



MEETING DATE: 12/19/05
STUDY SESSION

COUNCIL/AGENCY AGENDA REPORT

DATE: DECEMBER 9, 2005
TO: MAYOR AND TOWN COUNCIL/
CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY
FROM: DEBRA J. FIGONE, TOWN MANAGER/EXECUTIVE DIRECTOR
SUBJECT: ACCEPT 2005/06 CAPITAL IMPROVEMENT PROGRAM STATUS REPORT

RECOMMENDATION:

Accept 2005/06 Capital Improvement Program status report.

BACKGROUND:

This report summarizes the status of the projects in the Capital Improvement Program (CIP) for the first six months of FY 2005/06 and focuses on some of the major projects the Town will be undertaking during this fiscal year. In addition to presenting a general update on CIP projects, the purpose of the study session is to provide an opportunity for the Council to discuss and offer input into the major projects as they evolve.

DISCUSSION:

The Town's Capital Improvement Program improves the infrastructure of the Town's parks, streets and public facilities, and is funded by the Town's General Fund Appropriated Reserve (GFAR), Redevelopment Agency funds, and, in certain cases, by grant funds. Current projects are at various stages of implementation, with several of the projects reaching completion during the first six months of FY 2005/06. Attachment 1 presents the status of all the FY 2005/06 CIP projects. This report focuses on six of this year's projects which are particularly complex and/or involve significant community outreach and communication. In addition, the report discusses an additional project to be included in the FY 2005/06 CIP.

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Reviewed by: *PS* Assistant Town Manager *OK* Town Attorney _____ Clerk Administrator
AC Finance _____ Community Development _____ Revised: 12/15/05 11:20 am

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FY 2005/06 Current Major Projects

1. Main Street Resurfacing and Streetscape

This project is the final phase of the downtown improvement project which began 3 years ago. To date, Town Plaza has been renovated and the streetscape and resurfacing of Santa Cruz Avenue has been successfully completed. In summer 2006, the streetscape and resurfacing on Main Street is scheduled for construction. A proposed resolution authorizing the Town Manager to execute a professional services agreement with BKF Engineers to provide engineering design services for this project is included on the December 19th Council agenda as a consent item.

The scope of the work on Main Street includes removal and replacement of damaged and sub-standard sidewalks from Santa Cruz Avenue to College Avenue. The new sidewalks will be the Villa Hermosa style to match the rest of the sidewalks in the downtown area. There are some existing Villa Hermosa sidewalks along Main Street which will not be replaced, as they are functional and in good condition.

The original downtown streetscape design includes the installation of a bulb-out across from University Ave. Upon further analysis, it appears that the bulb-out would impair parking and traffic circulation. Staff is recommending that a bulb-out not be included in the final design for this project.

The existing traffic signal at University Avenue and Main Street is an outdated signal system that will be replaced with a new signal system. As a part of the this new traffic signal system, a new aesthetically pleasing signal controller cabinet will be installed to replace the cabinet in front of Los Gatos Coffee Roasting Company and Blendz. Existing street lights that are in poor condition will also be replaced with new lights, similar to the lights on Santa Cruz Avenue. The trees along this section of Main Street are all mature trees and will stay in place. There are existing planters and landscaped areas along this section of Main Street and no new planters are currently included in the design. As part of the design process, staff will explore the feasibility and cost associated with the installation of planters on both ends of the Main St. bridge (both sides) to enhance this key feature of the downtown.

The resurfacing of Main Street will include some localized base repairs and grinding of the edge of asphalt pavement along curb lines prior to the overlay of Main Street. Staff is exploring the possibility and cost of installing electrical conduit in conjunction with this project to enable the installation of lights in the street trees. It is expected that the trenching for the electrical conduit will be funded by the Smart Cities project, through which conduit for fiber along Main St. would be installed.

It is anticipated that the final overlay work would be done at night and not require the closing of Main Street during the day. Although the impacts of this project will be less intense than

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the previous work on Santa Cruz Avenue, staff will work with the merchants, residents and other stakeholders, such as the high school, over the next few months to explain project details, receive input and address any issues they may have. Issues are likely to include access to businesses, pedestrian traffic flow, temporary loss of parking spaces, traffic flow during the street light changeover, noise and dust from sidewalk replacement, and general timing of the project. Staff is currently developing a work plan and timeline for the project, which will be shared with the Council and other stakeholders prior to project implementation. In addition, ongoing communication will occur throughout the duration of the project, and window washing and a general clean up will recur at the end.

The basic elements of this project will be funded from the remaining RDA bond proceeds. Project enhancements may require supplemental funding from the GFAR.

2. Parking Lot 5 Improvements

The project will repair and reconstruct Parking Lot 5 located between Elm Avenue and Main Street in advance of the Main Street paving project. If the project is not completed prior to the Main St. project, it is likely it would need to be postponed to spring of 2007. Upgrading this parking lot will complete improvements for the parking lots located between University and Santa Cruz Avenue.

This parking lot is in the worst condition among the nearly dozen public parking lots in Los Gatos. The surface and base of this lot have deteriorated due to neglect resulting in surface failures and depressions throughout the lot. This condition has been aggravated by poor drainage with water ponding at various spots, causing additional failures.

This project will remove the existing asphalt surfacing, repair base failures, and place an asphalt overlay on the surface of the lot. The curbs and sidewalks around the parking lot will be reconstructed to match proper grades for drainage, add drainage catch basins and meet current design standards and codes.

