

TOWN OF LOS GATOS
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SUMMARY MINUTES OF A REGULAR MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS, **APRIL 13, 2005** HELD IN THE TOWN COUNCIL CHAMBERS, CIVIC CENTER, 110 EAST MAIN STREET, LOS GATOS, CALIFORNIA.

The meeting was called to order at 5:40 pm by Vice-Chair Mark Sgarlato.

ATTENDANCE

Members present: Mike Burke, Steve Glickman, Diane McNutt, Tom O'Donnell, Jane Ogle, Mark Sgarlato, Barry Waitte

Members absent: Phil Micciche

Staff present: Bud Lortz, Director of Community Development; Randy Tsuda, Assistant Community Development Director; Suzanne Davis, Associate Planner; Joel Paulson, Associate Planner

VERBAL COMMUNICATIONS

None.

ITEM 1 FORMULA RETAIL

Bud Lortz introduced Danielle Surdin, Economic Vitality Manager, noting that the Committee had discussed this issue at a previous meeting and had requested more information to aid in making a decision.

Danielle Surdin informed the Committee that she has information from commercial brokers and property owners. Since starting work for the Town she has conducted a vacancy rate survey. She has been working on larger office recruitments since the highest vacancy rates are in the office zones. Comments from commercial brokers and property owners include a concern about the planning process. Its difficult during lease negotiations when it isn't known if the use will be permitted.. Outside the Downtown there was some positive feedback about contact with staff. High foot traffic and makes the Downtown very attractive. Owners of Los Gatos Boulevard (older) office buildings are having some difficulty leasing space and are now working with a broker. Some form of streamlining and expansion of formula retail has been requested in the Downtown.

Steve Glickman asked if there are any suggestions or recommendations for the Committee. *Ms.*

Surdin said expanding formula retail to allow smaller regional chains that have four to six stores. Encouraging property owners to upgrade properties and buildings through streamlining or otherwise making it easier for them to gain approvals.

Steve Glickman said the perception of some people is not reality. He asked if these perceptions are accurate. *Mr. Lortz* said historically, yes, but recently, no. There are a number of examples where the process has been changed and applications approved quickly. The ability for the DRC, through a public hearing process, to approve more commercial applications (through the new Commercial Design Guidelines) is a great example.

Danielle Surdin said providing success stories to brokers is helpful. Applicants who have a good experience will tell others about it, and brokers will also pass on positive feedback.

In response to a question from *Mike Burke*, *Ms. Surdin* said some property owners are not able to get the tenant they really want. Small regional chains have business experience, financial security and capital. *Randy Tsuda* commented that when leasing a space, property owners are looking for tenants with a track record and credit history. *Bud Lortz* said the primary concern is whether the use is appropriate for the Town. Maintaining the right mix in the Downtown is important.

Barry Waitte noted that there seems to be two issues: products or services being offered to the community versus being overrun by large national chains.

Bud Lortz said the question will be, in approving smaller chains, are we negatively impacting business in the Downtown.

Jane Ogle asked how many businesses are “mom and pop” in the Downtown. *Ms. Surdin* said she is in the process of gathering that information. She will also be compiling information on businesses that have more than one location, and how many they have.

Diane McNutt would like to refer to them as sole location businesses instead of mom and pop. There are small businesses that will be successful. Having high turnover is more of a problem. She asked if there are any technological or other obstacles that is keeping the office space from being leased. *Ms. Surdin* answered that compared to other cities, Los Gatos is doing very well. There is a full service feel in a small town. Provision of utilities is a small concern. *Diane McNutt* said going out to other communities to look for successful stores is a good approach.

Mike Burke asked if based on current information, the current policy on formula stores is preventing the Town from getting some businesses. *Ms. Surdin* said that is true, but it is also the perception that the process is harder than most, only in the Downtown. *Mike Burke* said the Committee may want to take action sooner versus later as it show the Town can act quickly.

Mark Sgarlato asked for Committee comments on raising the limit on number of stores for regional chains. *Barry Waitte* agreed on this approach. *Steve Glickman* would like to hear others perceptions on what the threshold is, and what the public’s comfort level is.

Jane Ogle asked if there is a natural break in the number of stores people own. *Ms. Surdin* said that businesses start as one store and don't typically expand to more than four or five unless they go to franchises. Starbucks is one of the exceptions to this.

Diane McNutt said she is looking for five or six.

Barry Waitte said if we're looking for a number, he would say three to four. It can always be raised later, but its hard to lower if set too high.

Tom O'Donnell said you need to understand the market. There is no logical number, but he is ok with four or five. Don't think we should make people jump through hoops when they have only a few stores. We need to figure out why certain types of stores don't want to locate here.

Jane Ogle commented that if there is a five percent vacancy rate, the problem isn't if the space will be filled, but what type of tenant it will be. *Ms. Surdin* said that businesses that may be a good fit are sometimes bypassed because the space is leased to another tenant that doesn't need a use permit.

Discussion continued on number of businesses to allow under the regional chain threshold.

Bud Lortz said he hears an interest in raising the bar. Staff will return to the Committee with some options. It sounds like we also need some outreach. We will do what we can through the planning process to expedite applications and will work with Danielle to help educate brokers.

Committee consensus is to move forward with something for the Council's consideration.

Danielle Surdin asked the Committee to look at whether increasing the number will bring in more desirable businesses. When it comes down to considering more than one prospective tenant, it may be enough to tip the scale in favor of the more desirable business.

ITEM 2 HILLSIDE REMODELS

Bud Lortz introduced the item explaining that we have found what appears to be a glitch. Homeowners wanting to remodel sometimes end up with a technical demolition. Problems arise when the house is already larger than 6,000 square feet. The question is whether this makes sense or not. Staff is considering adopting an administrative policy or Council policy allowing such a project to be approved through a DRC process. Requiring someone to go through a Planning Commission process for a modest change. *Randy Tsuda* further explained the hillside standards and how it is applied.

Mike Burke asked if the definition of technical demolition could be changed for hillside homes.

Steve Glickman commented on the two options. Modifying the HDS&G is the better option since it relates to the document and it doesn't allow "anything goes" just because there is no expansion. *Bud Lortz* said an applicant would still be required to comply with the HDS&G. He suggested developing an (interim) administrative process for approval by the Committee. This would help the people currently stuck in the process while staff works on an amendment to the HDS&G to address the issue..

Staff will return with an administrative policy and will follow-up with an amendment to the HDS&G.

ITEM 3 ELECTION OF CHAIR & VICE-CHAIR

Mike Burke nominated Mark Sgarlato as chair, noting that it would be helpful to have a public representative presenting the Committees'. The motion was seconded by *Diane McNutt* and passed unanimously.

Diane McNutt nominated Jane Ogle as Vice-Chair. She really likes the idea of a public representative serving, noting that Council and Planning Commissioners change each year, and the public reps serve multi-year terms. The motion was seconded by *Mark Sgarlato* and passed unanimously.

ITEM 4 APPROVAL OF MINUTES

Mike Burke made a motion to approve the minutes of March 9, 2005. The motion was seconded by *Tom O'Donnell* and passed unanimously.

ADJOURNMENT

The meeting was adjourned at 6:35 pm by *Mark Sgarlato*. The next meeting of the General Plan Committee is scheduled for Wednesday, May 11, 2005 at 5:30 pm.

Prepared By:

Suzanne Davis, Associate Planner

General Plan Committee
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