



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 02/18/2021

ITEM NO: 11

DATE: February 10, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Modified Economic Recovery Resolution to Reflect the Town Council's Direction on Conditional Use Permits for up to Five New Markets or Other Non-Restaurant Uses; and Extend the Resolution Until At Least December 31, 2021.

RECOMMENDATION:

Adopt a Modified Economic Recovery Resolution (Attachment 1) to reflect the Town Council's direction on Conditional Use Permits for up to five new markets or other non-restaurant uses; and extend the Resolution Until at least December 31, 2021.

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, Community Development Director, and Finance Director

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 and subsequently adopted an Economic Recovery Resolution on June 3, 2020. The resolution was originally intended to be in place for one year, with a six-month review. The draft resolution (Attachment 1) contains modifications that extend the Economic Recovery Resolution until December 31, 2021 and memorialize further opportunities for Conditional Use Permit (CUP) streamlining consistent with Council direction provided on January 19, 2021.

DISCUSSION:

At its January 19, 2021 meeting, the Town Council received an update on the Town's economic recovery efforts and provided direction to staff for additional land use streamlining, and economic and community vitality opportunities. The draft resolution (Attachment 1) contains modifications that extend the Economic Recovery Resolution until December 31, 2021 and memorialize further opportunities for Conditional Use Permit (CUP) streamlining.

The Council recognized that the COVID-19 Pandemic is still creating hardship for many businesses and that the efforts memorialized within the adopted Economic Recovery Resolution were providing expanded opportunities that support business recovery, retention, and attraction. The Council voted to continue the recovery efforts through at least December 31, 2021 and expand them by modifying the Economic Recovery Resolution to include the option for up to five (5) new non-restaurant business uses to be considered by the Development Review Committee (DRC) rather than the Town Council to reduce the cost and time associated with the CUP applications.

The DRC is a deciding body acting with a public hearing thus allowing the CUPs to still be noticed and vetted through a public hearing process. As business models evolve with the dynamic economic situation, many are looking to limit in-person service and move to a take-out or retail based model that provides options for food and beverages, including beer, wine and cocktails. With the absence of a full-service restaurant, such a use would be required to seek approval from the Town Council creating a time and cost barrier that has been noted as prohibitive. Should the cap of five businesses be reached, staff will return to the Town Council with an update and opportunity for additional discussion. At the time of this staff report, no applications have been filed or requested for such a use.

The draft Economic Recovery Resolution (Attachment 1) contains the draft language in blue, under Section 2., item number 6 memorializing the modifications for the additional CUPs at DRC, and under Section 8 the draft language provides an updated expiration date for the resolution of December 31, 2021.

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DISCUSSION (continued):

On January 19, 2021, the Council also directed staff to remain flexible with assistance and opportunities for economic recovery and requested that the staff provide a subsequent update to the Town Council on these effort in June of 2021.

CONCLUSION:

The Town Council should consider and adopt a modified Economic Recovery Resolution (Attachment 1) to reflect the Town Council's direction on Conditional Use Permits for up to five new markets or other non-restaurant uses; and extend the Resolution until at least December 31, 2021.

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. These fees will be paid for out of the Economic Recovery Fund.

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Draft Modified Economic Recovery Resolution