or self-insurance maintained by the Town, its elected and appointed officials, employees or agents shall be excess of the LGSR's insurance and shall not contribute with it.
- iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.
- iv. The LGSR's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. The LGSR shall ensure that current certification of such insurance is on file at all times with the Town Clerk during the term of this agreement.

3.3 Workers' Compensation. In addition to these policies, LGSR shall have and maintain Workers' Compensation insurance as required by California law. Further, LGSR shall ensure that all contractors employed on the Premises by the LGSR provide the required Workers' Compensation insurance for their respective employees.

3.4 Property Insurance. LGSR shall have no obligation to maintain any insurance of the Premises or any personal property placed on the Premises. LGSR shall be solely responsible for obtaining whatever insurance coverage that the LGSR believes may be appropriate to protect and indemnify the LGSR for loss to the Premises or to any personal property that the LGSR may place on the Premises.

3.4 Indemnification. LGSR agrees to indemnify, hold harmless, and defend the Town, its elected and appointed officials, employees, and agents, from and against any and all damages, claims or liability, penalties, costs or expenses in law or equity that may at any time arise from any loss, damage, or injury to persons or property occurring in or about the Premises that arises out of or incident to the LGSR's use of the Premises, including use by anyone that the LGSR has permitted or allowed to use the Premises. This obligation to

indemnify, hold harmless, and defend applies whether or not the incident or claim or liability is or may be related negligence on the part of the Town.

IV. GENERAL TERMS

- 4.1 Damage and Destruction. Damage or destruction of any portion of the Premises by any cause shall not terminate this Agreement or otherwise affect the respective obligations of the two parties, any present or future law to the contrary notwithstanding, except pursuant to the provisions of this Section 4.1.

If because of destruction or damage, a portion of the Premises becomes unsuitable or inadequate for use as specified in the Annual Schedule the Town and LGSR shall meet and work cooperatively to identify an alternative location for the use. If the alternative location can be found on Town-owned property, then no modification of the Annual Use Fee shall be made. If no alternative location can be found, or if an alternative location is found that is not on Town-owned property, then LGSR shall be entitled to a prorated refund of the Annual Use Fee, calculated by determining that fee that would have been assessed for the displaced program or activity is if it had been issued a Facility Use Fee Permit. Any such calculation will be based on the Town's approved schedule of Annual Fees and Charges in effect at the time of the program displacement.

Under no circumstances does the Town have any obligation to provide LGSR with an alternative property to conduct its operations, and LGSR is solely responsible for obtaining such insurance as the LGSR deems appropriate to protect its interests should damage or destruction to any of the Premises occur.

LGSR shall be liable for any loss, damage, or injury to the Premises as a result of the direct or indirect use of the Premises by LGSR under this agreement.

- 4.2 Compliance with Town Codes. LGSR shall comply with all Town Code provisions, including Chapter 19 of the Code concerning Parks and Recreation.
- 4.3 Termination of Agreement. LGSR shall promptly terminate its use of the Premises at the expiration of this Agreement, leaving the Premises in the same condition it was received, in good order and repair, reasonable wear and tear and damage by the elements excepted. Any personal property not removed by LGSR within thirty (30) days of the termination of this Agreement shall become the property of the Town and may be disposed of as the Town in its sole discretion deems advisable.

This Agreement shall continue in full force and effect unless prior to February 1st of any calendar year, either Party provides written notice to the other Party that it desires to terminate the Agreement for convenience and, upon such notice, the Agreement shall terminate on June 30th of the same calendar year.

If Town in its sole discretion determines that it requires the Premises for any public purpose, Town may terminate this Agreement upon one hundred eighty (180) days written notice. In the event of an emergency, Town may terminate this Agreement upon five (5) days written notice. "Emergency," for the purpose of this paragraph, is defined as when the Town Council declares a State of Emergency. Upon termination of this Agreement in the event of an Emergency, Town and LGSR will work cooperatively to secure alternative facilities for LGSR programs.

In the event of any material default or breach by LGSR, Town may at any time, thereafter, following any notice required by statute, and without limiting Town in the exercise of any right or remedy which may have reason of such default or breach:

Terminate LGSR's right to possession of the Premises by any lawful means, in which case this Agreement shall terminate and LGSR shall immediately surrender possession of the Premises to Town. In such event, Town shall be entitled to recover from LGSR any damages incurred by Town by reason of LGSR's default including but not limited to the cost of recovering possession of the Premises and reasonable attorneys' fees.

Pursue any other remedy now or hereafter available to Town under the laws of the State of California. Town shall have all remedies provided in law and equity.

LGSR waives all rights of redemption or relief from forfeiture under California Code of Civil Procedure sections 1174 and 1179, and any other present, and future law, in the event LGSR is evicted or Town otherwise lawfully takes possession of the Premises by reason of any default or breach of this Agreement by LGSR.

- 4.4 No Property Rights. Nothing in this Agreement is in any way intended to establish, convey, create or otherwise grant LGSR any form of property rights in the Premises, nor shall such rights be established, conveyed, created or otherwise granted by LGSR's use of the Premises pursuant to this Agreement. LGSR hereby acknowledges that it currently has no property interest in the Premises or any improvements thereto or fixture's location thereon, and that any claim it may have to same is hereby and forever waived.
- 4.5 Notices. Any written correspondence of Notices given under this Agreement shall be addressed as follows:

To the LGSR:
Executive Director
Los Gatos-Saratoga Recreation
123 E. Main Street
Los Gatos, CA 95030

To the Town:
Director
Department of Parks and Public Works
Town of Los Gatos
41 Miles Avenue
Los Gatos, CA 95030

Notices shall be delivered by first class, postage prepaid mail or in person. If mailed, a notice shall be deemed effective on the fifth day following in the U.S. Mail.

- 4.6 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of subsequent breach of the same or any other provision of this License Agreement.
- 4.7 Entire Agreement. This Agreement constitutes the complete and exclusive statement of the Agreement between Town and LGSR. No terms, conditions, understanding, or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and LGSR have executed this Use Agreement.

Town of Los Gatos:

DocuSigned by:

Laurel Prevetti

653FEEA2EB39470...

Laurel Prevetti, Town Manager

Los Gatos-Saratoga Recreation:

DocuSigned by:

Nancy Rollett

44FBC88545CC400...

Nancy Rollett, Executive Director

Recommended by:

DocuSigned by:

Nicolle Burnham

0E97831349644C3...

Nicolle Burnham

Director of Parks and Public Works

Approved as to Form:

DocuSigned by:

Gabrielle Whelan

EPD6738A5534428...

Gabrielle Whelan, Town Attorney

Attest:

DocuSigned by:

Wendy Wood

BF0EBCBE2C214F8...

Wendy Wood, CMC, Town Clerk

ATTACHMENT 1
Areas Included in this Agreement



LA RINCONADA PARK
LGSR RESERVED AREA

NOT TO SCALE



S:\COUNCIL REPORTS\2023\06-06-23\Use Agreement - Los Gatos Saratoga Recreation\LGSR Reserved Area Maps.dwg

ATTACHMENT 1
Areas Included in this Agreement



ATTACHMENT 1
Areas Included in this Agreement





**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

ITEM NO. 9.

MEETING DATE: 05/21/2024

DATE: May 16, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive a Report on the State Route 17 Corridor Congestion Relief Capital Project (CIP No. 813-0237); and Authorize the Town Manager to Execute an Amendment to an Existing Agreement with the Santa Clara Valley Transportation Authority to Extend the End Date to December 31, 2027 and Increase the Town's Funding Contribution to \$1,470,000

RECOMMENDATION:

Receive a report on the State Route 17 Corridor Congestion Relief Capital Project (CIP No. 813-0237) and authorize the Town Manager to execute an amendment (Attachment 1) to an existing agreement (Attachment 2) with the Santa Clara Valley Transportation Authority to extend the end date to December 31, 2027 and increase the Town's funding contribution to \$1,470,000.

BACKGROUND:

On November 8, 2016, voters of the County of Santa Clara enacted the 2016 Measure B program to provide 30 years of funding for transportation priorities. One category of funding is Highway Interchanges. The Town of Los Gatos requested that the Highway 17 Corridor Congestion Relief Project (the Project) be funded through this Measure B program category. The Project was subsequently included by the Valley Transportation Authority (VTA) on the list of eligible projects that was adopted by the Board of Directors at its August 4, 2016 meeting.

On March 19, 2019 (Agenda Item 7), Town Council expressed their support for Measure B funded improvements at Highway 9 and Highway 17 Interchange and directed staff to amend General Plan 2020 to reflect the Town's support of the project. Resolution 2019-056 was adopted on November 17, 2019 to amend General Plan 2020 as directed in the March Town Council action.

PREPARED BY: Nicolle Burnham
Parks and Public Works Director

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

SUBJECT: State Route 17 Corridor Congestion Relief Project (CIP No. 813-0237)

DATE: May 16, 2024

BACKGROUND (continued):

On April 4, 2019, the VTA Board approved the allocation of \$5.4 million to the Project. The Town's Fiscal Year (FY) 2019/20 Capital Improvement Program Budget allocated \$600,000 to this project.

On June 15, 2021, the Town and VTA entered into an agreement for the preparation of a Project Initiation Document (PID) and to undertake the Project Approval / Environmental Document (PAED) phase of work. The value of this agreement was \$6,000,000, with \$600,000 provided by the Town (the required 10% contribution) and the remaining \$5,400,000 provided by VTA through the Measure B Program. This agreement has an expiration date of June 30, 2024.

On September 5, 2021 (Agenda Item 6), Town Council authorized the Town Manager to submit a competitive grant application to VTA for a Measure B allocation to support the Design Phase of the project. In that application, the Town committed to provide matching funds of \$867,000, in addition to the \$600,000 previously committed and expended. The Town's Capital Improvement Program Budget for FY 2022/23 added the \$867,000.

DISCUSSION:

The PID phase of work has been completed. The PAED phase is still in process and should be complete in the summer of 2025. Staff recommends that the existing agreement be extended to December 31, 2027 to allow for completion of the PAED and for project design. These project development activities will require the Town to expend the \$867,000 promised in the 2021 grant application and allocated in the Town's CIP for this project. This expenditure would bring the total Town contribution for the Project to date to \$1,467,000. Executing the proposed amendment, with the Town giving VTA the \$867,000, will allow the VTA to release an additional \$7.8 million dollars from the Santa Clara County Measure B Program funding that was allocated by the VTA Board of Directors for this Project.

If the Town were not to spend this match and extend the agreement, then VTA could complete the PAED phase of work and the project could cease. The \$7.8 million in Measure B funding could be reallocated to another highway-related project in Santa Clara County.

CONCLUSION:

Staff recommends that the Town continue to support VTA's work to design improvements for Highway 17 and Route 9 interchange by authorizing the Town Manager to execute the amendment to the project agreement.

SUBJECT: State Route 17 Corridor Congestion Relief Project (CIP No. 813-0237)

DATE: May 16, 2024

COORDINATION:

This report was coordinated with VTA, the Finance Department, and the Town Attorney's Office.

FISCAL IMPACT:

There is sufficient funding in the FY 2023/24 – 2027/28 CIP Budget to cover the First Amendment to Funding Agreement Between the Town of Los Gatos and Santa Clara Valley Transportation Authority for the State Route 17 Corridor Congestion Relief Project.

State Route 17 Corridor Congestion Relief Project		
CIP No. 813-0237		
	Budget	Costs
GFAR	\$867,000	
Traffic Impact Mitigation Fund	\$600,000	
Total Budget	\$1,467,000	
Santa Clara Valley Transportation Authority		\$600,000
Total Expenditures		\$600,000
Remaining Budget		\$867,000

ENVIRONMENTAL ASSESSMENT:

Actions in this report are not a project defined under CEQA, and no further action is required.

Attachments:

1. First Amendment to VTA Agreement
2. VTA and Town of Los Gatos Agreement

**FIRST AMENDMENT TO
FUNDING AGREEMENT BETWEEN
THE TOWN OF LOS GATOS
AND
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
FOR THE STATE ROUTE 17 CORRIDOR CONGESTION RELIEF PROJECT**

This FIRST AMENDMENT TO FUNDING AGREEMENT ("**First Amendment**") is made and entered into by and between THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY, a public agency organized as a special district under California law ("**VTA**") and the TOWN OF LOS GATOS, a municipal corporation of the State of California ("**TOWN**"), as of the date of the last signature set forth below (the "**EFFECTIVE DATE**"). Hereinafter, VTA and TOWN may be individually referred to as "**Party**" or collectively referred to as "**Parties**".

I. RECITALS

- A. WHEREAS, on June 16, 2021, Parties entered into an agreement ("**FUNDING AGREEMENT**") setting their respective obligations in regard to the modifications to the State Route (SR) 17 Corridor Congestion Relief Project ("**PROJECT**").
- B. WHEREAS, under the original FUNDING AGREEMENT, the TOWN's initial contribution to the Project was six hundred thousand dollars (\$600,000) for the development and completion of the Project Initial Document ("**PID**") and Project Approval/Environmental Document ("**PA/ED**") phases.
- C. WHEREAS, the PID phase was completed on August 9, 2021, and the PAED is scheduled to be completed on December 31, 2025.
- D. WHEREAS, the Plans, Specifications, and Estimate ("**PS&E**") phase is scheduled to be completed on December 31, 2027.
- E. WHEREAS, the Parties recognize the need for the continuation of PROJECT development into the next phase.
- F. WHEREAS, the Parties wish to extend the term of the FUNDING AGREEMENT to allow for completion of the final design PS&E phase of the PROJECT.
- G. WHEREAS, the Parties wish to amend the FUNDING AGREEMENT to increase the TOWN's contribution from \$600,000 to \$1,470,000 to continue project development into the PS&E phase.
- H. WHEREAS, at the December 2, 2021 VTA Board of Directors ("**Board**") meeting, the Board approved the 2016 Measure B Biennial Budget and the 2016 Measure B Highway Interchange Program, a competitive grant funding program. The Measure B budget included \$7,800,000 for the SR 17 Corridor Congestion Relief Project for Final Design PS&E work.

- I. WHEREAS, the Parties wish to amend the FUNDING AGREEMENT to increase the VTA's contribution from \$5,400,000 to \$13,200,000 to continue project development into the PS&E phase.

NOW, THEREFORE, the Parties agree to amend the FUNDING AGREEMENT as follows:

II. AMENDED AGREEMENT

1. SECTION II, Paragraph 2 of the AGREEMENT is hereby amended to include the PS&E PROJECT phase to the AGREEMENT'S Scope of Work. Paragraph 2 shall therefore be amended and restated in its entirety as follows:

"2. Scope of Work The scope of work of this AGREEMENT ("**Scope of Work**") includes but is not limited to: (i) all necessary approvals required from any and all governmental or regulatory agency or entity for the Project Initiation Document ("**PID**"), Project Approval/Environmental Document ("**PA/ED**"), and Plans, Specifications, and Estimates ("**PS&E**"), and (ii) those planning and design activities necessary to complete the PID, PA/ED, and PS&E."

2. SECTION II, Paragraph 3 of the AGREEMENT is hereby amended to increase the estimates cost of the PROJECT to account for addition of the PS&E PROJECT'S phase. Paragraph 3 shall be amended and restated in its entirety as follows:

"3. Cost of Scope of Work The estimated cost of PROJECT'S PID, PA/ED, and PS&E phases is Fourteen Million Six Hundred Seventy Thousand Dollars (\$14,670,000)."

3. SECTION II, Paragraph 4 of the AGREEMENT is hereby amended to increase VTA'S Financial Contribution for Cost of Scope of Work to account for addition of the PS&E PROJECT'S phase. Paragraph 3 shall be amended and restated as follows:

"4. VTA'S Financial Contribution for Cost of Scope of Work. VTA will contribute to the PROJECT up to Thirteen Million, Two Hundred Thousand Dollars (\$13,200,000) of HIGHWAY CATEGORY funds (herein after, "**VTA'S Contribution**") towards the development and completion of PID, PA/ED and PS&E."

4. SECTION II, Paragraph 5 of the AGREEMENT is hereby amended to increase TOWN'S Financial Contribution for Cost of Scope of Work to account for addition of the PS&E PROJECT'S phase. Paragraph 3 shall be amended and restated as follows:

"5. TOWN'S Financial Contribution for Cost of Scope of Work. TOWN will contribute to the PROJECT One Million, Four Hundred Seventy Thousand Dollars (\$1,470,000) (hereinafter, "TOWN's Contribution") as the non-2016 Measure B project contribution towards the development and completion of PID, PA/ED and PS&E."

5. SECTION II, Paragraph 18 of the AGREEMENT is hereby amended to revise the party to be provided Notice in writing regarding this AGREEMENT, Paragraph 18 shall be amended and restated as follows:

“18. Notice. Any notice required to be given by either PARTY, or which either PARTY may wish to give, must be in writing and served by personal delivery or sent by certified or registered mail, postage prepaid, addressed as follows:

To VTA: Santa Clara Valley Transportation Authority
Gene Gonzalo, Deputy Director, Highway Capital Program Manager
3331 North First Street, Building B-2
San Jose, CA 95134-1906

To TOWN: Town of Los Gatos
Nicolle Burnham, Director, Parks and Public Works
Department of Public Works
110 East Main Street
Los Gatos, CA 95030

6. SECTION II, Paragraph 21 of the AGREEMENT is hereby amended to extend the AGREEMENT’S termination date due to the expansion of the Scope of Work and addition of PS&E PROJECT’s phase. Paragraph 3 shall be amended and restated in its entirety as follows:

“21. Term of AGREEMENT This AGREEMENT will become effective upon the Effective Date and will remain in effect through December 31, 2027. Upon written request of VTA, the Director of the Parks and Public Works for the TOWN, or a designee, is authorized to extend the term of the AGREEMENT for up to six (6) months after the initial termination date, upon written notice to VTA and without formal amendment of this AGREEMENT. Extensions of more than six (6) months must be incorporated by the formal Amendment process in Section 22.”

[signatures continue on next page]

WITNESS THE EXECUTION HEREOF the day and year first hereinabove set forth.

“TOWN”

TOWN OF LOS GATOS,
a California charter city and municipal
corporation

“VTA”

Santa Clara Valley Transportation Authority
a public agency

By: _____

Laurel Prevetti
Town Manager

By: _____

Carolyn M. Gonot
General Manager/CEO

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____

Gabrielle Whelan
Town Attorney

By: _____

Victor Pappalardo
Deputy General Counsel

**FUNDING AGREEMENT
BETWEEN THE TOWN OF LOS GATOS
AND
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
FOR THE STATE ROUTE 17 CORRIDOR CONGESTION RELIEF PROJECT**

THIS AGREEMENT ("**AGREEMENT**") dated as of the last date of signature by the parties hereto, as set forth in the signature block below ("**Effective Date**"), is made and entered into by and between the TOWN OF LOS GATOS, a municipal corporation of the State of California ("**TOWN**"), and SANTA CLARA VALLEY TRANSPORTATION AUTHORITY, a public agency organized as a special district under California law ("**VTA**"). Hereinafter, TOWN and VTA may be individually referred to as "**PARTY**" or collectively referred to as "**PARTIES**".

I. RECITALS

1. Whereas, on June 24, 2016, the VTA Board of Directors adopted a resolution to place a ballot measure before the voters of Santa Clara County in November 2016 to authorize a one-half of one percent retail transaction and use tax ("**2016 MEASURE B**") for 30 years for nine transportation-related program categories; and
2. Whereas, on November 8, 2016, the voters of Santa Clara County enacted 2016 MEASURE B for 30 years to pay for the nine transportation-related program categories;
3. Whereas, the duration of 2016 MEASURE B will be 30 years from the initial year of collection, beginning April 1, 2017, and continuing through March 31, 2047;
4. Whereas, on October 5, 2017, the VTA Board of Directors established the 2016 Measure B Program ("**PROGRAM**") and adopted the 2016 Measure B Program Category Guidelines;
5. Whereas, the PROGRAM includes a "Highway Interchange" program category ("**HIGHWAY CATEGORY**"), which includes a list of eligible projects, that funds highway projects throughout Santa Clara County;
6. WHEREAS, to the PARTIES desire to implement a project to improve traffic operations and circulations, and to relieve congestion on State Route ("**SR**") 17 and SR 9 in the Town of Los Gatos, Santa Clara County, California, as further described herein(the "**PROJECT**");
7. Whereas, the PROJECT is an eligible project identified in the Program and therefore eligible for HIGHWAY CATEGORY funds;
8. Whereas, the 2016 Measure B Program Category Guidelines for the HIGHWAY CATEGORY

require a minimum 10% non-2016 Measure B contribution for development of PROJECT;

9. WHEREAS, on March 19, 2019, the TOWN's Council approved and supported the PROGRAM which includes improvements to SR 17 and SR 9; and
10. WHEREAS, the PARTIES wish to set forth in this AGREEMENT their respective obligations in connections with the PROJECT.

NOW, THEREFORE, in consideration of the mutual promises contained in this AGREEMENT, the PARTIES agree as follows:

II. AGREEMENT

1. **PROJECT Description.** The PROJECT includes the construction of a new State Route 17 – State Route 9 Interchange and a widening of State Route 17 between Lark Avenue and State Route 9 to accommodate new auxiliary lanes as shown in Attachment A, attached hereto and incorporated herein ("**PROJECT LOCATION MAP**").
2. **Scope of Work** The scope of work of this AGREEMENT ("**Scope of Work**") includes, but is not limited to: (i) all necessary approvals required from any and all governmental or regulatory agency or entity for the Project Initiaion Document ("**PID**") and Project Approval/Environmental Document ("**PAED**"), (ii) those planning and design activities necessary to complete the PID and PAED.
3. **Cost of Scope of Work** The estimated cost of PROJECT's PID and PA/ED phases is Six Million Dollars (\$6,000,000).
4. **VTA's Financial Contribution for Cost of Scope of Work.** VTA will contribute to the PROJECT up to Five Million, Four Hundred Thousand Dollars (\$5,400,000) of HIGHWAY CATEGORY funds (herein after, "**VTA's Contribution**") towards the development and completion of PID and PA/ED.

2016 MEASURE B Funds Limitation. Notwithstanding any funding obligations set forth in this Agreement, 2016 MEASURE B funds must not be used to finance more than ninety percent (90%) of the Total Scope of Work Costs.

5. **TOWN's Financial Contribution for Cost of Scope of Work.** TOWN will contribute to the PROJECT Six Hundred Thousand Dollars (\$600,000) (hereinafter, "**TOWN's Contribution**") as the non-2016 Measure B project contribution towards the development and completion of PID and PA/ED.

Upon execution of the AGREEMENT, VTA will invoice the TOWN for the TOWN's Contribution

and, upon receipt, will deposit the TOWN's Contribution into an interest-bearing account. The TOWN must pay to VTA the amount set forth in the VTA invoice within thirty (30) calendar days after receipt of invoice.

The TOWN's Contribution and any interest earned will be considered toward the required minimum 10% non-2016 Measure B contribution for the listed cost of PROJECT as identified in the 2016 Measure B Program Category Guidelines for the HIGHWAY CATEGORY.

The TOWN's Contribution towards PS&E, ROW and Construction phases will be subject to future negotiation and mutually agreed upon written amendment.

6. **Cost of Scope of Work Savings.** If the PID and PA/ED are anticipated to be delivered under budget, HIGHWAY CATEGORY funds will be reduced in proportion to Town's Contribution to development and completion of the Scope of Work.
7. **Use of the TOWN's Contribution.** VTA will use the TOWN's Contribution and the interest earned thereon for allowable costs and expenses for the sole purpose of completing the Scope of Work, as set forth in this AGREEMENT.
8. **TOWN's Obligations.** The TOWN is the sponsor of the PROJECT. During the term of the AGREEMENT, the TOWN shall provide TOWN staff oversight of, and participation in, the PROJECT, and necessary and appropriate coordination with all departments of the TOWN. The TOWN shall provide timely reviews, comments, and approvals of PROJECT's documents submitted by VTA to the TOWN. The TOWN costs to administer and participate in PROJECT as described in this AGREEMENT will not be allowable costs against TOWN's Contribution.
9. **VTA's Role in PROJECT.**
 - a. **Tasks.** VTA shall perform and/or be responsible for the following tasks to complete the PROJECT:
 - i. Service as project manager for PROJECT;
 - ii. Coordination with the State of California for its review and approval of PROJECT;
 - iii. Conduct of a conceptual alternatives analysis for PROJECT;
 - iv. Completion of PID work for PROJECT;
 - v. Completion of the PA/ED work for PROJECT;
 - vi. Support Town Staff in obtaining Town Council approval of the project; and
 - vii. Completion of PS&E, ROW and Construction work for the PROJECT, subject to future funding availability and agreement amendment.

Costs and expenses to perform these tasks shall be considered allowable costs and expenses pursuant to this AGREEMENT.

- b. **Consultants.** VTA may retain design consultants to perform any of the functions listed in

Section 9(a). VTA's administrative costs to procure and manage consultant agreements as well as the actual costs of such consultants shall be allowable costs pursuant to this AGREEMENT.

- c. Other Project Management Duties VTA shall include the TOWN staff as an active participant within VTA's project management process, hold periodic meetings as agreed upon by the project team(s) to assess the progress of development for PROJECT and address PROJECT issues as they arise. VTA shall also prepare regular reports on activity and progress of PROJECT for the TOWN.
- d. Project Cost Updates/ Amendments to TOWN's Contribution. VTA shall actively monitor actual expenditures for PROJECT to ensure that TOWN's Contribution is used to pay for allowable PROJECT expenditures. If, at any time, planned PROJECT expenditures are projected to exceed the TOWN's Contribution, VTA shall immediately notify the TOWN of such facts. The Parties shall then have the following options:
 - i. Revise the PROJECT scope in accordance with the available funds, which revision can be accomplished only by written amendment mutually agreed upon by the Parties and approved by the TOWN'S Town Council;
 - ii. Seek additional funding to complete scope of PROJECT by revising the TOWN's Contribution to be accomplished only by written amendment to this AGREEMENT;
 - iii. VTA may formulate and implement a strategy to continue the PROJECT to the satisfaction of the TOWN'S Director of Parks and Public Works.
 - iv. The PARTIES may terminate this AGREEMENT which can be accomplished by either PARTY giving written notice to the other PARTY of such termination consistent with Section 12 below.

10. Compliance with Governmental Requirements. The PARTIES shall comply with all applicable laws and regulations pertaining to the AGREEMENT.

11. Compliance with 2016 Measure B Requirements. The PARTIES must comply with and must ensure PROJECT compliance with all 2016 MEASURE B requirements set forth in the 2016 Measure B Program Category Guidelines for the HIGHWAY CATEGORY as identified in Attachment B, attached hereto and incorporated herein.

12. Written Termination. In addition to termination pursuant to the terms of the preceding section, this AGREEMENT may be terminated upon mutual written agreement of the PARTIES.

13. Refund of TOWN's Contribution. Any balance of TOWN's Contribution, including interest, if applicable, remaining after the first to occur of: (a) expiration of the term of this AGREEMENT, or (b) termination of this AGREEMENT in its entirety as provided in Sections 9.d.(iv) and 12 above, or (c) completion of PROJECT, less any amounts necessary to pay for eligible expenses incurred prior to the date of completion of PROJECT or the effective date of the expiration or termination of the AGREEMENT, shall be refunded to the TOWN. VTA shall refund to the

TOWN such remaining balance, if any, within thirty (30) calendar days after the effective date of completion of PROJECT or sooner termination of the AGREEMENT. For purposes of this AGREEMENT a PROJECT shall be deemed complete only upon concurrence by both PARTIES of such completion.

14. Audit and Record Retention. The TOWN may audit the expenses incurred in the performance of this AGREEMENT. VTA shall retain all records related to the PROJECTS for three (3) years after the completion of PROJECT. During this period, VTA shall make these records available within a reasonable time to the TOWN for inspection upon request.

15. Parties' Representatives. The General Manager of VTA or the General Manager's designee is hereby made the representative of VTA for all purposes under this AGREEMENT. The Director of the Parks and Public Works for the TOWN or the Director's designee is hereby made the representative of the TOWN for all purposes under this Agreement.

16. Indemnification.

A. Neither VTA nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the TOWN under or in connection with any work, authority or jurisdiction associated with the AGREEMENT. In addition, pursuant to Government Code §895.4, the TOWN shall fully indemnify and hold VTA harmless from any liability imposed for injury (as defined by Government Code §810.8) arising out of or relating to the TOWN's negligence, recklessness, or willful misconduct under or in connection with any work, authority or jurisdiction delegated to the TOWN under this AGREEMENT.

B. Neither the TOWN nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by VTA under or in connection with any work, authority or jurisdiction associated with the AGREEMENT. In addition, pursuant to Government Code §895.4, VTA shall fully indemnify and hold the TOWN harmless from any liability imposed for injury (as defined by Government Code §810.8) arising out of or relating to VTA's negligence, recklessness, or willful misconduct under or in connection with any work, authority or jurisdiction delegated to VTA under this AGREEMENT.

17. No Waiver. The failure of either PARTY to insist upon the strict performance of any of the terms of this AGREEMENT shall not be deemed a waiver of any right or remedy that either PARTY may have, and shall not be deemed a waiver of the PARTY's right to require strict performance of all of the terms thereafter.

18. Notice. Any notice required to be given by either PARTY, or which either PARTY may wish to give, must be in writing and served either by personal delivery or sent by certified or registered mail, postage prepaid, addressed as follows:

To VTA: Santa Clara Valley Transportation Authority
Gene Gonzalo, Highway Capital Program Manager
3331 North First Street, Bldg. B-2
San Jose, CA 95134-1906

To TOWN: Town of Los Gatos
Matt Morley, Director, Parks and Public Works
Department of Public Works
110 East Main Street
Los Gatos, CA 95030

Notice will be deemed effective on the date personally delivered or, if mailed, three (3) days after deposit in the United States mail.

- 19. Dispute Resolution.** If a question arises regarding interpretation of this AGREEMENT or its performance, or the alleged failure of a PARTY to perform, the PARTY raising the question or making the allegation must give written notice thereof to the other PARTY. The PARTIES must promptly meet in an effort to resolve the issues raised. If the PARTIES fail to resolve the issues raised, alternative forms of dispute resolution, including mediation or binding arbitration, may be pursued by mutual AGREEMENT. It is the intent of the PARTIES to the extent possible that litigation be avoided as a method of dispute resolution.
- 20. Entire AGREEMENT** This AGREEMENT constitutes the entire understanding between the PARTIES pertaining to the subject matter contained herein and supersedes all prior or contemporaneous agreements, representations, and understandings of the PARTIES relative thereto.
- 21. Term of AGREEMENT** This AGREEMENT will become effective upon the Effective Date and will remain in effect through June 30, 2024. Upon written request of VTA, the Director of the Parks and Public Works for the TOWN or a designee is authorized to extend the term of the Agreement for up to six (6) months after the initial termination date, upon written notice to VTA and without formal amendment of this Agreement. Extensions of more than six (6) months must be incorporated by the formal Amendment process in Section 22.
- 22. Amendments** Future amendments or changes to this AGREEMENT must be made by mutual written agreement of the PARTIES. Whenever reasonably practicable, the PARTY proposing the amendment will provide the other PARTY with a written request to amend this AGREEMENT ninety (90) calendar days prior to the desired effective date of such amendment.
- 23. Warranty of Authority to Execute AGREEMENT.** Each PARTY to this AGREEMENT represents

and warrants that each person whose signature appears hereon has been duly authorized and has the full authority to execute this AGREEMENT on behalf of the entity that is a PARTY to this AGREEMENT.

24. Severability. If any term, covenant, condition or provision of this AGREEMENT, or the application thereof to any person or circumstance, is, to any extent, held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions and provisions of this AGREEMENT, or the application thereof to any person or circumstance, will remain in full force and effect and will in no way be affected, impaired, or invalidated thereby.

WITNESS THE EXECUTION HEREOF the day and year set forth below.

"TOWN": TOWN OF LOS GATOS,
a California charter city and municipal
corporation

DocuSigned by:
By: Laurel Prevetti
Laurel Prevetti
Town Manager

Date: 6/16/2021

APPROVED AS TO FORM:

DocuSigned by:
Robert Schultz
Robert Schultz
Town Attorney

APPROVED AS TO CONTENT:

DocuSigned by:
Matt Morley
Matt Morley
Town Parks and Public Works Director

"VTA": SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY, a public
agency

DocuSigned by:
By: Evelynn Tran
Evelynn Tran
General Counsel and
Interim General Manager/CEO

Date: 6/15/2021

APPROVED AS TO FORM:

DocuSigned by:
Victor Pappalardo
Victor Pappalardo
Deputy General Counsel

Attachment A:
Project Location Map



ATTACHMENT B

Highway Interchanges Program Guidelines

Definition from Resolution No. 2016.06.17

To fund highway projects throughout the valley that will provide congestion relief, improved highway operations and freeway access, noise abatement, roadway connection overcrossings, and deploy advanced technology through Intelligent Transportation Systems (ITS).