This project could be designed this winter and constructed in spring 2006, and be in full service before summer 2006. It is estimated that the project will take approximately one month, with complete closure of the lot occurring some of this time. Staff will work with merchants in scheduling the project and addressing impacts on parking, including the possible use of valet parking.

The Downtown Parking Improvements Project has a fund balance of approximately \$115,000, which will cover the cost of engineering reviews, including soils and civil engineering studies, estimated at \$19,550. These engineering reviews will determine the full extent of the improvements needed. Staff will report back to Council in early 2006 following the engineering reviews with the estimated cost and source of funds for this project.

3. Wedgewood Avenue Storm Drain Improvements

This project involves the installation of a storm drain system along Wedgewood Avenue from Mulberry Drive to Wimbledon Drive. Currently, the area along the frontage of La Rinconada Golf Course experiences flooding during the heavy rains, with the water flowing down and through Wedgewood Avenue and the adjacent streets. The installation of curbs, gutters, and sidewalks is also included in this project.

After the field survey and preliminary design work was performed, it was determined that the natural grades and storm run-off flows go towards La Rinconada Drive. As a result, the project design has evolved to include installation of an underground storm drain pipe along La Rinconada Drive. This storm drain pipe will discharge into a drainage ditch along railroad tracks and ultimately into a drainage channel under Highway 85. The design is underway and construction is anticipated by summer/fall 2006.

In addition, the improvements include re-alignment of Wedgewood Avenue from Mulberry Drive to Granada Way. This section of Wedgewood Avenue has wide and deep drainage ditches on both sides. In addition to these ditches, the road alignment has sharp reverse curves, making for less than ideal driving conditions. These ditches are serviced by Santa Clara Valley Water District (SCVWD). The Town will work jointly with SCVWD on designing improvements which will realign this section of Wedgewood Avenue and eliminate the large ditches and place storm drain pipes in their place to be able to provide sidewalks on Wedgewood Avenue. The Wedgewood Project is funded by a combination of Storm Drain funds, contributions from La Rinconada Country Club and VTA grant funds.

For this project, staff will provide outreach to the neighborhood in advance of construction to ensure residents are clear on the scope of the project and to communicate about any expected traffic disruptions and parking limitations.

4. Roberts Road Bridge Project

At the December 5, 2005 Council Meeting, Council directed staff to seek funding to replace the Roberts Road bridge. Staff submitted a grant application to Caltrans on December 9, 2005, and expect to receive a response by April, 2006. If funding is approved, staff will return to Council with a work plan for implementing this project. Components of the work plan will include amendments to related PD ordinances (including Planning Commission and Historic Preservation Committee review), bridge design (including any specific architectural features to reflect the bridge's history), environmental review, demolition, construction, and a traffic circulation plan. A communication plan will be included, as well. It is estimated that the work plan for construction of the bridge will cover a two-year period.

5. Street Repair and Resurfacing

The Town's street maintenance and improvement program remains one of the highest priorities in the Town's CIP. Attachment 2 describes the Town's street improvement program, including progress to-date, Pavement Condition Index (PCI) rating system and current rating, approach to setting annual priorities for street improvements, and projected costs for maintaining acceptable PCI ratings over time

Cumulatively over the past three years, the Town has expended or encumbered funds totaling approximately \$11.4 million for street improvements, with an approximate \$5.1 million programmed for additional street improvements in the FY 2005-2010 CIP. The key funding source for this work has been the General Fund Appropriated Reserve (GFAR) from one-time funds set aside for this purpose. Other funding sources include the Gas Tax and the Redevelopment Agency (for work occurring in the redevelopment project area only). The majority of the 5-year allocation (\$2.4 million) will be expended this fiscal year, with more than half allocated to the improvements to Santa Cruz Ave. (July 2005) and Main St. from one-time RDA bond financing.

As noted in the attachment, maintaining a PCI of 75 (the bottom rating in the "Very Good" classification) will require an investment of \$1.5 million annually. Funding of less than this amount may require higher costs in the future to reconstruct streets that have deteriorated below the level that may have been maintained with a less costly overlay treatment. An investment of \$1 million annually will result in the PCI falling to 73 by 2009/10. Beginning in FY 2006/07, the CIP allocates approximately \$550,000 annually (from the Gas Tax) for street repair and resurfacing. This level of funding will result in an overall PCI rating of 70 by 2009/10. In both of the latter cases, the PCI is projected to fall if the level of investment does not increase (to 70 by 2020 in the first case and to 60 by 2020 in the second).

Options for achieving the estimated funding gap for street repair include: reducing operating costs by this amount and allocating it on an annual basis to the street program; allocating unexpended operating costs from year to year, although this amount can vary greatly and may not be sufficient; or exploring the feasibility of voter-approved debt financing that could be dedicated for street improvements (although some street maintenance treatments such as slurry seal do not qualify for certain bond alternatives).

The Town has enjoyed the benefits of one-time funds set aside to bring streets up to their current PCI rating of 75; however, these one-time funds will be spent as of this fiscal year. To prevent deterioration resulting in lower PCI ratings and higher costs in the future, the Town needs to identify an ongoing funding source for street maintenance. Council's thoughts on the alternatives would be helpful as staff works to develop the FY 2006-11 CIP and the FY 2006/07 operating budget. Until a more predictable and reliable source of funds is identified, street resurfacing will be a funding priority through year-end operating fund balances.

