



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 2/6/2018

ITEM NO: 16

DATE: FEBRUARY 1, 2018

TO: MAYOR AND TOWN COUNCIL

FROM: LAUREL PREVETTI, TOWN MANAGER

SUBJECT: ADOPT A RESOLUTION APPROVING AMENDMENTS TO THE NORTH 40 SPECIFIC PLAN. APN 424-07-009, 010, 024 THROUGH 027, 031 THROUGH 037, 052 THROUGH 054, 060, 063 THROUGH 065, 070, 081 THROUGH 086, 090, 094 THROUGH 096, 099, 100, 102 THROUGH 112, 424-06-115, 116, AND 129. PROPERTY OWNERS: YUKI FARMS, ETPH LP, GROSVENOR USA LIMITED, SUMMERHILL N40 LLC, DODSON, HIRSCHMAN, MATTES, VENTURA TRUSTEE, MOISENCO, LOS GATOS MEDICAL OFFICE CENTER LLC, LOS GATOS GATEWAY LLC, MBK ENTERPRISE, CONNELL, GIN, JOHN & ALLISON DIEP LLC, BERNAL, LG BOULEVARD HOLDINGS LLC, POLARIS NAVIGATION, EW REAL ESTATE LLC, LAZAAR ENTERPRISES LLC, KOTHARY, AND SWENSON TRUSTEE. APPLICANT: TOWN OF LOS GATOS

RECOMMENDATION:

Adopt a resolution (Attachment 16) approving amendments to the North 40 Specific Plan.

BACKGROUND:

On November 14, 2017, the Town Council held a Special Meeting to discuss potential amendments to the North 40 Specific Plan, received public testimony, and provided staff direction for amendments to the North 40 Specific Plan.

On January 16, 2018, the Town Council held a noticed public hearing to consider amendments to the North 40 Specific Plan, received public testimony, and continued the matter to the February 6, 2018 Town Council meeting with requests for additional information from staff.

PREPARED BY: JOEL PAULSON
COMMUNITY DEVELOPMENT DIRECTOR

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

DISCUSSION:

The requested information is outlined below and is followed by staff responses.

- **Provide information from the previous economic study regarding tax leakage.**

Former economic studies that were completed during the Specific Plan process illustrated significant tax leakage in the General Merchandise and Building Materials land use categories. Other land use categories that were considered opportunities for the Town included Office, Hotel, Appliances, and Conference/Meeting Space. All of these uses are currently permitted in the North 40 Specific Plan area.

Staff also reviewed sales tax generation information for Fiscal Year 2016-17. A review of that information illustrated that the top 25 sales tax generators fell into the following general categories: Restaurants (Food Services and Drinking Places), Formula Retail, Grocery Stores, Vehicle Sales, Gas Stations, Office/Research and Development, and Building Materials. All of these uses are permitted or permitted with the approval of a Conditional Use Permit in the North 40 Specific Plan area, with the exception of gas stations.

- **Provide traffic information on potential uses (i.e. incubator office space, makers space, makers space with a residential component, hotel with a residential component, continuum of care, vehicle sales, church, residential, retail, restaurant).**

All of the uses listed above are permitted or permitted with the approval of a Conditional Use Permit in the North 40 Specific Plan. Additionally, all of these uses can be evaluated from a traffic perspective using the trip generation limitations in the North 40 Specific Plan EIR.

Staff previously provided three conceptual development scenarios in Attachment 17. It is important to note that there are many variations of these options that would still comply with the trip generation limitations in the North 40 Specific Plan EIR. When additional applications for the North 40 Specific Plan area are submitted the traffic impacts will be evaluated to ensure that the project complies with the traffic limitations disclosed in the Specific Plan EIR.

When an application is submitted the appropriate trip generation rates will be applied. This will accurately capture the trip generation for all of the uses listed above, the hybrid uses listed above, and other uses that may be proposed. For example, a hotel with residential would be calculated based on the trip generation from a combination of both the number of rooms for the hotel and the number of residential units proposed. The following is a list of potential uses with their corresponding a.m. and p.m. peak hour trip generation rates.

DISCUSSION (Continued):

	AM Peak Hour Trips *	PM Peak Hour Trips *
Hotel	0.47 per room	0.60 per room
Office	1.16 per ksf	1.15 per ksf
Shopping Center	0.94 per ksf	3.81 per ksf
Discount Store	See Shopping Center	See Shopping Center
Building Material	See Shopping Center	See Shopping Center
RV Sales	0.46 per ksf	0.77 per ksf
Church	0.33 per ksf	0.49 per ksf
Assisted Living	0.19 per bed	0.26 per bed
Continuing Care Retirement	0.14 per unit	0.16 per unit
Multifamily Housing (Low Rise)	0.46 per unit	0.56 per unit

* based on ITE Trip Generation Manual, 10th Edition

Staff does not recommend specifying individual uses, but rather maintaining the broad use categories identified in the Specific Plan.

- **Provide the limiting factors related to development capacity (i.e. traffic, square footage, residential units).**

The following are the limiting factors related to development capacity from the North 40 Specific Plan EIR which cannot be exceeded:

514,000 square feet of new commercial space that was evaluated in the EIR; and
 A maximum of 685 a.m. and 1,526 p.m. peak hour trips disclosed in the North 40 Specific Plan EIR for Project A which included: 269,000 square feet of Shopping Center; 150-room Hotel (120,000 square feet); 62,500 square feet of Medical Office; 62,500 square feet of General Office; and 364 Residential units.