Total Funding

- \$750 million in 2017 dollars.

Distribution

- VTA Board of Directors will allocate funding on a 2-year cycle.
- Funds will be distributed through two programs: capital projects and noise abatement.
- Funds will be available on a reimbursement basis.

Implementation

- VTA staff will work with local agency staff to identify and prioritize projects in the Highway Interchange Program Candidate List on 2016 Measure B. The following criteria will be considered:
 - Project Readiness
 - Level of local contribution
 - Geographic consideration
- VTA staff will work with member agency staff to advance projects.
- Noise Abatement projects will be a separate category within the Highway Interchange Program.
 - Projects identified in the 2011 VTA Soundwall Study will receive higher consideration during Call for Projects.
- Funds will be available on a reimbursable basis. Agencies may submit invoices to VTA on a monthly, quarterly or annual basis. Invoices must be submitted within one year of the date posted on the contractor's invoice.
- The cost of each phase of a proposed Highway Interchanges project will be finalized with execution of agreements with VTA for project funding.

Criteria

- Only VTA, Caltrans and Member Agencies can serve as an implementing agency.
- Only projects and programs currently listed on 2016 Measure B are eligible.

Requirements

- Projects require a minimum 10% non-2016 Measure B contribution.
- Reporting requirements will be detailed in agreements executed with VTA for project funding.
- All applications must include a delivery schedule.
- All projects must comply with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.



MEMORANDUM

TO: Evelynnn Tran, General Counsel and Interim General Manager/CEO
FROM: Gene Gonzalo – Highway Program Manager
DATE: May 24, 2021
SUBJECT: General Manager's signature for Funding Agreement between Town of Los Gatos and VTA for the State Route 17 Corridor Congestion Relief Project (P-1138)

DocuSigned by:
Gene Gonzalo
59497F702DD7478...

On January 10, 2019, the VTA Board of Directors authorized the General Manager to execute cooperative agreements with Cities and Towns of Santa Clara County for planning, environmental, design, right-of-way, and construction phases of 2016 Measure B roadway projects. The 2016 Measure B Program includes the State Route (SR) 17 Corridor Congestion Relief Project located in Town of Los Gatos.

This Funding Agreement between Town of Los Gatos and VTA is for \$600,000 for VTA to perform the preliminary engineering and environmental clearance phases of the project development process. An amendment to this agreement will be needed for the subsequent final design, right-of-way, and Construction phases.

The Funding Agreement between Town of Los Gatos and VTA will establish roles and responsibilities to complete the SR 17 Corridor Congestion Relief Project. This Funding Agreement will be executed upon receipt of VTA signatures.

Enclosures:
Funding Agreement
Board Memorandum dated January 10, 2019

Submitted by: Chris Lillie



Date: January 3, 2019
Current Meeting: January 10, 2019
Board Meeting: January 10, 2019

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Chief Engineering & Program Delivery Officer, Carolyn M. Gonot

SUBJECT: VTA Highway Program Cooperative Agreement

APPROVED ACCEPTED ADOPTED AMENDED DEFERRED REVIEWED
Santa Clara Valley Transportation Authority
Board of Directors
Elaine F. Baltao, Board Secretary
BY:
DATE: 1/10/19

Policy-Related Action: Yes**Government Code Section 84308 Applies: No****ACTION ITEM****RECOMMENDATION:**

Authorize the General Manager to execute Cooperative Agreements with:

1. California Department of Transportation (Caltrans);
2. Cities and Towns of Santa Clara County and the County of Santa Clara; and
3. State and regional agencies such as the California Highway Patrol (CHP) and Metropolitan Transportation Commission (MTC)

for planning, environmental, design, right of way, and construction phases of roadway projects.

BACKGROUND:

The VTA Board of Directors adopted the Valley Transportation Plan (VTP) 2040 in February 2015 followed by submittal of VTP projects for inclusion in the Regional Transportation Plan (RTP) adopted by the Metropolitan Transportation Commission (MTC). Funding for these projects is anticipated from the State Transportation Improvement Program (STIP), the 2016 Measure B sales tax, local contributions, State grants, Federal grants, and other sources.

On October 5, 2017, the Board of Directors adopted a resolution establishing the 2016 Measure B Programs and the 2016 Measure B Program Category Guidelines, outlining the implementation of 2016 Measure. The Measure includes the following roadway-related funding: \$750 million for the Highway Interchanges Program, \$350 million for the State Route 85 Corridor, and \$750 million for the County Expressways Program.

DISCUSSION:

VTP 2040 identifies a list of roadway projects to improve the transportation network in Santa Clara County. Attachments A and B list the roadway projects that are included in the RTP and the 2016 Measure B. With funding becoming available through various SB 1 programs and 2016 Measure B, many of these projects will begin to be delivered.

The staff recommendation is to authorize the General Manager to execute cooperative agreements for roadway improvement projects with Caltrans, local agencies, regional agencies such as CHP and MTC, and regulatory agencies. The cooperative agreements would cover all phases of projects including planning, project approval and environmental document, design, right of way, construction, landscaping and project closeout. The reason for this action is to streamline the process to initiate the start of projects that would be especially useful in such cases as with Senate Bill (SB) 1 funds where there are strict requirements for the award of contracts that could hinge on the ability to get cooperative agreements in place.

In the case of highway projects with significant involvement by VTA and Caltrans, the agreements would establish the roles and responsibilities of VTA and Caltrans for project phases through construction. The agreements could also establish grant funding reimbursement parameters.

For VTA and regulatory agencies, the agreements could establish VTA's commitments such as for environmental mitigation measures, VTA compliance to regulatory agency standards and policies, and VTA reimbursement of services provided by the regulatory agency.

The local agency agreements could identify local agency contributions toward a project and the roles and responsibilities of VTA and the local agency relative to the subject project.

The VTA Administrative Code Chapter 5 establishes the powers and duties of the General Manager (GM) including the delegated authority of the GM to execute grant agreements for amounts not to exceed \$5,000,000 for projects and programs that are identified and included in VTA's budget. If agreements are beyond the GM's authority under the administrative code, GM authorization to execute such agreements would be submitted to the Board for approval.

ALTERNATIVES:

An alternative to the recommendation of this memorandum is for staff to appear before the VTA Board of Directors to request GM authorization to enter into agreements for each individual project as has been the practice in recent years. This approach has worked due to the lower number of roadway projects implemented by VTA without a direct steady source of funding that could be leveraged to fund roadway projects.

The potential to have steady funds from SB 1, Measure B and other sources means that the backlog of roadway improvements as shown in Attachments A and B could swell the number of cooperative agreements that are needed to be executed. The requested GM authority for cooperative agreement approval would put into place an authority similar to the one that was implemented for the 1996 Measure B Highway Program.

CERTIFIED COPY

FISCAL IMPACT:

There are no direct fiscal impacts as a result of this action. However, the individual agreements could have a fiscal impact. To the extent that agreements are beyond the authorization of the General Manager, they will be brought to the Board for approval.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Congestion Management Program and Planning Committee heard this item at their December 20, 2018 meeting recommended it to move forward to the VTA Board of Directors for approval.

Prepared by: Lam Trinh - Project Manager
Memo No. 6665

ATTACHMENTS:

- Attachment A - VTP 2040 Highway Program Projects (PDF)
- Attachment B - VTA 2016 Measure B Highway Program (PDF)

I certify that the foregoing instrument
is a true and exact copy of the original
on file in the Secretary of the Board of
Director's office.



Date 1/17/19

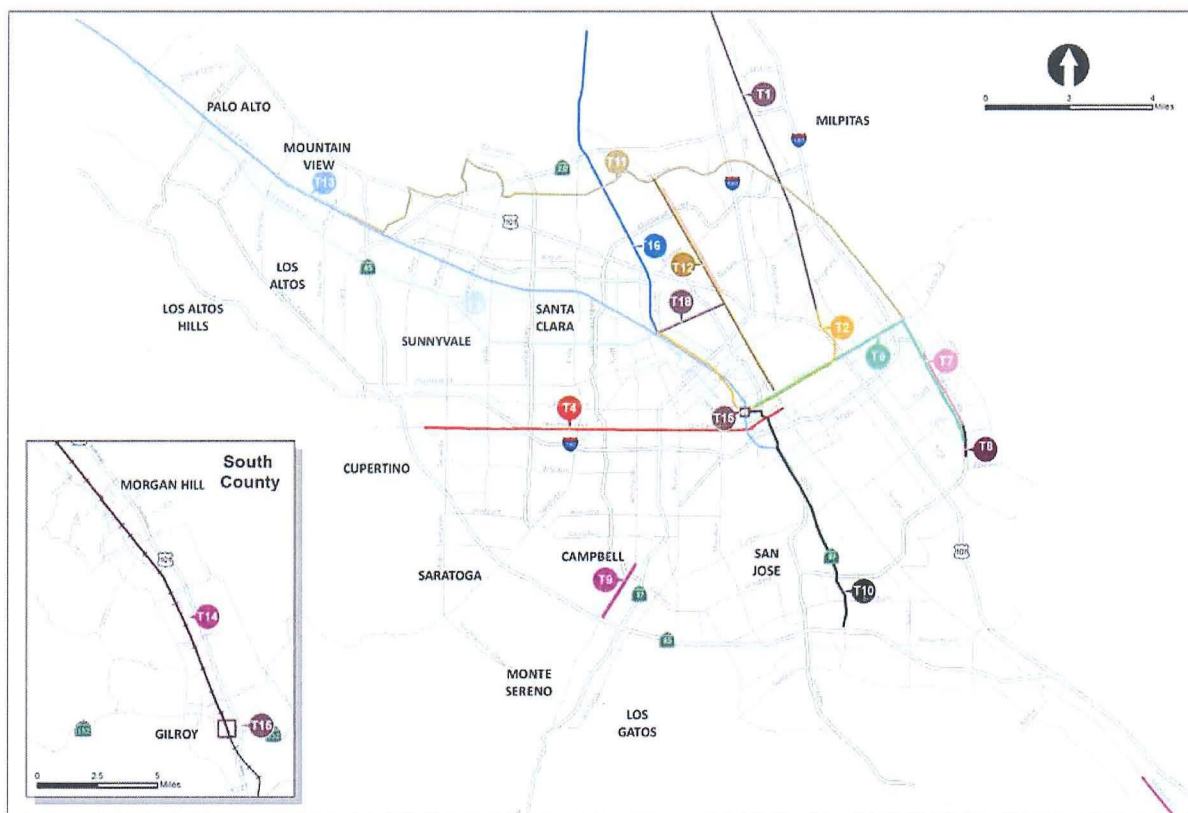


Figure 2.1 Transit projects in Santa Clara County. Source: VTA

Highway System Program Development

The VTP 2040 Highway Program includes ongoing efforts to expand the express lanes network, improvements to system operations, increased efficiency in key corridors, and enhancements that relieve congestion, alleviate bottlenecks, and increase safety. Capacity increasing projects are pursued if no other feasible alternative is found.

Highway Capital Program

Seventy-six projects, representing approximately \$5.6 billion in costs, were evaluated using the Board adopted Highway Project Prioritization criteria, which are designed to allot fair consideration to the full range of low-cost, high utility improvements as well as higher cost mainline capacity and systems enhancements. Out of this unconstrained list the financially constrained projects were derived. The financially constrained project list consists of fifty-two projects totaling \$3.1 billion dollars of improvements (Figures

2.2 and 2.3), including \$2.3 billion for the comprehensive Silicon Valley Express Lane (SVEL) network in Santa Clara County. Revenues from the Express Lane Program will fund both operations and capital improvements.

VTA has legislative authority to implement and operate express lanes in the SR 237 and SR 85/US 101 corridors, and they are considered the highest priority express lanes projects in Santa Clara County.

Over the last several years, VTA and Caltrans have conducted highway planning studies to identify projects for development and that have been included in the VTP planning process. The highway projects in VTP 2040 focus on improving the existing highway network and were chosen because they address congestion, improve efficiency, and reduce commute times, all of which help to reduce greenhouse gases, vehicle miles traveled, and enhance the driving experience for travelers.

Table 2.3a Financially Constrained Express Lanes/Toll Facilities Projects in Santa Clara County

VTP ID	Route	Project Title and Description	Cost (2013 \$M)
H1	SR 85	SR 85 Express Lanes: US 101 (South San Jose to Mountain View) Converts 24 miles of the existing high-occupancy vehicle (HOV) lanes along SR 85 to express lanes. The proposed facility will allow single occupancy vehicles access to the express lanes by paying a toll. An additional express lane will be added to create two-lane express lanes along a portion of the corridor. The project will also include the continuation of the express lanes for three miles to US 101 in South San Jose, through the SR 85/US 101 Interchange, for a total of 27 miles.	\$181.0
H2	US 101	Convert Existing HOV Lanes to Express Lanes on US 101 from Whipple Ave. in San Mateo County to Cochrane Rd. in Morgan Hill Convert 34 miles of the existing HOV lane on US 101 between Cochrane Rd. and Whipple Ave. in San Mateo County to express lane operation. The proposed facility will implement two lanes of express lanes within the existing footprint to accommodate the projected travel demand for US 101.	\$465.0
H3	SR 237	SR 237 Express Lanes: North First St. to Mathilda Ave. Convert HOV lanes to express lanes on SR 237 between North First St. and Mathilda Ave.	\$20.0
H4	SR 87	SR 87 Express Lanes: SR 85 to US 101 Convert HOV lanes to express lanes on SR 87.	\$35.0
H5	SR 237	SR 237 Express Lanes: Mathilda Ave. to SR 85 Build new express lanes on SR 237 between Mathilda Ave. and SR 85.	\$81.0
H6	I-680	I-680 Northbound Express Lane: Calaveras Blvd. to Alameda County line Widen to add an express lane on I-680 Northbound between Calaveras Blvd. and the Alameda County Line.	\$36.0
H7	I-880	I-880 Express Lanes: Alameda County line to US 101 Convert existing HOV lanes to express lanes on I-880 between the Alameda County line and US 101.	\$23.0
H8	US 101	US 101 Express Lanes: Cochrane Rd. to Masten Ave. Build new express lanes on US 101 between Cochrane Rd. and Masten Ave.	\$107.0
H9	US 101	US 101 Express Lanes: Masten Ave. to 10th St. Build new express lanes on US 101 between Masten Ave. and 10th St.	\$68.0
H10	US 101	US 101 Express Lanes: 10th St. to SR 25 Build new express lanes on US 101 between 10th St. and SR 25.	\$50.0
H11	I-280	I-280 Express Lanes: Leland Ave. to Magdalena Ave. Convert existing HOV lanes to express lanes on I-280 between Leland Ave. and Magdalena Ave.	\$58.0
H12	I-280	I-280 Express Lanes: US 101 to Leland Ave. Convert one general purpose lane to express lanes in each direction on I-280 between US 101 and Leland Ave.	\$25.0
H13	I-280	I-280 Express Lanes: Southbound El Monte Ave. to Magdalena Ave. Build new express lanes on I-280 Southbound from El Monte Ave. to Magdalena Ave.	\$14.0
H14	I-680	I-680 Express Lanes: Calaveras Blvd. to Montague Expwy. Convert one general purpose lane to express lanes in each direction on I-680 between Calaveras Blvd. and Montague Expwy.	\$20.0

Table 2.3a. continued Financially Constrained Express Lanes/Toll Facilities Projects in Santa Clara County

VTP ID	Route	Project Title and Description	Cost (2013 \$M)
H15	I-880	I-880 Express Lanes: US 101 to I-280 Build new express lane on I-880 between US 101 and I-280.	\$186.0
H16	SR 17	SR 17 Express Lanes Convert one lane to express lanes between I-280 to SR 85.	\$30.0
H17	I-680	I-680 Express Lanes: Montague Expwy. to US 101 Convert one lane to express lanes between I-280 to SR 85.	\$35.0
H18	SR 152	New SR 152 Alignment: SR 156 to US 101 Project includes US 101 widening from Monterey St. to the SR 25/US 101 interchange; new interchange at SR 25/US 101; and a new SR 152 alignment that will be operated as a toll facility from US 101 to SR 156. SR152 improvements include roadway and access control improvements between SR156 and the County line, and new eastbound truck-climbing lanes over Pacheco Pass.	\$848.0

EXPRESS LANES PROJECTS TOTAL**\$2,282.0 M**

Figure 2.2 Express lane projects in Santa Clara County. Source: VTA

Table 2.3b Financially Constrained Highway Projects in Santa Clara County

VTP ID	Route	Project Title and Description	Cost (2013 \$M)
H19	US 101	Double Lane Southbound US 101 off-ramp to Southbound SR 87 Widen the existing ramp by providing a secondary lane on the off-ramp at SR 87.	\$1.0
H20	SR 17	SR 17 Southbound/Hamilton Ave. Off-Ramp Widening Widen off-ramp to improve operations on Southbound Route 17 at Hamilton Ave.	\$1.0
H21	SR 85	SR 85 Northbound to Eastbound SR 237 Connector Ramp and Northbound SR 85 Auxiliary Lane Widen off-ramp from Northbound SR 85 to SR 237 Eastbound to two lanes; construct auxiliary lane on Eastbound SR 237 between SR 85 on-ramp to Middlefield Rd.; construct braid off-ramp on Eastbound SR 237 between SR 85 and Dana St. These improvements will address the current congestion that extends from SR 237 to SR 85 El Camino Real interchange during the AM peak period. In addition, it would also remove the weave between traffic on Eastbound SR 237 exiting to Dana St. with traffic from Northbound SR 85.	\$30.0
H22	SR 85	SR 85/Cottle Rd. Interchange Improvements Reconfigure ramp interchange with minor improvements at SR 85 and Cottle Rd.	\$6.0
H23	SR 87	SR 87/Capitol/Narvaez Interchange Improvements Reconfigure the SR 87 interchange, with possible adjustment at Narvaez Ave.	\$12.0
H24	US 101	Montague Expwy. and US 101 Interchange Improvements Construct partial interchange at US 101 and Montague Expwy.	\$17.0
H25	US 101	US 101 Southbound/Trimble Rd./De La Cruz Blvd./Central Expwy. Interchange Improvements Modify existing loop cloverleaf ramp from Southbound US 101 to Trimble Rd. into a partial cloverleaf ramp (diagonal ramp with signalized intersection). Modify the Southbound US 101 on-ramp from De La Cruz Blvd./Central Expwy. to 1 mixed flow lane, 1 HOV lane with ramp metering equipment. The on-ramp will be modified to improve merging onto Southbound US 101. The De La Cruz Blvd. bridge across US 101 will be widened from four to six lanes. The segment between De La Cruz Blvd./Trimble Rd. intersections to bridge overcrossing will be widened by an additional lane.	\$39.0
H26	US 101	US 101/Blossom Hill Rd. Interchange Improvements Reconfigure interchange at US 101/Blossom Hill Rd. in San Jose; modifications are on the local roadway system, including widening of Blossom Hill Rd. over US 101.	\$23.0
H27	US 101	US 101/Mabury Rd./Taylor St. Interchange Improvements Construct a new interchange with full access to the US 101 freeway. The project will provide access to US 101 for the heavy local commuter traffic that currently is forced to use the congested Old Oakland Rd. interchange (north of Mabury Rd.). The interchange would also act as the primary access to the future Berryessa BART station.	\$57.0
H28	US 101	US 101/Old Oakland Rd. Interchange Improvements Interchange improvements at US 101 and Old Oakland Rd. and possible widening on Old Oakland Rd.	\$23.0
H29	US 101	US 101/Hellyer Ave. Interchange Improvements Widening the overcrossing from two to four lanes and installing traffic signals at each of the two off-ramp intersections. Widen the intersection with the southbound on- and off-ramps to include a second eastbound through-lane and a separate left turn pocket. Widen the southbound off-ramp will be widened to provide two left-turn lanes. At the intersection of the northbound off-ramp, widen Hellyer from one to two lanes in the eastbound direction and the westbound left turn pocket.	\$16.0

Table 2.3b continued Financially Constrained Highway Projects in Santa Clara County

VTP ID	Route	Project Title and Description	Cost (2013 \$M)
H30	US 101	US 101/Zanker Rd./Skyport Dr./Fourth St. Interchange Improvements Constructs a new interchange connecting Zanker Rd. and Old Bayshore Hwy. with North Fourth St. and Skyport Drive at US 101. The interchange will provide an overcrossing across US 101 to improve limited existing connectivity across US 101 to the North San Jose employment centers. In addition, the interchange would improve access to Mineta International Airport (San Jose) from US 101. The existing intersections at North First St. and Skyport Drive, North Fourth St. and Old Bayshore Hwy., Northbound US 101 on- and off-ramp, Northbound US 101 off-ramp to Brokaw Rd. will be modified to construct this interchange.	\$104.0
H31	US 101	US 101/Buena Vista Ave. Interchange Improvements Constructs a full interchange at US 101 and Buena Vista Ave. The interchange includes a flyover southbound on-ramp to braid with the existing truck exit at the CHP Inspection Station. Off-Ramp diagonal ramps will be constructed.	\$31.0
H32	SR 237	SR 237 Westbound On-Ramp at Middlefield Rd. Construct westbound loop on-ramp from Northbound Middlefield Rd. to Westbound SR 237; eliminates signalized intersection at Middlefield Rd./Westbound SR 237 diagonal on-ramp; and realigns frontage road to form a new intersection at Middlefield Rd./Ferguson Drive.	\$13.0
H33	SR 237	SR 237/Mathilda Ave. and US 101/Mathilda Ave. Interchange Improvements Modify US 101/Mathilda and SR 237/Mathilda interchanges, reducing to one signalized intersection and increasing intersection spacing in the Mathilda Ave./SR 237 interchange area. Project to include ramp improvements, addition of auxiliary lanes, and construction of new ramp configurations.	\$17.0
H34	SR 237	SR 237/North First St. Interchange Improvements Interchange improvements at SR 237 and North 1st St.	\$2.0
H35	I-280	I-280 Northbound: Second Exit Lane to Foothill Expwy. Construct a second exit lane from northbound I-280 to Foothill Expwy.	\$2.0
H36	I-880	I-880/Montague Expwy. Interchange Improvement Construct partial interchange at I-880 and Montague Expwy., including improvements on Montague.	\$14.0
H37	SR 152	SR 152 Ramp/Intersection Improvements Construct eastbound right-turn lane at the intersection of SR 152 and Frazier Lake Rd.; widen SR 152 at the intersection of Bloomfield Rd.; construct additional turn lanes at SR 152 and Watsonville Rd.; signalize and widen SR 152 south leg and Ferguson Rd. from two to four lanes.	\$10.0
H38	SR 237	SR 237/El Camino Real/Grant Rd. Intersection Improvements Widen Westbound SR 237 within the existing median to extend both of the left-turn lanes; lengthen the Northbound El Camino Real right-turn lane onto SR 237 starting the lane at Yuba Drive; widen the Southbound El Camino Real left-turn lane within the existing median; and construct a right-turn lane on Southbound El Camino Real for traffic accessing Westbound Grant Rd.	\$5.0
H39	I-280	I-280 Downtown Access Improvements between 3rd St. and 7th St. Reconstruct the existing I-280 Northbound off-ramp at 7th St. to connect directly to 3rd St.; the I-280 Northbound on-ramp from 4th St. will be reconstructed to cross over the new off-ramp. The existing off-ramp connection to 5th St. will be eliminated.	\$29.0
H40	SR 85	SR 85/El Camino Real I/C Improvements Construct SR 85 auxiliary lanes between El Camino Real and SR 237, and SR 85/El Camino Real interchange improvements.	\$23.0

Table 2.3b continued Financially Constrained Highway Projects in Santa Clara County

VTP ID	Route	Project Title and Description	Cost (2013 \$M)
H41	I-680	I-680/Montague Expwy. Interchange Improvement Construct partial interchange at I-680 and Montague Expwy. including improvements on Montague Expwy.	\$26.0
H42	US 101	US 101 Southbound Improvements: San Antonio Rd. to Charleston Rd./Rengstorff Ave. Construct Southbound improvements on US 101 from San Antonio Rd. to Charleston Rd./Rengstorff Ave.	\$22.0
H43	US 101	US 101/Oregon Expwy./Embarcadero Rd. Improvements Construct improvements to US 101/Oregon Expwy./Embarcadero Rd. interchange.	\$55.0
H44	SR 237	SR 237 Westbound to Southbound SR 85 Connector Ramp Improvements (Including SR 85 Auxiliary Lanes between El Camino Real and SR 237) Construct a collector/distributor road in the westbound direction on SR 237 from the Central Expwy. overcrossing to SR 85. Widen off-ramp from westbound SR 237 to Southbound SR 85 to two lanes. Add auxiliary lane in the Southbound direction between SR 237 and the El Camino Real interchange on SR 85.	\$40.0
H45	I-280	I-280 Northbound Braided Ramps between Foothill Expwy. and SR 85 Conduct preliminary engineering, environmental studies and design to widen the existing off-ramp to Foothill Expwy. from Northbound I-280 from a single-lane exit to a two-lane exit opening at I-280. This solution is expected to improve the existing weaving traffic through this area.	\$44.0
H46	I-280	I-280/Senter Rd. Interchange Extend Senter Rd. and construct new on-/off-ramps and modify existing on-/off-ramps into a collector/distributor ramp system.	\$50.0
H47	SR 237	SR 237 Eastbound Auxiliary Lanes: Mathilda Ave. to Fair Oaks Ave. Construct SR 237 Eastbound; build auxiliary lanes between Mathilda Ave. to Fair Oaks Ave.	\$7.0
H48	US 101	US 101 Southbound Auxiliary Lane: Great America Pkwy. to Lawrence Expwy. Construct auxiliary lanes on US 101 from Great America Pkwy. to Lawrence Expwy.	\$3.0
H49	US 101	Southbound Auxiliary Lane Improvement Between Ellis St. and SR 237 Construct a US 101 Southbound auxiliary lane from Ellis St. interchange to Eastbound Route 237. The project will reduce queue backup onto Southbound US 101 mainline during the morning peak period by providing additional storage. The project may also include Traffic Operation Systems (TOS) elements.	\$4.0
H50	All	Sound Walls Construct soundwalls on major highways and expressways. Projects to be determined through soundwall study.	\$15.0
H51	All	Hwy. Transportation Operations System Transportation Operations Systems installation and maintenance for metering ramps and other ramp improvements.	\$50.0
HIGHWAY PROJECTS TOTAL			\$792.0 M

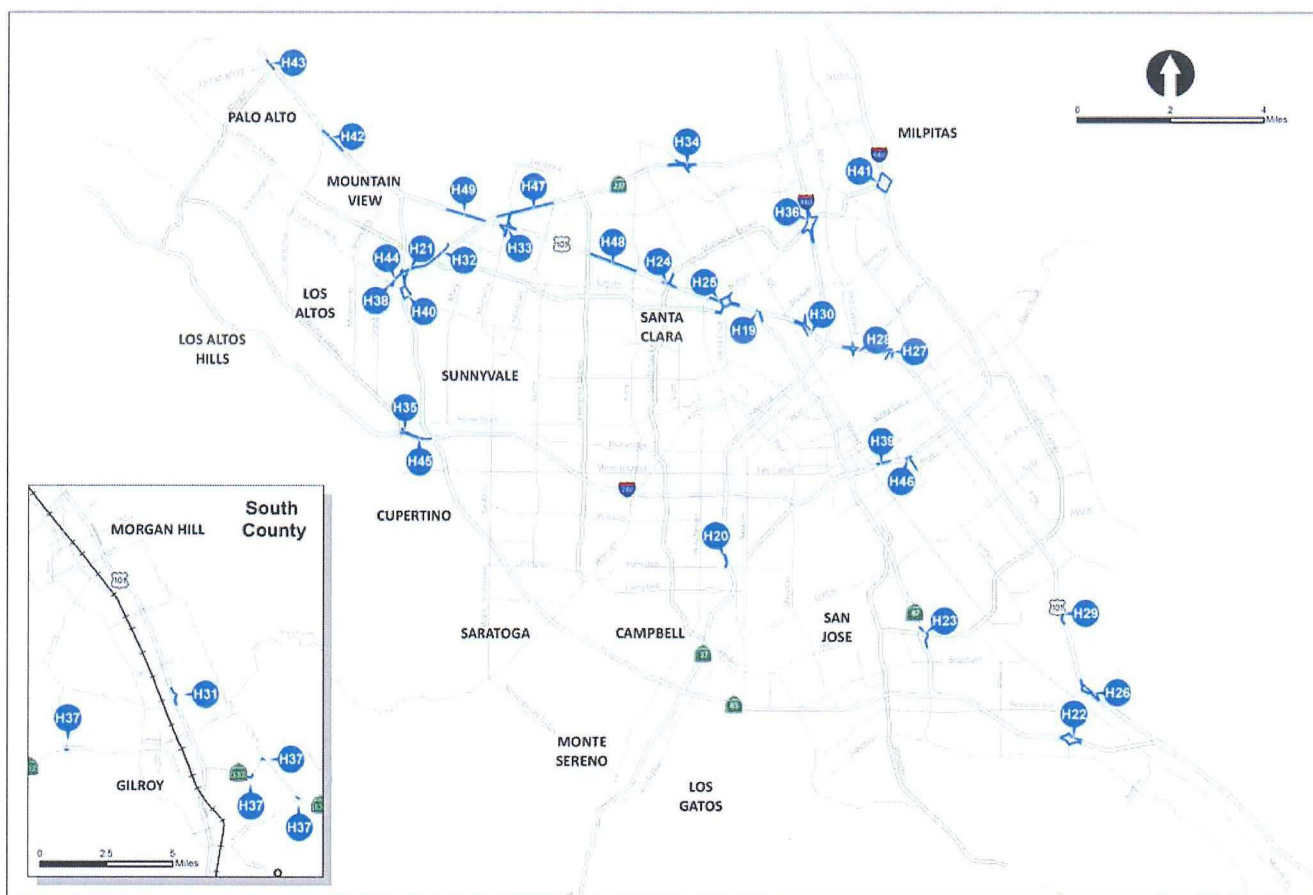


Figure 2.3 Highway projects in Santa Clara County. Source: VTA

Local System Program Development

The Local System Program area is a new organizational structure in the VTP document and encompasses a range of projects. The projects in this new program area have in the past been included in other VTP Program Areas, and are now consolidated into three primary categories:

- County Expressways
- Local Streets and County Roads
- Multimodal Transportation Investments (MTI)

The Local System Program area is intended to maximize funding flexibility and opportunities, and create a planning framework that encourages cities and county to look for project synergies—with the ultimate goals of improved project scope, cost savings, and increased administrative efficiency. Local System projects are largely generated by VTA's Member Agencies, with

input from the communities, and address deficiencies within the local street and county road system. The Local System Program areas are each discussed in more detail below.

County Expressways

Santa Clara County is the only County in California operating a comprehensive expressway system within the urban areas. In 2008, the County of Santa Clara adopted its Comprehensive County Expressway Planning Study which provides a long-term plan for the improvement and maintenance of the expressway system. In 2013, the County initiated a comprehensive update to this plan, reflecting new conditions and opportunities, and addressing unresolved issues identified in the 2008 Study. This new plan; however, will not change the County's expressway project VTP 2040 submittals but will be the basis for the expressway project submittals in the next VTP.

ATTACHMENT B

MTA 2016 MEASURE B HIGHWAY PROGRAM
US 101 Improvements in the cities of Palo Alto and Mountain View to address regional connectivity and circulation between San Antonio Road and Charleston Road at the US 101/San Antonio Road, US 101/Rengstorff/Charleston Road and US 101/Shoreline Boulevard interchanges.
SR 85/SR 237 Area Improvements in Mountain View to address mainline congestion and regional connectivity through the SR 85/SR 237 connector, SR 85/El Camino Real interchange, and the SR 237/El Camino/Grant Road interchange.
SR 237/US 101/Mathilda Avenue Area Improvements in Sunnyvale to address local roadway congestion.
SR 237 Corridor Improvements in the cities of San Jose, Santa Clara and Milpitas to address mainline congestion and regional connectivity by addition of a SR 237 westbound lane between McCarthy Boulevard and North First Street, improvements at the SR 237/Great America Parkway westbound off-ramp, and replacement/widening of the Calaveras Boulevard structures over the UPRR tracks.
West County Improvements along I-280 in Cupertino, Los Altos, Los Altos Hills and Sunnyvale to address mainline congestion with mainline and interchange improvements from Magdalena Avenue to the San Mateo County line.
SR 85/I-280 Area Improvements in Cupertino, Los Altos, and Sunnyvale to address regional connectivity through a northbound I-280 braided ramp between SR 85 and Foothill Boulevard and improvements at the northbound I-280 off-ramp to Foothill Boulevard.
US 101/Trimble Road/De La Cruz Boulevard to Zanker Road Area Improvements to address local roadway connectivity and mainline congestion in San Jose and Santa Clara with US 101/Trimble Road/De La Cruz Boulevard interchange improvements, southbound US 101/SB 87 connector improvements, and a new US 101/Zanker Road interchange.
US 101/Old Oakland Road Improvements in San Jose to address local roadway congestion, access, and connectivity.
A new interchange on US 10/Mabury Road in San Jose to address regional access.
I-680 Corridor Improvements in San Jose to address mainline congestion and regional connectivity by improving the I-680/Alum Rock Avenue and I-680/McKee Road interchanges.
I-280/Lawrence Expressway/Stevens Creek Boulevard Interchange Improvements to address mainline and local roadway congestion.
I-280/Saratoga Avenue Interchange Improvements to address local circulation and mainline congestion.