6. Sidewalk Repair and Replacement Program

The Town has historically been performing all repair and replacement of sidewalks at no cost to the property owners, although the California Streets and Highway Code requires adjoining property owners to maintain in a safe condition the public sidewalks along their property frontage. A number of other cities in Santa Clara County either require the homeowner to pay 100% of the cost or to share the cost according to a 50/50 formula.

Staff presented a report to the Council in December, 2004 regarding a possible 50/50 cost sharing program for repair and replacement of sidewalks in Town due to the limited funding available for this work on an ongoing basis. At present, \$50,000 per year is allocated to this program beginning in FY 2006/07.

At the December meeting, Council asked for additional information about the potential program and also asked that a public hearing be conducted if the Town were to seriously consider pursuing such a program. Due to other priorities, staff has not yet taken the steps required to address the questions and prepare for a public hearing. Staff is seeking Council thoughts regarding proceeding before staff spends additional time on this effort.

FY 2005/06 New Project

Staff is recommending that the following project be added to the FY 2005/06 CIP.

1. Highway 9 Pedestrian and Bicycle Safety Improvements

This project is a result of a collaborative effort between the Town of Los Gatos, cities of Monte Sereno and Saratoga, and Caltrans. The project is an effort to improve bicycle and pedestrian traffic safety by developing dedicated bike lanes and walking pathways along Highway 9 over a 4.4 mile stretch from Saratoga through Monte Sereno to Los Gatos. The improvements will offer adequate separation between vehicular and bicycle traffic and close a gap in the County's bicycle network. In addition to a bicycle safety component, this project will improve and enhance pedestrian pathways along Highway 9 by widening the existing pathways and constructing new pathways.

This project is funded with an MTC grant in the amount of \$1,565,000 with a \$204,000 match to be shared by the three local jurisdictions. An agreement is being finalized between the three agencies, including each agency's match share, and will be brought forward to Council in January, 2006. A source of funds for Los Gatos' share of the matching funds will be identified at that time.

The City of Monte Sereno prepared the original grant application a year ago. However, since the Town of Los Gatos is the only agency among the three municipalities that has a Disadvantage Business Enterprise (DBE) program, Los Gatos will be the lead agency on the project, managing the project and funding components. The DBE program is to ensure that

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a certain portion of Federally funded projects are performed by minority and women owned businesses, and is required for receipt of these funds. Preliminary engineering and environmental documentation will occur during 2006. The final design will get underway in early 2007 with construction anticipated during fall, 2007.

ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT:

The majority of current projects discussed in this report have a budgeted source of funds which was approved by Council in May, 2005 in the FY 2005 - 2010 Capital Improvement Program. In some cases, staff is seeking grant funding for the projects. The current projects, Main St. resurfacing and Parking Lot 5 Improvements, and the new project, Highway 9 Safety Improvements, may require additional appropriation of funds. Staff will bring forward to Council considerations for appropriation of funds for these projects early next year.

Attachment:

1. Status of FY 2005/06 Projects
2. Report on Street Improvement Program

CAPITAL IMPROVEMENT PROGRAM (CIP) STATUS OF 2005/06 CIP PROJECTS

The following is a summary of the approved FY 2005/06 CIP projects that are have been completed, are underway or are ongoing.

Completed Projects:

Neighborhood Center Fresh Air Exchange

La Rinconada Park Trail Reconstruction

West Valley Cities Dog Park - Town Contribution

Fire Bell Temporary Pad

FY 2004-05 Street Repair and Resurfacing

Alley Improvements

Santa Cruz Avenue Resurfacing

Ongoing-Underway Projects:

Civic Center/Library Master Plan

The Service Assessment, representing the first phase of the Master Plan process, was completed in October, 2002. The review of Phase II, comprised of the Operational Plan and Space Program, and Phase III, which includes site options, cost models, financing and funding strategies, and a phasing plan, were put on hold in 2003 to focus on budget issues. This work is being completed and any future work on this project will be based on Council direction and funding allocations.

Civic Center HVAC System Renovation

This project will replace the Civic Center air conditioning chiller cooling tower and repair/upgrade various air handling equipment. These essential components comprise the "heart" of the system used to provide heated, conditioned and fresh air to the entire Civic Center. All of these components are well beyond their useful life span. The installation of a new boiler in FY 2002-03 has greatly improved the heating capacity. However, the older components are working below capacity, and are not in sync with the new boiler. These proposed upgrades will bring the HVAC system into efficient working order and will reduce ongoing operations energy costs.

CDBG-ADA Improvements

This project has provided ADA improvements to various crosswalks on Los Gatos Blvd and Main Street. Additionally, it will construct improvements to the sidewalks and ramps to increase access to Town property, located at the corner of Fiesta Way and Villa, which is being renovated for office use.

Oak Hill Playlot Pathway Replacement

This project will replace the concrete pathways that have been damaged and uplifted by tree roots and usage. Construction and completion anticipated during spring 2006.

Shannon Road Trail Construction

The Town's trail and bikeway plan reflect placement of a trail along Shannon Road connecting Hicks Road to Santa Rosa Drive. Staff have worked with several parties in that area to secure proper easements to construct this trail. This trail would continue the trails which are being built by the Greenbriar Subdivision project and with an anticipated completion date of summer 2006.

