

DRAFT

**TOWN OF LOS GATOS  
CALIFORNIA  
TOWN COUNCIL/PARKING AUTHORITY  
JOINT REDEVELOPMENT AGENCY  
January 17, 2006/MINUTES  
Los Gatos Civic Center  
110 E. Main Street  
Los Gatos, CA 95030**

**Council/Agency Meeting  
Date: 02/06/2006**

Item# **7**

TIME	ITEM	ACTION ON ITEM
	<b>TOWN COUNCIL</b>	The Town Council/Parking Authority/Redevelopment Agency of the Town of Los Gatos met in the Council Chambers of the Town of Hall, 110 East Main Street, at 7:00 PM, January 17, 2006, <b>in a joint regular session.</b>
7:00 PM	<b>ROLL CALL</b>	Present: Steve Glickman, Joe Pirzynski, Barbara Spector, Mike Wasserman, and Mayor/Chairman Diane McNutt.  Absent: None
7:01 PM	<b>PLEDGE OF ALLEGIANCE</b>	<b>Jack, Daisy and Will Fordyce, St. Mary's School</b> , led the pledge of allegiance. The audience was invited to participate.
7:02 PM	<b>CLOSED SESSION</b>	<b>PUBLIC EMPLOYEE PERFORMANCE EVALUATION</b> (Government Code Section 54957) Title: Town Manager  <b>Mr. Korb</b> stated that direction was given and no action was taken.
7:03 PM	<b>MEMORIAL</b>	Presented by <b>Ms. Spector</b> , remembering <b>Joan Schreiner</b> , former Town Treasurer, author, and active community member.
7:06 PM	<b>COMMENDATIONS</b>	<b>Commendations</b> <ul style="list-style-type: none"><li>• Arts Commission – Elke Groves, Teri Hope, Marcia Tjader.</li><li>• Art Selection Panel – Carrie Brunner.</li><li>• Building Board of Appeals – Edward Meserve.</li><li>• Community Services – Barry Bakken, Kimberly Smith (Student).</li><li>• General Plan – Mark Sgarlato.</li><li>• Planning Commission – Michael Burke.</li></ul> <b>Mayor McNutt</b> presented commendations to these commissioners for volunteering their time to the community.

7:13 PM

**CONSENT ITEMS  
#1-15**

**ITEM #1,9, and 10  
WERE PULLED  
AND HEARD  
AFTER OTHER  
BUSINESS**

**TOWN COUNCIL**

2. Ratify payroll for the month of December, 2005. (2-V)
3. Ratify accounts payable for December, 2005. (3-V)
4. Approve Council Study Session minutes of December 19, 2005. (4-V)
5. Accept donation of up to two drinking fountains from the Rotary Club of Los Gatos for placement in two Los Gatos parks. (5-33)
6. Proposed Financial/Human Resources Software Information System Upgrade (6-42)
  - a. Authorize Town Manager to negotiate and enter into an agreement with Sungard Pentamation to upgrade the Town's Financial/Human Resources Software Information System.
  - b. Authorize budget adjustment for the Sungard Pentamation upgrade project in the amount of \$400,000 from available set aside funds in the Town's Management Information System (MIS) Services Fund.
7. Adopt a resolution authorizing Disadvantaged Business Enterprise (DBE) participation for use on Department of Transportation funded projects for Fiscal Year 2005-06. (7-23)  
**RESOLUTION 2006- 001**
8. Adopt resolution authorizing the Town Manager to sign the second amendment to the agreement providing for implementation of the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP). (8-40) **RESOLUTION 2006-002**
11. Award of Contract for Project 04—64 – Installation of equipment for the Chiller/cooling Tower Replacement Improvements. (11-15)
  - a. Adopt resolution declaring Therma Corporation to be the lowest responsible bidder on the project and awarding a construction contract in the amount of \$311,123.00. **RESOLUTION 2006-005**
  - b. Authorize staff to issue change orders to the construction contract up to an amount of \$30,000.
  - c. Authorize budget adjustment in the amount of \$152,647 from Building Maintenance Fund Balance 695-36000 to account 6695-84553.