I-280/Winchester Boulevard Area Improvements in Santa Clara and San Jose to address regional connectivity and local circulation.
SR 87 Corridor Technology-based Improvements in San Jose to address mainline congestion and system reliability through the implementation of technology-based operational improvements to the freeway.
Highway 17 Corridor Congestion Relief: Upgrade Highway 17/9 interchange to improve pedestrian and bicycle safety, mobility, and roadway operations; deploy advanced transportation technology to reduce freeway cut thru traffic in Los Gatos, including traffic signal control system upgrades in Los Gatos, Traveler Information Systems advanced ramp metering systems; support Multi-Modal Congestion Relief Solutions, including enhanced Highway 17 Express Bus service, implementing local bus system improvements that reduce auto trips to schools, work and commercial areas in Los Gatos; and develop park and ride lots to serve as transit hubs for express bus, shuttles, local bus system connections.
SR 17 Southbound/Hamilton Avenue Off-ramp Widening Improvements in Campbell to address mainline congestion and local circulation.
SR 17/San Tomas Expressway Improvements in Campbell to address mainline congestion and local circulation.
US 101/Blossom Hill Boulevard improvements in San Jose to address local roadway congestion and connectivity including for bicyclists and pedestrians.
US 101 Improvements in Gilroy to address mainline congestion and regional connectivity with a new US 101/Buena Vista Avenue interchange and US 101/SR 152 10th Street ramp and intersection improvements.
SR 152 Corridor Improvements in Gilroy including US 101/SR 25 interchange improvements to address regional connectivity and goods movement network improvements.
I-280/Wolfe Road Interchange Improvements in Cupertino to address mainline congestion and improve local traffic circulation.
I-880/Charcot Avenue Overcrossing in San Jose to address local relief circulation and adjacent I-880 interchanges congestion relief.
Noise Abatement Projects in Santa Clara County to implement treatments to address existing freeway noise levels throughout the county.
Intelligent Transportation Systems (ITS) Projects in Santa Clara County such as integrated corridor management systems, traffic operations systems, ramp metering, managed lanes, and local traffic signal control systems to address freeway mainline congestion and local roadway congestion caused by cut-through traffic.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/04/2021

ITEM NO: 8

ITEM NO. 9.

DATE: April 28, 2021

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Approve a Funding Agreement with the Santa Clara Valley Transportation Authority for the State Route 17 Corridor Congestion Relief Project (CIP NO. 813-0237)

RECOMMENDATION:

Approve a funding agreement with the Santa Clara Valley Transportation Authority (VTA) for the State Route 17 Corridor Congestion Relief Project (CIP No. 813-0237).

BACKGROUND:

In 2016, voters passed the countywide Measure B sales tax initiative. This Measure increased the local sales tax to pay for transportation related maintenance and improvements. As the Measure language was being crafted, the Town Council and staff lobbied for inclusion of categories and projects that would allow for the return of sales tax to the Town.

One of the most competitive categories within Measure B is the Highways category. Within this category, potential projects are identified with specific language for Los Gatos that reads:

Highway 17 Corridor Congestion Relief: Upgrade Highway 17/9 interchange to improve pedestrian and bicycle safety, mobility, and roadway operations; deploy advanced transportation technology to reduce freeway cut through traffic in Los Gatos, including traffic signal control system upgrades in Los Gatos, Traveler Information System, advanced ramp metering systems; support Multi-Modal Congestion Relief Solutions, including enhanced Highway 17 Express Bus service, implementing local bus system improvements that reduce auto trips to schools, work, and commercial areas in Los Gatos; and develop park and ride lots to serve as transit hubs for express bus, shuttles, local bus system connections.

PREPARED BY: Matt Morley
Parks and Public Works Director

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

PAGE 2 OF 3

SUBJECT: Approve a Funding Agreement with the Santa Clara Valley Transportation Authority for the State Route 17 Corridor Congestion Relief Project (CIP NO. 813-0237)

DATE: April 28, 2021

BACKGROUND (continued):

This was an important achievement as the Highway program is significantly oversubscribed (potential projects far exceed the available funds in the Measure B Highway category). The Town has advanced a Highway 17 Congestion Relief project to provide relief from cut through traffic that occurs on weekdays and during summer weekends (known as beach traffic). Although Measure B may not be able to fund all of the project, having it proceed early allows for maximizing the funding that does go towards the project.

For this project, the Valley Transportation Authority (VTA) is acting as the project lead with the Town and Caltrans as major stakeholders. Town staff have been working with VTA on initial stages of the project. On March 16, 2021 the Town Council supported continued advancement of this project.

DISCUSSION:

The project is ready to move to the next phase of design through execution of a funding agreement with the VTA to proceed with the Project Approval and Environmental Document (PAED). This agreement formalizes the Town's commitment of \$600,000 to advance the project. At the completion of the PAED phase, the total cost of the project will be approximately \$4 million, inclusive of Town funds.

CONCLUSION:

Approval of the Funding Agreement will allow for this project to proceed to the PAED phase.

COORDINATION:

This project is coordinated with VTA and Caltrans.

PAGE 3 OF 3

SUBJECT: Approve a Funding Agreement with the Santa Clara Valley Transportation Authority for the State Route 17 Corridor Congestion Relief Project (CIP NO. 813-0237)

DATE: April 28, 2021

FISCAL IMPACT:

The Adopted FY 2020/21 Capital Improvement Program budget includes sufficient funds for this phase of the project, as demonstrated in the fiscal table below.

Highway 17/9 Interchange & Capacity Improvements Project 813-0237		
	Budget	Costs
Traffic Mitigation Fund	\$600,000	
Total Budget	\$600,000	
Santa Clara Valley Transportation Authority		\$600,000
Total Expenditures		\$600,000
Remaining Balance		\$0

ENVIRONMENTAL ASSESSMENT:

The project will begin an environmental assessment during the next phase of the project. This report is ministerial and not subject to environmental review.

Attachment:

1. Funding Agreement



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 5/21/2024

ITEM NO. 10.

ITEM NO:

DATE: May 15, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Resolution to Designate the Town's Agents by Title to Obtain Federal and/or State Financial Assistance through the California Governor's Office of Emergency Services (Cal OES)

RECOMMENDATION:

Adopt a Resolution (Attachment 1) to designate the Town's agents by title to obtain Federal and/or State financial assistance through the California Governor's Office of Emergency Services (Cal OES).

BACKGROUND:

When disasters such as fire, flood, and earthquakes occur, cities may be eligible for Federal and/or State financial assistance by means of reimbursement or grant funding. Cal OES requires documentation be kept on file authorizing specific agents to apply for this financial assistance. This authorization must be approved by the Town Council and updated every three years.

Pending and future reimbursement and grant applications will only be accepted from an authorized agent whose title appears on the list approved by Council resolution and provided to Cal OES. This list of authorized agents is designated by title to alleviate the need to adopt a new resolution each time one of the designated agents leaves their position.

In February 2024 Town Council authorized Town Manager and the Assistant Town Manager as designated agents to apply for Federal and State disaster financial assistance and make necessary assurances to obtain such assistance. Designation of the Town Manager and Assistant Town Manager as agents to apply for Federal and State disaster financial assistance allows for the Town to take advantage of opportunities for funding should they arise in the future.

PREPARED BY: Gitta Ungvari
Finance Director

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

PAGE 2 OF 2

SUBJECT: Adopt a Resolution to Designate the Town's Agents by Title to Obtain Federal and/or State Financial Assistance through the California Governor's Office of Emergency Services (Cal OES)

DATE: May 15, 2024

DISCUSSION:

As we have recently and successfully obtained State reimbursement for our COVID-19 eligible expenses, staff learned that the process could have been more streamlined if the Finance Director title had been included. For this reason, staff recommends that the Town Council authorize the Finance Director title as an additional agent to provide operational efficiencies when working on the submittal of the required documentation, workflow authorization, and grant reimbursement process.

CONCLUSION:

Designation of the Town Manager, Assistant Town Manager, and Finance Director as agents to apply for Federal and State disaster financial assistance will allow for the Town to take advantage of opportunities for funding should they arise in the future.

FISCAL IMPACT:

There is no fiscal impact from this project.

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Resolution to Designate the Town's Agents By Title to Obtain Federal and/or State Financial Assistance Through the California Governor's Office of Emergency Services (Cal OES)

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE Town Council OF THE Town of Los Gatos
(Governing Body) (Name of Applicant)

THAT Town Manager, OR
(Title of Authorized Agent)

Assistant Town Manager, OR
(Title of Authorized Agent)

Finance Director
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the Town of Los Gatos, a public entity
(Name of Applicant)

established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the Town of Los Gatos, a public entity established under the laws of the State of California,
(Name of Applicant)

hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

☒ This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.

☐ This is a disaster specific resolution and is effective for only disaster number(s) _____

Passed and approved this 21st day of May, 2024

Mary Badame, Mayor
(Name and Title of Governing Body Representative)

Matthew Hudes, Vice Mayor
(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

CERTIFICATION

I, Wendy Wood, duly appointed and Town Clerk of
(Name) (Title)

Town of Los Gatos, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the Town Council of the Town of Los Gatos
(Governing Body) (Name of Applicant)

on the 21st day of May, 2024 .

(Signature) Town Clerk
(Title)

Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted Resolution is older than three (3) years from the last date of approval, is invalid or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on page 1. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California. Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the Governor's Office of Emergency Services regarding grants applied for by the Applicant. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents would be entered here, not their names. This allows the document to remain valid (for 3 years) if an Authorized Agent leaves the position and is replaced by another individual in the same title. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

Governing Body Representative: These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents, and a minimum of two or more approving board members need to be listed.

Certification Section:

Name and Title: This is the individual that was in attendance and recorded the Resolution creation and approval.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member (if a person holds two positions such as City Manager and Secretary to the Board and the City Manager is to be listed as an Authorized Agent, then the same person holding the Secretary position would sign the document as Secretary to the Board (not City Manager) to eliminate "Self Certification."



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/21/2024

DATE: May 13, 2024

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Conduct a Public Hearing on the Town of Los Gatos Proposed Operating and Capital Budget for Fiscal Year (FY) 2024/25 and on the Proposed Capital Improvement Program for FY 2024/25 – FY 2028/29

- a. Consider the Recommendations of the Finance Commission;
- b. Provide Direction on the Proposed Operating Budget;
- c. Provide Direction on the Proposed Capital Budget;
- d. Approve the FY 2024/25 List of Potential Donations Consistent with the Town's Donation Policy and
- e. Review and Approve the Town Investment Policy

RECOMMENDATION:

Staff recommends the Town Council conduct a public hearing regarding the Los Gatos Proposed Operating and Capital Budgets for Fiscal Year 2024/25 and the Town of Los Gatos Proposed Capital Improvement Program for Fiscal Years 2024/25- 2028/29, and take the following actions:

- a. Consider the recommendations of the Finance Commission (Attachment 4);
- b. Provide direction on the Proposed Operating Budget;
- c. Provide direction on the Proposed Capital Budget;
- d. Approve the FY 2024/25 List of Potential Donations consistent with the Town's Donation Policy (Attachment 8); and
- e. Review and approve the Town Investment Policy with no changes (Attachment 9)

BACKGROUND:

On April 22, 2024, the Proposed FY 2024/25 Operating and Capital Budgets were posted to the Town's website and the links were provided to the Town Council, Finance Commission, and the

PREPARED BY: Gitta Ungvari
Finance Director

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

SUBJECT: FY 2024/25 Proposed Operating and Capital Budgets

DATE: May 14, 2024

BACKGROUND (continued):

public. Hard copies of the documents were provided to Council members and Commissioners who requested them.

Per Measure A, the Finance Commission received the Proposed Budgets 21 business days before May 21, 2024, which is the first meeting at which the Proposed Budgets are scheduled to be considered by the Town Council.

The Proposed Operating and Capital Budget for FY 2024/25 (Attachment 1) is a comprehensive financial plan that reflects the values of the Town, Council priorities, and community expectations for high levels of municipal services provided by the Town of Los Gatos. The Proposed FY 2024/25 – 2028/29 Capital Improvement Program (Attachment 2) is a five-year capital improvement plan which identifies projects to construct and maintain the Town's infrastructure. The Transmittal Letters contained in both the Proposed Operating and Capital Budgets provide an overview of the recommendations for next fiscal year, including the fiscal outlook, key budget assumptions, and other information.

Both budget documents were prepared with contributions from all Town Departments. The Finance Department took the lead in developing revenue and expenditure forecasts, ensuring that the most current information was used in the preparation of the proposed budgets. In addition, the Department of Parks and Public Works identified high priority projects for inclusion in the Capital Budget based on input from the Town Council; familiarity with the Town's facilities, equipment, and infrastructure; and the Department's work with various Town Commissions on these assets.

In addition to the Proposed Budget documents, the Town Council is being asked to consider corrections and clarification based on additional review and analysis since publication (Attachment 3) as well as the Finance Commission recommendations contained in Attachment 4.

To help the Council work through the material, staff recommends that the Council discuss and make individual motions as appropriate on the following items as presented in this staff report:

- Finance Commission's recommendations;
- Any other direction on the Proposed FY 2024/25 Operating Budget;
- Any other direction on the Proposed FY 2024/25– 2028/29 Capital Budget;
- Consideration the Proposed Donation List; and
- Consideration of the Investment Policy.

Council direction regarding the Proposed Operating and/or Capital Budgets provided at the May 21, 2024` budget hearing will be incorporated into an implementing resolution to be presented for final Council approval on June 4, 2024.

SUBJECT: FY 2024/25 Proposed Operating and Capital Budgets

DATE: May 14, 2024

DISCUSSION:Overview of Proposed Operating Budget

The FY 2024/25 General Fund Budget of \$56.9 million maintains existing services with modest staffing adjustments and no new programs. This Budget also provides for limited, continued strategic investments toward important wildfire vegetation management as Federal grant funding allows and other necessary infrastructure improvements to protect our community's health and safety.

The Proposed FY 2024/25 Budget endeavors to maintain essential public services while controlling operational costs. The budget is "status quo" in that no additional services are proposed to be added or removed. Staff across the Town analyzed the details of all line items and provided justification for the costs with the same inflationary pressures being felt by private businesses and residents.

Even with areas of continued uncertainty, this Budget positions the organization well for continued excellence in service delivery to the community. In the event revenue growth rate does not strengthen, the current projected deficits may need to be addressed through service delivery reductions or other actions. If this occurs, the Council will need continued input from the community to identify acceptable organizational changes and service levels.

Summary of the Five-Year Forecast

The Five-Year Forecast takes a forward look at the Town's General Fund revenues and expenditures and is updated regularly. Its purpose is to identify financial trends, potential shortfalls, and other issues so the Town can proactively address them and budget accordingly. It does so by projecting out into the future the fiscal results of continuing the Town's current service levels and policies. This process helps to provide a snapshot of what the future may look like as a result of the decisions made to date.

Revenue forecasts for the current Budget have been developed in close consultation with the Santa Clara County Assessor, Town Sales Tax consultant MuniServices, and a review of national and regional hospitality research. The more realistic revenue growth assumptions were adopted by the Council in February 2024 (see pages A-21 and A-22 in the Proposed Operating Budget, Attachment 1).

In addition to revenue projections, the Proposed Budget also forecasts anticipated increases in the Town's pension obligation payments and salaries as well as other expenditures (pages A-23 and A-24 in the Proposed Operating Budget Attachment 1). As a service delivery enterprise, the cost of salaries and benefits are a significant portion of the budget. The delivery of Town

SUBJECT: FY 2024/25 Proposed Operating and Capital Budgets

DATE: May 14, 2024

DISCUSSION (continued):

services is highly dependent on recruiting and retaining talent which comprises 64.7% of budgeted General Fund expenditures for FY 2024/25.

Although the Town is fortunate to have a diverse economy, the loss of previously projected future growth in revenue, such as Sales Tax, in conjunction with increasing expenses continue to illustrate persistent deficits in future years. The deficits are on the order of approximately \$1.1 million to \$1.8 million per year including the 4.6% salary saving factor and the more realistic revenue growth assumption that the Council adopted in February 2024.

Balancing the Proposed FY 2024/25 Operating Budget

For FY 2024/25, the Proposed Operating Budget is balanced by utilizing three primary strategies. The first strategy was the direction to all Departments to develop a status quo budget for operational expenditures. To that end, the Departments programmed existing resources by either maintaining current structures or realigning operations to remain effective and efficient. This proved exceptionally difficult as vendor, supply, and other costs rose beyond FY 2023/24 levels and Departments needed to absorb additional State unfunded mandates. In addition, Departments were provided guidance to enhance capacity where necessary through limit-dated, non-benefited personnel options when possible.

The second strategy is to build in a 4.6% salary savings factor that represents approximately \$1.8 million in anticipated savings. Per prior Council direction, staff continues to hire for all vacant positions. If vacancy savings do not materialize, staff will come back to Council for adjustments.

The third strategy is the one-time use of \$0.6 million of the Town's residual Measure G District Sales Tax – Operating Reserve for one-time expenditures.

Overview of Proposed Capital Budget

The FY 2024/25 – FY 2028/29 Capital Improvement Program (CIP) sets forth a five-year plan for proposed streets, parks, and public facility projects. The Transmittal Letter contained in the CIP provides a summary of the program including funding sources, recently completed projects, and the proposed projects for FY 2024/25. The proposed \$32.8 million in the first year of the CIP is comprised of approximately \$25.7 million in carryover funds from FY 2023/24 and approximately \$7.1 million in new funding. Carryforward is projected to decrease \$1.9 million from the FY2023/24 CIP as staff is working off project backlog created by ARPA funding.

The \$7.1 million of new funding is comprised of \$4.2 million in General Fund Appropriated Reserve (GFAR), \$0.6 million in grants, and \$2.3 million from other sources. Only the first year

SUBJECT: FY 2024/25 Proposed Operating and Capital Budgets

DATE: May 14, 2024

DISCUSSION (continued):

of the plan is formally adopted with funds appropriated by the Town Council as part of the budget process. Budget information for future years is based on potential future revenues that may fluctuate and change based on economic conditions.

While the \$32.8 million total carry forward and new appropriation represent the funding plan, the anticipated annual expenditures are detailed in Attachment 6.

The first year of the five-year CIP (FY 2024/25) continues funding for the Town Council Strategic Priorities, including basic infrastructure needs. In February 2024, the Town Council established the 2024-26 Strategic Priorities. In terms of capital projects, the Town Council affirmed its support of prioritizing traffic and transportation, public safety and quality of life related projects. The proposed CIP reflects these priorities by providing funding to:

- Advance bicycle and pedestrian identified in the adopted General Plan 2040 and the Bicycle and Pedestrian Master Plan (Highway 17 Overcrossing, Shannon Road Bicycle and Pedestrian Improvements);
- Enhance safety on Town roadways (Annual Street Resurfacing; Annual Curb, Gutter and Sidewalk; Shannon Road Repair);
- Parking management;
- Vegetation management for fire safety;
- Mapping the storm drainage system and analyzing critical drainage systems; and
- Resurface sport courts to increase pickleball access.

Staff is recommending that the residual and current year Measure G proceeds dedicated for capital should be programmed toward the Shannon Road Repair Project. Future year Measure G proceeds dedicated for Capital Improvement Projects should be programmed toward the State Route 17 Corridor Congestion Relief Project. At the time of the budget adoption, a resolution would memorialize the project(s) that are funded by the Measure G proceeds dedicated to the Capital Improvement Program.

On May 8, 2024, the Planning Commission reviewed the proposed CIP, found it consistent with the General Plan, and recommended its adoption by the Town Council.

Finance Commission Recommendations

As previously mentioned, the Finance Commission is tasked with a thorough review of the FY 2024/25 Proposed Operating and Capital Budgets. The Finance Commission held three meetings to review and discuss the documents. On May 13, 2024, the voting Commissioners in attendance unanimously approved the recommendations to the Town Council contained in Attachment 4.

SUBJECT: FY 2024/25 Proposed Operating and Capital Budgets

DATE: May 14, 2024

DISCUSSION (continued):

The Commission recommended adoption of the Operating Budgets subject to its seven comments and observations in Attachment 4, including:

- The Proposed Operating Budget does not include the updated costs associated with future Memoranda of Understanding with two of the Town's three bargaining units;
- The conservative Sales Tax revenue projections; and
- The conservative Educational Revenue Augmentation Funds (ERAF) reserve set-aside.

In terms of ERAF, staff continues to recommend reserving 30% of the anticipated ERAF proceeds based on information provided by the Santa Clara County Assessor's Office to all Santa Clara County municipalities. Based on the most recent communication from the Santa Clara County Assessor's Office (SCAO), there is potential at-risk exposure related to the Governor's budget proposal of ERAF funding for Charter Schools, and the SCAO's audit findings on Excess ERAF calculation as presented below. The Town Estimated ERAF Risk Reserve is \$2,235,154 as of June 30, 2025 which is below the Town's estimated risk amount of \$2,996,455. Therefore, staff recommends continuing to reserve 30% of the anticipated ERAF proceeds.

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	Total \$
	Actual	Actual	Actual	Estimated	Estimated	
Excess ERAF	\$ 2,043,321	\$ 2,371,984	\$ 2,298,692	\$ 2,534,820	\$ 2,617,000	
<i>According to Santa Clara County State Controller Office March 2024 Communication</i>						
State Controller Audit Finding Risk %	22%	22%	22%	22%	20%	
State Controller Audit Finding Risk (\$)	\$ 449,531	\$ 521,836	\$ 505,712	\$ 557,660	\$ 523,400	
Governor's Budget Proposal for Charter School Risk %	N/A	N/A	N/A	8%	9%	
Governor's Budget Proposal for Charter School Risk \$	N/A	N/A	N/A	\$ 202,786	\$ 235,530	
Total % at Risk	22%	22%	22%	30%	29%	
Total \$ at Risk	\$ 449,531	\$ 521,836	\$ 505,712	\$ 760,446	\$ 758,930	\$ 2,996,455
Town ERAF Risk Reserve - 30%			\$ 689,608	\$ 760,446	\$ 785,100	\$ 2,235,154

The Commission also suggested that the Council receive more information regarding sales tax revenue. The Town receives 1.0 cent of the 9.125 cents of sales tax paid per dollar of taxable sales generated in Town. Sales and Use Tax remains one of the General Fund's largest revenue sources. In addition, the Town collects 0.125 cent in dedicated sales tax as a result of a voter approved ballot initiative in 2018. The FY 2024/25 budget reflects \$6.6 million in sales tax revenue and \$1.3 million in dedicated sales tax revenue. Combined, this represents a 0.1% increase from the FY 2023/24 estimates, but a \$0.9 million dollar decrease from FY 2022/23 actual collections.

Sales tax estimates and projections are provided by MuniServices, the Town's sales tax consultant. Overall, growth rates vary due to the anticipation of when and to what extent inflation may begin to decline. The current forecast incorporates a Recession Inflation Scenario, with the Consumer Price Index for all Urban Customers hitting a target of 2.5% at the end of 2026. Taxable sales for general retail and transportation are expected to see the greatest impacts. Increased interest rates impact business to business activities, while increased

SUBJECT: FY 2024/25 Proposed Operating and Capital Budgets

DATE: May 14, 2024

DISCUSSION (continued):

mortgage rates leave customers with less disposable income. In addition, gas service station sales are projecting decreased activity due to the popularity of electric vehicles.

The Commission had eight observations and comments regarding the Proposed CIP and recommended that the Council not accept the Proposed CIP unless staff provides an “expenditure profile” to accompany the “authorization profile.” In response to the Commission’s comments, staff prepared an expenditure profile for all projects in the Proposed CIP with anticipated capital expenditures for FY 24/25 and FY 25/26 (Attachment 6). It is important to note that a municipal CIP is not an expenditure plan but rather identification, allocation, and authorization of funding for projects. Other tools are used to manage project delivery to ensure they stay on time and within budget.

In response to the Commission’s comment about reconciling carry forward amounts between prior year Capital Improvement Programs that represent point in time information, , staff prepared a reconciliation (Attachment 5). The reconciliation demonstrates the difference between estimated and actual carry forwards that leads to updated budget numbers and budget actions that occur during the year that affect carry forward and budget Staff will continue to work on future budget presentations that include anticipated expenditures, explanations for carry forward, and other improvements.

Consideration of Any Funding Requests

As the Council considers individual requests for new spending, the Council should consider these requests in the context of the Proposed Operating Budget and identify the source(s) of funding for the(se) item(s). At the time of the preparation of this report, requests have been submitted to the Town from NUMU, Los Gatos-Saratoga Recreation, and the Anti-Racism Coalition and faith community (see Attachment 10).

Donation Opportunities - FY 2024/25 List of Town Needs

As part of the budget development process, the List of Town Needs is updated annually per Town Council Donation Policy (Attachment 7) to reflect goods, services, and other contributions that would help enhance Town services, programs, and events (Attachment 8).

Town Investment Policy

The Investment Policy (Attachment 9) establishes the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, State mandated eligible investments, transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the operating funds of the Town. All Town

SUBJECT: FY 2024/25 Proposed Operating and Capital Budgets

DATE: May 14, 2024

DISCUSSION (continued):

funds are invested and/or will be invested in accordance with the Investment Policy and with applicable sections of the California Government Code.

The Investment Policy requires an annual review. Staff is not recommending any changes to the Investment Policy this time. The Finance Commission reviewed the Policy at its March 2024 meeting and recommended no changes.

CONCLUSION AND NEXT STEPS:

At its May 21, 2024 meeting, the Council will have an opportunity to listen to public testimony, ask questions, consider the Finance Commission's recommendations, deliberate, and direct changes to the Proposed Operating and/or Capital Improvement Program Budgets. Any changes to the Proposed Operating and/or Capital Budgets directed by Council or identified by staff (see Attachment 5.) will be included for Council consideration in the resolution formally adopting the Budgets to be considered by Council on June 4, 2024.

During and after the Budget adoption, staff continues to monitor revenues and expenditures closely and will report to the Town Council actual revenues and expenditures later in the year as the data become available. Any modifications needed will be brought back to the Council as Budget Adjustments.

COORDINATION:

The preparation of the budget documents involved the participation of all Town Departments. The Finance Commission deliberated and provided its recommendations to the Council as discussed in this report.

FISCAL IMPACT:

Under State law, the Town Council is required to enact a balanced budget. The Proposed Operating and Capital Budgets are balanced and as the Council directs changes, the outcome must be a balanced fiscal plan.

ENVIRONMENTAL ASSESSMENT:

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

SUBJECT: FY 2024/25 Proposed Operating and Capital Budgets

DATE: May 14, 2024

Attachments Provided to the Council Prior to the Distribution of this Report:

1. FY 2024/25 Proposed Operating Budget

<https://www.losgatosca.gov/2957/Proposed-FY-2024-25-Operating-Budget>

2. FY 2024/25 – 2028/29 Proposed Capital Improvement Program Budget

<https://www.losgatosca.gov/2859/Proposed-2023-24-Capital-Budget>

Attachments Provided with this Report:

3. List of updates related to corrections based on staff and Commissioners review and comments
4. FY 2024/25 Finance Commission Operating and Capital Budget Recommendations
5. Sample Reconciliation of Carry Forward Amounts between Multiple CIPs
6. Anticipated Capital Expenditures FY 24/25 and FY 25/26
7. Town of Los Gatos Donation Policy
8. Town of Los Gatos Donation Opportunities: FY 2024/25
9. Town Investment Policy
10. Public Comment Received Before 11 a.m. on May 16, 2024

Attachment 1 - FY 2024/25 Proposed Operating Budget:

<https://www.losgatosca.gov/2957/Proposed-FY-2024-25-Operating-Budget>

Attachment 2 - FY 2024/25 – 2028/29 Proposed Capital Improvement Program Budget:
<https://www.losgatosca.gov/2859/Proposed-2023-24-Capital-Budget>

Based on additional staff review, the following updates are recommended to include in the final FY 2024/25 Operating and Capital Budget and FY 2024/25-FY 2028/29 Capital Improvement Plan (CIP) documents:

Proposed Operating & Capital Summary Budget FY 2024/25

Page A-24 – Remove “POA” under Safety Management from the table.

Page C-4 – Chart Horizontal Axis should be titled FY 2015/16 through FY 2024/25.

Page C-5 – Include the amount of the Waste Hauler Permit fee: While collections are estimated to stay at prior year levels, the revenue shifted from Franchise Fees to Licenses and Permits. **The FY 2024/25 estimates collection is \$2,366,630.**

Page C-18 and Page C- 24 Add Footnote to the Tables. ***Effective FY 2024/25 Garbage Franchise Fees are Reclassified to License and Permits. The FY 2024/25 Proposed Budget includes \$2,366,630 Waste Hauler Permit Fee.**

Page C-41 – Correct FY 2023/24 Estimated column for One-Time ARC ICC. The amount should be \$866,281 as the \$877,614 amount should exclude the \$11,333 included in the FY 2024/25 Proposed column. Additionally, the total for the FY 2023/24 Estimated column will be updated to \$1,545,281 which will now match the FY 2023/24 Estimated Spending row in the General Fund Council Priorities – Economic Recover Reserve Tracking table.
Correct capitalization: (“One-time - Adult Recreation Center Interim Community Center” to “One-Time - Adult Recreation Center Interim Community Center”).

Page C-51 - Correct spelling: (“FY 2023/24” spelled “FY 223/24”).

Page C-52 - Correct spelling: (to “ensure” spelled “toensure”).

Page D-283 – Change language under program purpose to state: Administration’s core services are to provide administrative and managerial oversight for program and services, clerical and administrative assistance for day-to-day operations, personnel management, purchasing and physical plant maintenance, fiscal management and budget preparation, **coordination with the Friends of Los Gatos Library Board**, and support for the Library Board and the Arts and Culture Commission.

Proposed FY 2024/25 – 2028-29 Capital Improvement Program (CIP) Budget

Page A-4 - Correct spelling in chart (“Underground” spelled as “Undeground”).

Page A-9 - Add a footnote to projects Storm Drainage Repairs and TMO Roof Repairs to clarify that the projects are new to the CIP document but estimated to start in FY 2023/24. Therefore, related expenditures are characterized as carryforward.

***Project anticipated to start in FY 2023/24**

Page C-8 – Adjust VTA Allocation – Measure B and Other GFAR line-item amounts. Total GFAR, Source/Use of funds remain unchanged.

