



# MEMORANDUM

## COMMUNITY DEVELOPMENT DEPARTMENT

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**To:** North 40 Advisory Committee

**From:** Todd Capurso, Acting Director of Community Development *TCB*

**Subject:** N40 Advisory Committee Meeting Report Additional Attachments

**Date:** June 5, 2013

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The attached correspondence was received after the North 40 Advisory Committee agenda was distributed.

**Distributed with this Desk Item**

1. Email from Ed Rathmann, dated June 4, 2013 (one page)
2. Email letter with graphics from Don Capobres, Senior Vice President, Grosvenor Americas, dated June 5, 2013 (4 pages)

**From:** [edrathmann@comcast.net](mailto:edrathmann@comcast.net) [mailto:[edrathmann@comcast.net](mailto:edrathmann@comcast.net)]  
**Sent:** Tuesday, June 04, 2013 11:19 AM  
**To:** Sandy Baily  
**Cc:** jason farwell  
**Subject:** North 40

Hello Sandy,

Could you please forward this e-mail to all the Advisory committee members for the North 40.

There is a group of business people and property owners downtown that are extremely concerned about the direction of the North 40 project. Simply put, if the developer is allowed to build 400,000 sq ft of retail space we believe strongly that it will seriously hurt the downtown business district. 400,000 sq ft is 75% the size of Santana Row. ( check the Santana Row website) And for the record, no one is even sure of the size of the downtown business district. We believe that it is not even close to 400,000 sq ft. And yes the developer will want to build all of this out as that is where they receive the highest rents. The heart of LG is a vibrant downtown. This North 40 project will be beautiful, have plenty of parking, and interesting shops and restaurants. It is really disingenuous to say the North Side of Town needs 400,000 sq ft to satisfy its needs. Remember that 100,000 square feet of restaurants is 20 Willow Street's or Forbes Mill's.

Two or three of us would like to meet with you, the committee members, to discuss this further. Please e-mail me or call me directly at 408-313-0086.

Sincerely, Ed Rathmann

Main Street and Willow Street Managing Partner



# GROSVENOR

**RECEIVED**

June 5, 2013

Town of Los Gatos  
North Forty Specific Plan Advisory Committee  
c/o Sandy Baily, Planning Manager  
110 E. Main St.  
Los Gatos, California 95031

JUN 5 - 2013

**TOWN OF LOS GATOS  
PLANNING DIVISION**

Dear Committee Members:

We have completed our detailed review of the draft North 40 Specific Plan and in addition to primary areas of concern that we outlined in our May 20, 2013 letter (which we hope to address in tonight's meeting), we will provide a comprehensive list of comments to Staff prior to the upcoming June 27th Advisory Committee meeting.

We will also continue to provide feedback to direction changes during your deliberations. In your meeting on May 23, 2013, there was discussion about reducing the maximum development capacity for commercial uses (excluding office and hotel) from the 400,000 square feet that is shown in Table 2-2 of the draft North 40 Specific Plan. The rationale provided was that reducing the square footage would lessen the negative impact on the downtown. We believe that reducing the allowable commercial square footage may actually have an unintended reverse effect on downtown and that providing the opportunity for more square footage of the proper type of retail will actually complement downtown and better serve unmet needs in general (and the north end in particular). It is our understanding that the Town's vision for the North 40 is to complement the retail in the downtown. In this regard, we expect to create a different type of center, with size categories that do not exist downtown, in an environment that is fun, exciting and new. We believe that measures have been put in place to limit the amount of (directly competitive) small shop space, which is the overwhelming majority of downtown shop space (see Table 2-7), but still offers the opportunity to create a unique sense of place that is unique to Los Gatos.

During your deliberations in early 2011, Town staff completed a retail leakage analysis. That analysis showed that Town residents were shopping outside of Town boundaries for general merchandise typically found at larger format retailers. These retailers are found in "community centers" and "power centers" such as those shown in the attached exhibits. As shown, the total size of these types of shopping centers can range up to 600,000 square feet and, as you can see, they look nothing like downtown Los Gatos or even Santana Row. In addition to the types of retailers that are found in these centers, we also envision adding an entertainment venue (bowling alley, comedy or music club) and possibly health club or spa to the North 40 commercial zone mix that would primarily be located in the Northern District. Ultimately, we believe that this portion of the project can successfully be delivered but we need 400,000 square feet due to several factors, including the need for similar sized retailers to be near each other.