	<p><b>CONSENT ITEMS #1-15 Continued</b></p> <p><b>ITEM #1,9 and 10 WERE PULLED AND HEARD AFTER OTHER BUSINESS</b></p>	<p>12. <u>Mountain Laurel Lane (Tract No. 9505 – Shannon Valley Ranch) – Easement Abandonment and Dedication.</u> (13-25)</p> <p>a. Adopt resolution ordering the summary vacation of a portion of excess public service easement and trail easement at 290 Mountain Laurel Lane (Lot ).</p> <p><b>RESOLUTION 2006- 006</b></p> <p>b. Accept dedication of public service and trail easement at 290 Mountain Laurel Lane (Lot 5).</p> <p>c. Accept dedication of trail easement at 290 Mountain Laurel Lane (Lot5).</p> <p>d. Accept dedication of public service easement and trail easement at 299 Mountain Laurel Lane (Lot 6).</p> <p>e. Accept dedication of public service and trail easement at the end of Mountain Laurel Lane (Lot 14).</p> <p>f. Adopt resolution granting an easement to include a gas line in the existing private water line easement in parcel C of Tract No. 9505. <b>RESOLUTION 2006-007</b></p> <p><b><u>REDEVELOPMENT AGENCY</u></b></p> <p>13. Ratify accounts payable for December, 2005. (13-V)</p> <p><b><u>TOWN COUNCIL/REDEVELOPMENT AGENCY</u></b></p> <p>14. Approve Council/Agency minutes of December 19, 2005. (14-V)</p> <p>15. Accept the 2004/05 Comprehensive Financial Report (CAFR) and Management Letter. (15-9)</p> <p><b>Motion by Mr. Glickman to approve Consent Items #2-8, and #11-15. Seconded by Mr. Wasserman</b></p>
7:14 PM	<b>MAYOR CALLED THE QUESTION</b>	<b>Carried unanimously.</b>
7:15 PM	<b>VERBAL COMMUNICATION</b>	<p><b>Mr. Davis</b></p> <ul style="list-style-type: none"> <li>• Complimented his barber</li> <li>• Commented on the lack of sidewalk on Blossom Hill Road</li> </ul> <p><b>Marian Cosgrove</b></p> <ul style="list-style-type: none"> <li>• Commented regarding FPPC Form 700</li> <li>• Commented regarding gift she is returning</li> </ul>
7:19 PM	<b>CLOSED VERBAL COMMUNICATION</b>	

7:20 PM	<b>PUBLIC HEARINGS</b>  <b>ITEM #16</b>  <b>APPEAL AMERICAN APPAREL</b>	<b>ITEM #16</b> Consider an appeal of Planning Commission decision denying a formula retail store (American Apparel) on property zoned C-2. Conditional Use Permit U-06-006. APN: 510-44-034. Property Location: 25 N. Santa Cruz Avenue. Property Owner: Santa Cruz Real, LLC. Applicant/Appellant: Tacee Webb  Staff report made by <b>Bud Lortz</b> .
7:28 PM	<b>COUNCIL DISCUSSION</b>	<ul style="list-style-type: none"> <li>• Asked for clarification on the number of existing formula stores that have gone through the approval process</li> </ul>
7:30 PM	<b>PUBLIC HEARING</b>	<b>Tacee Webb, Applicant/Appellant</b> <ul style="list-style-type: none"> <li>• American Apparel is a diverse retailer</li> <li>• Enables local citizens to purchase American-made, sweatshop-free clothing</li> <li>• Environmentally responsible company</li> <li>• High quality products, employment opportunities, wide variety of goods and services</li> <li>• Contributes revenues from sales tax; increases sales tax from neighboring stores</li> <li>• Increase diversity of shopping</li> <li>• Supports local community events and arts</li> <li>• Has proactive recycling programs and sustainable harvested cotton products</li> <li>• Is a destination retailer</li> <li>• Will adapt look and feel of store to be in keeping with the look and feel of Town</li> </ul>
7:42 PM	<b>COUNCIL COMMENT</b>	<ul style="list-style-type: none"> <li>• Request for clarification on sales tax figures presented by applicant/appellant</li> <li>• Commented regarding variations in vacancy rates at different times of year</li> <li>• Commented regarding intensity of formula retail within two block area south of Grays Lane</li> <li>• Questioned image of existing American Apparel stores</li> </ul>