The following are the current limiting factors related to development capacity from the adopted North 40 Specific Plan which can be modified by a majority of the Town Council:

A maximum of up to 435,000 square feet of new commercial allowed by North 40 Specific Plan;

A maximum of up to 400,000 square feet of general commercial uses allowed by North 40 Specific Plan;

A maximum of up to 250,000 square feet of office or hotel uses allowed by North 40 Specific Plan; and

A maximum of up to 33 units (not including density bonus units if requested) allowed on the remainder of the North 40 Specific Plan area.

DISCUSSION (Continued):

The Town Council has made it clear that a hotel is a desired use. One option staff would suggest to provide additional flexibility for a potential hotel is increasing the current maximum for the office/hotel category from up to 250,000 square feet to up to 350,000 square feet.

- **Provide options for additional requirements when increased height for a hotel is requested.**

Exhibit A of Attachment 16 contains an allowance for a height increase above 45 feet for a hotel if additional open space is provided. A previous draft version of the North 40 Specific Plan allowed a height increase if an additional five percent of green open space was provided. The Town Council could use five percent as previously proposed, increase the percentage, or not include a percentage which would leave the request to the discretion of the Town Council. Alternatively, the Town Council could modify the proposed language to include a requirement for a public benefit and a potential list of examples (i.e. public recreation amenities, performing arts amenities, etc.).

- **Ask the potential developer to provide conceptual examples of development for the remaining property in the Specific Plan area.**

Staff has not received any conceptual examples of development for the remaining property in the Specific Plan area. If and when staff receives any conceptual examples we will provide them to the Town Council.

CONCLUSION:

Much of the Town Council's consideration of potential amendments has included discussion regarding specific uses. As the Town Council continues to consider potential amendments it is important to remember that a Specific Plan is a policy document that provides more detailed land use requirements and establishes the primary means of development guidance within the project area than occurs in the Town's General Plan. Once Specific Plan amendments are adopted, development applications for the area will be reviewed by the Town for consistency with the Specific Plan and may provide more clarity regarding potential uses.

This meeting will provide an opportunity for the Town Council to consider the amendments and the additional information that has been provided, receive additional public testimony, and discuss the potential amendments to the North 40 Specific Plan.

CONCLUSION (Continued):

The previously proposed amendments are provided in Exhibit A of Attachment 16. The amendments are shown in red underlined font and all deletions are shown in red ~~strikethrough~~ font.

Staff recommends that the Town Council:

1. Make the finding that the Town Council certified an Environmental Impact Report (EIR) and Mitigation Monitoring and Reporting Program for the North 40 Specific Plan on January 20, 2015 (Resolution 2015-002) and no additional environmental review is necessary for the proposed amendments (Attachment 15);
2. Make the required finding that the North 40 Specific Plan amendments are consistent with the General Plan (Attachment 15); and
3. Adopt a Resolution (Attachment 16) approving amendments to the North 40 Specific Plan with any specific changes identified and agreed upon by a majority of the Town Council.

ALTERNATIVES:

Alternatively, the Council may:

1. Continue this item to a date certain with specific direction to staff;
2. Refer the item back to the Planning Commission with specific direction; or
3. Determine that modifications to the North 40 Specific Plan are not necessary.

CEQA DETERMINATION:

The Town Council certified an Environmental Impact Report (EIR) and Mitigation Monitoring and Reporting Program for the North 40 Specific Plan on January 20, 2015 (Resolution 2015-002) and no additional environmental review is necessary for the proposed amendments.

PUBLIC COMMENTS:

Public Comments received between 11:01 a.m., Tuesday, January 16, 2018 to 11:00 a.m. Thursday, February 1, 2018 are included in Attachment 22.

Attachments previously received with October 3, 2017 Study Session Report:

1. Town Council Suggestions for Potential Amendments to the adopted North 40 Specific Plan
2. December 15, 2016 Planning Commission Staff Report (with Exhibits 1-8)
3. December 15, 2016 Planning Commission Addendum Report (with Exhibit 9)

4. December 15, 2016 Planning Commission Desk Item Report (with Exhibit 10)
5. December 15, 2016 Planning Commission Verbatim Minutes (131 pages)
6. January 26, 2017 Planning Commission Staff Report (with Exhibit 11)
7. January 26, 2017 Planning Commission Addendum Report (with Exhibit 12)
8. January 26, 2017 Planning Commission Desk Item Report (with Exhibit 13)
9. January 26, 2017 Planning Commission Verbatim Minutes (115 pages)
10. Public Comments received 11:01 a.m. Wednesday, May 10, 2017 to 11:00 a.m. Thursday, September 28, 2017
11. Potential amendments based on GPC and PC discussions (including Exhibit A)

Attachments previously received with October 3, 2017 Desk Item Report:

12. Public Comments received 11:01 a.m. Thursday, September 28, 2017 to 11:00 a.m. Tuesday, October 3, 2017

Attachments previously received with November 14, 2017 Special Meeting Report:

13. North 40 Hotel Site Assessment
14. Public Comments received 11:01 a.m. Tuesday, October 3, 2017 to 11:00 a.m. Friday, November 10, 2017

Attachments previously received with the January 16, 2018 Staff Report:

15. Required Findings
16. Resolution (including Exhibit A)
17. North 40 Traffic Scenarios
18. November 14, 2017 Town Council Meeting Minutes
19. Public Comments received 11:01 a.m., Friday, November 10, 2017 to 11:00 a.m., Thursday, January 10, 2018

Attachments previously received with the Addendum Report:

20. Public Comments received 11:01 a.m., Thursday, January 11, 2018 to 11:00 a.m. Friday, January 12, 2018

Attachments previously received with the Desk Item Report:

21. Public Comments received 11:01 a.m., Friday, January 12, 2018 to 11:00 a.m. Tuesday January 16, 2018

Attachments received with this Staff Report:

22. Public Comments received 11:01 a.m., Tuesday, January 16, 2018 to 11:00 a.m. Thursday February 1, 2018