Propositions 12 & 40 Grant Funded Park Improvements

Two Acts were enacted by the voters of California to provide funds for specific parks and trails facilities projects: Proposition 12, the California Safe Neighborhood Parks, Clean Water Clean Air, Coastal Protection Act of 2000, Proposition 40, and the California Clean Water, Clean Air, Safe Neighborhood Parks and Protection Act of 2002.

Both Propositions have designated funding under Per Capita and Roberti Z-Berg Harris Grant Programs, of which the Town has secured its portion. These are not "competitive grants," but are secured, allocated amounts based upon population size. Funds are to be used to improve facilities and increase access, and are for capital not maintenance activities. Projects must be approved by the State Parks Program prior to construction. The total allocation is \$812,154, (including \$149,103 in allocations from the City of Monte Sereno). Of this total allocation, \$560,000 has been designated by Council for five projects, leaving a balance of \$252,154 un-designated. Following are the five projects approved by Council to date and their status:

1. Skateboard Park

A site for the proposed Los Gatos skate park has been selected by the Council. This location is the parking lot along Miles Avenue adjacent to Balzer Field. A preliminary plan for the new skate park has been developed through a collaborative efforts of many individuals and interested parties. The estimated cost for this skate park is \$1,000,000.

The Town of Los Gatos has allocated \$125,000 of Proposition 12 Per Capita State Grant or the Robert Z. Berg-Harris Grant for this project, and the City of Monte Sereno has allocated \$100,000 from their share of Proposition 40 Per Capita funding, bringing the total funding allocated to date to \$225,000. A competitive grant from Proposition 40 Healthy Communities and Safe Parks funds to cover the remaining project costs was not awarded. A community fund raising committee is seeking public and private funding for the skate board park.

2. Oak Meadow Park Trellis Construction

This project will build a trellis at the old bandstand location in Oak Meadow Park. This project also includes installing park benches, picnic tables and a BBQ and a sidewalk to access the site (a requirement of Proposition 12/40 funding). The design was conducted pro bono by a local design firm. A portion of the Proposition 12 Roberti Z Berg-Harris matching grant will be utilized, and the balance of expenditures will be from Proposition 12 Per Capita.

Once the project is approved by the State, it is anticipated this project will be completed this spring, 2006.

3. Bachman Park Irrigation Upgrades

This project will upgrade the landscape irrigation system at Bachman Park. A water use audit and landscape system review is underway, with results anticipated by February, 2006. The results of the review will provide information to redesign the irrigation system, and potential rebates. Design completion is anticipated this spring, 2006.

4. Balzar Field Restroom Upgrade

Planning and design to be completed prior to submitting and obtaining State Parks approval.

5. Oak Meadow Park Pathway Expansion

Planning and design to be completed prior to submitting and obtaining State Parks approval.

Highway 9/Los Gatos Creek Trail Connector

This project will provide a safe connection and crossing for pedestrians and bicyclists to/from Highway 9 and the Los Gatos Creek Trail. Staff is researching funding opportunities.

STP Street Resurfacing

This project will provide funding for an asphalt overlay for Los Gatos Almaden Road, Camino del Cerro, National Avenue and Lester Lane. The project is funded primarily from a STP grant which can only be used for resurfacing of arterials and collector roads. These roadways were determined as best use of these funds given their condition and grant requirements.

Retaining Wall Repair and Replacements

This project will repair and reconstruct failed retaining wall along Oak Hill Way near the intersection of Grove Street. At this location we will also repair a failed roadway section and improve the drainage system at this wall.

FY 05-06 Curb, Gutter, and Sidewalk Replacement

This is ongoing work necessitated by the over growth of tree roots under curbs, gutters and sidewalks, which causes uplift of concrete, potential tripping hazards and prevents storm water from flowing properly in the gutters. Over the past three years, the Town has spent over \$1 million dollars on replacement of damaged concrete. For FY 05/06, the sidewalk replacement list is being developed, and is based upon prioritizing sidewalks which are in the worst condition for replacement, Town-wide.

Santa Cruz Avenue / Wood Road Gateway

This project will construct a gateway at the intersection of Santa Cruz Avenue and Wood Road. The concept plan for this project was approved by the Council last year and funding authorized for the

design of the project. The design will get underway in late 2005. The construction costs will be programmed in upcoming years if funding is available. Grant funding for construction was applied for from MTC in their Transportation for Livable Communities (TLC) program, but was denied although the Town is one of five agencies on their funding waiting list, the likelihood of obtaining that funding is extremely low, per MTC. Staff is researching other funding opportunities for this project.

Neighborhood Traffic Calming

There are three active projects at various stages :

Longridge Road - This project is at the end stage. Permanent devices were installed during FY04/05. Staff plans to collect traffic data and then conduct a neighborhood vote, both of which will help determine next steps.

Massol Avenue - This project is at the beginning stage. Staff will hold additional meetings this fiscal year to develop a plan to present to the neighborhood via a neighborhood vote and ultimately to Council for project approval.

Wraight Avenue - This project is also at the end stage, but on hold until the Woodland Park homes are completed. After the homes are completely inhabited, staff will continue the project by reviewing the effectiveness of preventing northbound traffic and whether or not safety is jeopardized.

