



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/02/2020

ITEM NO: 3

DATE: May 28, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Resolution to Provide Temporary Modifications to Specific Provisions Related to Business Permits, Processes, Provisions, and Activities during the COVID-19 Pandemic to Offer Economic Relief, Recovery, and Opportunities for Community and Economic Vitality.

RECOMMENDATION:

Adopt a Resolution to provide temporary modifications to specific provisions related to business permits, processes, provisions, and activities during the COVID-19 Pandemic to offer economic relief, recovery, and opportunities for community and economic vitality.

BACKGROUND:

The COVID-19 pandemic has caused an unfortunate economic downturn for many Los Gatos businesses and residents. Businesses are looking for innovative ways to address the impacts on their business model while providing additional measures to allow for customers to remain socially distanced and feel safe. Customers are looking for creative ways to continue to patronize local businesses and have access to the specialty products offered by Los Gatos merchants.

The Town and its businesses want to be leaders to illustrate how customer safety measures and a return of commerce can coexist with County Health Orders in the new COVID-19 normal. Additionally, the Town continues to strive to retain existing businesses and attract new ones to encourage a strong and diverse business community in Los Gatos, with limited commercial vacancies.

PREPARED BY: Monica Renn
Economic Vitality Manager

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

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SUBJECT: Adopt a Resolution Providing Community Vitality and Economic Recovery Opportunities

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BACKGROUND (continued):

On May 26, 2020, the Town Council held a special meeting to discuss opportunities that provide support to the business community through Community Vitality and Economic Recovery initiatives.

DISCUSSION:

At its special meeting, the Town Council discussed a menu of opportunities compiled by staff and provided through collaboration with stakeholders. Direction was provided to staff on the implementation of a pop-up parklet program that includes shared curbside parking options, and land use permit and process streamlining opportunities. Many of the elements of this direction can be implemented by staff; however, some require modifications to current Town Code provisions. These items have been captured in a draft resolution (Attachment 1).

Per Council direction, the resolution is temporary, with initial review in six months (December 2020) and expiration in one year, on June 30, 2021. That said, the Town Council reserves the right to amend the resolution for modification or rescission at any time prior to the expiration.

Below is a high-level overview of the items contained in the resolution to provide additional information that may be needed to clarify the intent and logistics of implementation. Staff has assembled the parameters based on the staff report for the May 26, 2020 meeting and the Town Council's unanimous support of the streamlining items included in that report.

Economic Recovery Agreements

The resolution references an Economic Recovery Agreement for several of the items. This agreement will be unique to the item it is referencing. In the case of the parklets, the agreement will allow a private business to utilize public parking space(s) as an extension of their business. For restaurants, the agreement will address compliance with Santa Clara County Public Health Order (PHO), Department of Environmental Health (DEH), and Alcohol Beverage Control (ABC) provisions; and for all businesses, the agreement will address liability and encroachment permitting.

For businesses located within private shopping centers interested in using private parking spaces within the shopping center, the Economic Recovery Agreement will serve as an agreement to reserve sufficient parking for the center while meeting the needs for expanded outdoor space. Permission and agreement will need to be provided by both the property owner and businesses owner, ensuring compliance with PHO, DEH, and ABC as noted above.

DISCUSSION (continued):

Expansion, Relocation, or Addition of Existing Los Gatos Business

Current Los Gatos businesses will not be required to modify or obtain a new Conditional Use Permit (CUP) if they would like to expand, relocate, or add an additional location related to their current business. This opportunity is in place to support business retention, Innovation, and customer safety given that the way customers dine, shop, and patronize businesses has changed dramatically.

Staff will utilize the Economic Recovery Agreement to draft conditions for the business that are aligned with those in their current CUP, or with those that are “standard” for the business type. For the purpose of this resolution, current Los Gatos businesses will be defined as a business physically located in a brick and mortar location within the Town of Los Gatos, with a current business license. If these qualifications are not met, a CUP will be required at the cost reduction defined later in this report. It is important to note that the Economic Recovery Agreement will not run with the land as a CUP does, instead it will run with the business. When the business changes ownership, the agreement will expire, and the subsequent business will need to obtain the required permits in place at such time.

Personal Service Businesses in Downtown

During the enactment of the temporary resolution, personal service businesses will be allowed “by-right” with an Economic Recovery Agreement. Given past sensitivity to preserving a mix of businesses in the Downtown, staff is recommending that a limit of ten new personal service businesses be allowed initially before the staff returns to the Council for additional direction.

Similar to the Economic Recovery Agreement outlined above, Personal Service businesses that occupy a space downtown under the terms of this resolution will have an agreement in place that expires with the business and does not grant CUP allowances that run with the land.

Cost for Conditional Use Permits

For new businesses coming into Los Gatos, or those who do not meet the definition above as an existing Los Gatos business, the resolution allows for all CUPs to be charged at 50% of the cost listed in the Town’s adopted Fee Schedule. Such CUPs will still be required to be vetted through the currently assigned deciding body. The remaining 50% of the cost of the permit will be absorbed in the Community Development Department budget. Budget adjustments may be needed at mid-year to recognize decreased permit revenue than originally assumed in the budget. Depending upon the demand for new CUPs, expenditure adjustments may also be needed.

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DISCUSSION (continued):

Alcohol Consumption with Meals

Current Town Code language allows for beer and wine to be consumed with a meal in Town parks. This resolution provides this allowance to be expanded to include all alcohol beverages with meals in the Town Parks, pop-up parklets, and expanded dining areas. The resolution does not allow for consumption on public sidewalks, cars, or other modes of transportation. The intent of this modification is to provide customers the ability to pick-up takeout dinners from restaurants and dine, socially distanced, in parks and public areas provided through this pop-up parklet program. This allowance aligns with the ABC's temporary relief provisions for restaurants to sell alcohol with take-out meals.

CONCLUSION:

Adopt the proposed Resolution (Attachment 1) to provide temporary modifications to specific provisions related to business permits, processes, provisions, and activities during the COVID-19 Pandemic to offer economic relief, recovery, and opportunities for community and economic vitality.

COORDINATION:

This report has been prepared with coordination between the Town Manager's and Town Attorney's Offices, and the Police, Community Development, Parks and Public Works, and Finance Departments.

FISCAL IMPACT:

As noted above, future revenue and/or expenditure budget adjustments may be needed to reflect the Town's absorption of 50% of the cost of new CUPs.

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Draft Resolution