STREET REPAIR & RESURFACING										
										Project 811-9901
SOURCE OF FUNDS	Prior Year Actuals	2023/24 Estimated	Estimated Carryfwd to 2024/25	2024/25 New Funding	2024/25 Budget (w/ Carryforward)	2025/26 Proposed	2026/27 Proposed	2027/28 Proposed	2028/29 Proposed	Total Project
GFAR										
Vehicle License Fee - 2010 Measure B	\$ 1,616,628	\$ 180,000	\$ 180,000	\$ 180,000	\$ 360,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 2,876,628
VTA Allocation - Measure B	-	683,680	385,753	857,873	1,243,626	857,873	857,873	857,873	857,873	5,358,797
Other GFAR	\$ 12,433,958	1,575,457	1,977,198	998,381	2,975,579	998,381	998,381	998,381	998,381	20,978,518
TOTAL GFAR FUND	14,050,586	2,439,136	2,542,951	2,036,254	4,579,205	2,036,254	2,036,254	2,036,254	2,036,254	29,213,943
GRANTS & AWARDS	230,000	-	-	-	-	-	-	-	-	230,000
GAS TAX										
Road Maintenance and Rehab Account (RMRA)	-	803,626	-	859,033	859,033	859,033	859,033	859,033	859,033	5,098,791
Other Gas Tax & Prop 42	12,187,867	660,974	1,681,514	819,552	2,501,066	819,552	819,552	819,552	819,552	18,628,116
TOTAL GAS TAX FUND	12,187,867	1,464,600	1,681,514	1,678,585	3,360,099	1,678,585	1,678,585	1,678,585	1,678,585	23,726,907
TOTAL SOURCE OF FUNDS	\$ 26,468,453	\$ 3,903,736	\$ 4,224,465	\$ 3,714,839	\$ 7,939,304	\$ 3,714,839	\$ 3,714,839	\$ 3,714,839	\$ 3,714,839	\$ 53,170,849
USE OF FUNDS	Prior Year Actuals	2023/24 Estimated	Estimated Carryfwd to 2024/25	2024/25 New Funding	2024/25 Budget (w/ Carryforward)	2025/26 Proposed	2026/27 Proposed	2027/28 Proposed	2028/29 Proposed	Total Project
GFAR										
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services/Supplies/Equipment	-	-	-	-	-	-	-	-	-	-
Site Acquisition & Preparation	-	-	-	-	-	-	-	-	-	-
Consultant Services	-	-	-	-	-	-	-	-	-	-
Project Construction Expenses	14,050,586	2,439,136	2,542,951	2,036,254	4,579,205	2,036,254	2,036,254	2,036,254	2,036,254	29,213,943
TOTAL GFAR	\$ 14,050,586	\$ 2,439,136	\$ 2,542,951	\$ 2,036,254	\$ 4,579,205	\$ 2,036,254	\$ 2,036,254	\$ 2,036,254	\$ 2,036,254	\$ 29,213,943
GRANTS & AWARDS										
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services/Supplies/Equipment	-	-	-	-	-	-	-	-	-	-
Site Acquisition & Preparation	-	-	-	-	-	-	-	-	-	-
Consultant Services	-	-	-	-	-	-	-	-	-	-
Project Construction Expenses	230,000	-	-	-	-	-	-	-	-	230,000
TOTAL GRANTS & AWARDS	\$ 230,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,000
GAS TAX & PROP 42										
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services/Supplies/Equipment	-	-	-	-	-	-	-	-	-	-
Site Acquisition & Preparation	-	-	-	-	-	-	-	-	-	-
Consultant Services	-	-	-	-	-	-	-	-	-	-
Project Construction Expenses	12,187,867	1,464,600	1,681,514	1,678,585	3,360,099	1,678,585	1,678,585	1,678,585	1,678,585	23,726,907
TOTAL GAS TAX & PROP 42	\$ 12,187,867	\$ 1,464,600	\$ 1,681,514	\$ 1,678,585	\$ 3,360,099	\$ 1,678,585	\$ 1,678,585	\$ 1,678,585	\$ 1,678,585	\$ 23,726,907
TOTAL USE OF FUNDS	\$ 26,468,453	\$ 3,903,736	\$ 4,224,465	\$ 3,714,839	\$ 7,939,304	\$ 3,714,839	\$ 3,714,839	\$ 3,714,839	\$ 3,714,839	\$ 53,170,849

Page C-35 - FY 2024/25 Budget and Carryforward should total \$8,821,334. The \$8,381,333 displayed did not include 0435 Storm Drainage Mapping (\$450,001).

FY 2024/25 - 2028/29 CAPITAL IMPROVEMENT PROGRAM							
STREET IMPROVEMENT PROJECTS							
	Expended Through 2023/24	2024/25 Budget & Carryfwd*	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budgeted
<i>Carryforward Projects</i>							
9921 Curb, Gutter & Sidewalk Maintenance	\$ 5,197,835	\$ 621,147	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 7,018,982
0218 Shannon Road Ped & Bikeway Improvements	369,421	1,937,809	-	-	-	-	2,307,230
0225 Utility Undergrounding Improvements	2,852	299,573	-	-	-	-	302,425
0227 Traffic Signal Modernization	2,542,401	94,858	-	-	-	-	2,637,259
0235 Downtown Streetscape Revitalization/Economic Recovery Efforts	2,289,007	552,633	-	-	-	-	2,841,640
0237 State Route 17 Corridor Congestion Relief Project	600,000	867,000	600,000	600,000	600,000	600,000	3,867,000
0240 Winchester Class IV Bikeway	942,062	-	-	-	-	-	942,062
0241 Kennedy Sidewalk & Bike Lanes - LGB to Englewood	-	2,365,376	-	-	-	-	2,365,376
0242 Parking Program Implementation	278,629	488,826	-	-	-	-	767,455
0414 Stormwater System - Pollution Prevention Compliance	61,469	36,531	-	-	-	-	98,000
0420 Annual Storm Drain Improvements	291,181	252,219	-	-	-	-	543,400
0421 Loma Street Drainage	-	350,000	496,300	-	-	-	846,300
0422 Harwood/Belridge Drainage Study	-	100,000	-	-	-	-	100,000
0423 709 University Avenue Drainage System Replacement	-	200,000	-	-	-	-	200,000
0424 333 University Inlet Capacity Improvements	-	50,000	-	-	-	-	50,000
0705 Downtown Parking Lots Seal Coat & Restriping	84,839	65,161	-	10,000	-	10,000	170,000
0708 Parking Lot 4 Repair/Waterproofing	199,800	50,200	-	-	-	-	250,000
<i>New Projects</i>							
0244 Overlook Road Tree Replacement	-	40,000	-	-	-	-	40,000
0425 Storm Drainage Mapping	-	450,001	-	-	-	-	450,001
Total Street Improvement Projects	\$ 12,859,495	\$ -8,371,333	\$ 1,396,300	\$ 910,000	\$ 900,000	\$ 910,000	\$ 25,347,129
		\$ 8,821,334					

D – 29 – Updated the Source of Funds section as the ‘Total Source of Funds’ row was not correctly footing.

TRAILHEAD CONNECTOR										
Project 832-4505										
SOURCE OF FUNDS	Prior Year Actuals	2023/24 Estimated	Estimated Carryfwd to 2024/25	2024/25 New Funding	2024/25 Budget (w/ Carryforward)	2025/26 Proposed	2026/27 Proposed	2027/28 Proposed	2028/29 Proposed	Total Project
GFAR	\$ 349,000	\$ 422,594	\$ 696,374	\$ -	\$ 696,374	\$ -	\$ -	\$ -	\$ -	\$ 1,467,968
GRANTS & AWARDS										
MTC OBAG	343,000	311,809	5,881,191	-	5,881,191	-	-	-	-	6,536,000
TFCA	-	-	755,921	-	755,921	-	-	-	-	755,921
Measure B - 2016	-	249,656	443,844	-	443,844	-	-	-	-	693,500
TDA Article 3	-	-	68,884	-	68,884	-	-	-	-	68,884
TOTAL SOURCE OF FUNDS	\$ 692,000	\$ 984,059	\$ 7,846,214	\$ -	\$ 7,846,214	\$ -	\$ -	\$ -	\$ -	\$ 9,522,273
USE OF FUNDS	Prior Year Actuals	2023/24 Estimated	Estimated Carryfwd to 2024/25	2024/25 New Funding	2024/25 Budget (w/ Carryforward)	2025/26 Proposed	2026/27 Proposed	2027/28 Proposed	2028/29 Proposed	Total Project
GFAR										
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services/Supplies/Equipment	-	-	-	-	-	-	-	-	-	-
Site Acquisition & Preparation	-	-	-	-	-	-	-	-	-	-
Consultant Services	-	-	-	-	-	-	-	-	-	-
Project Construction Expenses	349,000	422,594	696,374	-	696,374	-	-	-	-	1,467,968
TOTAL GFAR	\$ 349,000	\$ 422,594	\$ 696,374	\$ -	\$ 696,374	\$ -	\$ -	\$ -	\$ -	\$ 1,467,968
GRANTS & AWARDS										
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services/Supplies/Equipment	-	-	-	-	-	-	-	-	-	-
Site Acquisition & Preparation	-	-	-	-	-	-	-	-	-	-
Consultant Services	-	-	-	-	-	-	-	-	-	-
Project Construction Expenses	343,000	7,584,305	126,579	-	126,579	-	-	-	-	8,053,884
TOTAL GRANTS & AWARDS	\$ 343,000	\$ 7,584,305	\$ 126,579	\$ -	\$ 126,579	\$ -	\$ -	\$ -	\$ -	\$ 8,053,884
TOTAL USE OF FUNDS	\$ 692,000	\$ 8,006,899	\$ 822,953	\$ -	\$ 822,953	\$ -	\$ -	\$ -	\$ -	\$ 9,521,852

Draft – For Discussion Purposes Only

Recommendations for The Town Council – FY 25 Operating and CIP Budget

Pursuant to Town Code section 2.50.225 – Duties, the Finance Commission shall review the Town Managers’ annual proposed budget and provide written comments and recommendations to the Town Council including a recommendation whether the Town Council should approve or disapprove of the proposed budget.

The Town Manager’s proposed FY 2025 Operating and CIP Budget was made available to the public on April 22. The Finance Commission reviewed and discussed the proposed budget during commission meetings held on April 29, May 6th, and May 13th. The Finance Commission wishes to express our appreciation to Staff in supporting the Commission during this deliberative process.

Below are the Commission’s comments and recommendations for the Town Council’s consideration and action.

Proposed FY 2025 Operating Budget.

Comments

- It has been challenging to analyze the FY 2025 Operating Budget. The FY 25 operating plan includes many revenue and expenditure items such as tracking budgets, pass-through accounts, and debt service costs in addition to reclassifications of revenue from franchise tax to license and permits fees which are not consistent with historical financials prepared under GAAP. This lack of comparability makes it difficult to compare historical results to the FY 25 operating plan. Being able to analyze year-over-year changes in revenues and expenditures on a comparable basis is an important part of evaluating the reasonableness of a budget. Historical performance is an excellent predictor of future outcomes and can be used to quickly find anomalies. This analysis only works if there is consistency in reporting.
- Using the statement of revenues and expenditures format presented in the ACFR, the FY 25 General Fund Excess of Revenues over Expenditures is \$0. In FY 23 the excess of revenues over expenditures was \$5.7m. That means Town’s Operating Expenditures for FY 25 are forecasted to increase \$5.7m MORE than Operating Revenues. That is a troubling trend that requires cost containment strategies that are not well defined in the FY 25 plan. For example, consultant and contractor services are increasing \$625k (25% growth) levels and fee charges and services are increasing \$240k (15% growth) from FY 23 with little explanation provided as to the underlying cost forces.
- The Town Manager references “status quo” budgeting, but the town needs a more structured approach to cost management that sends a message that taxes and spending will be held in check. The City of Los Altos recently implemented zero-base budgeting claiming much success. A starting point would be for Staff to study Los Altos and learn from their success.

- The decrease in the General Fund balance of \$514,285 shown on schedule C-8 and referenced in the Town Manager's transmittal letter is the result of General Fund Transfers-Out exceeding General Fund Transfers-In by \$514,285 and not the result of a structural imbalance where operating expenditures exceed operating revenues.
- There is one risk the Town Council needs to be aware of. Not all salary and benefit increases are reflected in the FY 25 Operating Budget. This is because the MOUs for the other two bargaining units expire June 30, 2024 and the Town is negotiating successor MOU's. Any increases agreed in the successor MOU will require a funding source to offset the expense increase. The Finance Commission was not informed of the most likely outcome of these discussions.
- In looking at tax revenues, the Finance Commission believes Staff has been too conservative in forecasting sales tax and TOT revenues. Sales Tax revenue is forecasted to decline 10% from FY 23 actual level with TOT revenues being flat from FY 23. This appears to be overly conservative. Any overachievement in revenue can be used to cover incremental salary and benefit costs arising from the new MOU's. If in fact sales tax revenues are expected to decline, the Town should aggressively develop and pursue strategies to revitalize and diversify the business base of the Town.
- The Finance Commission also believes Staff has been overly conservative in increasing the General Fund reserve for ERAF risk to \$2.2m. In direct discussions with Santa Clara County Counsel, a worst-case scenario of 22% of the excess ERAF could be clawed back. But the probability of that happening is very low. In addition to the ERAF reserve, Town has set up budget and catastrophic reserves totaling over \$13m. To have over \$15m in reserves strikes us as being overly conservative and an inefficient allocation of the Town's capital. The Council should consider redeploying at least \$1m of the ERAF reserve to reduce the Town's unfunded pension liability. This would have the added benefit of reducing future pension contributions.

Recommendation

The Finance Commission recommends that the Town Council approve the FY 2025 Operating Budget subject to the comments above.

Proposed FY 25 CIP Budget

Comments

- The FY 25 CIP Budget totals \$32.8 million made up of \$25.7 million carryforward funds for 58 projects approved in prior years, new money totaling \$5.6m for 20 of the 58 carryforward projects (35% of the projects in flight have budgets increased), and \$1.5m for only 7 new projects.
- Over the five-year period through FY 29, the total CIP budget is \$53.7m, with \$20.m programmed for spending from FY 26 – FY 29.
- The Finance Commission is not able to judge the merit of the 65 projects programmed for FY 25. We assume these projects have been properly vetted and are consistent with the Town Council's priorities. Our comments are focused on the planning and control

processes surrounding the CIP Budget. We are concerned by the substantial number of carry-forward projects and the small number of projects that are annually closed out annually. This suggests there is insufficient project management capacity to manage a \$32.8m capital budget. This might also be why 35% of the projects have their budget increased because they are running behind schedule and are subject to cost increases.

- A major concern is how the CIP expenditures are planned to be spent. The expenditure budget is built on the assumption that all \$32.8m (carryforward and new money) will be spent in FY 25. This will never happen. In fact, for the five-year period FY 19 – FY 23 the average annual expenditure for all capital assets per year was approximately \$8m. This aggressive assumption leads to incorrect projections that the GFAR Fund balance will be substantially drained by the end of FY 25.
- The assumption that all capital expenditures will be made in FY 25 also leads to the loss of normal capital project management techniques which are used to track progress against a project timeline, a project dollar budget, and a project quality spec. While we understand the need to authorize the total project cost for a given phase, how these funds will be deployed over time should also be authorized. The CIP Budget does not include a capital expenditure time profile.
- For each capital project there is a project description which includes identifying the project phase (e.g., design or construction), the original date, a revised date, and a timeline for spending. However, the timeline reflects all carryforward funds and new FY 25 funds are deployed in FY 25. This should be adjusted to reflect the most likely deployment timeline which will become the basis for tracking performance to plan and on-time and on budget completions.
- The CIP Budget process also seems to be more focused on the new money being approved, in this case \$7m, than understanding why carry-forward projects are not being closed out on a prompt basis and why their budgets are increasing. There is little explanation as to why the carryforward amounts continue to be carried forward. This appears to be a vicious cycle the Town is trapped in.
- Lastly, when we asked the staff to prove out the carryforward number in the FY 25 plan of \$25.7m they were unable to do so. We computed a carryforward number of \$19.9m starting with FY 24 total capital budget of \$37.8m and subtracting the Town's estimated capital spend for FY 24 of \$17.9m. This is \$5.8m less than the carry forward amount in the FY 25 CIP budget of \$25.7m. Staff later was able to explain \$2m of the \$5.9m difference, but the remaining \$3.8m is unexplained.

Recommendation

The Finance Commission's recommends the Town Council not accept the FY 25 CIP Budget without an expenditure profile being provided in addition to the "authorization" profile currently presented. Staff should properly time all capital expenditures so projects can be properly project managed against time, dollars, and quality specifications. This was a recommendation made by the Finance Commission last year, but unfortunately was not implemented for the FY 25 budgeting cycle.

FY 2023/24 Capital Budget

FY 22/23 Estimated Expenditures A	FY 22/23 to FY 23/24 Carryforward B	FY 22/23 Budget C = A + B	FY 23/24 New Budget D	FY23/24 Total Budget E = B + D
11,081,810.00	27,646,692.00	38,728,502.00	10,125,131.00	37,771,823.00

FY 2022/23 Actuals

Expenditures F	Carryforward G	Budget H = F + G
8,263,634.22	32,790,888.50	41,054,522.72

FY22/23 Actuals increased (decreased) by	(2,818,175.78) I = F - A
FY22/23 Budget increased (decreased) by	2,326,020.72 J = H - C
FY22/23 Carryforward increased (decreased) by	5,144,196.50 K = G - B = J - I

FY 2024/25 Proposed Capital Budget

FY 23/24 Estimated Expenditures L	FY 23/24 to FY 24/25 Carryforward M	FY23/24 Budget N = L + M	FY24/25 New Budget O	FY24/25 Total Budget P = M + O
17,941,378.00	25,746,967.00	43,688,345.00	7,071,632.00	32,818,599.00

FY 2023/24 Carryforward to FY 2024/25	25,746,967.00 M	
Projected Carryforward	19,830,445.00 Q = E - L	
Difference between Projected and Proposed CF	5,916,522.00 R = M - Q	
Increase in Carryforward from FY 2023/24 Cap. Budget	5,144,196.50 K	
Remaining Change in Carryforward in Proposed FY 2024/25	772,325.50 S = R - K	See Next Page

D		G	T = D + G	N	U = T - N = S			
FY23/24 Beginning				FY 24/25				
Row Labels	Sum of Budget	Carryforward	FY23/24 Beginning Budget + CF	Proposed Budget	Difference	Description	Council Meeting	Item # Budget Adjustment
0008	1,814,064.00	2,631,847.87	4,445,911.87	4,442,911.87	3,000.00	3k transferred out for OpenGov	11/21/2023	13 BA - 24 -15
						Budget Transfer added 35,150		
0129	-	22,900.00	22,900.00	-	22,900.00	Pending Budget Transfer - 50k excess to be transferred to ADA compliance	12/19/2023	13 BT - 24 - 07
						750k Budget was authorized after the CIP book was printed so wasn't carried forward.	4/18/2023	8 BA - 24 - 03
0130	-	825,191.00	825,191.00	1,572,191.00	(747,000.00)	3k transferred out for OpenGov	11/21/2023	13 BA - 24 - 15
0134	-	119,674.37	119,674.37	120,674.37	(1,000.00)	1k open encumbrance		
0218	-	2,044,823.05	2,044,823.05	2,043,823.05	1,000.00	1k transferred out for OpenGov	11/21/2023	13 BA-24-15
0240	693,560.00	-	693,560.00	-	693,560.00	Budget was previously recognized in another project (Trailhead Connector)		
0242	-	445,389.92	445,389.92	614,344.92	(168,955.00)	Transfer from Parking Program (\$168,955)	3/5/2024	11 BA-24-29
0243	-	39,050.00	39,050.00	-	39,050.00	Project anticipated to be complete so not in the proposed budget		
2009	37,500.00	44,000.00	81,500.00	105,611.11	(24,111.11)	Expenditures/Encumbrances over budget		
2011	-	25,000.00	25,000.00	-	25,000.00	Project anticipated to be complete so not in the proposed budget		
2121	-	-	-	79,640.00	(79,640.00)	New Project - from Management Contingency	Management Contingency	BT-24-08
2207	-	114,595.66	114,595.66	-	114,595.66	Project anticipated to be complete so not in the proposed budget		
2208	-	-	-	866,281.00	(866,281.00)	New Project - Referenced in Adopted Budget		
2309	-	25,000.00	25,000.00	-	25,000.00	Project anticipated to be complete so not in the proposed budget		
2403	-	25,000.00	25,000.00	-	25,000.00	Project anticipated to be complete so not in the proposed budget		
4508	100,000.00	5,880.77	105,880.77	102,880.77	3,000.00	3k transferred out for OpenGov	11/21/2023	13 BA-24-15
4605	-	57,469.06	57,469.06	56,969.06	500.00	500 transferred out for OpenGov	11/21/2023	13 BA-24-15
6103	-	25,283.07	25,283.07	7,000.00	18,283.07	7k Reserved, the rest to be released to fund balance		
						73,138 Transfer out - Mid-year Adjustment	2/20/2024	13 BA-24-23
						23,875 Budget Increase - Mid-year Adjustment	2/2020/24	13 BA-24-23
						10,700 transferred out for OpenGov	11/21/2023	13 BA-24-15
9901	-	4,547,706.69	4,547,706.69	7,768,201.14	(3,220,494.45)	25k transferred to 0132 - Local Road Safety Plan	6/20/2023	15 BT-24-02
9904	100,000.00	-	100,000.00	20,360.00	79,640.00	Management Contingency - 79,640k transferred to 2121 - TMO Roof Repairs	Management Contingency	BT-24-08
9911	3,243,977.00	-	3,243,977.00	-	3,243,977.00	Combined with 9901 - 61.48k excess expenditures		
						5,500 transferred out for OpenGov	11/21/2023	13 BA-24-15
9921	300,000.00	151,331.66	451,331.66	410,681.66	40,650.00	35,150 transferred to ADA	12/19/2023	13 BT-24-07
Total (all projects)	10,125,131.00	32,790,888.50	42,916,019.50	43,688,344.94	(772,325.44)			

Anticipated Capital Expenditures FY 2024/25 and FY 2025/26

		Proposed Financial Summary As Presented in CIP Pages B-5 and B-6									New Information on Projected Spending				
Project Number and Name		Expended Through 2022/23	2023/24 Estimated Actuals	Estimated Carryfwd to 2024/25	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budgeted	Projected Available Funding (Total Budgeted - Expended Through 2022/23)	2023/24 Estimated Actuals (From CIP Budget Book B-5, B-6)	Projected Spending 24/25	Projected Spending 25/26	Projected Available Funding as 7/1/26
Reconstruction															
811-9901	Street Repair & Resurfacing	24,851,825	3,723,736	4,044,465	3,534,839	3,534,839	3,534,839	3,534,839	3,534,839	50,294,221	25,442,396	3,723,736	3,800,000	3,800,000	14,118,660
811-9903	Pavement Rehab-Crack Seal	1,616,628	180,000	180,000	180,000	180,000	180,000	180,000	180,000	2,876,628	1,260,000	180,000	180,000	180,000	720,000
Maintenance-Safety															
811-9902	Annual Street Restriping	180,228	-	-	15,000	20,000	30,000	40,000	50,000	335,228	155,000	-	15,000	20,000	120,000
811-9904	Unanticipated Repairs - Annual	-	9,572	10,788	100,000	100,000	100,000	100,000	100,000	520,360	520,360	9,572	111,000	100,000	299,788
815-9930	Retaining Wall Repairs	1,595,978	31,499	535,300	50,000	50,000	50,000	50,000	50,000	2,412,777	816,799	31,499	25,000	25,000	735,300
811-0008	Shannon Road Repair	433,152	268,745	4,174,167	500,000	-	-	-	-	5,376,064	4,942,912	268,745	4,674,167	-	-
811-0010	Blossom Hill Rd - Union to Camden Improvements	-	-	-	800,000	-	-	-	-	800,000	800,000	-	400,000	400,000	-
812-0130	Roadside Fire Fuel Reduction - Annual	999,809	186,640	1,385,551	100,000	100,000	100,000	100,000	100,000	3,072,000	2,072,191	186,640	1,000,000	750,000	135,551
812-0131	East Main Street Crosswalk Improvements	43,700	18,000	253,300	-	-	-	-	-	315,000	271,300	18,000	100,000	153,300	-
812-0133	VTM Mitigation Program	134,767	48,568	66,665	-	-	-	-	-	250,000	115,233	48,568	30,000	-	36,665
812-0134	Measure B Education & Encouragement	18,671	52,017	68,657	-	-	-	-	-	139,345	120,674	52,017	30,000	30,000	8,657
812-0135	Town-wide Speed Studies	-	-	80,000	-	-	-	-	-	80,000	80,000	-	-	80,000	-
Street Improvements															
813-9921	Curb, Gutter & Sidewalk Maintenance	5,108,300	89,535	321,147	300,000	300,000	300,000	300,000	300,000	7,018,982	1,910,682	89,535	400,000	350,000	1,071,147
813-0218	Shannon Road Ped & Bikeway Improvements	263,407	106,014	1,937,809	-	-	-	-	-	2,307,230	2,043,823	106,014	1,937,809	-	-
813-0225	Utility Undergrounding Improvements	2,852	-	299,573	-	-	-	-	-	302,425	299,573	-	-	-	299,573
813-0227	Traffic Signal Modernization	2,001,927	540,474	94,858	-	-	-	-	-	2,637,259	635,333	540,474	-	-	94,858
813-0235	Downtown Streetscape Revitalization/Economic Recovery Efforts	1,929,140	359,867	552,633	-	-	-	-	-	2,841,640	912,500	359,867	-	-	552,633
813-0237	State Route 17 Corridor Congestion Relief Project	600,000	-	867,000	-	600,000	600,000	600,000	600,000	3,867,000	3,267,000	-	867,000	-	2,400,000
813-0240	Winchester Class IV Bikeway	942,062	-	-	-	-	-	-	-	942,062	-	-	-	-	-
813-0241	Kennedy Sidewalk & Bike Lanes - LGB to Englewood	-	-	2,365,376	-	-	-	-	-	2,365,376	2,365,376	-	250,000	2,115,376	-
813-0242	Parking Program Implementation	153,110	125,519	488,826	-	-	-	-	-	767,455	614,345	125,519	384,998	20,000	83,828
813-0244	Overlook Road Tree Replacement	-	-	-	40,000	-	-	-	-	40,000	40,000	-	40,000	-	-
816-0414	Stormwater System - Pollution Prevention Compliance	22,722	38,747	36,531	-	-	-	-	-	98,000	75,278	38,747	36,531	-	-
816-0420	Annual Storm Drain Improvements	291,181	-	252,219	-	-	-	-	-	543,400	252,219	-	-	-	252,219
816-0421	Loma Street Drainage	-	-	100,000	250,000	496,300	-	-	-	846,300	846,300	-	150,000	100,000	596,300
816-0422	Harwood/Belridge Drainage Study	-	-	100,000	-	-	-	-	-	100,000	100,000	-	50,000	50,000	-
816-0423	709 University Avenue Drainage System Replacement	-	-	200,000	-	-	-	-	-	200,000	200,000	-	75,000	125,000	-
816-0424	333 University Inlet Capacity Improvements	-	-	50,000	-	-	-	-	-	50,000	50,000	-	-	50,000	-
816-0425	Storm Drainage Mapping	-	-	190,000	260,001	-	-	-	-	450,001	450,001	-	400,000	50,001	-
817-0705	Downtown Parking Lots Seal Coat & Restriping	84,839	-	15,161	50,000	-	10,000	-	10,000	170,000	85,161	-	-	85,161	-
817-0708	Parking Lot 4 Repair/Waterproofing	199,800	-	50,200	-	-	-	-	-	250,000	50,200	-	-	50,200	-
Bridges															
818-0801	Quito Road - Bridge Replacement	64,594	235,087	50,000	-	-	-	-	-	349,681	285,087	235,087	-	50,000	-
818-0803	Highway 17 Bicycle & Pedestrian Bridge - Design	1,083,238	2,317,745	1,056,319	-	-	-	-	-	4,457,302	3,374,064	2,317,745	1,056,319	-	-
818-0804	Timber Bridge Inspection	-	-	-	-	25,000	25,000	-	-	50,000	50,000	-	-	50,000	-
Parks															
831-4007	Oak Meadow Bandstand Area Improvements	22,282	23,223	241,225	-	-	-	-	-	286,730	264,448	23,223	190,000	51,225	-
831-4008	Oak Meadow Park Plane Recoating	-	-	-	-	-	40,000	-	-	40,000	40,000	-	-	-	40,000
831-4202	Town Plaza Turf Repairs	9,116	-	27,000	15,000	-	-	-	-	51,116	42,000	-	42,000	-	-

Anticipated Capital Expenditures FY 2024/25 and FY 2025/26															
		Proposed Financial Summary As Presented in CIP Pages B-5 and B-6									New Information on Projected Spending				
Project Number and Name		Expended Through 2022/23	2023/24 Estimated Actuals	Estimated Carryfwd to 2024/25	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budgeted	Projected Available Funding (Total Budgeted - Expended Through 2022/23)	2023/24 Estimated Actuals (From CIP Budget Book B-5, B-6)	Projected Spending 24/25	Projected Spending 25/26	Projected Available Funding as 7/1/26
831-4404	Creekside Turf Replacement	-	-	500,000	-	-	-	-	-	500,000	500,000	-	-	-	500,000
831-4605	Parks Playground Fibar Project	92,531	36,820	20,149	25,000	-	25,000	-	25,000	224,500	131,969	36,820	-	40,000	55,149
831-4610	Pinehurst Community Garden	14,314	70,627	200,059	50,000	-	-	-	-	335,000	320,686	70,627	50,000	-	200,059
831-4611	Sport Court Resurfacing	-	-	-	100,000	-	-	-	-	100,000	100,000	-	100,000	-	-
Trails															
832-4503	Charter Oaks Trail Improvement	72,942	-	474,891	-	-	-	-	-	547,833	474,891	-	-	-	474,891
832-4504	Open Space Trail Upgrades	-	-	152,000	-	-	-	-	-	152,000	152,000	-	75,000	77,000	-
832-4505	Trailhead Connector	692,000	8,006,899	822,953	-	-	-	-	-	9,521,851	8,829,851	8,006,899	822,953	-	-
832-4508	Vegetation Management - Town-wide	244,826	5,423	97,458	432,959	100,000	100,000	100,000	100,000	1,180,666	935,840	5,423	930,417	-	-
832-4510	Lynn Ave Pedestrian Path Design	-	55,448	134,552	50,000	-	-	-	-	240,000	240,000	55,448	50,000	-	134,552
Town Infrastructure															
821-2002	Town Beautification	129,422	17,687	7,517	15,000	15,000	15,000	15,000	15,000	229,625	100,203	17,687	15,000	15,000	52,517
821-2009	Public Art Gateway Project	50,000	105,611	-	37,500	37,500	-	-	-	230,611	180,611	105,611	37,500	37,500	-
821-2012	Emergency Preparedness	-	-	96,780	-	-	-	-	-	96,780	96,780	-	20,000	20,000	56,780
821-2012	Annual ADA Compliance Work	-	-	10,000	70,000	20,000	20,000	20,000	20,000	160,000	160,000	-	40,000	15,000	105,000
821-2117	Civic Center ADA Restrooms and HR Offices	74,924	96,076	809,000	-	-	-	-	-	980,000	905,076	96,076	730,000	79,000	-
821-2120	Civic Center Plumbing Repair	-	-	40,000	40,000	40,000	-	-	-	120,000	120,000	-	20,000	30,000	70,000
821-2121	TMO Roof Repairs	-	-	79,640	-	-	-	-	-	79,640	79,640	-	79,640	-	-
821-2208	ARC – Interim Community Center	-	-	866,281	11,333	-	-	-	-	877,614	877,614	-	30,000	-	847,614
821-2302	Building Replacement at Corporation Yard	2,156,661	239,619	267,414	-	-	-	-	-	2,663,694	507,033	239,619	250,000	-	17,414
821-2310	Engineering Counter Modification	-	-	40,000	-	-	-	-	-	40,000	40,000	-	40,000	-	-
821-2311	Fleet Service Outdoor Work Area (Design Phase)	-	-	-	45,000	-	-	-	-	45,000	45,000	-	35,000	10,000	-
821-2404	POB Space Study	-	-	75,000	-	-	-	-	-	75,000	75,000	-	40,000	35,000	-
821-2504	Library Improvements	-	-	22,000	-	-	-	-	-	22,000	22,000	-	-	10,000	12,000
821-2505	Battery Power Supply - Library	439,466	100,716	2,818	-	-	-	-	-	543,000	103,534	100,716	-	-	2,818
821-2601	ADA Upgrade for Public Restrooms - Adult Recreation Building	103,964	294,099	305,799	-	-	-	-	-	703,861	599,898	294,099	75,000	-	230,799
Equipment															
841-6003	Town-wide Document Imaging Project	198,011	-	16,989	-	-	-	-	-	215,000	16,989	-	16,989	-	-
841-6101	Enterprise Resource Planning Upgrade	470,129	555,607	576,817	-	-	-	-	-	1,602,554	1,132,425	555,607	505,607	71,210	-
841-6103	EOC Communications Upgrade	24,717	1,000	6,000	-	-	-	-	-	31,717	7,000	1,000	6,000	-	-
841-6104	IT Disaster Recovery Improvements	171,163	757	28,080	-	-	-	-	-	200,000	28,837	757	10,000	-	18,080
TOTALS		47,588,397	17,941,378	25,746,967	7,071,632	5,618,639	5,129,839	5,039,839	5,084,839	119,221,530	71,633,133	17,941,378	20,223,930	9,124,973	24,342,851



Title: Solicitation and Donation Policy

Policy Number: 2-17

Effective Date: 10/6/15

Pages: 4

Enabling Actions:

Revised Date:

Approved:

PURPOSE

The purpose of this policy is to effect Town donations and solicitations in a manner that complies with both the letter and spirit of California ethics laws and, within that framework, to expand the potential for community donations by establishing a mechanism by which individuals and organizations may be more readily advised of donation opportunities.