7:55 PM	<b>OPEN PUBLIC HEARING</b>  <b>ITEM #16</b> <b>Continued</b>  <b>AMERICAN APPAREL</b>	<p><b>Ms. Whitnee Baker</b></p> <ul style="list-style-type: none"><li>• Commented in support of American Apparel business practices and quality of clothing</li></ul> <p><b>Mr. Lemons</b></p> <ul style="list-style-type: none"><li>• Commented on difficult business climate and competition for leases.</li><li>• Commented against an increase in formula retail</li></ul> <p><b>Mr. Carl Kahler</b></p> <ul style="list-style-type: none"><li>• Commented on difficulty of finding men's wear in Town and in support of American Apparel</li></ul> <p><b>Mr. Farhadi</b></p> <ul style="list-style-type: none"><li>• Commented against American Apparel</li><li>• Commented on the responsibility of Council to preserve downtown for young people</li><li>• Commented that formula retail stores are for increased capital to corporations and not for the community</li></ul> <p><b>Ms. Yuki</b></p> <ul style="list-style-type: none"><li>• Commented on the approval of Talbot's in Old Town</li><li>• Commented on the concentration of formula stores in Old Town</li><li>• Commented that American Apparel would provide more variety for youth</li></ul> <p><b>Mr. Giovannotto</b>, owner of 25 N. Santa Cruz Avenue</p> <ul style="list-style-type: none"><li>• Commented on size of space, length of time of vacancy, lack of interest for occupancy other than from restaurant</li></ul> <p><b>Mr. Pacheco</b></p> <ul style="list-style-type: none"><li>• Commented on changes in the last 25 years when he was on the Planning Commission considering approval of a fast food restaurant chain</li><li>• Commented against an increase in formula retail and on need for balance of retail that serves the public</li></ul> <p><b>Mr. Caras</b></p> <ul style="list-style-type: none"><li>• Commented on supporting American Apparel as adding to diversity and the downtown experience</li><li>• Commented on the lack of certain types of merchandise that are not available in Los Gatos</li></ul> <p><b>Mr. C.T. Harris</b></p> <ul style="list-style-type: none"><li>• Commented against American Apparel and that there are enough formula stores in downtown</li></ul> <p><b>Mr. Gordon Kahler</b></p> <ul style="list-style-type: none"><li>• Commented in support of American Apparel as a store for the youth of Los Gatos</li></ul> <p><b>Mr. Daniel Harris</b></p> <ul style="list-style-type: none"><li>• Commented against American Apparel in the downtown</li></ul>
---------	------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**ITEM #16  
Continued**

**AMERICAN  
APPAREL**

**Mr. Gascon**

- Commented against American Apparel in Los Gatos

**Ms. Maureen Baker**

- Commented in support of American Apparel and what they say they will do in Los Gatos

**Mr. Dawson**

- Commented in support of American Apparel as every store is unique and in keeping with the community standards
- Commented on manufacturing processes of other formula retail stores in Town

**Mr. Brasier**

- Commented on the affordability of American Apparel and that the best location is in the downtown

**Mr. Klopp**

- Commented that he would carry American Apparel goods if the retailer cannot open in Los Gatos

**Ms. Judith Kemp**

- Commented in support of American Apparel

**Ms. Hope**

- Commented against American Apparel in the downtown

**Ms. Mellema**

- Commented in support of American Apparel to provide affordable clothing for youth

**Mr. Arzie**

- Commented in support of upholding the Planning Commission decision

**Mr. McCandless**

- Commented on the difficulty of local businesses being sustainable
- Commented in support of American Apparel with a focus on the mix of tenants rather than size of tenants