One other project area under consideration is the Kennedy Road neighborhood (from Los Gatos Blvd to Shady Lane), who submitted a traffic calming petition. This area has been referred to the County, due to jurisdiction of most of the roadway in that area. Staff are awaiting the results of the County's traffic review. There is no waiting list at this time.

Safe Routes to School Speed Radar Boards

This project is to install eight radar speed display boards in the vicinity of schools. These radar boards would inform oncoming traffic of their speed as well as post the speed limit. These visual aids have proved effective in slowing traffic and creating a safer environment for school children. The Town did not make the final list to receive the Safe Routes to Schools Grant for all eight radar boards, however, OTS grant was awarded for two boards through a regional grant awarded to the County. Staff will continue to pursue grant funding for this effective safety device.

Quito Road Bridge Replacement

This project funds the replacement of two functionally obsolete bridges that span San Tomas Aquino Creek along Quito Road. The project is a joint effort between the Town of Los Gatos, the City of Saratoga, and the Santa Clara Valley Water District with the City of Saratoga serving as the lead agency for the project. 80% of the funding for the project is provided through the Federal Highway Bridge Replacement and Rehabilitation (HBRR) Program, with the remaining 20% shared equally between the three participating local agencies.

The City of Saratoga is the lead agency on this project and has informed the Town that the project is currently going through its design and environmental review by Caltrans. There are also right-of-way acquisitions that need to be secured for the project. At present, the project is on hold pending the resolution of the above issues.

Town-Wide Infrastructure Needs Assessment

The project is to inventory Town assets and to provide a system for managing the assets, including providing information needed to prioritize future capital expenditures. Initial work on this project is also intended to meet the obligation of the Town to satisfy new Federal financial reporting requirements contained in GASB34. The new system has been in service for the past four months with the implementation of Work Order, Citizen Call Center, Sign and Traffic Signal Maintenance, and Fleet Maintenance program. In the coming months, other modules of this program will be purchased and brought on line as staff gets more familiar with the new system.

LG Creek Trail Bridge Lumber Replacement

This project will repair the wooden deck of the Los Gatos Creek Trail bridge and elevated pathway behind the Old Town Center. The deck has deteriorated due to aging and heavy bicycle usage. Of two grants applied for this project, one grant has been approved for \$10,000, but another grant application for \$63,750 was not. Staff is researching potential funding to fill the gap.

College Avenue Pathway Replacement

This project will replace the walkway and fencing along College that have deteriorated over decades. By replacing the asphalt path and fencing, this project will make the pathway safe for pedestrian use. Staff has been researching funding opportunities for this project. One grant has been approved for \$10,000, but another grant application for \$63,750 was not, and is still needed to complete this project. Staff is researching potential funding. If additional grant funding is not available, PPW crews would repair the sidewalks that are in the worst condition. However, the remaining sidewalks and the fencing/railing component would need additional funding.

Town Beautification Improvements

This fund is supporting the banner program, funded by Redevelopment Agency funds. Other beautification projects, including a Gateway Project, are being considered. As these projects are readied for discussion, they will be brought to the Council for recommended action.

REPORT ON STREET IMPROVEMENT PROGRAM

This report is an update on the Street Improvement Program report presented to the Town Council on May 19, 2003.

The key driver of the Street Improvement program is the Pavement Management System, which is a process used to identify candidate streets for treatments; and develop the funding goals for street maintenance.

As a part of the requirements of GASB 34, a Federal mandate to inventory Town assets, Los Gatos is called upon to identify by quantity and condition all of the Town-owned streets. Staff uses a rating system called the Pavement Management System (PMS), which is based on software provided by the Metropolitan Transportation Commission (MTC), to track the condition of the approximately 104 miles of streets in Town. Most cities in the bay area use this system. The purpose of any system used is to assign a value representing the current condition of the street segment, known as the Pavement Condition Index (PCI), to each segment so that street maintenance and reconstruction can be prioritized. For asset management purposes, it is a method to value streets at any given time. The Town uses a software program that enables staff to update the PCI of its streets as any change or new construction occurs.

The MTC StreetSaver PMS assigns a Pavement Condition Index (PCI) value to each street in the Town. These values are derived either from visual inspection or, if that is not available, an extrapolation from the last rehabilitation or construction done to the street, using a standard deterioration curve.

A brand new street would have a PCI of 100. The PCI values are broken down into three categories:

- Classification I - Very Good (PCI 70 to 100) have little or no distress, with the possible exception of utility patching in good condition, or signs of light cracking that may be slightly weathered.
- Classification II and III - Good (PCI 50 to 69) have severe weathering, moderate levels of distress, limited patching, and non-load-related cracking.
- Classification IV - Poor (PCI 26 to 49) have moderate to severe levels of distress including load related types, such as alligator cracking.
- Classification V - Very Poor (PCI 0 to 25) have severe levels of distress, large quantities of distortion or alligator cracking; pavement failures past possible rehabilitation activities.

In the prioritization process, the PCI of a given street becomes a key to estimating the cost of maintenance/reconstruction. This can be noted in the table below, which relates steps in life cycle of pavement to the cost of preventative maintenance.

Step in the Life Cycle	PCI	PCI Range	Pavement Quality Reduction	Remaining Life	Maintenance Cost Factor
	100		0	100	0
Very Good		70-100			
	70		10	70	0.50
Good		50-69			
	50		50	25	1.00
Poor		26-49			
	25		90	12	4.00
Very Poor		0 - 25			
	0		100	0	?