SOLICITATION GUIDELINES

Targeted Solicitation

Targeted solicitation is defined as the direct petition or contact of specific individuals, companies, foundations or other entities initiated by the Town Council and other elected officials, Council advisory bodies, and Town employees herein called "Town Officials" for the purpose of receiving goods, services, or other contributions for the Town. Targeted solicitation excludes the direct petition for government, private, or non-profit grants for Council-approved programs, projects, and services. Unless prior approval has been given by the Council, Town Officials shall not engage in targeted solicitation activities on behalf of the Town.

BROAD OUTREACH GUIDELINES

Broad Outreach

Broad outreach is defined as the process of informing a broad spectrum of individuals, companies, foundations, non-profit organizations, or other entities of donation opportunities through various communication vehicles, including but not limited to written, electronic, or internet-related publications, flyers, brochures, news releases, and television or radio announcements. Broad outreach is permitted by the Town Manager or designee subject to the guidelines provided in this policy.

The following broad outreach guidelines apply when communicating a Town need for goods, services, or other contributions:

- Broad outreach must relate to a Town Council-approved purpose, service, project, or program.
- Broad outreach for goods, services, or other contributions should be made by using a variety of communication methodologies to ensure outreach to the entire community.
- Donations shall not be made under the guise, pretense, or presumption of receiving official Town endorsement or approval of the donating party, product, project, or activity.

PROCEDURE FOR ESTABLISHING COUNCIL APPROVED TOWN NEEDS

The Council shall direct the Town Manager to develop a list of recommended Town needs for donation opportunities. Council consideration and approval of the list of Town needs may occur as part of the annual operating and capital budget development process and can be amended by Council at any time.

DONATION ACCEPTANCE GUIDELINES

All goods, services, or other contributions offered by individuals, companies, foundations, non-profit organizations, or other entities will be considered for acceptance or rejection, including items offered for donation that are identified on a Council approved list of needs. The acceptance of all donations to the Town will be based on the following guidelines.

- Purpose of the donation.
- Community or municipal need for the donation.
- Compatibility of the donation with Los Gatos Municipal Code, policies, programs, and other applicable laws.
- Timeliness of the donation as it relates to implementation.
- Level of benefit and financial impact to the Town.

All donations should be reviewed by the Town Manager or designee in advance of acceptance to ensure consistency with established policy guidelines.

AUTHORITY TO ACCEPT DONATIONS

The authority to accept all donations is based on the market value of the donation as reasonably determined.

Donations \$25,000 and Under

The Town Manager or designee is authorized to accept or reject all minor donations that have a market value equal to or less than \$25,000.

Donations over \$25,000

Title: Solicitation and Donation	Page: 3 of 4	Policy Number
---	------------------------	----------------------

The Town Council shall consider and accept or reject all major donations that have a market value greater than \$25,000.

Ongoing Annual Donations from 501(c)(3) Organizations dedicated to supporting specific Town Departments in Offering Community Services:

- Potential uses for donation funds will be discussed and agreed upon with the respective non-profit bodies, in accordance with the Council approved Solicitation and Donation Policy.
- Funds donated will be placed into accounts as designated by the Finance Director.
- The departments may expend donated funds once received and deposited into the appropriate account only for items identified on the Council approved Town of Los Gatos Donation Opportunities List of Town Needs, which is approved annually with the Town's operating budget.
- At the end of each fiscal year, a written listing of items purchased from these accounts, in accordance with the Donation Policy, shall be provided to the Town Manager and Town Council.

PROCEDURES FOR ACCEPTING MAJOR DONATIONS

For all major donations, a staff report, containing analysis based on the donation acceptance guidelines established in this policy, will be written to guide the Council when considering major donations. The report will also provide donation recognition alternatives for Council consideration should the donation be accepted. The Council will determine on a case by case basis if the donation should be accepted or rejected.

DONOR RECOGNITION GUIDELINES

Acceptance of donations shall be acknowledged by the Town. Donation recognition practices shall be implemented in a consistent manner and adhere to Town Municipal Code, all applicable laws, regulations, and policies. Recognition of donations will be determined by the Council or Town Manager and shall be consistent with acceptance requirements of this policy and the guidelines set forth below:

Donations accepted by the Town may be acknowledged through one or more of the forms of recognition as indicated below. Other forms of recognition may be approved by the Town Council via resolution if compelled by special circumstances which shall be specified in the resolution.

- Written and/or verbal recognition.
- Public recognition at Town Council meetings.
- Inclusion in Town public communication materials, such as electronic media and selected publications.
- Plaques.

Title: Solicitation and Donation	Page: 4 of 4	Policy Number: 2
---	------------------------	-------------------------

Plaques may be used to commemorate donations accepted by the Town from persons, businesses, and organizations according to the following standards:

Plaques used for recognition purposes may be affixed to an appropriate Town facility, which includes, but is not limited to a building or any portion thereof, structure, equipment, furniture or natural asset. Plaques shall include the name(s) of the person(s) being recognized and applicable date, with standard wording limited to:

- The Town of Los Gatos recognizes and appreciates _____ [and his/her family] for [his/her/their] donation to [identify facility].
- The Town of Los Gatos recognizes and appreciates _____ [business or organization] for its donation to [identify facility].
- The Town of Los Gatos recognizes and appreciates _____ for [his/her/its] donation to [identify facility] in the name of _____.
- Or language acceptable to the Town Council.

The size of the plaque shall not exceed 8"x10," unless the number of donors exceeds the allowable space. For multiple donors, the names of the donors should be proportioned thereto, and the size of the plaque shall not exceed four (4) square feet. The location, materials, size and color of plaques shall be consistent with acceptance requirements of this policy or by Council on a case by case basis should special circumstances exist, which shall be specified in a resolution. Unless compelled by special circumstances and approved by the Town Council via resolution, Town facilities shall not be named after an individual, group, organization or business as a result of any donated good, service, or other contribution to the Town.

APPROVED AS TO FORM:

Robert Schultz, Town Attorney

**TOWN OF LOS GATOS DONATION OPPORTUNITIES
FY 2024/25 LIST OF TOWN NEEDS**

ITEM NO. 11.

To ensure that all donations and contributions are sought and accepted in an ethical manner, the Council established a Donation and Solicitation Policy. A list of Town needs was developed to identify goods, services, and other contributions to enhance Town services, programs, and events. The recommended needs for FY 2024/254

PUBLIC SAFETY

- Volunteer Program Materials and Equipment
- Specialized Public Safety Equipment and Supplies, including Support for Canine Program
- Training Support for Public Safety Staff and Volunteers
- Equipment, Supplies and Materials to support Police Operations
- Community Outreach Program Supplies

LIBRARY SERVICES

- Children, Youth, and Adult Program Collections, Supplies and Services
- Media items and other items for public circulation
- Funding to Support Technological Enhancements, including Digital Services
- Equipment and Services to Support Historical Preservation Efforts
- Resource Support for Collection Development and Reference, Local History, and Library Policy
- Items to be Used as Prizes, Give Aways, and Incentives for Reading Programs and Events

SENIOR SERVICES

- Home Emergency Kits Geared Towards the Needs of Seniors
- Targeted Solicitations for Community Engagement per the Town Solicitation and Donation Policy

COMMUNITY EVENTS

- Supplies, Materials, and Services for Special Community and Volunteer Events and Activities
- Funding for the Realization of Public Art Projects or Donations of Public Art Subject to the Town's Public Art Selection Policy

TOWN PARKS AND FACILITIES


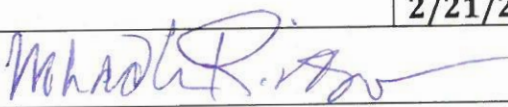
- Beautification Materials and Services for Town Parks, Open Space, and Infrastructure
- Land for Parks and Open Space
- Contributions that Support Recreation or Expansion of Athletic Fields
- Contributions that Support Multi-Modal Transportation
- Medical Devices that Enhance Public Safety

SUSTAINABILITY

- Contributions to Help Minimize Impacts on Local, Regional, and Global Ecosystems through Conservation, Reduced Pollution, Increased Efficiency, and Protection of Wildlife, Vegetation, and Other Ecosystems.

TECHNOLOGY

- Equipment, Software and Services to Enhance Communication with the Public and Organizational Productivity

 <div style="display: inline-block; vertical-align: middle;"> <p>TOWN OF LOS GATOS CALIFORNIA</p> </div> <div style="display: inline-block; vertical-align: middle; text-align: center;"> <p>COUNCIL POLICY MANUAL</p> <p><i>Small Town Service Community Stewardship Future Focus</i></p> </div>	
TITLE: Investment Policy	POLICY NUMBER: 4-02
EFFECTIVE DATE: 11/1/16	PAGES: 8
ENABLING ACTIONS: 2016-063	REVISED DATES: 5/16/17; 5/15/2018; 9/3/2019; 11/03/2020, 1/17/2023, 2/21/2023
APPROVED: 	

PURPOSE

The Town of Los Gatos (the "Town"), incorporated in 1887, is located approximately 60 miles south of San Francisco, in the southwestern portion of Santa Clara County. The Town operates under the Council/Manager form of government. The Town Council is the legislative body for the Town. It has five members elected to serve staggered four year terms. The Town Manager is appointed by the Town Council.

The Town Council has adopted this Investment Policy in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the Town. All Town funds will be invested in accordance with this Investment Policy and with applicable sections of the California Government Code 53607 and 53646(b).

This Investment Policy was originally adopted by the Town Council of the Town of Los Gatos November 1, 2016. Town Council adopted revisions replace any previous investment policy or investment procedures of the Town.

SCOPE

This Investment Policy applies to all of the Town's short-term operating funds. These funds are described in the Town's annual financial report and include, but are not limited to:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Debt Service Funds
- Enterprise Fund
- Internal Service Funds
- Fiduciary Funds

Specifically excluded from this Investment Policy are amounts which are held by a trustee or fiscal agent and pledged as payment or security for bonds or other indebtedness, obligations under a lease, or obligations under certificates of participation. Such funds are invested in accordance with statutory provisions, ordinance, resolution, or indenture governing the issuance of the obligations. In addition, this Investment Policy is not applicable to the Town's Deferred Compensation Plan. These investments are directed by each employee participant in accordance with the rules of the Deferred Compensation Plan.

POLICY

OBJECTIVES

The Town's funds shall be invested in accordance with all applicable Town policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.
4. Diversification to avoid incurring unreasonable market risks.

DELEGATION OF AUTHORITY

Management responsibility for the Town's investment program is delegated annually by the Town Manager to the Town Treasurer/Finance Director (the "Treasurer") pursuant to California Government Code Section 36510. The Treasurer may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The Treasurer shall maintain a list of persons authorized to transact securities business for the Town. No person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The Treasurer shall develop written administrative procedures and internal controls, consistent with this Investment Policy, for the operation of the Town's investment program. Such procedures shall be designed to prevent losses arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees.

The Town may engage the support services of outside investment advisors in regard to its investment program, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the Town's financial resources.

PRUDENCE

The standard of prudence to be used for managing the Town's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When

investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

The Town's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Town recognizes that no investment is totally without risk and that the investment activities of the Town are a matter of public record. Accordingly, the Town recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the Town.

The Treasurer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Town Council and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and Town employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Elected officials and Town employees shall disclose to the Town Council any business interests they have in financial institutions that conduct business with the Town and they shall subordinate their personal investment transactions to those of the Town. In addition, the Town Manager and the Treasurer shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

SOCIALLY RESPONSIBLE INVESTING

In addition to and subordinate to the objectives set forth above, investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to other investments permitted by state law.

(1) Environmental, Social Responsibility and Governance Concerns

Investments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices. Investments are encouraged in entities that support equality of rights regardless of sex, race, age, disability or sexual orientation. All corporate securities within the portfolio will be monitored by an independent third-party who will provide the Town with an ESG (Environmental, Social Responsibility, and Governance) rating. The Town will prefer companies when appropriate that maintain a higher ESG rating as opposed to those companies that have a lower ESG Rating.

(2) Community Investments

Investments are encouraged in entities that promote community economic development, and investments are discouraged in entities that finance high-cost check-cashing and deferred deposit (payday-lending) businesses. Investments are encouraged in entities that have a demonstrated involvement in the development or rehabilitation of low-income affordable housing and have a demonstrated commitment to reducing predatory mortgage lending and increasing the responsible servicing of mortgage loans. Securities investments are encouraged in financial institutions that have a Community Reinvestment Act (CRA) rating of either Satisfactory or Outstanding, as well as financial institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the Town shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds. Any revisions or extensions of these code sections will be assumed to be part of this Investment Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Investment Policy and past Town investment practices, the Town may delay adherence to the new requirements when it is deemed in the best interest of the Town to do so. In such instances, after consultation with the Town's attorney, the Treasurer will present a recommended course of action to the Town Council for approval. All investment limits specified in the Policy are calculated at the time of investment.

The Town has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, or certificates with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency Obligations for which the faith and credit of the United States are pledged for the payment of principal and interest and which have a final maturity not exceeding five years from the date of trade settlement. There is no limit on the percentage of the

portfolio that can be invested in this category, however, no more than 20% of the town's total portfolio shall be invested in the combination of Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) mortgage-backed securities.

3. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities (including FNMA and FHLMC) with a final maturity not exceeding five years from the date of trade settlement. There is no limit on the percentage of the portfolio that can be invested in this category, however, no more than 20% of the town's total portfolio shall be invested in the combination of GNMA, FNMA, and FHLMC mortgage-backed securities.
4. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars (\$500,000,000) and (3) Have debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Purchases of eligible commercial paper shall not exceed:

- 10% of the outstanding commercial paper of any single corporate issuer,
- 5% of the Town's total portfolio in the commercial paper of any one issuer, and
- 25% of the Town's total portfolio.

5. Eligible Bankers Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a state or national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least A or the equivalent by a NRSRO at the time of purchase. No more than 5% of the Town's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 30% of the Town's total portfolio.

6. Medium Term Notes (Corporate Notes) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement and rated at least "A" or the equivalent by a NRSRO. No more than 5% of the Town's total portfolio shall be invested in the medium-term notes of any one issuer and the aggregate investment in medium term notes shall not exceed 30% of the Town's total portfolio.

7. Municipal & State Obligations:

- A. Municipal bonds including registered notes or bonds of any of the 50 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 states.
- B. In addition, bonds, notes, warrants, or other evidences of indebtedness of any local agency in California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, operated by the local agency, or by a department, board, agency, or authority of the local agency.

Municipal bonds must be rated at least "A" or the equivalent by a NRSRO with maturities not exceeding five years from the date of the trade settlement. No more than 5% of the Town's total portfolio shall be invested in "A" rated bonds or in the bonds of any one municipality. In addition, the aggregate investment in municipal bonds may not exceed 30% of the total portfolio.

8. Certificates of Deposit with a final maturity not exceeding five years from the date of trade settlement. The aggregate investment in certificates of deposit shall not exceed 30% of the Town's portfolio, and no more than 5% of the portfolio shall be held in any one deposit or allocated to any one issuer. Certificates of Deposit shall be issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank or by a federally licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated at least "A" or the equivalent by a NRSRO.

Negotiable certificates of deposit issued by a nationally or state-chartered bank, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposits are subject to the limitations of Section 53601(i), shall be fully insured by the FDIC with a corresponding FDIC certification number, and shall be delivered through the Depository Trust Company.

Non-Negotiable certificates of deposit issued by a nationally or state-chartered bank, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of non-negotiable certificates of deposit are subject to the limitations of Sections 53601(n) and 53638 and shall be fully insured by the FDIC with a corresponding FDIC certification number.

Private sector entities may be used to place certificates of deposit subject to the limitations of Section 53601.8.

9. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. The aggregate amount invested in LAIF shall not exceed the maximum allowed by the fund.
10. Money Market Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant net asset value per share of \$1.00; (3) invest only in government securities, and (4) have a rating of at least AAA or the equivalent by at least two NRSROs. No more than 10% of the Town's total portfolio shall be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of the Town's total portfolio.

Securities that have been downgraded to a level that is below the minimum ratings described herein may be sold or held at the Town's discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

The foregoing list of authorized securities and transactions shall be strictly interpreted. Any deviation from it must be preapproved by resolution of the Town Council.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The Town will not invest in securities maturing more than five years from the date of trade settlement, unless the Town Council has by resolution granted authority to make such an investment at least three months prior to the date of investment.

SELECTION OF BROKER/DEALERS

The Treasurer shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the Town to purchase securities only from those authorized firms. To be eligible, a firm must meet at least one of the following criteria:

- Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure; or
- Report voluntarily to the Federal Reserve Bank of New York; or
- Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

In addition, authorized broker/dealers must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

The Town may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved broker/dealers.

Such broker/dealers will comply with the selection criteria above and the list of approved firms shall be provided to the Town on an annual basis or upon request.

In the event that an external investment advisor is not used in the process of recommending a particular transaction in the Town's portfolio, authorized broker/dealers shall attest in writing that they have received and reviewed a copy of the this Investment Policy and shall be required to submit and annually update a Town approved Broker/Dealer Information request form, which includes the firm's most recent financial statements.

The Town may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 4 of the Authorized Securities and Transactions section of this Investment Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the Town is offered a security for which there is no other readily available competitive offering, the Treasurer will document quotations for comparable or alternative securities.

SELECTION OF BANKS

The Treasurer shall maintain a list of banks and savings banks approved to provide banking services for the Town. To be eligible, a bank must be a member of the Federal Deposit Insurance Corporation, must qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC coverage in accordance with California Government Code Section 53652.

Authorized banks that accept deposits from the Town shall meet high standards with regard to liquidity, asset quality, profitability and capital adequacy. The Treasurer shall utilize a commercial bank rating service to perform credit analysis on banks seeking authorization. Banks that in the judgment of the Treasurer no longer offer adequate safety to the Town shall be removed from the Town's list of authorized banks.

SAFEKEEPING AND CUSTODY

The Treasurer shall select one or more financial institutions to provide safekeeping and custodial services for the Town. A Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Custodian banks will be selected on the basis of their ability to provide services for the Town's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the Town. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities, purchased by the Town, will be delivered by book entry and will be held in third-party safekeeping by a Town approved custodian bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by the Town shall be held in the Federal Reserve System in a customer account for the custodian bank which will name the Town as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for the Town as "customer."

PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the Town's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's weighted average effective maturity. When comparing the performance of the Town's portfolio, its rate of return will be computed net of all fees and expenses.

REPORTING

Every month, the Treasurer shall prepare a report that conforms to Government Code Section 41004. The report shall be submitted to the Town Clerk within 45 days after the end of each month for inclusion as an agenda item at the next scheduled Town Council meeting. The report shall include the following information:


1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the Town;
2. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
3. Realized and unrealized gains or losses calculated by amortized cost and by fair value;
4. The weighted average maturity of the portfolio and a percentage breakdown of the total portfolio by maturity;
5. A description of the funds, investments and programs that are under the management of contracted parties;
6. The Town of Los Gatos Environmental, Social and Governance (ESG) scores;
7. A statement of compliance with this Investment Policy or an explanation for non-compliance; and

8. A statement of the ability to meet expenditure requirements for the next six months, and an explanation of why money will not be available if that is the case.

PROCEDURES

This Investment Policy shall be adopted by resolution of the Town Council. Annually the Town Manager shall present this Investment Policy to the Town Council and the Finance Commission for review to ensure its consistency with the Town's investment objectives, current law and economic trends. Any amendments to this Investment Policy shall be approved by the Town Council.

APPROVED AS TO FORM:



Gabrielle Whelan, Town Attorney

Subject: Agency Lease Proposal: ARC + YRC Facilities
Attachments: Agency Lease Proposals.pdf; Attach A Proposed 55+ Changes.pdf; Attach B Town Staff Coordinator 55 Plus.pdf; Attach C Agency Investment YRC Parking.pdf

From: Nancy Rollett [REDACTED]
Sent: Wednesday, March 27, 2024 3:32 PM
To: Laurel Prevetti [REDACTED] >
Cc: Mary Badame [REDACTED] >; Matthew Hudes <[REDACTED]>; Maria Ristow <[REDACTED]>; Rob Rennie <[REDACTED]>; Rob Moore <[REDACTED]>
Subject: Agency Lease Proposal: ARC + YRC Facilities

[EXTERNAL SENDER]

Hello Laurel,
Happy Spring!

We are seeking the opportunity to renegotiate the leases for the ARC and YRC facilities. Please see the attached proposal along with supporting attachments A, B and C.

Please let me know if you have questions; I'll look to you for next steps and timing.

Warm regards,
Nancy



Nancy Rollett

Executive Director

Direct: 408.207.4900

LGS Recreation

Main Office: 408.354.8700

208 E. Main St, Los Gatos, CA 95030

Building a Healthy Community Through Enrichment, Innovation, and Fun!





March 27, 2024

Town of Los Gatos
Attn: Laurel Prevetti
Town Manager
110 E. Main Street
Los Gatos, CA 95030

Re: Los Gatos-Saratoga Community Education and Recreation Lease Agreements

Dear Laurel,
On behalf of the LGS Recreation ("Agency") Board of Directors, I am respectfully requesting an opportunity to negotiate the lease agreements for the Adult Recreation Center (ARC) located at 208 E. Main Street, Los Gatos and the Youth Recreation Center (YRC) located at 123 E. Main Street, Los Gatos.

ARC Background

The Agency has leased the ARC building since 2009 with an initial term through 12/31/2029 and option to extend the agreement for two additional five-year periods. The current fee is \$19,840.67 / month for the 12,000 square foot building. The Agency pays utilities of approximately \$29,000 / year and is responsible for interior maintenance. The Town provides exterior maintenance, weekly landscaping maintenance, and pays for trash and recycling removal.

The Agency is prompted to renegotiate the terms of the lease and associated 55+ program services as both are outdated:

We are seeking a five-year lease with two 5-year renewal extensions and free use of the instructional spaces used to provide 55+ services, estimated to be 84% of the ARC. Note: Any spaces offered to future potential 3rd party service providers should be reduced from the proposed lease payment.

The Agency proposes modifying the list of 55+ services governed by the lease as some items are no longer relevant. **Please see Attachment A for the list of proposed changes to 55+ terms.**

- The Agency proposes lease payments for the administrative spaces should be redirected to fund the needs of local community service providers. Examples include partially funding the FTE for a Social Worker / Case Manager. Another

option is partially funding the Live Oak nutrition program to bring a “social lunch” to the ARC and / or partially offsetting their monthly budget shortfall.

- Historically, community service providers such as Live Oak Nutrition and NUMU have unintentionally competed with the Agency for the limited resources available from the Town. Our goal and intention is to work together by sharing resources and extending our collective reach in the community.
- The Town was expected to fund a Senior Coordinator position to contribute towards the 55+ effort. The position was funded for less than a year and has not been restored in the last 15 years. **Please see Attachment B regarding the Town Staff Coordinator role.**

Additional Considerations

- The current arrangement obligates the Agency for lease payments of \$250K per year plus the operating expense of the 55+ program, an expense of another \$250K per year, at minimum. It is the only Agency program area that operates at a loss.
- In the foreseeable future, the Agency Board will no longer fund the cost of the 55+ program using profits from other program areas. Thus, the program is unsustainable under the current arrangement.
- The Agency is requesting the Town re-evaluate the past practice of lease payments for use of the instructional spaces at the facilities. The facilities are a community asset to address the Town’s strategic priority of enriching the quality of life for residents.
- The Agency is expected to house additional third-party service and program providers at the ARC. In some cases it make take away from instructional space. The ARC is already space constrained due to the popularity of programs. More than 50% of instructional hours at the YRC are used for 55+ adult enrichment programs.
- The Agency has done our part to fundraise and write grants to support senior programs. Lease payments coupled with the cost to operate the program undermine Agency efforts and do not reflect the spirit and philosophy of a fair and equitable partnership.
- The Agency has recently made significant improvements to the ARC including painting all doors and trim, retexturing walls, dropped ceilings in common spaces for noise abatement, a television the lobby, digital door keypads, and video cameras. It reflects our commitment to using the space and goal of making it more comfortable for the community and more functional for staff.
- Finally, I am the lead grant writer for the Agency. Although I am a member of the administrative team, I am a champion of the 55+ program. My contribution towards the success of the program should be considered when assessing the fee for administrative offices - for which it’s assumed there is no 55+ contribution.

YRC Background

The Agency has leased the YRC building since the late 1960's, although the last formal YRC lease agreement expired in December 2011 and has been a month-to-month arrangement thereafter. We are seeking a five-year lease with two 5-year renewal extensions.

The current fee is \$2,759.25 / month for the 6,479 square foot building. The Agency pays utilities of approximately \$15,500 / year and is responsible for interior maintenance. The Town provides exterior maintenance, weekly landscaping maintenance, and pays for trash and recycling removal.

Additional Considerations

- **Please see Attachment C identifying the Agency's investment in YRC parking spaces along the north side of the building.** Parking should be memorialized in the lease agreement.
- It is misleading to assume the YRC only hosts youth programs. More than 50% of YRC space is used for 55+ adult programs. This should be considered in the lease calculation in which instructional space for 55+ programs should be free.
- The Agency has recently made significant improvements to the YRC including a new kitchen and breakroom, replaced flooring, repaint and textured walls. It reflects our stewardship of the space and interest in continuing use of the property.

General Considerations:

- Provision to cease payments in the event of another pandemic shutdown should be considered along with a standard termination clause.
- The Exhibit B Inventory of Fixtures is no longer relevant as furniture and equipment are beyond their useful life and have been replaced at the Agency's expense.
- Recommend fees structures for nonprofit rental groups be updated to comparable rates of surrounding community centers.
- Recommend political or current events discussion groups be prohibited from using the facilities.
- Rules affecting building improvements, subleasing, exterior signage, lighting and security cameras should be included in the lease agreement.

Our recommendation for the formula to develop lease payments may be something along these lines:

ARC 16% Administrative space (less 3rd party users) x current lease rate = Lease ~or~ Amount used to fund Case Manager / Social Lunch.


YRC 50% Space (used for youth programs) x current lease rate = Lease ~or~ Amount used to fund Case Manager / Social Lunch.

Ideally, the lease should include provision to reinstate the Town Coordinator position.

Note: As a basis of comparison, the Agency pays ~\$52K / year for use of all parks and every facility in the City of Saratoga. Under the City model, Saratoga also pays for utilities, custodian, IT, maintenance, etc.

The ARC and YRC are truly community assets. The best and highest purpose for their use is to serve the enrichment and recreation needs of the community; not to extract rent. The current arrangement for recreation services is unnatural and unduplicated in the State of California. Please consider this an opportunity to create a more sustainable solution and uninterrupted continuity of service for the Town, the Agency and our community.

Sincerely,



Nancy Rollett
Executive Director
Los Gatos-Saratoga Recreation
208 E. Main Street
Los Gatos, CA 95030

Cc:

Mayor Badame, Vice Mayor Hudes and Council Members Ristow, Rennie and Moore

Attachments:

- A – List of Proposed Changes to 55+ Program
- B – Town Staff Coordinator Role
- C - Agency's Investment in YRC Parking

Recommended list of items from the 2009 lease agreement to be modified, discarded or are no longer relevant:

DIRECT SERVICES:

OUTDATED	CHANGE TO
Wednesday Afternoon Movies (once per month)	Movie Showing
Senior Show	Senior Social or Live Oak "Social Lunch"
Senior Center Newsletter (bimonthly)	Senior Center Newsletter – The PRINT
Information and Referral to Other Agencies	Information and Referral to Other Agencies – The HUB
Recreation Classes will be expanded significantly as demand warrants. Examples include: language, arts and crafts, computer and other internet classes.	Ongoing support of volunteer facilitated programs, partnerships with outside agencies (ex. West Valley College), socials, and flexibility to change offerings based on changing member interest. Ex. Socials, clubs, presenters, players groups, etc.

INDIRECT SERVICES:

- AARP Tax Appointment scheduling, phone calls and management create a burden for 55 Plus Staff. In future years we may reduce the number of appointments offered at our location.

Remove/No Longer Relevant:

- Brown Bag Grocery Distribution
- Live Oak Senior Nutrition (*see proposal to partner for 'social lunch' at the ARC*)
- BART Tickets
- Older Women's Group
- Happy Hoofers Walking Group (should be moved to direct services) and title change to Tuesday Town Walk.

Update Terminology to Reflect Current Practice:

OUTDATED	CHANGE TO
"55+ Alive Driving Class"	AARP Driver Safety Course (by appointment)
Health Presentations	Guest Speaker

INTEROFFICE MEMORANDUM AGREEMENT PROCESS

DATE12/11/09SIGNATURE[Signature]

Department Head

Town Attorney

Town Manager

PLEASE RETURN ORIGINALS TO CLERK DEPARTMENT

09-279

VENDOR NAME:

~~Project Sentinel~~Los Gatos recreation

VENDOR NUMBER:

☐ Business License Required _____

For Clerk/Finance Only:

☒ IHH # 09-316 Expiration Date: 2/10☐ P.O. Required☐ No P.O. Required _____

Finance

SUBJECT

Lease Agreement between Town of Los Gatos and Los Gatos-Saratoga Community Education and Recreation.

BACKGROUND

The Town launched its pilot senior services program approximately eight years ago, through a dedicated Senior Center and a Senior Coordinator staff position. This program has been a great success, both providing directly and supporting the provision of services to local seniors. Recently an opportunity has arisen to expand the Town's partnership with Los Gatos-Saratoga Community Education and Recreation (LGS Recreation) to enhance the delivery of senior services.

DISCUSSION

In August 2009, the Town Council authorized staff to enter into negotiations with LGS Recreation to explore the possibilities that an expanded partnership in the area of senior services could offer.

FISCAL

The proposed partnership between the Town and LGS Recreation would result in annual savings to the Town in FY 2009/10 of approximately \$160,000, and increased revenue of approximately \$62,000, a total benefit to the Town of approximately \$222,000

RESOLUTION NO. 1988-92

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
 AUTHORIZING THE MAYOR TO SIGN AGREEMENTS
 WITH MASONIC LODGE AND RECREATION DISTRICT
 PROJECT 8718
 RECREATION DISTRICT PARKING LOT

WHEREAS, it is the intention of the Town Council of the Town of Los Gatos to reconstruct the Recreation District Parking Lot in the Town of Los Gatos; and

WHEREAS, the Masonic Lodge and the Recreation District have signed an agreement for sharing the costs of construction with the Town.