**Mr. Smart**

- Commented on availability of studies to support concern about the increase in formula retail stores in downtown

**Mr. Davis**

- Commented on the positive appearance and presentation of the youth who presented.
- Commented against an increase in formula retail

**Ms. Jacqui Kemp**

- Commented on the difficulty she has encountered in working with the Town in creating events for teens due the Conditional Use Permit process and that another approach may work better

	<b>ITEM #16</b> <b>Continued</b>  <b>AMERICAN APPAREL</b>	<b>Tacee Webb, Applicant/Appellant</b> <ul style="list-style-type: none"> <li>• Commented on Formula Retail Policy and Conditional Use Permit process for exceptions</li> <li>• Commented on input from citizens as a statement of need for this store</li> <li>• Commented on a need for a policy change to distinguish among sizes and business models of formula stores</li> <li>• Commented on store in Tempe, Arizona and relationship with landlord and community</li> </ul>
9:08 PM	<b>CLOSE PUBLIC HEARING</b>	
9:08 PM	<b>COUNCIL DISCUSSION</b>	<b>Motion by Mr. Pirzynski</b> to uphold Planning Commission's decision and deny approval on CUP U-06-006 <b>Seconded by Ms. Spector</b> <ul style="list-style-type: none"> <li>• Expressed appreciation of the presentations made by the youth and reconfirmed support for the youth of the community</li> <li>• Commented on competition for commercial rental leases</li> <li>• Commented on language of General Plan regarding diversity of goods and services</li> <li>• Commented on density concentration of formula stores in different areas of downtown</li> <li>• Commented on policy decisions based on specific locations and density concentration of formula stores</li> <li>•</li> </ul>
9:53 PM	<b>MAYOR CALLED THE QUESTION</b>	<b>Carried 3-1-1, Mr. Glickman dissenting, Mr. Wasserman abstaining.</b>
9:54 PM	<b>MAYOR CALLED FOR A RECESS</b>	<b>Meeting resumed at 10:02 PM</b>
10:02 PM	<b>PUBLIC HEARINGS</b>  <b>ITEM #17</b>  <b>14880-14890 LOS GATOS BLVD.</b>  <b>PUBLIC HEARINGS</b>	<b>ITEM #17</b> Consider a request to approve an amendment to an approved Planned Development to allow an office building and seven apartments to be condominiums on property zoned CH:PD. APN: 424-10-079. Planned Development Application: PD-06-01. Property Location: 14880-14890 Los Gatos Boulevard. Property Owner/Applicant: Cupertino Development Corporation.  Staff report made by <b>Bud Lortz</b> .

	<b>ITEM #17 (continued)</b>  <b>14880-14890 LOS GATOS BLVD</b>	
8:45 PM	<b>OPEN PUBLIC HEARING</b>  <b>ITEM #17</b>  <b>14880-14890 LOS GATOS BLVD.</b>	<b>Cupertino Development, represented by Roger Griffin of Paragon Design, Applicant</b> <ul style="list-style-type: none"> <li>• Commented on soft commercial and apartment rental market</li> <li>• Commented on demand for medical suite ownership</li> <li>• Proposed conversion of seven apartments on site to condos with no increase in building size or square footage</li> <li>• Homes available at affordable levels</li> <li>• BMP unit to have applicability for teacher ownership</li> </ul>
8:54 PM	<b>COUNCIL COMMENT</b>	None
9:02 PM	<b>PUBLIC HEARING</b>	<b>Mr. Miller</b> <ul style="list-style-type: none"> <li>• Expressed appreciation for teacher housing benefit</li> </ul>
10:10 PM	<b>CLOSE PUBLIC HEARING</b>	<b>Direct Clerk Administrator to read the title of the ordinance</b>
10:10 PM	<b>COUNCIL DISCUSSION</b>	<b>Motion by Mr. Pirzynski to waive the reading of the ordinance Seconded by Mr. Glickman</b>
9:25 PM	<b>MAYOR CALLED THE QUESTION</b>	<b>Carried Unanimously.</b>
9:25 PM		<b>Motion by Mr. Pirzynski to introduce ordinance Second by Mr. Glickman</b>
12:12 PM	<b>MAYOR CALLED THE QUESTION</b>	<b>Carried unanimously</b>



