



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 11/11/2020

ITEM NO: 3

DESK ITEM

DATE: November 11, 2020
TO: Planning Commission
FROM: Joel Paulson, Community Development Director
SUBJECT: Requesting a Zoning Consistency Determination and Approval of a Conditional Use Permit (U-20-009) for a Bank (Charles Schwab Community Banking and Investment Services) on Property Zoned C-2:LHP:PD. Located at 35 University Avenue. APN 529-02-044. Property Owner: SRI Old Town LLC. Applicant: Amber DeMaglio.

RECOMMENDATION:

Exhibit 10 includes an additional public comment received between 11:01 a.m., Friday, November 6, 2020, and 11:00 a.m., Wednesday, November 11, 2020.

EXHIBITS:

Exhibits previously received with the November 11, 2020 Staff Report:

1. Location map
2. Required Findings for Conditional Use Permit
3. Recommended Conditions of Approval
4. Project Description
5. Letter of Justification
6. Zoning Consistency Determination Letter
7. Floor Plan
8. Photos
9. Public Comment received by 11:00 a.m., Friday, November 6, 2020

Received with this Desk Item Report:

10. Public Comment received between 11:01 a.m., Friday, November 6, 2020, and 11:00 a.m., Wednesday, November 11, 2020.

PREPARED BY: Sean Mullin, AICP
Associate Planner

Reviewed by: Planning Manager and Community Development Director

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Los Gatos Planning Commission
110 E Main St. Los Gatos, CA 95030

Cc: Town Council,
Town Manager,
Town Attorney,
Town Director of Community Development

Dear Los Gatos Planning Commission,

I have reviewed the request for Federal Realty to attain an exemption via a “code interpretation” to locate a professional office/professional service use disguised as a “bank” on the ground floor in C-2. Looking closely at the plans, they are not proposing to open a bank. Professional offices and professional services have historically never been allowed on the ground floor on the main thoroughfares downtown in C-2, and there have been many requests for them through the years. Allowing this exemption, would represent not only a major departure from precedent, but also a major departure from the Downtown vision we have been tirelessly working on via the economic development streamlining processes.

Some folks were very worried that the moment the streamlining processes took effect, we would be flooded with many formula retail stores and low-end food uses. The streamlining processes have been in place now for +/- 18 months (depending on the policy) and we have only seen the advent of high quality food-uses that will add to the vibrant mix in Downtown, and we are at a net loss of Formula Retail uses. This streamlining is unfolding at a reasonable pace, we should not shake it up any further.

I understand the demand for visible ground floor office uses through the years, coming from a landlord and broker prospective, and this is the single change that would quickly devastate the Downtown use mix. You would quickly see the erosion of the retail presence as the dining/shopping attraction evaporates by allowing the professional uses on the ground floor. Further, Old Town has typically attracted larger formula retailers that are an important part of the Downtown mix. A lot of the reason behind relaxing the Formula Retail policy was because there are a lot of physical constraints on N Santa Cruz Ave and Main St that naturally regulate the ability for an abundance of Formula Retail from locating there. Hence, Old Town has been identified as an appropriate place for larger scale Formula Retail uses, why would we now eliminate one great location?

As some of you may know, I have been a major advocate through the years for making adjustments to the policies and Town Code to allow for more flexibility when it comes to uses in the Downtown/C-2 zone, however this is one change that I fear would be not only inconsistent with the Town vision, but cause irreparable damage to our Downtown as we are on the precipice of an economic resurgence given the streamlining policies that have already been put to the test. If ground floor professional services are something the Town wants to consider in the commercial core, it should be looked at carefully and studied, rather than taken on a case-by-case basis. Current analysis leads me to believe we want to encourage “banks” to relocate or reduce their footprint, not add new ones.

Jim Foley



Principal
Pennant Properties

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