RESOLVED, that the Mayor hereby authorized to sign the cost sharing agreement with the Masonic Lodge and the Recreation District.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos held on the 16th day of May, 1988, by the following vote:

AYES: COUNCIL MEMBERS Joanne Benjamin, Thomas J. Ferrito, Robert L. Hamilton, Brent N. Ventura and Mayor Eric D. Carlson

NOES: COUNCIL MEMBERS None

ABSTAIN: COUNCIL MEMBERS None

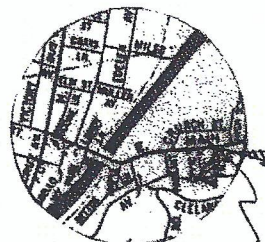
ABSENT: COUNCIL MEMBERS None

SIGNED:

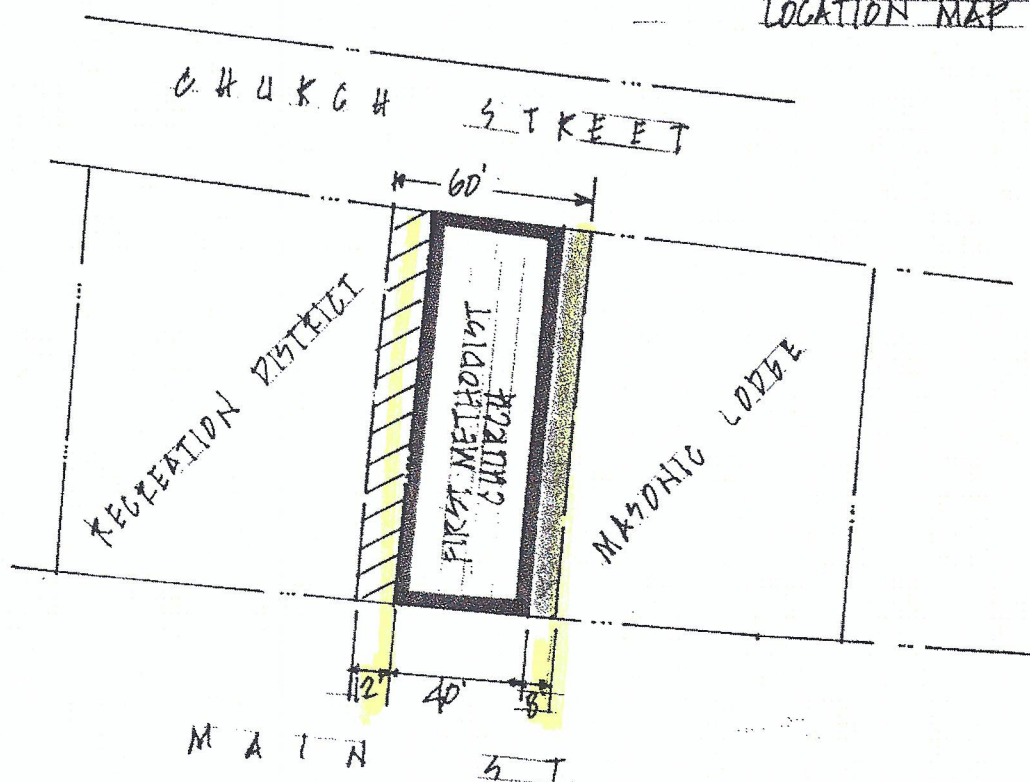
Eric D. Carlson
 MAYOR OF THE TOWN OF LOS GATOS

ATTEST:

Rose E. Aldag
 CLERK OF THE TOWN OF LOS GATOS



LOCATION MAP

LEGEND:

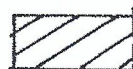
CHURCH PROPERTY



MASONIC LODGE PROPERTY



RECREATION DIST. PROPERTY



FIESTA WAY

EXHIBIT "A"

COPY

AGREEMENT

This agreement, made and entered into this 25th day of May, 1988, by and between the Los Gatos Masonic Hall Corporation, a corporation, hereinafter referred to as "Hall," the Los Gatos-Saratoga District Recreation Department, a public recreation district, hereinafter referred to as "District," and the Town of Los Gatos, a municipal corporation of the State of California, hereinafter referred to as "Town,"

WITNESSETH:

That, whereas, Hall, as Lessee, holds a 25-year lease from The First Methodist Church, covering certain property used as a parking area lying between property of Hall and property of Town, and being approximately 40 feet in width fronting on East Main Street in the Town of Los Gatos, State of California;

That, whereas, approximately 8 adjacent feet of the property of Hall fronting on East Main Street is used as a parking area;

That, whereas, approximately 12 adjacent feet of the property of Town fronting on East Main Street is used as a parking area;

That, whereas, District, as Lessee, holds a lease from Town covering the building and lot upon which the building stands, including the previously mentioned 12 feet used as a parking area;

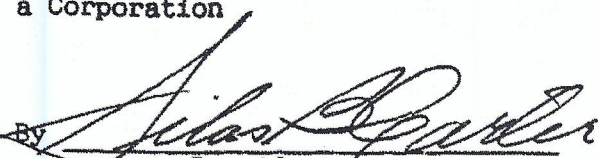
And, whereas, the parking area surface is in poor repair and requires replacement and minor improvements; that the reasonable value of this improvement is the approximate sum of \$20,000;


NOW, THEREFORE, it is agreed by and between the parties hereto, as follows:

- 1) All parties shall have the right to joint use of said parking lot for the patrons and employees of District; patrons and employees of along with the congregation of The First Methodist Church according to the agreement and leases in effect. ITEM NO. 11.
- 2) Town agrees that it will complete the improvement plans and specifications for the reconstruction of the parking lot; that it will prepare the bidding documents for the project and conduct the administration of the bidding procedure; award the bid and supervise the construction of the parking lot improvements.
- 3) Town agrees that it will install landscaping and irrigation facilities at its expense. Maintenance of these facilities shall be shared equally with Hall according to the previous agreement, September 26, 1955, extended to May 4, 2004.
- 4) Hall agrees that it will pay the sum of \$5,000, as one-quarter (1/4) of the estimated cost of the reconstruction and improvement of the parking area.
- 5) District agrees that it will pay the sum of \$5,000, as one-quarter (1/4) of the estimated cost of the reconstruction and improvement of the parking area.
- 6) Town agrees that it will pay the sum of \$10,000, as one-half (1/2) of the estimated cost of the reconstruction and improvement of the parking area.
- 7) Should the bid from the lowest responsible bidder be greater than the estimated cost of \$20,000, the involved parties shall have the option to review this agreement for renegotiation of the shared costs. Should no new agreement between the parties be made, the project will not be constructed.
- 8) Should the bid from the lowest responsible bidder be less than the estimated cost of \$20,000, Hall and District shall each pay one-quarter (1/4) of the bid price and the Town shall pay one-half (1/2) of the bid price.


IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

LOS GATOS MASONIC HALL CORPORATION,
a Corporation

By 
President

By 
Secretary

LOS GATOS-SARATOGA DISTRICT
RECREATION DEPARTMENT, a public
recreation district

By 
President
TERRENCE TOWER

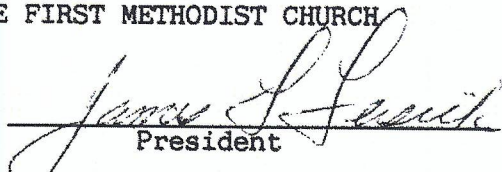
By 
Secretary


TOWN OF LOS GATOS, a municipal
corporation

By 
Mayor of the Town of Los Gatos

By 
Clerk of the Town of Los Gatos

APPROVED
THE FIRST METHODIST CHURCH

By 
President

By 
acting Secretary

CLF:ss
(ENG01/MASONIC)
3/10/88

Subject: FW: Proposal for Town Council
Attachments: 2024 Town Proposal (1) (1).pdf

From: Kimberly Snyder <[REDACTED]>
Sent: Thursday, April 4, 2024 4:29 PM
To: Laurel Prevetti <[REDACTED]> [ov](#)>
Cc: Jan Schwartz <[REDACTED]>; Katy Nomura <[REDACTED]>
Subject: Re: Proposal for Town Council

[EXTERNAL SENDER]

Dear Laurel,

Thank you for getting back to me so quickly and providing that information. Please find our proposal attached and let us know when a closed session may be possible.

I'll work the board on attending the public finance committee meetings.

As always, I appreciate your help.

Warm regards,
Kimberly

On Thu, Apr 4, 2024 at 3:47 PM Laurel Prevetti <[REDACTED]> wrote:

Good afternoon,

Thank you reaching out. I hope you are both doing well.

Our proposed budget is currently in preparation for distribution on April 22nd. We welcome any proposals and we will work with the Mayor to set a future closed session for discussion and next steps.

If you want to discuss the proposal publicly, the Finance Commission will be discussing the Proposed Budget on April 29, May 6, and May 13. The Council holds its Budget hearings on May 21.

Please let me know if you need anything else.

Thank you,

Laurel

ITEM NO. 11.

From: Kimberly Snyder <[REDACTED]>
Sent: Thursday, April 4, 2024 2:28 PM
To: Laurel Prevetti <[REDACTED]>
Cc: Jan Schwartz <[REDACTED]>
Subject: Proposal for Town Council

[EXTERNAL SENDER]

Dear Laurel,

The board and I have been working on a proposal that we would like to share with the town council for budget consideration for this upcoming fiscal year. What would be the best way to proceed?

Thank you for your help and guidance on this matter.

--



[subscribe to our e-newsletter](#)

Kimberly Snyder

Executive Director

she / her


p: [408.354.2646](tel:408.354.2646)

a: [106 E. Main Street](#)

[Los Gatos, Ca 95030](#)

w: numulosgatos.org

Engaging the community at the intersection of Art, History, and Education.



SUPPORT NUMU. BECOME A MEMBER!

Muwekma Ohlone Tribe Land Acknowledgment - As a member of the Los Gatos community, I acknowledge that I am a guest on the ancestral and traditional land of the First People of this region, the present-day Muwekma Ohlone Tribe of the San Francisco Bay Area historically Federally Recognized as the Verona Band of Alameda County. I support the restoration and sovereignty of this Chochenyo-Thámien-Ramaytush-Awáswas speaking BIA documented Ohlone Tribe, as well as all Indigenous Peoples.



[subscribe to our e-newsletter](#)

Kimberly Snyder

Executive Director

she / her

p: 408.354.2646

a: 106 E. Main Street
Los Gatos, Ca 95030

w: numulosgatos.org

Engaging the community at the intersection of Art, History, and Education.



SUPPORT NUMU. BECOME A MEMBER!

Muwekma Ohlone Tribe Land Acknowledgment - As a member of the Los Gatos community, I acknowledge that I am a guest on the ancestral and traditional land of the First People of this region, the present-day Muwekma Ohlone Tribe of the San Francisco Bay Area historically Federally Recognized as the Verona Band of Alameda County. I support the restoration and sovereignty of this Chochenyo-Thámien-Ramaytush-Awáswas speaking BIA documented Ohlone Tribe, as well as all Indigenous Peoples.



March 26, 2024

Dear Los Gatos Town Council: The Honorable Mayor Badame, Vice Mayor Hudes, and Council Members Ristow, Moore, and Rennie

NUMU is requesting \$350k investment over the next three years.

Since rebranding and opening at the Los Gatos Civic Center, New Museum Los Gatos (NUMU) has achieved tremendous growth. The Museum is a beacon for arts and history in the Bay Area, attracting 6,500+ annual visitors, 30% from the Town of Los Gatos. We receive County, State and Federal recognition and funding. This proposal will enable the museum to invest in programs and exhibits that enhance our ability to attract visitors that contribute to the strength of our town's local economy – dining, shopping, and spreading the word about the attractions of Los Gatos. It ensures the stewardship of the Permanent Los Gatos History Collection and creates a suite of programs geared to attracting and serving seniors.

Specifically, this request includes support for the Los Gatos History Project for the next three years (June 30, 2024-July 1, 2027), as well as funding a monument sign at the Los Gatos Civic Center. This proposal aligns with the Town's 2024-2026 Strategic Priorities significantly enhancing community vitality and quality of Life in Los Gatos. As outlined in the strategic plan:

- Community Vitality
 - Diversity, Equity & Inclusion Efforts
 - Community Where Older Adults Thrive
 - Events & Other Town-Wide Efforts
 - Community Engagement
 - Environmental Sustainability/Climate Resiliency

Request #1: Provide \$100k per year over the next 3 years in matching funds for the Los Gatos History Project for accessible programming, exhibitions and collections stewardship.

Overview

The Los Gatos History Project makes our permanent art and history collection accessible in-person and through an online database. This project invites the community to experience the under told stories of our town's local history through programs and rotating exhibitions. Our professional museum staff is uniquely qualified in delivering exhibitions and programs, collections care and display. The museum has actively secured funds since 2019 to help fund this project. Most recently the museum received a grant from the **Institute of Museum and Library Services (IMLS)** to fund the project. The \$65k per year investment represents 50% of the total program budget, the

required matching funds for the national IMLS grant. The additional \$35k will provide partial matching funds for a new exhibition specific IMLS grant and an NEH grant.

Secured Funding to date

- **The County of Santa Clara Historic Grant Program** (2019-2022) invested **\$260k** in initial funding.
- **Institute of Museum and Library Services (IMLS)** grant of \$190k (matching grant over 3 years 2022-2025) to continue our work stewarding the Town's history– this grant requires a 1:1 match
- Since 2021 NUMU has raised an additional \$125k to continue this work over the next three years
- **Institute of Museum and Library Services (IMLS)** \$120k in matching funds Muwekma Ohlone Exhibition. Application submitted November 2023, award notification date August 2024.
- **National Endowment for the Humanities (NEH)** \$75k in matching funds Frank & George Exhibition. Application submitted August 2023, award notification date June 2024.

Upcoming Projects/Programs

- Produce history related exhibitions and programs sharing untold histories of Los Gatos and the surrounding areas that support the town's DEI goals.
 - Upcoming Exhibitions:
 - *The Los Gatos History Project: exploring untold stories:* rotating exhibits highlighting and displaying the wide range of artifacts from the Permanent Collection.
 - *Revitalization: Culture, Heritage and Traditions of the Muwekma Ohlone Tribe* (2025/26.) Building on the successful Muwekma Ohlone exhibits of 2021, which traveled to the DeSaisset Santa Clara University Museum in January 2024, and has been requested by Alameda Creek Watershed, Stanford, CSU Monterey Bay and Grace Hudson Museum in Ukiah, CA.
 - *The Boys: Frank Ingerson and George Dennison* (2026-) NUMU has the most comprehensive collection representing the lives of these prolific artists and life partners and their home, Cathedral Oaks, a mountain destination for creatives in mid-20th-century Los Gatos.
 - Accessible Programs
 - Monthly Free Public Art & History Tours on Free First Sundays.
 - Private Tours for local senior groups.
 - Monthly e-newsletters and social media posts
 - Collection Lab: Lectures & talks with scholars, subject matter experts and local community partners. Examples include:
 - Billy Jones Railroad



- How to archive your family's collection (catalogit)
- Caring for your collection
- Lectures with Los Gatos History Bill Wulf
- History Still Life Drawing Workshops
- Talks with the Curator
- Loma Prieta Earthquake 35th anniversary
- Footbridge Aspiring Artist Mural Program: NUMU provides a 3 week camp for ages 8-12 to create a mural to be placed on the footbridge celebrating life in Los Gatos. Students learn about Los Gatos history and art basics.
- Presenting at statewide conferences bringing attention and visibility to the important work achieved in Los Gatos.
- **We are asking the Town to participate in preserving and presenting its history.**

The Collection

The Town has highly valued the importance of preserving the Town map from 1891. This is only one of the invaluable historical pieces in our collection.

- Recently acquired the collections of **local historian Bill Wulf** and **the Billy Jones Family**. These are truly historical treasures of Los Gatos history.
- To date the museum has digitized over 2,600 artifacts in our permanent collection. This funding would ensure that we can digitize our entire collection which far exceeds our original estimate of 3,000 artifacts, making them accessible for the Los Gatos community and beyond. (View the database: <https://hub.catalogit.app/4267>)
- Town support is critical to continuing this project, keeping the Town's history maintained and accessible.

Request #2: \$50k Investment in increasing the Museum's Visibility

The museum has increased its reach in the Bay Area. Through strategic investments in marketing initiatives we will attract visitors to our exhibitions, programs and community events, encouraging Los Gatos tourism, while enhancing services and programs to our local residents. This will provide a source of direct revenue for the museum and generate indirect revenue in the town. Our vision is to make the Civic Center a central community hub. This initiative is an effort to elevate and beautify the space attracting visitors from Los Gatos and beyond.

- Increase Visibility at Civic Center
 - **Monument sign on Main Street (\$50,000)**

NUMU's relationship with the Town of Los Gatos is vital to us and our ongoing ability to serve our community. Thank you from all of us for your continued support.



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

ITEM NO. 11.

In partnership,

Kimberly Snyder, NUMU Executive Director

Jan Schwartz, NUMU Board President



Museum's Impact FY23 (July 1, 2022- June 30, 2023)

6,000+ Annual Visitors (30% from Los Gatos, 25% from San Jose)

100+ Exhibiting Artists (Bay Area)

- Marie Cameron, Alexander Hernandez, Kathy Aoki
- 83 emerging high school artists
- & more!

1,800+ Digitally cataloged and archived items from the Permanent Collection

10 Rotating Art and History Exhibitions

- *Reclamation*
- *ArtNow 2023: Unarmed Truth*
- *Terra Firma*
- *ArtNow, Annual High School Juried Exhibition and Educational Program*
- & more!

380+ Artworks & Artifacts Displayed

24 Programs & 24 Workshops, highlights include:

- Content Pick-Up Party (~300 visitors)
- Aspiring Artists Footbridge Mural Project
- Honoring the Earth with Mosaic America
- & more!

30+ Community Partners, including

- Muwekma Ohlone Tribe of the San Francisco Bay Area
- Mosaic America
- San José State University
- Los Color
- Santa Clara Office of Education
- Los Gatos Library
- Los Gatos Art Association
- & more!

Museum's Strategic Priorities

1. Visibility - signage, marketing
2. Financial strength
3. Improving operations - fill all positions with competitive packages
4. Board development - ambassadors for the Museum and the community

Subject: A Letter to the Los Gatos Town Council - Rental Assistance
Attachments: Rental Assistance Funding Proposal - 05.14.2024 Approved Draft.pdf

From: LG Anti-Racism Coalition <[REDACTED]>
Sent: Tuesday, May 14, 2024 6:57 PM
To: Council <[REDACTED]>; Mary Badame <[REDACTED]>; Matthew Hudes
<[REDACTED]>; Rob Rennie <[REDACTED]>; Maria Ristow <[REDACTED]>; Rob
Moore <[REDACTED]>; Laurel Prevetti <[REDACTED]>
Cc: Town Manager <[REDACTED]>; Clerk <[REDACTED]>
Subject: A Letter to the Los Gatos Town Council - Rental Assistance

[EXTERNAL SENDER]

To the Los Gatos Town Council and Staff,

The leaders of non-profit and faith organizations present you a proposal to be discussed at the incoming council meeting. The organizations presenting this proposal include the following organizations: West Valley Community Services, SVdP conference at St. Mary's Church, St. Mary's Church in Los Gatos, the Live Oak Senior Nutrition Center, Los Gatos United Methodist Church, Congregation Shir Hadash, and St. Luke's Episcopal Church in Los Gatos, and the Los Gatos Anti-Racism Coalition.

Attached is the letter of our proposal to increase our resources dedicated to rental assistance in the Town of Los Gatos. With the finalization of the budget for the fiscal year 2024/2025 incoming, we request that you consider our proposal during the next town council meeting.

We look forward to sharing our perspectives and participating next week.

Regards,
Jeff Suzuki

--

President of the Los Gatos Anti-Racism Coalition



Addressed To:

**The Hon. Mary Badame, Mayor of Los Gatos,
 The Hon. Matthew Hudes, Vice Mayor of Los Gatos,
 The Hon. Rob Rennie, Council Member of Los Gatos,
 The Hon. Maria Ristow, Council Member of Los Gatos,
 The Hon. Rob Moore, Council Member of Los Gatos**

From:

**Jeff Suzuki, President, Los Gatos Anti-Racism Coalition
 Sujatha Venkatraman, Executive Director, West Valley Community Services
 Sue Ahmadian, President, SVdP conference St. Mary's Church, Los Gatos
 Rev. Gregory Kimm, Pastor, St. Mary's Church, Los Gatos
 Kathy Mlinarich, Executive Director, Live Oak Senior Nutrition Center
 Marna Taylor, Coordinator for Shower Ministry, Los Gatos United Methodist Church
 Pastor Daniel Diss, Los Gatos United Methodist Church
 Rabbi Michael Walden, Congregation Shir Hadash
 Jo Greiner, Outreach Director, St. Luke's Episcopal Church, Los Gatos
 Rev. Ricardo Avila, Rector, St. Luke's Episcopal Church, Los Gatos**

As community and faith leaders who live and/or serve Los Gatos, it is our fervent belief that we must collectively address the housing affordability crisis. Working-class families and those on fixed incomes like our senior citizens have experienced unprecedented economic pressure as the cost of rents and basic necessities continue to grow without any sign of stopping. To maintain the tight-knit and resilient character of our community, we must continue to strengthen our systems of support and social safety.

There is unprecedented and unmet demand for such assistance. And as the homelessness crisis progressively worsens, it has become increasingly evident that it is much more expensive, difficult, and complicated to bring an individual back into housing than it is to keep them in their homes. Some studies estimate that leaving a person chronically homeless costs taxpayers \$30,000 to \$50,000 a year per person.¹ An ounce of prevention is worth a pound of cure.

Therefore, we propose that the Town of Los Gatos reserve a total of \$30,000 for rental assistance programs that operate and assist residents in Los Gatos. At the moment, West Valley Community Services receives \$15,000 a year from the Town of Los Gatos to provide rental assistance to struggling tenants in our community. Under our proposal, an additional \$15,000 would be allocated in the form of grants to

¹ <https://peerta.acf.hhs.gov/content/all-ending-homelessness-all-americans>

nonprofits and/or faith-based organizations that are capable of administering and distributing rental assistance in Los Gatos for the Fiscal Year 2024-25.

The \$50,000 we deployed last year to help provide services to unhoused individuals is a true success story. These resources saved lives and improved the overall quality of life in our community. Los Gatos residents overwhelmingly have expressed a deep appreciation for such proactive initiatives. Our proposal represents another proactive step to build a more just community and fulfill our shared responsibility to care for our neighbors.

Thank you for your time and consideration.

**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/21/2024

DATE: May 14, 2024

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Review Polling Results, Authorize the Town Manager to Execute an Amendment to the NBS Agreement to Include Phase 2 in the Scope of Services to Prepare a 1/8th Cent Sales Tax Measure for the November 2024 Ballot and Increase the Not to Exceed Amount to \$105,000, and Authorize an Expenditure Budget Adjustment in an Amount of \$60,400 from the Available General Fund Capital/Special Projects Reserve

RECOMMENDATION:

Review polling results, authorize the Town Manager to execute an amendment to the NBS agreement to include Phase 2 in the Scope of Services to prepare a 1/8th cent sales tax measure for the November 2024 Ballot and increase the not to exceed amount to \$105,000 (Attachment 1), and authorize an expenditure budget adjustment in an amount of \$60,400 from the available General Fund Capital/Special Projects Reserve.

REMARKS:

At its meeting on May 7, 2024, the Council received the polling results for a 1/8th cent sales tax and continued the discussion to the May 21, 2024 Town Council meeting. The Council also referred the topic of reviewing the polling results and discussing next steps to the Finance Commission. The staff report (Attachment 2) and polling summary presentation (Attachment 3) from the May 7 Council meeting are attached as well as the polling topline report (Attachment 4).

At its May 13, 2024 meeting, the Finance Commission recommended that the Town Council pursue the 1/8th cent sales tax increase only if the use of proceeds are tied to specific needs, such as building infrastructure, and are not for general revenue purposes. A specific tax would require a two-thirds vote to pass. A general tax would require a majority vote to pass.

PREPARED BY: Katy Nomura
Assistant Town Manager

Reviewed by: Town Manager, Town Attorney, and Finance Director

SUBJECT: Revenue Ballot Measure Polling Results

DATE: May 14, 2024

REMARKS (continued):

If the Council chooses to prepare a sales tax measure, staff recommends that the ballot language include a sunset date as well as a requirement for an independent oversight committee to ensure full transparency of the allocation of funds regardless of whether it is a specific or general tax. Prior to the November 2024 vote, the Council could also adopt a resolution specifying how to prioritize dollars from the potential sales tax measure if pursued.

Staff looks forward to Council's discussion and direction on whether to pursue a 1/8th cent sales tax measure. If a measure is pursued, final ballot measure language and a resolution to place the measure on the November 2024 ballot would return to Council in June to meet the August 9, 2024 submittal deadline to the Santa Clara County Registrar of Voters.

COORDINATION:

The preparation of this report was coordinated with the Town Manager, Town Attorney, and Director of Finance.

FISCAL IMPACT:

On October 17, 2023, Council authorized the Town Manager to enter into an agreement with NBS for the initial phase of the revenue ballot measure work for amount not to exceed \$44,600. The proposed amendment would allow the second phase of work to begin and bring the total not to exceed amount for the contract to \$105,000. This would require an expenditure budget adjustment of \$60,400 from the Available General Fund Capital/Special Projects Reserve. Placing a measure on the 2024 general election ballot is estimated to cost approximately \$60,000. If a measure is pursued, the \$60,000 expenditure budget adjustment would be requested when the Council considers the resolution to place the measure on the ballot.

If a 1/8th cent sales tax measure is successful, it is estimated to generate approximately \$1 million in additional revenue for the Town annually.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Draft Amendment to NBS Agreement
2. May 7, 2024 Council Meeting Staff Report on Polling Results
3. Polling Results Summary
4. Polling Topline Report

AMENDMENT TO AGREEMENT

This AMENDMENT TO AGREEMENT is dated for identification this 8th day of May 2024 and amends that certain (AGREEMENT DESCRIPTION) dated October 18, 2023 made by and between the Town of Los Gatos, ("Town,") and NBS Government Finance Group, DBA: NBS, S Corporation ("Consultant"), whose address is 870 Market Street, Suite 1223, San Francisco, CA 94102.

RECITALS

- A. Town and Consultant entered into a Consulting Agreement on October 18, 2023, ("Agreement"), a copy of which is attached hereto and incorporated by reference as Exhibit A to this Amendment.
- B. Town desires to amend the Agreement to complete Phase 2 described in the Scope of Services.

AMENDMENT

1. Section 2.1 Scope of Services is amended to read as follows:

Consultant shall provide services as described in Phase 1 and Phase 2 of the Scope of Services, which is hereby incorporated by reference and attached as Exhibit A.

2. Section 2.6 Compensation is amended to read as follows:

Compensation for Consultant's professional services shall not exceed \$105,000, inclusive of all costs. Payment shall be based upon Town approval of each task.

3. All other items and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos:

Approved as to Consent:

Laurel Prevetti, Town Manager

Michael Rentner, Chief Executive Officer

Recommended by:

Katy Nomura
Assistant Town Manager

Approved as to Form:

Attest:

Gabrielle Whelan, Town Attorney

Wendy Wood, CMC, Town Clerk

AGREEMENT FOR REVENUE BALLOT MEASURE CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on October 18, 2023 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and NBS Government Finance Group, DBA: NBS, S Corporation ("Consultant"), whose address is 870 Market Street, Suite 1223, San Francisco, CA 94102. This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 The Town desire to engage Consultant to provide **revenue ballot measure consultant services**.
- 1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

- 2.1 Scope of Services. Consultant shall provide services as described in **Phase 1 of the Scope of Services**, which is hereby incorporated by reference and attached as **Exhibit A**.

Town staff and Consultant shall return to the Los Gatos Town Council for direction before conducting the voter poll portion of the work.

- 2.2 Term and Time of Performance. This contract will remain in effect from **October 18, 2023 to November 5, 2024**.
- 2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits

prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

- 2.6 Compensation. Compensation for Consultant's professional services **shall not exceed \$44,600**, inclusive of all costs. Payment shall be based upon Town approval of each task.
- 2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

- 2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.
- 2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.
- 2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations

under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

- 2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

- i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars (\$2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
- ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

- iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.
- iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than \$1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. The Town, its elected and appointed officials, employees, and agents, are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the automobile or professional liability insurance required for professional errors and omissions.
 - ii. The Consultant's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its elected and appointed officials, employees, and agents, shall be excess of the Consultant's insurance and shall not contribute with it.
 - iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its elected and appointed officials, employees, and agents.
 - iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.
- 3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further,

Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

- 3.4 Indemnification. The Consultant shall save, keep, hold harmless and indemnify and defend the Town, its elected and appointed officials, employees, and agents, from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing the work described in this contract.

IV. GENERAL TERMS

- 4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- 4.2 Governing Law and Venue. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- 4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.
- 4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.
- 4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.
- 4.6 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

NBS Government Finance Group, DBA: NBS, S
Corporation
870 Market Street, Suite 1223
San Francisco, CA 94102

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

- 4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- 4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

DocuSigned by:

Laurel Prevetti

853FEEA2EB39478...

Laurel Prevetti, Town Manager

Consultant, by:

DocuSigned by:

Michael Rentner

G1107459GCD7488...

Recommended by:

DocuSigned by:

Katy Nomura

38C2441CEBC343B...

Katy Nomura, Assistant Town Manager

Michael Rentner, Chief Executive Officer

Printed Name and Title

Approved as to Form:

DocuSigned by:

Gabrielle Whelan

EFD6738A5534428...

Gabrielle Whelan, Town Attorney

Attest:

DocuSigned by:

Wendy Wood

BF6EDGBE2C244F8...

Wendy Wood, CMC, Town Clerk

Exhibit A: Scope of Services

ITEM NO. 12.

4. Project Approach

Summary of Approach



NBS will communicate with the Town staff throughout the duration of the project to clarify the Town's goals, identify any special circumstances, and develop a realistic project schedule. The following Work Plans detail the steps needed to put the Town in the best position to propose a viable local funding ballot measure for the November 2024 election.

Although not mentioned in the Town's Request for Qualifications, an additional service we can provide is Revenue Measure Modeling to calculate financial benefit to the Town of a Special Financing District. This is listed as an optional item in our proposed budget.

Phase 1 | October - December 2023 | Issue Research, Polling, Community Survey

NBS will work with your team to understand the specific needs for, and demand on, the Town's programs and services, and will provide an analysis of various tax models for the Town to understand potential options.

Develop Stakeholder Outreach and Public Engagement Messaging: NBS will work with staff, elected officials and stakeholders to develop agreed-upon messaging that will ensure the sharing of consistent ideas and concepts with the community during Phase One services such as polling. Standard messaging will provide clarity to community members and prevent confusion.

NBS will partner with the Town Manager, Town team, and our subconsultant GBA to provide the research needed for the Town to understand its most viable revenue measure options.

Voter Poll: Working with NBS and the Town team, GBA will draft a survey questionnaire for Town approval, and conduct a poll among likely voters within Los Gatos that will achieve the following objectives:

- Explore the current image of the Town of Los Gatos, voters' attitudes towards the Town, and their assessments of the strengths and weaknesses of local government;
- Determine voter perceptions of the needs of the Town and the priorities that voters set for those needs;
- Determine voter attitudes towards various revenue measures for the Town, and the optimum amount to place before the voters;

- Evaluate voters' top priorities for money raised in order to design a measure that best addresses the desires of the community;
- Determine the most effective and important reasons for your voters to support a ballot measure;
- Develop a demographic profile of Town voters, including how various demographic groups differ in their opinions and attitudes towards a possible ballot measure.

Polling Methodology: Our subconsultant, GBA, will select the survey sample from highly sophisticated and up-to-date voter registration files. This information, when combined with the answers to our survey questions, is essential as we identify voters who are most likely to vote in general, primary, municipal, special, or mail-only elections. It is critical to remember that any survey must interview only likely voters. Being a registered voter is not enough. Those likely to vote will have demonstrated their interest in voting through their history in previous elections.

The sample will be drawn from lists of registered voters which have been matched with telephone directories and other lists to maximize the quantity of available telephone numbers. Since this is a small city, we would expect that a smaller sample of voters will be adequate, even if it is no more than 100-200 completed interviews.

GBA believes that it is of the utmost importance to go beyond simple questions and simple answers. For example, you will never see us ask if a problem is serious or not serious. We require differentiation between those with strong opinions and those with weaker opinions, those who say the problem is "extremely serious," or "very serious" rather than those who say it is only "somewhat serious" or "not too serious." Therefore, virtually all questions in our polls will delve into the intensity of feeling that voters bring to an issue. Only in this way can we separate those voters with a general opinion on an issue from those who are moved to take action because of that same issue (even if the "action" is just voting "yes" or "no").

Telephone interviews are conducted by a regularly employed staff of full-time professional interviewers who specialize in conducting interviews for public opinion surveys. GBA supervises the interviewing process and verifies that interviews are conducted according to specifications. Supervisory procedures include continuous on-site and telephone monitoring of interviews. GBA follows established industry standards for call backs of busy or "not-at-home" numbers designed specifically to maintain the randomness of interviewee selection and the validity of the survey. A regularly employed staff of full-time professional interviewers conducts interviews in English, Spanish, Vietnamese, Cantonese, Mandarin, and other languages.

To summarize, we will provide to the Town of Los Gatos:

- Random telephone and on-line survey of likely voters
- Consultation solely with principal of Gene Bregman & Associates
- Assistance in developing topic areas to be investigated
- Development of survey questionnaire
- Scientific sample selection to assure reaching an accurate representation of the voting population
- Pre-testing of questionnaire
- Conduct of field work from our central phone bank, as well as surveys completed from text and email contacts
- Editing, coding, and electronic data processing
- A full computer printout of all cross-tabulated data

- Analysis of survey results
- On-going strategy and consultation

Feasibility Analysis of Ballot Measure Options and Expenditure Plan: Incorporating polling data, NBS and GBA will make recommendations to the Town team on a proposed ballot measure amount and ballot measure expenditure plan elements. If polling is favorable for a potential funding measure, this would be an optimal time to present polling data to the Town Council for discussion and recommendation to draft ballot measure language. This allows time for community outreach, input and consensus building among key stakeholders prior to finalizing the proposed ballot language and the resolutions Council must adopt to officially place a measure before voters.

Decision from Council to move to Phase 2.

Phase 2 | January 2023 – July 2024 | Message Toolkit, Stakeholder Outreach and Public Engagement

Outreach to key stakeholders (business, labor, and other community leaders) before a measure is officially proposed can be key to the success of its passage. This is where potential bumps in the road are uncovered, and ideally resolved. NBS will work with the Town team to develop a Stakeholder Outreach Plan and strategy to help build community consensus around the need for a ballot measure to maintain the quality of life that Los Gatos residents desire.