10:12 PM	<b>PUBLIC HEARINGS</b>  <b>ITEM #18</b>  <b>ARNERICH ROAD NO. 1</b>	<b>ITEM #18</b> Consider protests concerning the reorganization of inhabited territory to the Town of Los Gatos known as Arnerich Road No. 1  Staff report made by <b>John Curtis</b> .
10:15 PM	<b>COUNCIL COMMENT</b>	<ul style="list-style-type: none"> <li>Clarification that all residents have petitioned for annexation.</li> </ul>
10:16 PM	<b>OPEN PUBLIC HEARING</b>	<b>Mr. Kokinos</b> <ul style="list-style-type: none"> <li>Commented on concerns about the impact of the annexation on his property outside the annexation area.</li> </ul> <b>Mr. Barth</b> <ul style="list-style-type: none"> <li>Commented on value of being part of Los Gatos</li> </ul>
10:23 PM	<b>CLOSE PUBLIC HEARING</b>	
10:23 PM	<b>COUNCIL DISCUSSION</b>	<ul style="list-style-type: none"> <li>Requested clarification on process</li> <li>Clarified that this meeting was to consider protests, verbal and written and that there would be no action tonight</li> <li>Resolution will be presented at February 6, 2006 Council meeting</li> </ul>
10:26 PM	<b>PUBLIC HEARINGS</b>  <b>ITEM # 19</b>  <b>HAZARDOUS VEGETATION (WEEDS)</b>	<b>ITEM #19</b> Adopt resolution ordering abatement of hazardous vegetation (weeds). <b>RESOLUTION 2006-008</b>  Staff report made by <b>John Curtis</b> .
10:29 PM	<b>COUNCIL COMMENT</b>	<ul style="list-style-type: none"> <li>Questioned ability to modify deadline to allow for dryer soil</li> </ul>
10:31 PM	<b>OPEN/CLOSE PUBLIC HEARING</b>	<b>Mary Keith Osborn</b> <ul style="list-style-type: none"> <li>Asked that her native grass garden be removed from the weed abatement list</li> </ul>
10:35 PM	<b>COUNCIL DISCUSSION</b>	<b>Motion by Mr. Glickman to adopt resolution. Seconded by Mr. Wasserman</b>
10::35 PM	<b>MAYOR CALLED THE QUESTION</b>	<b>Carried Unanimously.</b>

9:36 PM	<b>OTHER BUSINESS</b>  <b>ITEM #20</b>  <b>WEST VALLEY SOLID WASTE MANAGEMENT</b>	<b>ITEM# 20</b> Informational report on West Valley Solid Waste Management Authority Board process for collection contract procurement.  Staff report made by <b>Regina Falkner</b>
10:38 PM	<b>COUNCIL DISCUSSION</b>	<ul style="list-style-type: none"> <li>• 15 year contract for use of same landfill</li> <li>• Green Valley is not in competition for non-response to some detail questions.</li> <li>• Request of Council to review for input to JPA</li> <li>• Recycled items will no longer need to be separated</li> </ul>
10:42 PM	<b>CONSENT ITEMS #1-15 Continued</b>  <b>PULLED ITEM # 1</b>	<b>ITEM # 1</b> Accept Staff recommendations on County Referrals. (1-37) a. Projects outside Urban Service Area: None. b. Projects inside Urban Service Area: 14924 Diduca Way. c. Status of previous applications: None.
10:42 PM	<b>COUNCIL DISCUSSION</b>	<b>Motion by Mr. Glickman</b> to approve Consent Item #1 <b>Seconded by Ms. Spector</b>
10:42 PM	<b>MAYOR CALLED THE QUESTION</b>	<b>Carried unanimously.</b>
10:43 PM	<b>CONSENT ITEMS #1-15 Continued</b>  <b>PULLED ITEM # 9</b>	<b>ITEM #9</b> Adopt resolution denying an appeal of the Planning Commission decision approving a second story addition on property zoned R-1:8. APN: 529-15-097. 16750 Farley Road. Architectural & Site Application: S-05-063. Property owner: Glen and Melissa Wagner. Applicant: David Britt. Appellant: William R. Shellooe. (9-15) <b>RESOLUTION 2006-003</b>
10:43 PM	<b>COUNCIL DISCUSSION</b>	<b>Motion by Mr. Glickman</b> to approve Consent Item #9 <b>Seconded by Mr. Wasserman</b>
10:43 PM	<b>MAYOR CALLED THE QUESTION</b>	<b>Carried unanimously.</b>