Because we also believe in trying to preserve the look and feel of Los Gatos and want to avoid the typical sterile power center experience, we agree that a neighborhood serving retail component has a place in the North 40. This portion will feature a market hall or specialty foods concept along with other retail, restaurants and services that will complement the residential program and support the surrounding neighborhoods. We agree with the Advisory Committee that this would ideally be located in what is being called the Transition District and potentially parts of the Lark District. While "neighborhood centers" (also shown in the attachment) can typically be as large as 150,000 square feet, our planning shows the square footage of this type of retail can be in the 60,000 square foot range for the North 40 when added to the program discussed above.

Combined, the larger format commercial zone and the neighborhood serving retail form a "hybrid" retail offering that meets all of our objectives very well—serving unmet needs while complementing the Town's overall retail offering. Clearly the retail industry continues to experience change and until we can provide



a realistic schedule for delivering space, actual tenants cannot be secured. We are confident, however, that providing the flexibility for this additional space will allow us to attract a tenant mix that will make this rare hybrid retail program within the North 40 as successful as it can be.

It is our belief that arbitrarily reducing the amount of commercial square footage will make retail development on the North 40 infeasible or, at best, force us into more of the prototypical "neighborhood center". That center would have smaller format stores and present clear competition to the other centers in that category that already exist on Los Gatos Boulevard.

We are requesting that the Advisory Committee consider:

- 1) Allowing up to 400,000 of net new square feet of commercial space (exclusive of hotel and office) in the Transition and Northern districts;
- 2) That the Lark and Transition zones be allocated up to 60,000 square feet of neighborhood serving retail;
- 3) If an existing retail property is demolished and improved, the existing square footage would be added to the new square footage allowed;
- 4) Table 2-7 should provide a range of percentages, as hitting these precisely will be very difficult to implement. For example, there could be a range of within several percentage points of what is shown on this table, such as 22% - 28% rather than a strict 25%; and
- 5) Table 2-7 should apply to all newly built commercial space, not to the existing onsite uses.

Keep in mind that the other design standards and constraints contained in the North Specific Plan will regulate development, making it quite possible that the combined square footage of all uses allowed (commercial, office, and hotel) will not be reached.

We are prepared to discuss this further at tonight's or a subsequent meeting.