NBS will work with the Town team to create a Key Stakeholder Outreach Plan and a list of key stakeholders and media outlets, develop website content, and an Informational Toolkit (fact sheet, Q&A, PowerPoint presentation) that can be used to educate and engage leaders in the public and private sector, business community, and community-based organizations about the need for additional funding for essential public services.



Once the Council acts to place a measure on the ballot, the Town may consider some informational outreach to educate residents on the proposal itself through online and news media communications and through the mail. Working with your staff and legal counsel, we can assist with crafting and implementing that communications program.

Community Survey: In addition to the quantitative research conducted by GBA, CivicMic can conduct qualitative research in the form of a community survey of residents at large. This outreach through email and social media will be comprised of an abbreviated survey asking residents to weigh in with their priorities for town services and programs. This community engagement effort provides additional perspectives to the research and can be helpful in conveying the Town's commitment to inclusivity and transparency.



Engagement Activities

Aiming to reach residents with diverse backgrounds allowing for unique perspectives, CivicMic would:

Create a customized webpage for your project on civicmic.com. This site would feature a variety of engagement tools and informational materials.

Develop an email campaign strategy to reach out to community members and stakeholders who may not have access to social media or may not regularly visit the Town website.

Include specialized mapping and graphics on CivicMic.com, such as sample maps showing community participation in the survey.

Design content related to the Town's challenges in maintaining high services levels for resident programs and services.

Coach various Stakeholders on ways to share educational materials with community members through workshops and printed materials.

Create an email list of community members who have expressed interest in receiving updates.

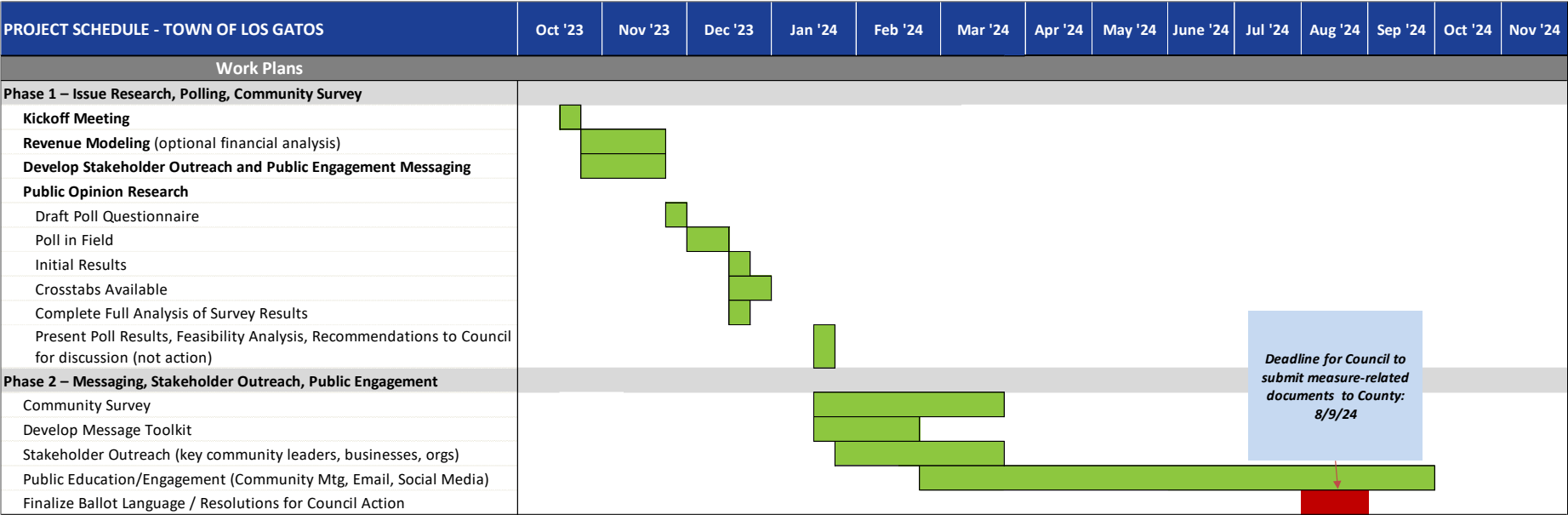
Finalize Ballot Measure Language and Ballot Argument

To place a ballot measure on the November 5, 2024 ballot, all election-related Council action and resolutions must be completed and noticed to the County by August 9, 2024, providing an important window of time for informing and engaging community members around the need for additional revenue before officially proposing and finalizing the ballot measure language.

NBS will work with the Town Manager and Town Attorney to draft ballot measure language and accompanying resolutions for Town Council approval.

DRAFT TIMELINE

The following is an overview of our proposed project schedule. We will discuss a detailed schedule at the kick-off meeting, along with the expected timing for individual tasks. *Note: This page is intentionally formatted differently to improve legibility of the table contents.*



5. Costs

Our professional fees are based on our understanding the Town's needs and the effort we believe is necessary to complete the scope of services described.

FEE SCHEDULE TOWN OF LOS GATOS							Grand Totals		
	Director (Wood)	Project Manager (Lewis)	GBA Flat Fee	NBS Consultant (Argerich- Valentine)	NBS Senior Consultant (Dayhoff)	NBS Specialist and Analyst (Savage)	Consultant Labor (Hrs.)	Consultant Costs (\$) with Optional Services	Consultant Costs (\$) without Optional Services
Hourly Rate	\$250	\$200	\$30,000	\$175	\$200	\$150			
Work Plans									
Phase 1 – Issue Research, Polling, Develop Communications Plan									
Kickoff Meeting	1.0	1.0	-	1.0	1.0	-	4.0	\$ 825	\$ 825
Revenue Modeling (Optional)	2.0	2.0	-	2.0	30.0	-	36.0	\$ 7,250	\$ -
Develop Stakeholder Outreach & Public Education Messaging	7.0	7.0	-	5.0	-	8.0	27.0	\$ 5,225	\$ 5,225
Public Opinion Research* (design voter poll, analyze data)	2.0	4.0	1.0	-	-	-	7.0	\$ 31,300	\$ 31,300
Total Phase 1								\$ 44,600	\$ 37,350
Phase 2 – Messaging, Stakeholder Outreach & Public Engagement									
Community Survey Implementation (Optional)	4.0	10.0	-	10.0	-	20.0	44.0	\$ 7,750	\$ -
Complete Stakeholder Outreach & Public Education Plan	8.0	8.0	-	5.0	-	-	21.0	\$ 4,475	\$ 4,475
Create Informational Toolkit (e.g., webpage content, Fact Sheet, FAQ)	4.0	12.0	-	12.0	-	4.0	32.0	\$ 6,100	\$ 6,100
Stakeholder Outreach & Public Education (meetings, flyers, social media)	8.0	40.0	-	20.0	-	20.0	88.0	\$ 16,500	\$ 16,500
Draft Ballot Language	5.0	5.0	-	-	-	-	10.0	\$ 2,250	\$ 2,250
Finalize Ballot Language / Resolution for Council	5.0	5.0	-	-	-	-	10.0	\$ 2,250	\$ 2,250
Total Phase 2								\$ 39,325	\$ 31,575
GRAND TOTAL FEES	46.0	94.0	1.0	55.0	31.0	52.0	279.0	\$ 83,925	\$ 68,925
ESTIMATED EXPENSES									
Mailing and printing costs	Cost associated with the design/print/postage per mailer							\$ 12,000	\$ 12,000
Travel and meeting expenses								\$ 3,500	\$ 3,500
TOTAL INCLUDING ESTIMATED EXPENSES								\$ 99,425	\$ 84,425
OPTIONAL SERVICES PRICING									
Labor & Travel Costs Per Optional In-Person Meeting								\$ 2,000	\$ 2,000

1. Travel-related cost and direct reimbursable expenses; all other expenses are included in labor rates. This cost will be \$0 if all meetings and presentations are held remotely.

ADDITIONAL POLLING INFORMATION

*Survey cost dependent on # of completed interviews desired.
100 completed interviews = \$15,000
200 completed interviews = \$24,000
300 completed interviews = \$30,000

Three major factors determine the cost for a survey: the number of interviews to be completed; the average length of each interview; and how easy or hard it is to reach and complete interviews with qualified voters. Of course, the more interviews that are completed, the more reliable is the data, as shown by the changes in sampling tolerance, or margin of error (MOE), at different completion rates. The following table shows how the MOE changes with the number of completes:

200 completed interviews = Margin of Error +/- 6.9%
300 completed interviews = Margin of Error +/- 5.7%

In addition, when the overall sample size increases, the sample sizes for various voter sub-groups will also increase, and their margins of error will decrease.

HOURLY RATES

Title	Hourly Rate
Director / Senior Review	\$250
Associate Director / Engineer	\$225
Senior Consultant	\$200
Consultant	\$175
Project Analyst / Specialist	\$150
Project Resource Analyst	\$130
Clerical / Support	\$110

TERMS

Public Engagement services are invoiced on a monthly basis. Expenses will be itemized and included in the next regular invoice. If the project is prematurely terminated by either party, NBS shall receive payment for work completed. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days, simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel consulting contract with 30 days’ written notice.

EXPENSES

Customary out-of-pocket expenses are billed at actual cost to NBS. These expenses may include, but not be limited to, boundary map and assessment diagram preparation (time, materials, plotting and all related costs), mailing fulfillment, postage, supplies, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/07/2024

DATE: April 26, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Review Polling Results, Authorize the Town Manager to Execute an Amendment to the NBS Agreement to Include Phase 2 in the Scope of Services to Prepare a 1/8th Cent Sales Tax Measure for the November 2024 Ballot and Increase the Not to Exceed Amount to \$105,000, and Authorize an Expenditure Budget Adjustment in an Amount of \$60,400 from the Available General Fund Capital/Special Projects Reserve

RECOMMENDATION:

Review polling results, authorize the Town Manager to execute an amendment to the NBS agreement to include Phase 2 in the Scope of Services to prepare a 1/8th cent sales tax measure for the November 2024 Ballot and increase the not to exceed amount to \$105,000 (Attachment 1), and authorize an expenditure budget adjustment in an amount of \$60,400 from the available General Fund Capital/Special Projects Reserve.

BACKGROUND:

While costs of providing services and programs for residents have significantly increased over the years, Town revenues have not kept pace. Los Gatos is facing the same economic pressures as many other cities and businesses, including inflation and the uneven recovery from the pandemic. In addition, unfunded mandates by the State have also reduced the Town's available funds.

The Town maintains a relatively stable and low staffing level. Even so, costs per employee continue to escalate as evidenced by pension benefit costs having increased 35% in the last five years. The Town Council has taken several proactive steps to reduce the Town's pension liability, including Additional Discretionary Payments for the Pension Plans and curbing cost escalation in Other Post-Employment Benefits (OPEB).

PREPARED BY: Katy Nomura
Assistant Town Manager

Reviewed by: Town Manager, Town Attorney, and Finance Director

SUBJECT: Revenue Ballot Measure Polling Results

DATE: April 26, 2024

BACKGROUND (continued):

Los Gatos has taken the following proactive cost-cutting measures during major economic downturns to control costs while maintaining high service levels:

- Staffing levels significantly reduced from 2001 – 2005 and have not returned to those levels, despite an increase in population since then, unfunded mandates, and service demands,
- Imposed wage freezes and unpaid furloughs, and
- Reduced employee benefit costs.

Town financials are reviewed annually by an independent auditor. Los Gatos has earned recognition for its fiscal responsibility with the highest credit rating (AAA bond rating by Moody's) and annual awards by the Government Finance Officers Association for its high quality and transparent budgeting practices.

On November 17, 2022, the Finance Commission reviewed several cost reduction measures and recommended that the Town further work toward operational efficiencies and researching additional revenue options.

On January 24, 2023, the Town Council determined its Strategic Priorities for 2023-2025, which included exploring new revenue opportunities.

On June 20, 2023, the Town Council authorized the Town Manager to issue a Request for Qualifications (RFQ) for revenue ballot measure consulting services. After conducting the RFQ process, the Town selected NBS.

On October 17, 2023, Town Council authorized the Town Manager to enter into an agreement for the initial phase of the work for an amount not to exceed \$44,600, with direction to return to Council with revenue modeling prior to beginning any polling.

On December 19, 2023, Town Council reviewed the Revenue Modeling Report prepared by NBS and continued the item to February 20, 2024 to consider it at the same time as the five-year forecast.

On February 12, 2024, the Finance Commission discussed the NBS report and recommended that the Town Council not rely upon the NBS Report's conclusions regarding deficit reductions because the financial analysis was based on an outdated 5-Year Forecast which did not include actual results for Fiscal Year 2022/23. The Finance Commission did find that the incremental revenue contribution for the revenue options analyzed are credible and can be used for modeling purposes. While the Commission did not make a motion regarding any potential ballot measure, individual Commissioners questioned the need for it at this time. One

SUBJECT: Revenue Ballot Measure Polling Results

DATE: April 26, 2024

BACKGROUND (continued):

Commissioner expressed that there may or may not be merit to the 1/8th cent tax measure and indicated this was the reason they declined to opine.

On February 13, 2024, the Town Council updated its Strategic Priorities and removed the detailed bullets under “Develop a Five-Year Structurally Balanced and Sustainable Operating Forecast,” including reference to new revenue opportunities.

On February 20, 2024, the Town Council directed staff to proceed with polling to explore a 1/8th cent sales tax. A 1/8th cent sales tax is estimated to result in approximately \$1 million in additional revenue annually.

DISCUSSION:

NBS partnered with Gene Bregman and Associated to conduct the scientific polling. Polling occurred from March 24-27, 2024 and surveyed 200 registered Los Gatos voters. The summary of the polling results will be presented at the Council meeting, including the following conclusions:

- Los Gatos residents are very positive towards their Town, local government, and Departments within local government.
- Maintaining public safety (police services and wildfire prevention) and traffic congestion are of paramount importance to voters.
- Majority of voters are supportive of a 1/8th cent sales tax increase for the Town.
- If the Town captures the remaining 1/8th cent of sales tax capacity available to Los Gatos, 100% of the funds would remain in Los Gatos.
- Not claiming the remaining sales tax capacity means a County entity could capture the 1/8th cent and raise sales tax for Los Gatos with potentially little benefit to the Town.

The Finance Commission had the option to consider the polling results at its May 6, 2024 meeting prior to Council consideration. The Finance Commission Chairperson preferred to focus the meeting on the proposed Fiscal Year 2024/25 Budget and referenced that the Commission discussed potential polling and revenue measures on February 12, 2024. A summary of the February 12, 2024 discussion can be found in the Background section of this report.

If Council authorizes Phase 2 of the NBS agreement, the consultant will prepare public education and outreach, refine ballot measure language, and draft a resolution for the Town Council to place the measure on the 2024 ballot. It is worth noting that a super majority of Council (4/5) is required to place a measure on the 2024 ballot.

SUBJECT: Revenue Ballot Measure Polling Results

DATE: April 26, 2024

CONCLUSION:

Staff looks forward to Council's discussion and direction on whether to pursue a 1/8th cent sales tax measure. If a measure is pursued, final ballot measure language and a resolution to place the measure on the November 2024 ballot would return to Council in June to meet the August 9, 2024 submittal deadline to the Santa Clara County Registrar of Voters.

COORDINATION:

The preparation of this report was coordinated with the Town Manager, Town Attorney, and Director of Finance.

FISCAL IMPACT:

On October 17, 2023, Council authorized the Town Manager to enter into an agreement for the initial phase of the work for amount not to exceed \$44,600. The proposed amendment would bring the total not to exceed amount for the contract to \$105,000 and require an expenditure budget adjustment of \$60,400 from the Available General Fund Capital/Special Projects Reserve. The cost of placing a measure on the 2024 general election ballot is estimated to cost approximately \$60,000. If a measure is pursued, the \$60,000 expenditure budget adjustment would be requested when the Council considers the resolution to place the measure on the ballot.

If a 1/8th cent sales tax measure is successful, it is estimated to generate \$1 million in additional revenue for the Town annually.

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Draft Amendment to NBS Agreement

Summary Charts of Results from a Survey of November 2024 Likely Voters in the Town of Los Gatos, California

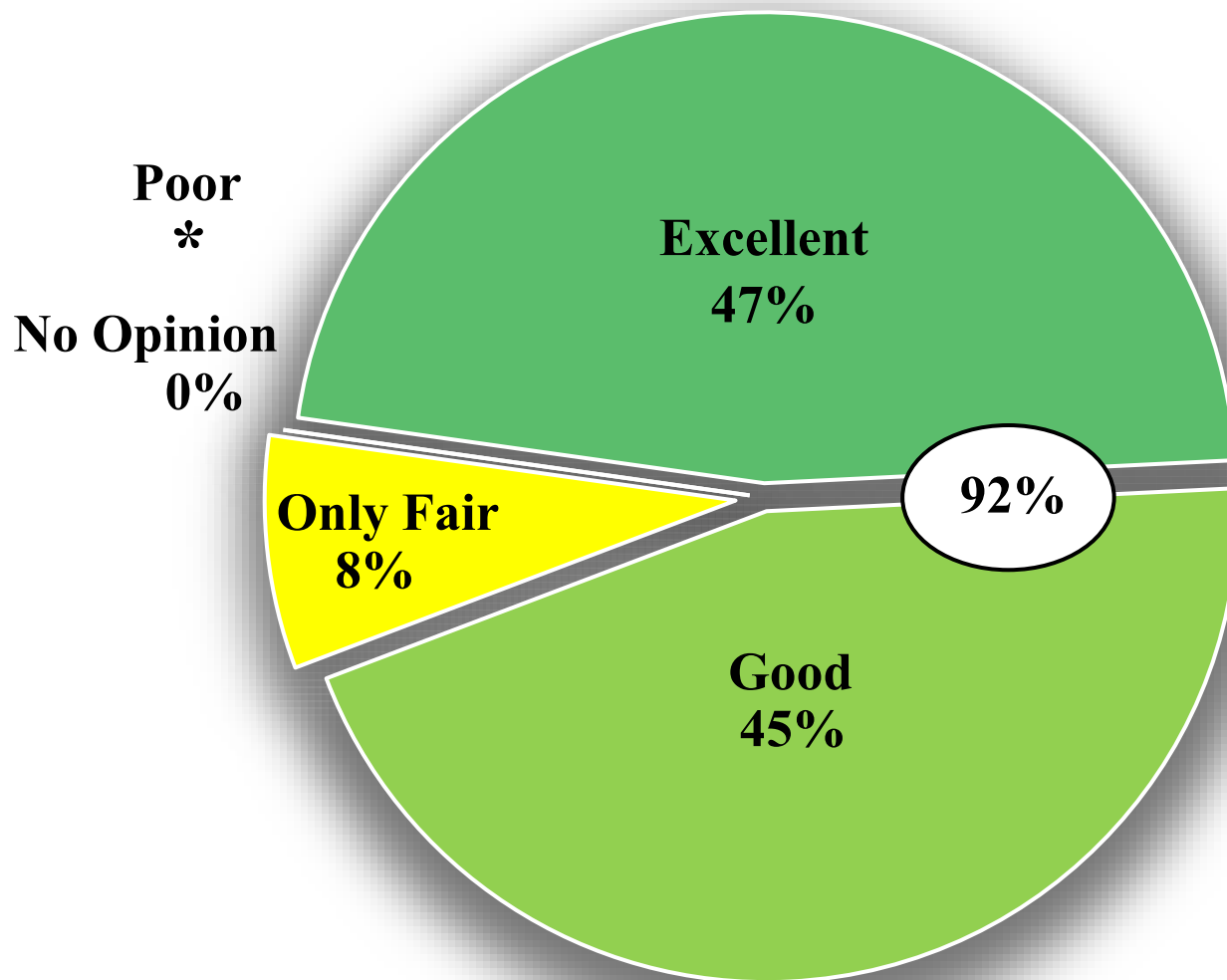
200 Interviews
Interviewing: March 24-27, 2024

conducted by



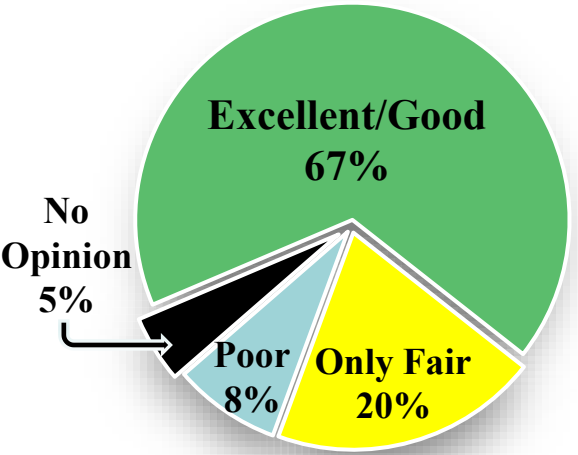
GENE BREGMAN & ASSOCIATES
Public Opinion & Marketing Research

Rating Los Gatos as a Place to Live

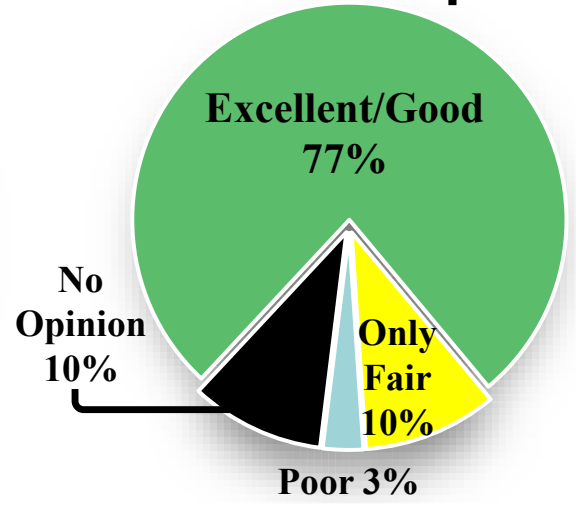


Excellent/Good Job Ratings in Los Gatos

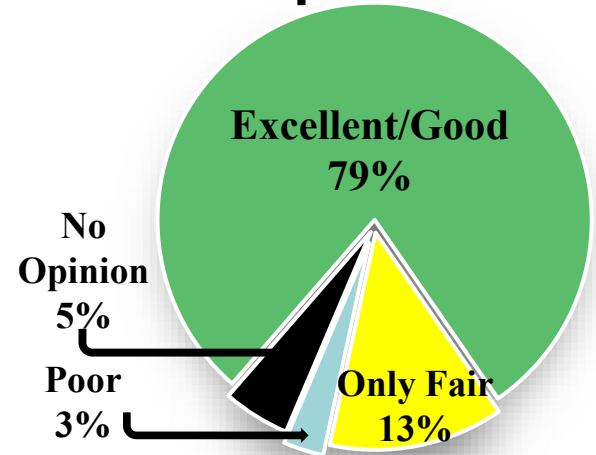
Town Government Overall



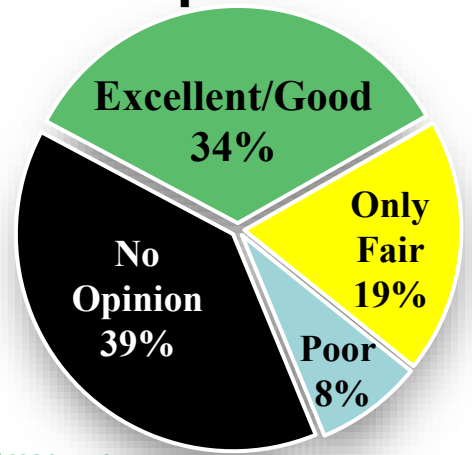
Parks & Public Works Department



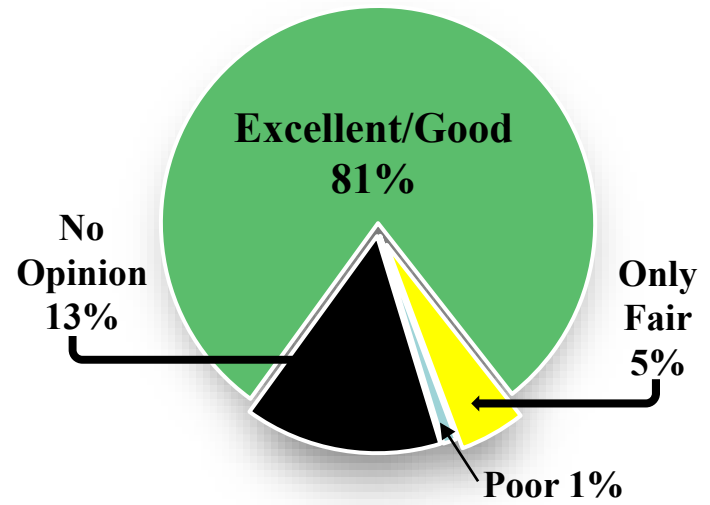
Police Department



Community Development Department



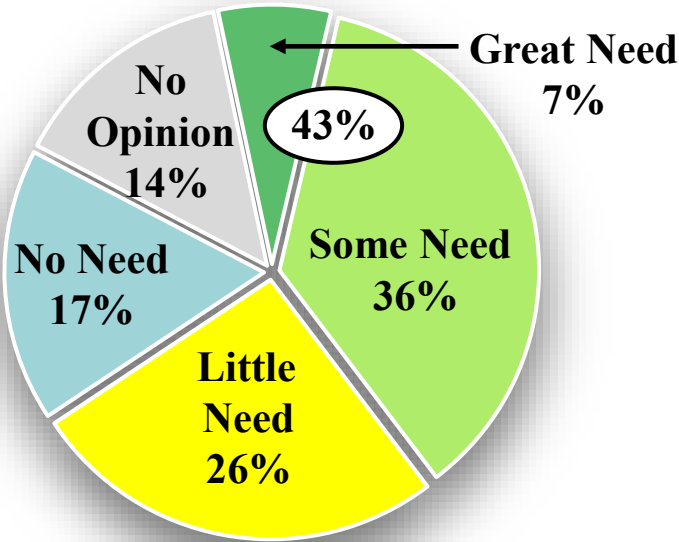
Library Department



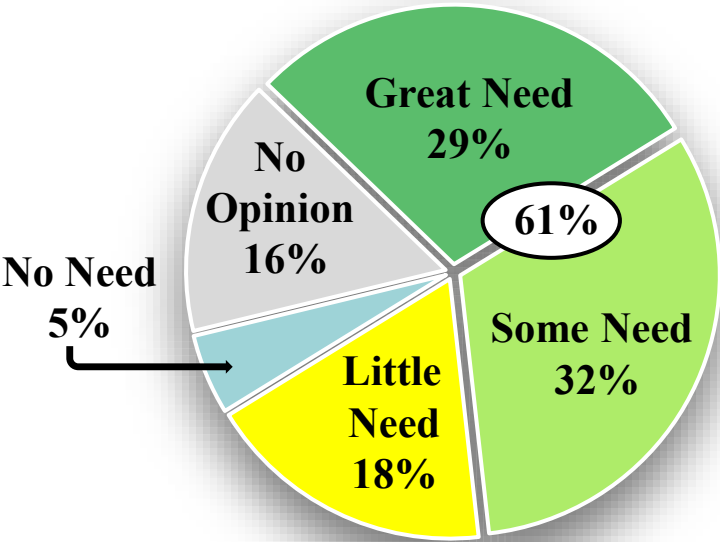
Voter Perceptions of Need for More Money

ITEM NO. 12.

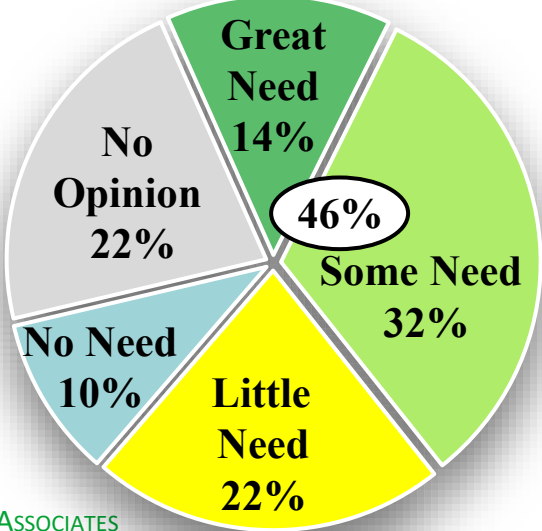
In General, For Town of Los Gatos



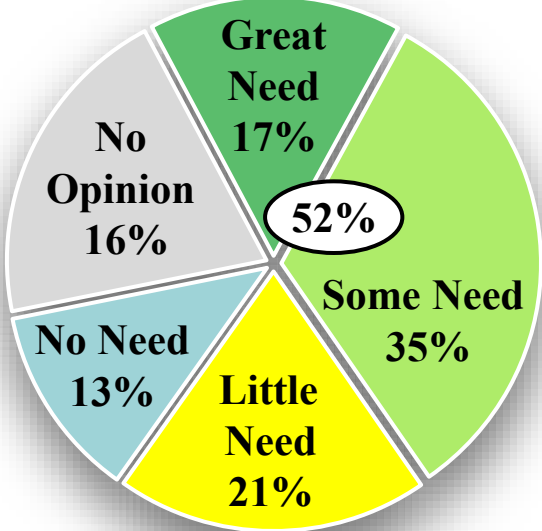
Maintain Adequate Wildfire Management Services



Maintain Adequate 9-1-1 Emergency Services

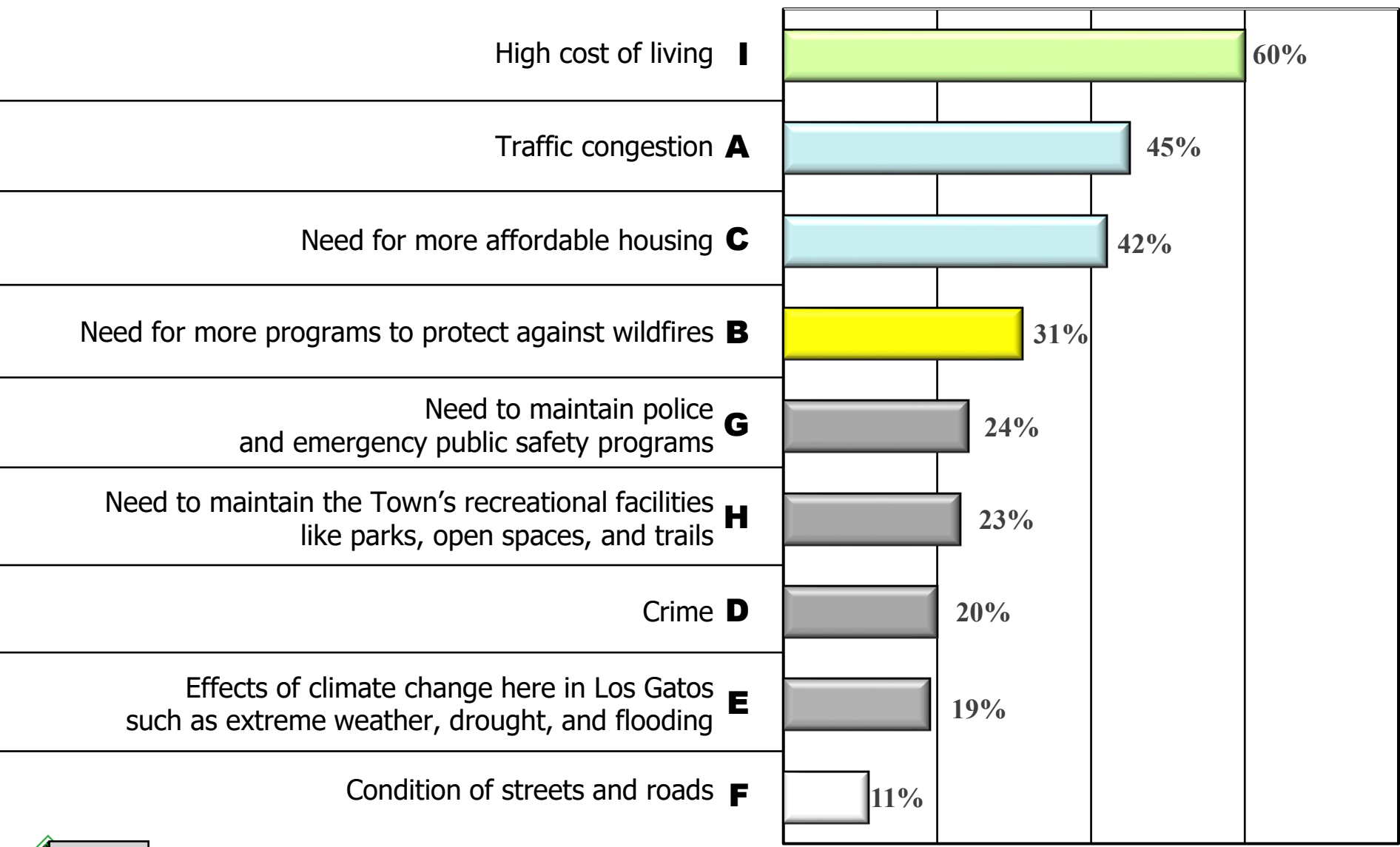


Maintain Adequate Police Services

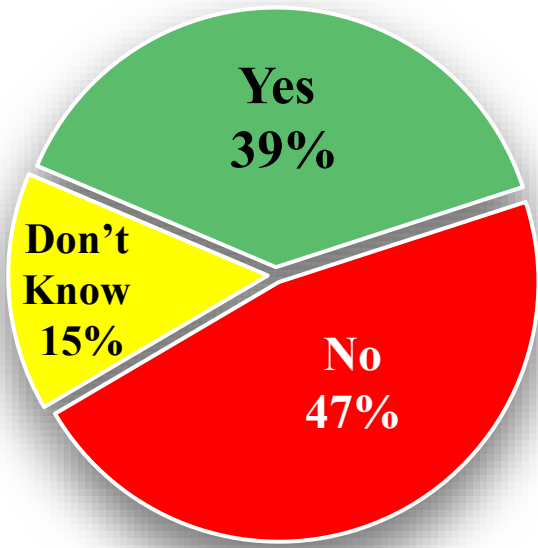


Very Serious Issues/Problems in Los Gatos

ITEM NO. 12.