The more aggressive a pavement maintenance program, the greater the ability to extend a street's life cycle. The higher an overall pavement condition index can be maintained for the Town, the lower the unit cost is for pavement maintenance.

One way to understand the meaning of the PCI values is to know that value for certain streets. The following table gives the PCI for selected streets both currently and at the last review. University Avenue was overlayed in 2001. Therefore, its PCI in 2001 was 100. Its PCI has dropped to 85 in three years, the result of normal wear and the fact that initial wear in a "new" street is higher than the continuing normal wear after that first year.

Street	Segment	Previous PCI	Year	Current PCI 2004
University Avenue	Main/Mullen	100	2001	85
Lark Avenue	Garden Hill/LG Blvd	81	2002	77
Blossom Hill Road	Old Blossom Hill/Linda	70	2002	65
Oka Road	Highway 85/Mozart	64	2000	58
Main Street	Highway 9/Fiesta	56	2001	47
North Santa Cruz Avenue	Main/Bean	41	2002	34

Deciding which streets to maintain and what materials to use is a complex process and it is only partly technical. The factors that weigh in the engineers' decision as they develop a street maintenance budget are described below. The first of the drivers of the Street Maintenance Program is the amount of the funding that is available on an annual basis for street projects. Once that is determined, these factors are considered in order to craft the program. Factors include:

1. The PCI of the street section being considered. There is a record of the current PCI for every street in the Town.
2. The portion of the total available funding that should be used for slurries, overlays, or reconstruction. Slurry cannot be paid for from certain types of funding sources, as it is a maintenance project. Overlays and reconstruction projects can be funded from improvement bonds. Slurry applications can stretch the available funding over more miles of streets, however, because of its lower unit cost.
3. The type of street being considered. Is it an arterial, a collector, or a residential street? Arterials may be eligible for other available grant funds and that may add to the total funding available for street projects.
4. The location of streets being considered for a type of work. If slurry seals are being considered for an area of the Town, for example, it may be prudent to include other adjacent streets in the project rather than exclude them for a few more years. This aids in lowering the unit cost of the work by reducing the contractors mobilization costs.

The breakdown of project types over this four-year period is as shown below:

	Contract Value	Centerlane Miles	Percentage of \$ Spent/Percentage of Total Streets Resurfaced
Slurry	\$1,808,612	24.67	21% 24%
Overlay	\$5,698,447	18.22	65% 18%
Reconstruction	\$1,195,977	3.56	14% 3%
Total	\$8,703,036	46.45	100 45

To date, the Town has treated 46 centerlane miles of street out of 102 centerlane miles, which is approximately 45%. This work has been accomplished over a four year period (2001-2004). As of November 2005, the Town's overall PCI is 75.

Staff will continue to use the parameters described above to plan the street treatment program. The percentages of slurry, overlay, and reconstruction will continue to be approximately as shown above. The PCI is the significant technical parameter, but the other considerations are important as they ultimately impact the unit cost of the work on the streets.

Relationship of Investment to PCI

A practical way to consider funding scenarios is to use the MTC Program for relating program costs to expected PCI for each future year. It becomes a formulaic way to start with the funding available and derive the resultant PCI for the Town's streets overall. It also becomes a way to estimate the funding needed to achieve a desired PCI.

The following exhibits present possible scenarios reflecting the relationship between investment and PCI. The first exhibit (Exhibit A) shows the expected PCI if the Town invests only its gas tax (approximately \$550,000) in the street program each year. The PCI decreases each year. By 2009/10, the PCI will fall to 70 and is projected to be 60 by 2020.

Exhibit B depicts the relationship between an annual investment of \$1 million and the PCI. In this scenario, the PCI would fall to 73 by FY 2009/10 and is projected to decrease to 70 by 2020.

Exhibit C illustrates the outcome of a \$1.5 million annual investment in street resurfacing. In this scenario, the PCI remains at a level of 75 on an ongoing basis.

Given the current level of investment programmed in the CIP is approximately \$550,000 annually, the Town can expect a decrease in the PCI as reflected in Exhibit A. To achieve the more gradual decline in the PCI reflected in Exhibit B, an additional \$500,000 per year would need to be allocated. An additional \$1 million would be needed to maintain the PCI at the current level, as reflected in Exhibit C.