10:43 PM	<p><b>CONSENT ITEMS #1-15 Continued</b></p> <p><b>PULLED ITEM # 10</b></p>	<p><b>ITEM # 10</b> <u>Shady Lane</u> (10-15)</p> <p>a. Adopt resolution approving a request for approval of a zone change from HR-2 ½ to HR-2 ½ PD to subdivide 66.2 acres into 19 lots. This project may have a significant impact on the environment and an Environmental Impact Report (EIR) has been prepared. Property location: Terminus of Shady Lane, File# PD-04-31 EIR-04-1. Property owner: Highlands of Los Gatos, LLC. Applicant: Sandy Harris.</p> <p><b>RESOLUTION 2006-004</b></p> <p>b. Adopt ordinance amending the Town Code effecting a zone change from HR-2 ½ to HR-2 ½ PD for property located at the Terminus of Shady Lane (APNs 527-12-001, 527-09-001 &amp; 004). <b>ORDINANCE 2147</b></p>
10:43 PM	<b>COUNCIL DISCUSSION</b>	<ul style="list-style-type: none"> <li>• Commented on change in school district from San Jose Union to Los Gatos to eliminate the need for children to cross Blossom Hill Road</li> <li>• Commented that the issue of school district has no bearing on approval of project</li> </ul>
10:57 PM	<b>PUBLIC COMMENT</b>	<p><b>Mr. Harris</b></p> <ul style="list-style-type: none"> <li>• Has submitted an application with the County School Board to be redistricted into Los Gatos School District</li> <li>• Commented that the decision rests solely with County School Board, and Board seems receptive to request</li> <li>• Expects decision to be made by March 1. Will appeal to the State if necessary</li> <li>• Noted that responsibility for Blossom Hill Road is shared with San Jose</li> </ul>
10:58 PM	<b>COUNCIL DISCUSSION</b>	<ul style="list-style-type: none"> <li>• Commented on difficulty of modifying Blossom Hill Road</li> </ul> <p><b>Motion by Mr. Glickman to approve Consent Item #10a and 10b</b> <b>Seconded by Mr. Pirzynski</b></p>
10:58 PM	<b>MAYOR CALLED THE QUESTION</b>	<b>Motion carried 4-1, Ms Spector dissenting.</b>

11:06 PM	<b>ITEM #21</b>  <b>COUNCIL MATTERS</b>	<b><u>ITEM #21</u></b> <b>Request for Study Session</b> <ul style="list-style-type: none"><li>• Request of staff for a study session to address issues regarding formula retail that were raised earlier in tonight's meeting</li><li>• Request for study session to include discussion on commercial rent control</li><li>• Commented on the need for public input</li><li>• Commented on need to address intensity of formula retail in the downtown area</li><li>• Commented on need for conversation not tied to a specific application</li><li>• Commented on limiting scope of study session</li><li>• Study Session set for February 21</li><li>• Request for Town Attorney to present legal framework</li></ul>
11:17 PM	<b>ITEM #22</b>  <b>MANAGER MATTERS</b>	<b><u>ITEM #22</u></b> None.
11:17 PM	<b>MEETING ADJOURNED</b>	

Submitted by:

Attest:

Bobbi Fries, Deputy Clerk

MarLyn J. Rasmussen, Clerk Administrator  
Secretary to the Redevelopment Agency