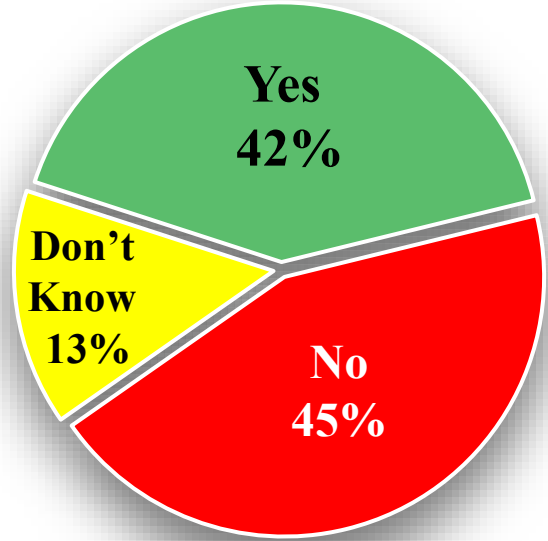


**Awareness of 2018
Sales Tax**



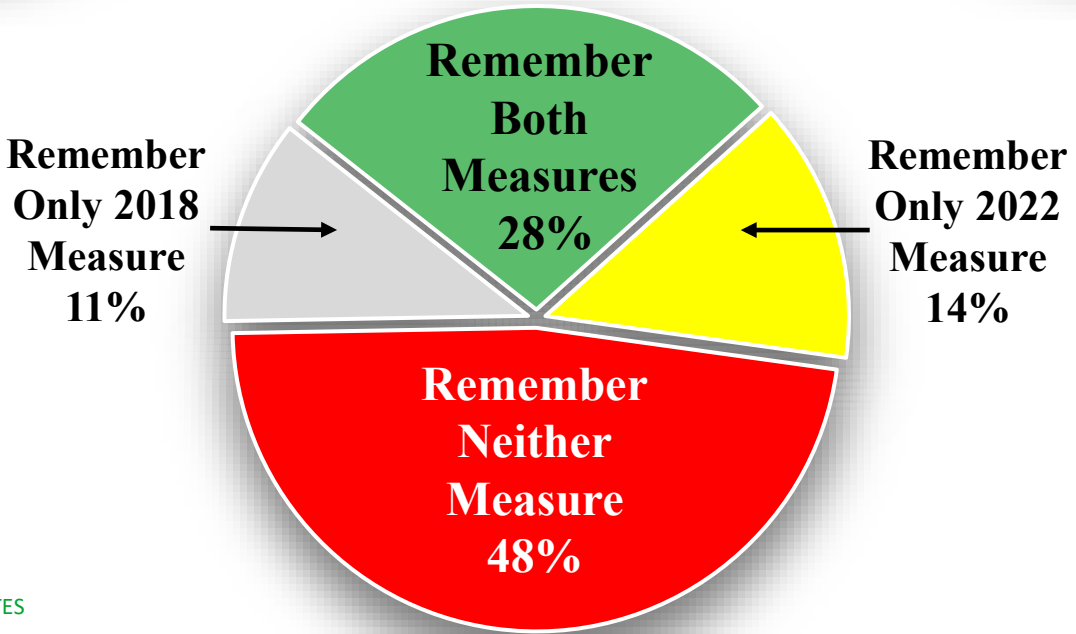
**Awareness of 2022
Business Licenses & Taxes**

ITEM NO. 12.

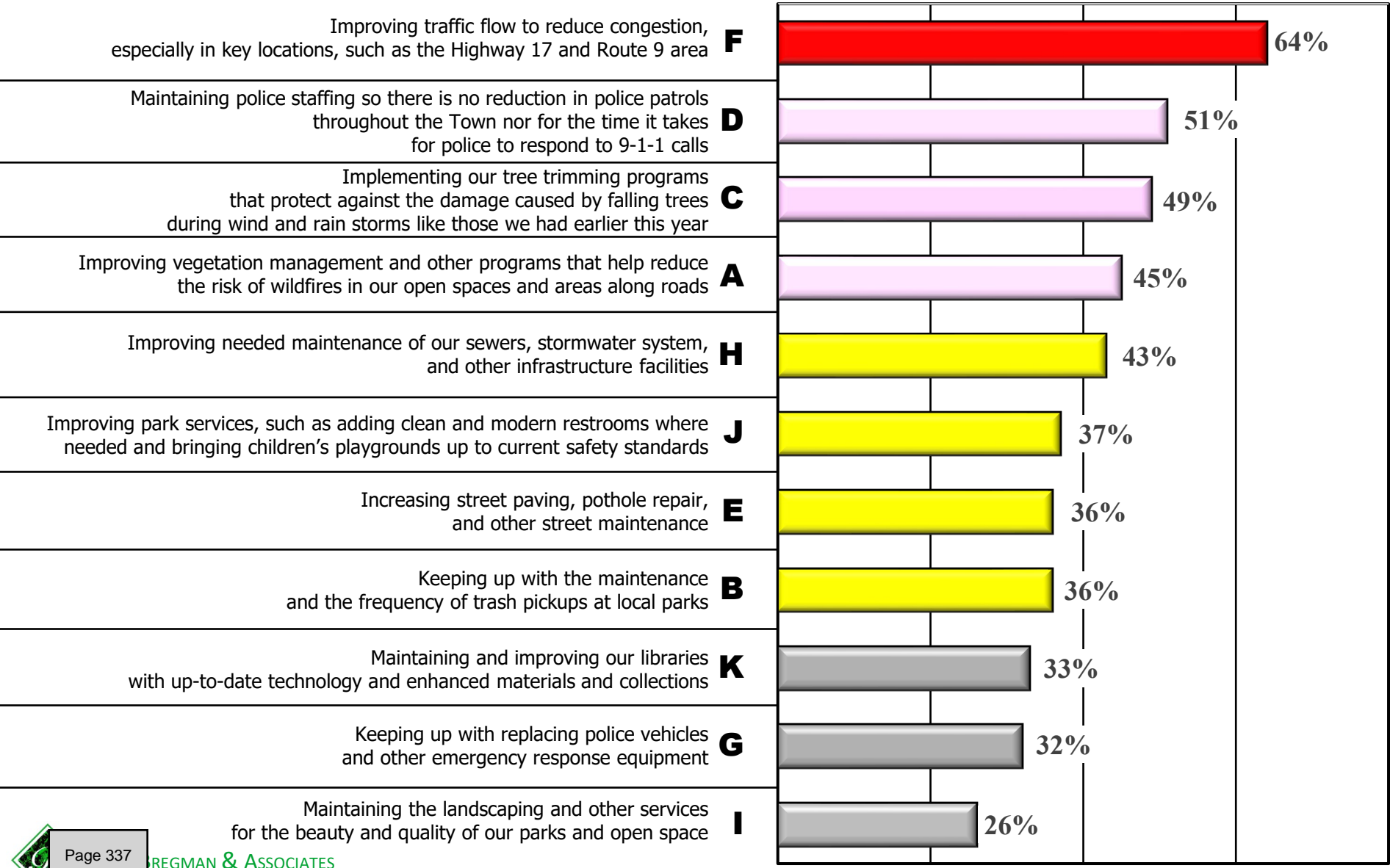


**Awareness
Previous
Tax
Measures**

Combined Awareness of Previous Measures

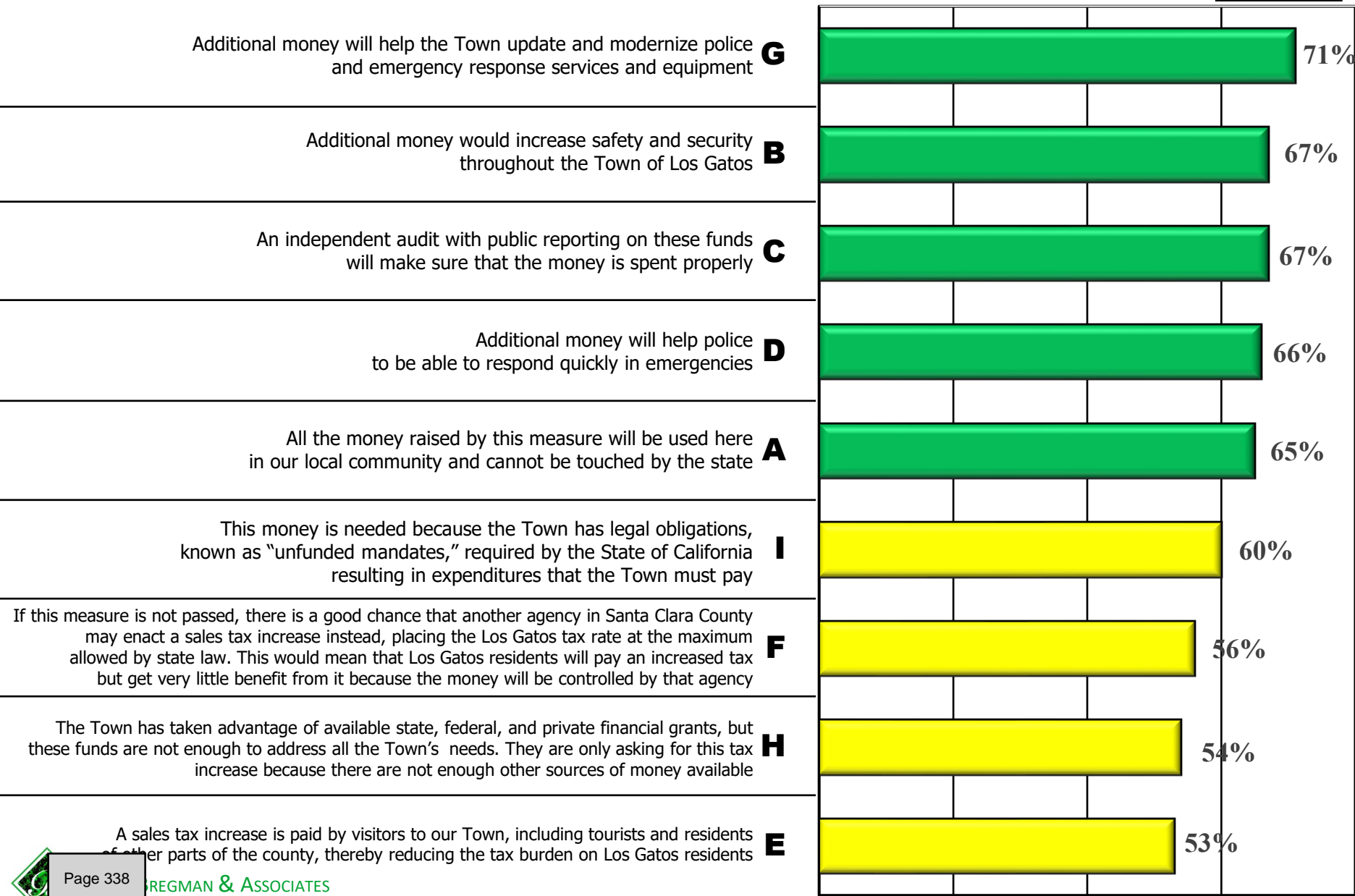


Very Important Problems That Could Be Addressed by Sales Tax

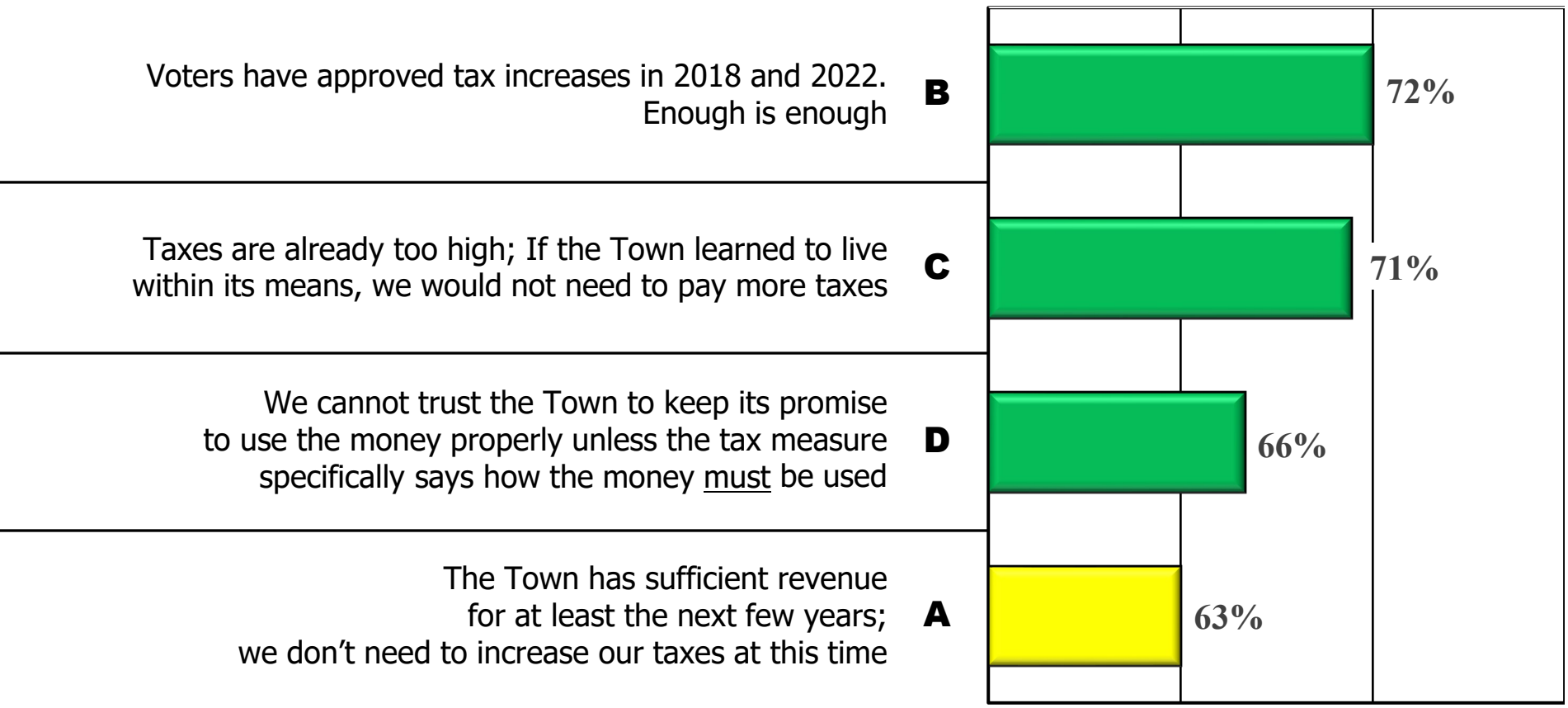


Believable Statements In Favor of Sales Tax Measure

ITEM NO. 12.

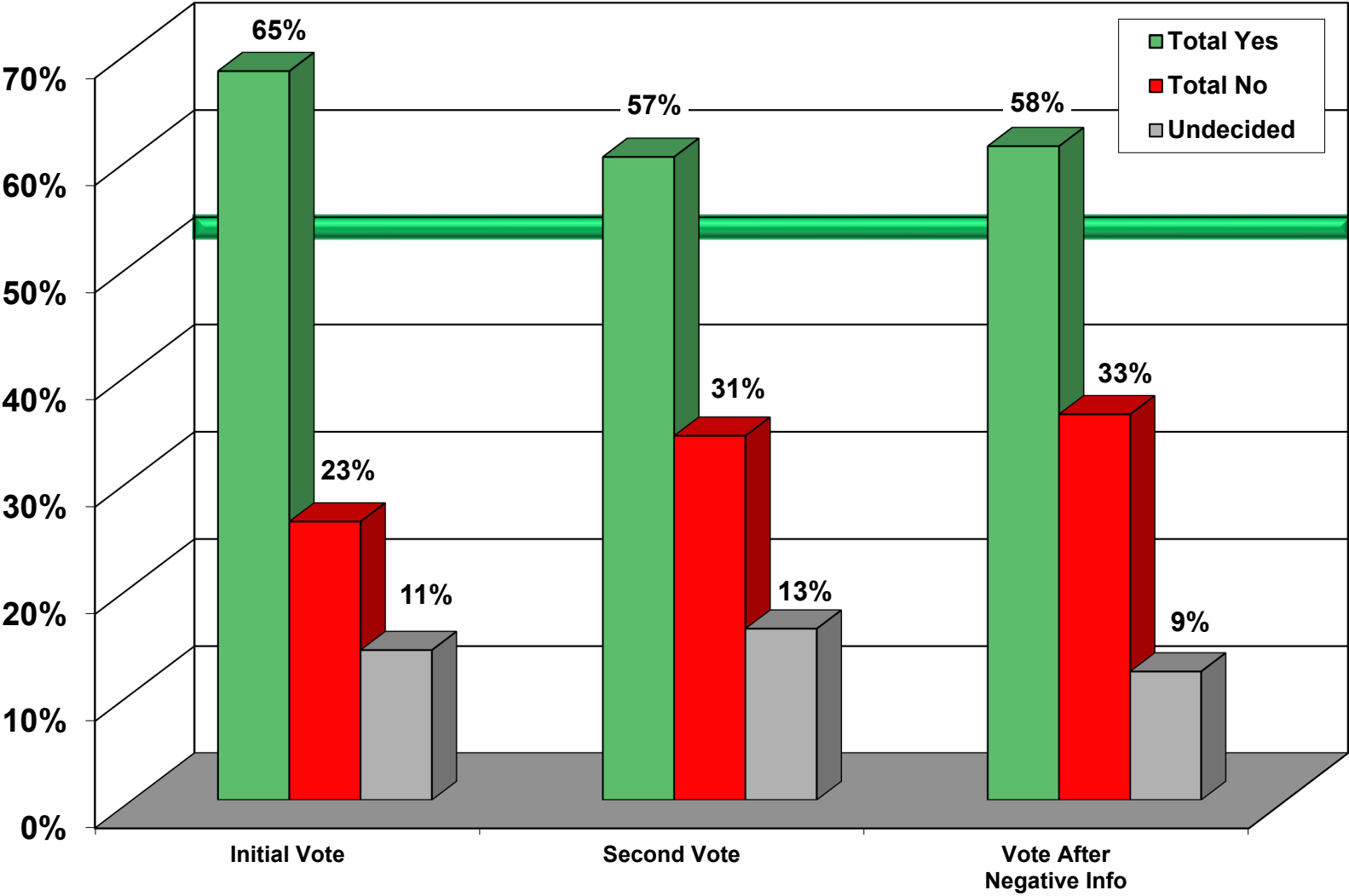


Believable Statements Opposed to Sales Tax Measure



Votes on One-Eighth Cent Sales Tax

ITEM NO. 12.



Conclusions

1. Los Gatos residents are very positive towards their Town, local government, and Departments within local government
2. Maintaining public safety (police services and wildfire prevention) and traffic congestion are of paramount importance to voters
3. Majority of voters are supportive of a 1/8 cent sales tax increase for the Town
4. If the Town captures the remaining 1/8 percent of sales tax capacity available to Los Gatos, 100% of the funds would remain in Los Gatos
5. Not claiming the remaining sales tax capacity means a County agency could capture the 1/8 percent and raise sales tax for Los Gatos with potentially minimal benefit to the Town

Recommended Next Steps

Phase II

May – Early June: Stakeholder Outreach, Public Information

- Provide informational toolkit (fact sheet, Q&A, website content)
- Conduct stakeholder outreach
- Send informational mailer

Late June 2024: Report to Council on Outreach/Feedback and Potential Ballot Measure Language

Incorporating polling data and stakeholder outreach feedback, NBS/GBA will:

- Make final recommendations to Town on potential ballot measure, timing, and measure language
- Assist Town staff in finalizing ordinance language and accompanying resolutions

N = 200

Town of Los Gatos Study
(FINAL)

Time Began_____

Time Ended_____

Hello, I'm _____ from GBA, an opinion research firm. We're conducting a survey about issues that concern the residents of Los Gatos. May I speak with _____. (MUST SPEAK WITH VOTER LISTED. VERIFY THAT THE VOTER LIVES AT THE ADDRESS LISTED - OTHERWISE TERMINATE.) We are not selling anything and all your answers will be kept confidential. Am I calling you on your cell phone? (IF YES, ASK): Are you in a safe place to talk? (If No, ask to make an appointment to call back)

1. Generally speaking, how would you rate Los Gatos as a place to live? Is it an excellent place to live, a good place, only fair, or a poor place to live?

Excellent-----	47%
Good -----	45%
Only fair -----	8%
Poor -----	*
DK/NA -----	0%
2. And how would you rate the overall job being done by Los Gatos Town government in providing services to the people who live here: as excellent, good, only fair, or poor?

Excellent-----	17%
Good -----	50%
Only fair -----	20%
Poor -----	8%
DK/NA -----	5%
3. Next, please tell me how you would rate the job being done by each of the following organizations: as excellent, good, only fair or poor? If you do not know enough about an organization to have an opinion, please tell me that, too. (ROTATE)

	<u>EXC</u>	<u>GOOD</u>	<u>ONLY FAIR</u>	<u>POOR</u>	<u>DON'T KNOW</u>
a. Los Gatos Parks and Public Works Department-----	30%	47%	10%	3%	10%
b. Los Gatos Police Department -----	32%	47%	13%	3%	5%
c. Los Gatos Community Development Department -----	10%	24%	19%	8%	39%
d. Los Gatos Library Department-----	49%	32%	5%	1%	13%

4. Generally speaking, would you say that the Town of Los Gatos has a great need for more money, some need, a little need, or no real need for more money?

Great need -----	7%
Some need -----	36%
Little need -----	26%
No need -----	17%
(DON'T READ) DK/NA -----	14%

5. And in general, how much need is there for additional money for each of the following in the Town of Los Gatos: a great need, some need, a little need or no real need? (ROTATE ORDER)

	<u>GREAT NEED</u>	<u>SOME NEED</u>	<u>LITTLE NEED</u>	<u>NO NEED</u>	<u>DON'T KNOW</u>
a. To improve and properly maintain adequate wildfire management services-----	29%	32%	18%	5%	16%
b. To improve and properly maintain adequate 9-1-1 emergency response services -----	14%	32%	22%	10%	22%
c. To improve and properly maintain adequate police services -----	17%	35%	21%	13%	16%

6. Now I'd like to read you some issues or problems facing the Town of Los Gatos that some other people have mentioned. For each one I read, please tell me whether you think it is a very serious issue or problem, somewhat serious, not too serious, or not at all a serious issue or problem in Los Gatos today. (ROTATE)

	<u>VERY</u> <u>SER.</u>	<u>SMWT</u> <u>SER.</u>	<u>NOT TOO</u> <u>SER.</u>	<u>NAA</u> <u>SER.</u>	<u>DON'T</u> <u>KNOW</u>
a. Traffic congestion-----	45%	33%	18%	3%	*
b. Need for more programs to protect against wildfires-----	31%	41%	21%	3%	4%
c. Need for more affordable housing -----	42%	23%	15%	19%	2%
d. Crime -----	20%	27%	37%	12%	4%
e. Effects of climate change here in Los Gatos, such as extreme weather, drought and flooding -----	19%	37%	23%	17%	3%
f. Condition of streets and roads-----	11%	38%	43%	7%	1%
g. Need to maintain police and emergency public safety programs-----	24%	43%	25%	5%	3%
h. Need to maintain the Town's recreational facilities, like parks, open spaces and trails-----	23%	35%	34%	7%	1%
i. High cost of living-----	60%	25%	12%	2%	1%

7. This November, there may be a measure on the ballot for the Town of Los Gatos that would read as follows:

"Shall the measure to fund essential Town services such as maintaining neighborhood police patrols and 9-1-1 emergency responses; improving traffic flow to reduce congestion; repairing neighborhood streets; reducing wildfire risks; maintaining the Town's long term financial stability and other general revenue purposes by enacting a one-eighth cent sales tax for twenty years, providing about one million dollars annually requiring Independent Citizens Oversight with public review of spending and all revenues controlled locally, be enacted?"

If the election were held today on this measure, would you vote "yes," in favor of it or "no," to oppose it? **(IF YES/NO ASK:) "Is that definitely (yes/no) or probably (yes/no)?" (RECORD UNDER Q.6a, BELOW)**

Definitely yes -----26%
Probably yes -----39%
Probably no -----11%
Definitely no -----12%
(DON'T READ) DK/NA-----11%

- | | |
|--|---------------------------|
| 8. In 2018, voters in Los Gatos approved a one-eighth cent sales tax increase for the Town. Do you recall hearing about this before today? | Yes -----39% |
| | No -----47% |
| | Don't know-----15% |
| 9. In 2022, voters in Los Gatos approved an increase in business licenses and taxes. Do you recall hearing about this before today? | Yes -----42% |
| | No -----45% |
| | (DON'T READ)DK/NA-----13% |

10. Now I am going to read you a list of some of the problems that could be addressed by a measure to maintain and improve various services provided by the Town of Los Gatos. Please tell me how important you think each one is for the residents of Los Gatos: very important, somewhat important, not too important, or not at all important..

(ROTATE)

	<u>VERY IMP.</u>	<u>SMWT IMP.</u>	<u>NOT TOO IMP.</u>	<u>NOT AT ALL IMP.</u>	<u>DON'T KNOW</u>
a. Improving vegetation management and other programs that help reduce the risk of wildfires in our open spaces and areas along roads -----	45%	38%	12%	3%	1%
b. Keeping up with the maintenance and the frequency of trash pickups at local parks -----	36%	43%	15%	4%	2%
c. Implementing our tree trimming programs that protect against the damage caused by falling trees during wind and rain storms like those we had earlier this year -----	49%	41%	7%	3%	*
d. Maintaining police staffing so there is no reduction in police patrols throughout the Town nor for the time it takes for police to respond to 9-1-1 calls-----	51%	35%	9%	5%	1%
e. Increasing street paving, pothole repair, and other street maintenance-----	36%	52%	9%	2%	1%
f. Improving traffic flow to reduce congestion, especially in key locations, such as the Highway 17 and Route 9 area-----	64%	28%	6%	2%	*
g. Keeping up with replacing police vehicles and other emergency response equipment -----	32%	44%	13%	9%	3%
h. Improving needed maintenance of our sewers, stormwater system, and other infrastructure facilities -----	43%	43%	10%	3%	1%
i. Maintaining the landscaping and other services for the beauty and quality of our parks and open space -----	26%	48%	18%	7%	1%
j. Improving park services, such as adding clean and modern restrooms where needed and bringing children's playgrounds up to current safety standards -----	37%	43%	15%	5%	1%
k. Maintaining and improving our libraries with up-to-date technology and enhanced materials and collections -----	33%	39%	19%	7%	2%

11. Now I would like to read you some statements that may be made by some people in favor of a measure to raise money for essential services in the Town of Los Gatos. Please tell me whether you find each statement to be very believable, somewhat believable, or not too believable. **(ROTATE ORDER)**

	<u>VERY BEL.</u>	<u>SMWT. BEL.</u>	<u>NOT TOO BEL.</u>	<u>DK/NA</u>
a. All the money raised by this measure will be used here in our local community and cannot be touched by the state -----	27%	38%	21%	14%
b. Additional money would increase safety and security throughout the Town of Los Gatos-----	24%	43%	22%	11%
c. An independent audit with public reporting on these funds will make sure that the money is spent properly -----	22%	45%	25%	8%
d. Additional money will help police to be able to respond quickly in emergencies-----	27%	39%	28%	6%
e. A sales tax increase is paid by visitors to our Town, including tourists and residents of other parts of the county, thereby reducing the tax burden on Los Gatos residents -----	18%	35%	41%	6%
f. If this measure is not passed, there is a good chance that another agency in Santa Clara County may enact a sales tax increase instead, placing the Los Gatos tax rate at the maximum allowed by state law. This would mean that Los Gatos residents will pay an increased tax but get very little benefit from it because the money will be controlled by that agency-----	23%	33%	27%	17%
g. Additional money will help the Town update and modernize police and emergency response services and equipment -----	27%	44%	19%	10%
h. The Town has taken advantage of available state, federal, and private financial grants, but these funds are not enough to address all the Town's needs. They are only asking for this tax increase because there are not enough other sources of money available -----	15%	39%	36%	10%
i. This money is needed because the Town has legal obligations, known as "unfunded mandates," required by the State of California resulting in expenditures that the Town must pay-----	25%	35%	28%	13%

12. Now that you've learned more about the one-eighth percent sales tax increase to improve public safety and other essential services in the Town of Los Gatos, if the election were held today on this measure, would you vote "yes," in favor of it or "no," to oppose it? **(IF YES/NO ASK:)** "Is that definitely (yes/no) or probably (yes/no)?"

Definitely yes ----- 17%
 Probably yes ----- 40%
 Probably no ----- 17%
 Definitely no ----- 14%
(DON'T READ) DK/NA----- 13%

13. Now I would like to read you some statements that may be made by some people who are opposed to a measure to raise money for essential services in the Town of Los Gatos. Please tell me whether you find each statement to be very believable, somewhat believable, or not too believable. **(ROTATE ORDER)**

	<u>VERY BEL.</u>	<u>SMWT. BEL.</u>	<u>NOT TOO BEL.</u>	<u>DK/NA</u>
a. The Town has sufficient revenue for at least the next few years; we don't need to increase our taxes at this time -----	27%	36%	26%	11%
b. Voters have approved tax increases in 2018 and 2022. Enough is enough-----	36%	36%	21%	7%
c. Taxes are already too high; If the Town learned to live within its means, we would not need to pay more taxes -----	35%	36%	24%	5%
d. We cannot trust the Town to keep its promise to use the money properly unless the tax measure specifically says how the money <u>must</u> be used -----	37%	29%	26%	8%

14. And now for one final time, now that you've learned more about the one-eighth percent sales tax increase to improve public safety and other essential services for the Town of Los Gatos, if the election were held today on this measure, would you vote "yes," in favor of it or "no," to oppose it? **(IF YES/NO ASK:)** "Is that definitely (yes/no) or probably (yes/no)?"

Definitely yes ----- 18%
 Probably yes ----- 40%
 Probably no ----- 21%
 Definitely no ----- 12%
(DON'T READ) DK/NA ----- 9%

Now for some background questions so we can be sure we have a good representation of the population.

15. Do you own or rent your home?	Own home ----- 69% Rent ----- 24% (DON'T READ) Refused ----- 7%
16. Are there any children under the age of 18 living in your household?	Yes ----- 37% No ----- 59% DK/NA ----- 4%
17. For about how long now have you lived in Los Gatos?	Ten years or less ----- 30% Eleven to twenty years ----- 26% More than 20 years ----- 43% Refused ----- 1%

Date _____

Interviewer _____

Verified by _____

Page _____

Gender

Male ----- 45%
 Female ----- 49%
 Blank ----- 6%

Party Affiliation:

Democrat-----50%
Republican -----21%
Independent/No Party/Others -----30%

Age:

18-24 -----8%
25-29 -----5%
30-34 -----3%
35-39 -----6%
40-44 -----6%
45-49 -----9%
50-54 -----8%
55-59 -----11%
60-64 -----13%
65+ -----31%

Voting History:

11/22 -----73%
6/22-----50%
9/21-----75%
11/20 -----88%
3/20-----62%
11/18 -----69%
6/18-----45%
11/16 -----68%

Interview completed by:

Email-----1%
Text -----56%
Cell phone-----39%
Landline phone-----4%