Street Resurfacing Program

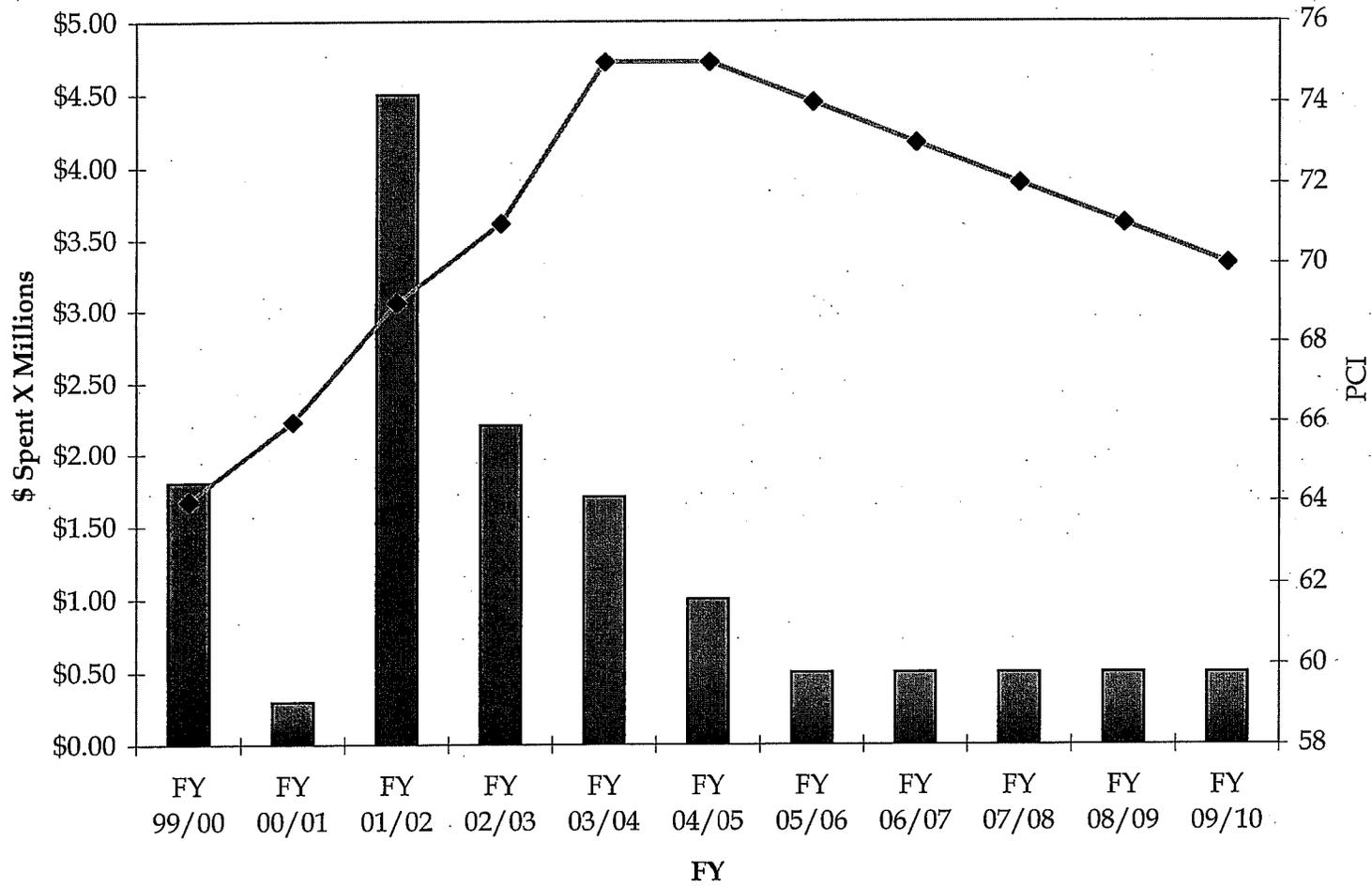


Figure 1

Street Resurfacing Program

