



**TOWN OF LOS GATOS  
COUNCIL POLICY COMMITTEE REPORT**

MEETING DATE: 01/28/2020

ITEM NO: 5

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DATE: January 23, 2020  
TO: Council Policy Committee  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Discuss the Town's interpretation of "used vehicles" in the Town Code and determine if an exemption for indoor showrooms is appropriate.

**RECOMMENDATION:**

Discuss the Town's interpretation of "used vehicles" in the Town Code and determine if an exemption for indoor showrooms is appropriate.

**BACKGROUND:**

The Town's Zoning Code, Chapter 29 of the Town Code, does not specifically define used vehicles; however, it does regulate them in the Table of Conditional Uses in Section 29.20.185 by requiring used vehicle sales to be incidental to new vehicle sales and rentals. Town staff interprets the intent of this language to be prohibitive of standalone used vehicle lots that occupy outdoor commercial spaces as parking lots for a large quantity of vehicles (i.e., over twenty cars). Outdoor lots can be a potential visual blight on a shopping area. Town staff seeks the Policy Committee's input and direction on excluding indoor only showrooms from the intent of the current Town Code language.

**DISCUSSION:**

The Town has been approached by a business who would like to locate in the C-2 zoning district. In this case, the business is a used vehicle dealership wherein only previously owned vehicles are sold; however, the vehicles are those that are vintage, rare, exotic, or of a class that are not obtained at a typical dealership. This business model offers a high-end niche retail sales experience coupled with an experience for vehicle enthusiasts to enjoy as a spectator.

**PREPARED BY:** Monica Renn  
Economic Vitality Manager

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

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DISCUSSION (continued):

The business is requesting to have an indoor only showroom with approximately six to ten used vehicles onsite at any given time. The business would also offer customers the ability to request a specific make, model, and vintage of a vehicle, which the dealer would then work to locate the desired vehicle. All vehicles for sale would remain on display indoors, and the point of sale origin for sales tax purposes would be the same Los Gatos location as the showroom.

CONCLUSION:

Town staff believes that a differentiation could be made that exempts indoor only showrooms for the sale of used vehicles to allow for specialty and niche businesses which do not occupy any outdoor commercial spaces with used vehicles. The exemption of indoor showrooms would allow for the sale of used vehicles alone; however, it would require that they be completely contained indoors in a commercial zone. Given the Town Council's Strategic Priority to create greater opportunities for Community Vitality and business interests, staff believes it could be appropriate to make this interpretation, thus we have brought the item forward for the Policy Committee to discuss and provide direction.

COORDINATION:

This report has been prepared with collaboration between the Town Manager's and Town Attorney's Offices, and the Community Development Department.

FISCAL IMPACT:

No fiscal impact would be realized by this item.

ENVIRONMENTAL ASSESSMENT:

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