Sincerely,

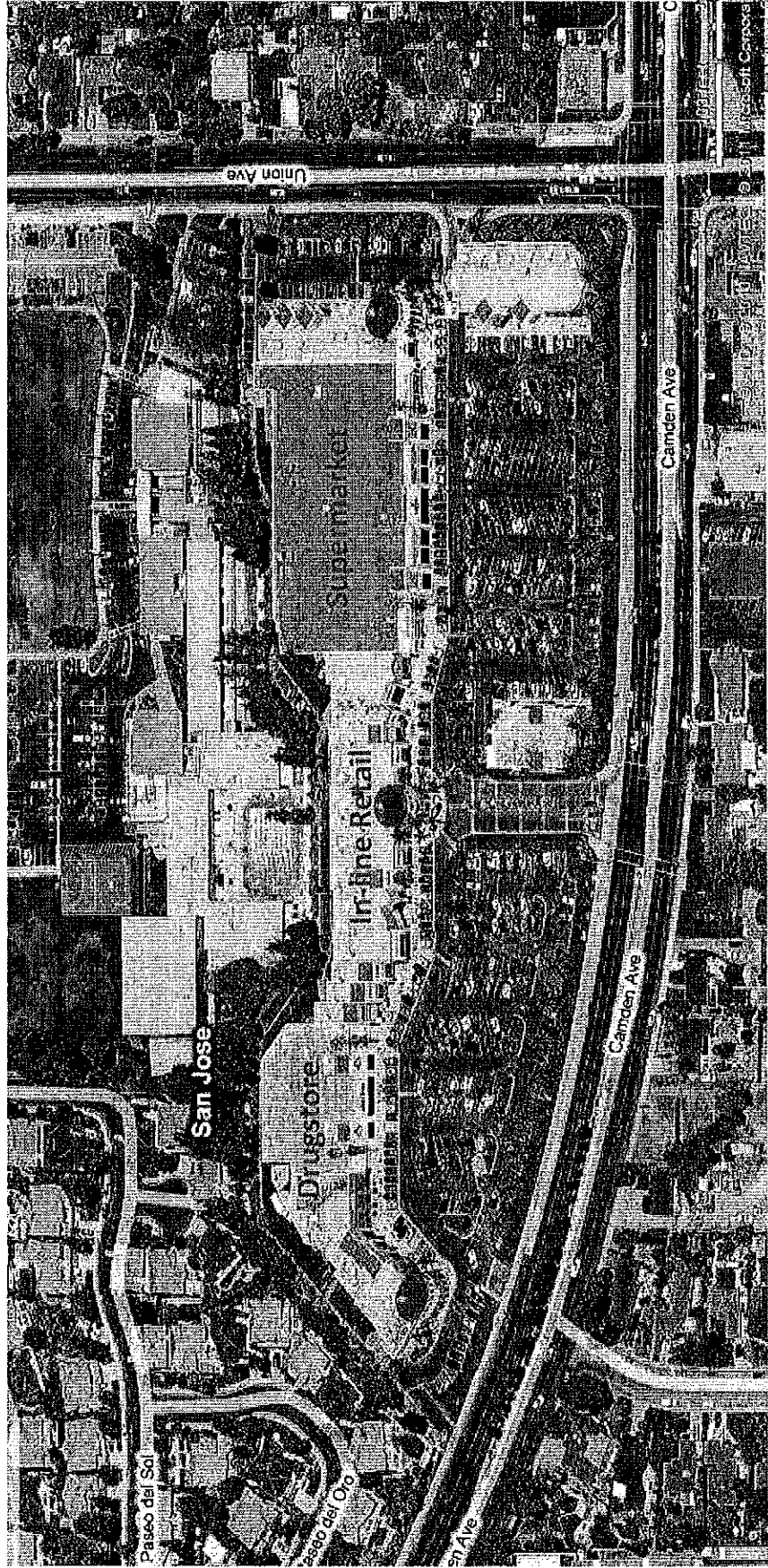
A. Don Capobres

Attachments:

Prototypical Retail Centers, North 40 Specific Plan Advisory Committee Work Sessions, 2011

# Neighborhood Center

TYPE	CONCEPT	SQ. FT. (Inc. Anchors)	ACREAGE	TYPICAL ANCHOR(S)		ANCHOR RATIO*	PRIMARY TRADE AREA**
				NUMBER	TYPE		
NEIGHBORHOOD CENTER	Convenience	30,000 - 150,000	3 - 15	1 or more	Supermarket	30 - 50%	3 miles



# Community Center

TYPE	CONCEPT	SQ. FT. (Inc. Anchors)	ACREAGE	NUMBER	TYPICAL ANCHOR(S) TYPE	ANCHOR RATIO*	PRIMARY TRADE AREA**
COMMUNITY CENTER	General Merchandise; Convenience	100,000 - 350,000	10 - 40	2 or more	Discount dept. store; super-market; drug; home improvement; large specialty/discount apparel	40 - 60%	3 - 6 miles



# Power Center

TYPE	CONCEPT	SQ. FT. (Inc. Anchors)	ACREAGE	TYPICAL ANCHOR(S)		ANCHOR RATIO*	PRIMARY TRADE AREA**
				NUMBER	TYPE		
POWER CENTER	Category-dominant anchors; few small tenants	250,000 - 600,000	25 - 80	3 or more	Category killer, home improvement; disc. dept. store; warehouse club; off-price	75 - 90%	5 - 10 miles