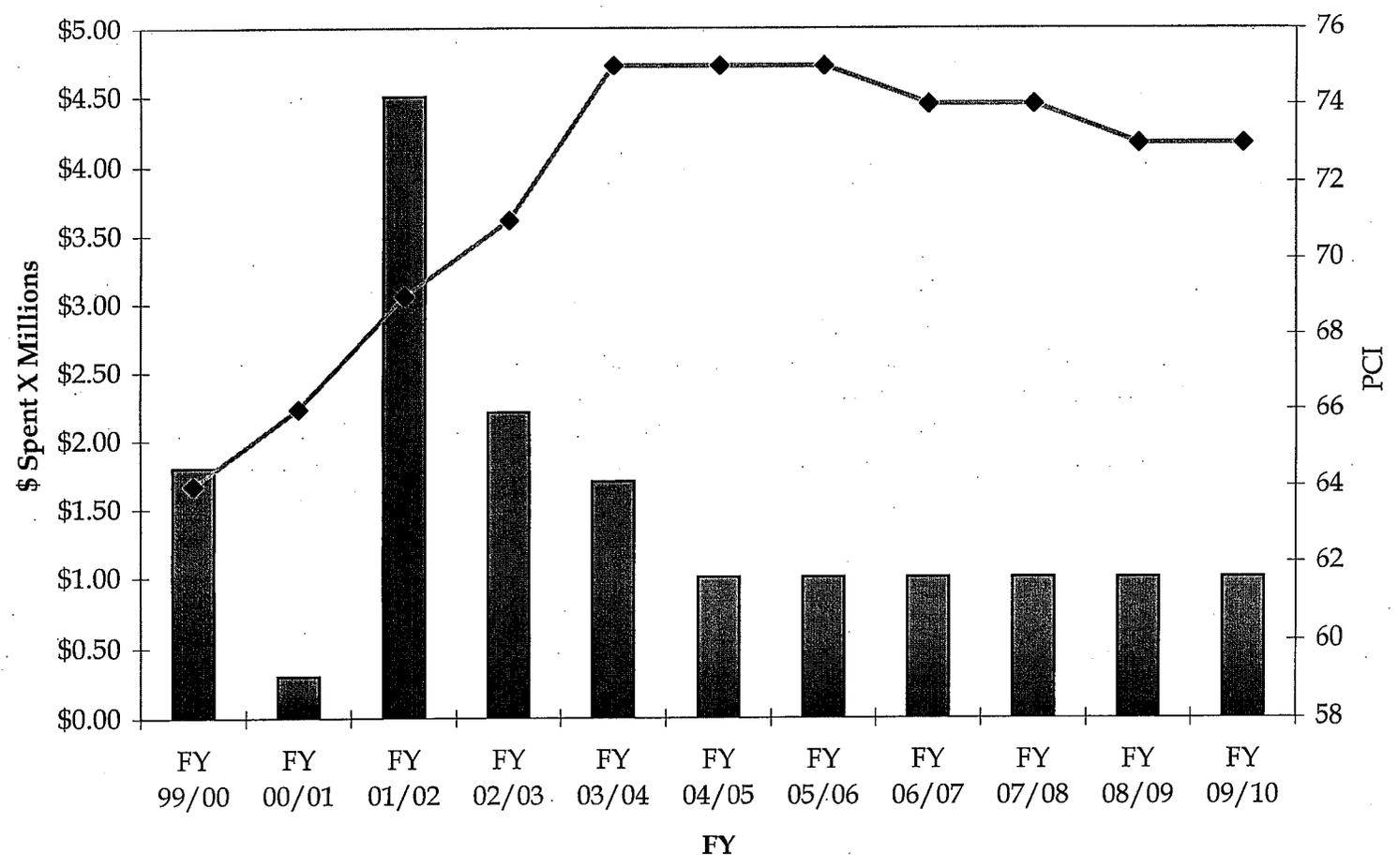


Figure 2

Street Resurfacing Program

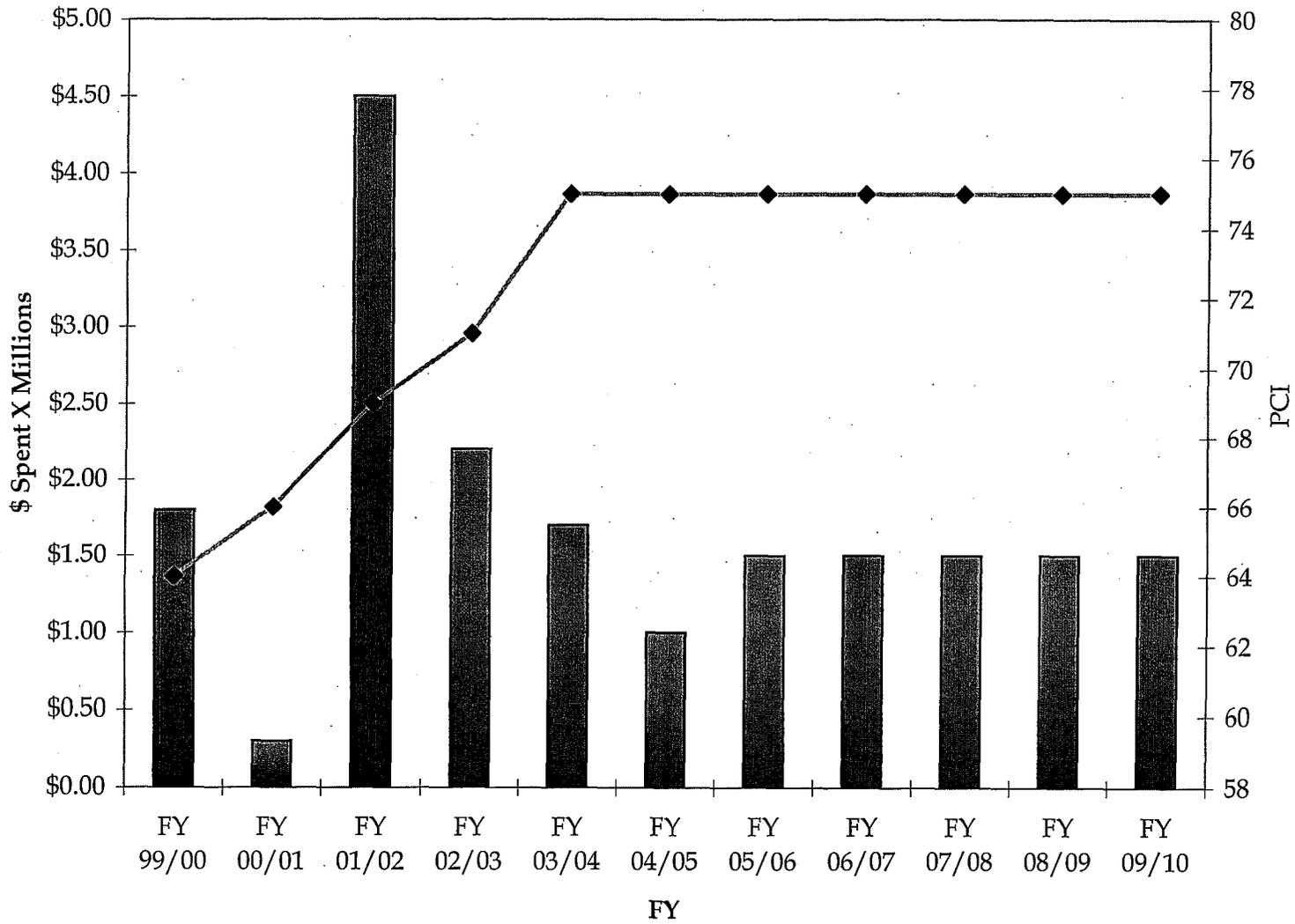


Figure 3