



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 8/7/2018

ITEM NO: 12

DATE: JULY 31, 2018

TO: MAYOR AND TOWN COUNCIL

FROM: LAUREL PREVETTI, TOWN MANAGER

SUBJECT: CONSIDER POTENTIAL 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:

Consider potential amendments to the North 40 Specific Plan.

BACKGROUND:

On June 5, 2018, the Town Council held a continued public hearing to consider amendments to the North 40 Specific Plan, received public testimony, and continued the matter to the August 7, 2018 Town Council meeting with direction to staff to:

- Identify a process for the Town Council to work through the issues associated with a concept proposed during public testimony by Grosvenor Americas;
- Provide potential Specific Plan amendments that are necessary for the proposed concept; and
- Provide information on the Development Agreement process.

PREPARED BY: JOEL PAULSON
Community Development Director

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

BACKGROUND (Continued):

The direction and requested information from the June 5, 2018 meeting is outlined below and is followed by staff responses.

DISCUSSION:

- **Process to work through the issues associated with the proposed concept and potential Specific Plan amendments that are necessary for the proposed concept.**

During public testimony at the June 5, 2018 Town Council meeting Grosvenor Americas presented a conceptual site plan for approximately 15.5 acres of the northern portion of the Specific Plan area (Exhibit A of Attachment 37). Grosvenor Americas has also submitted additional information regarding the Specific Plan amendments that they would like to be considered (Attachment 37).

Staff has reviewed the conceptual site plan and additional information submitted by Grosvenor Americas and identified the issues below that would need to be discussed and addressed by the Town Council. The Town Council may choose to discuss these issues from a general perspective or the Town Council may wish to discuss the specific amendments that would be needed to the Specific Plan to enable the conceptual proposal as outlined below:

- Number of residential units would need to be increased:
 - Increase the maximum number of residential units from 270 to 455.
- Square footage for residential units would need to be modified:
 - Increase the total maximum square footage from 700,000 to 875,000 and
 - Increase the Multi-Family, Apartments, and Affordable products category from 300,000 square feet to 475,000 square feet.
- Maximum height for hotel would need to be increased:
 - Increase the maximum height for hotel uses from 45 feet to 55 feet.
- Maximum height in the Perimeter Overlay Zone for hotel would need to be increased:
 - Increase the maximum height in the Perimeter Overlay Zone from 25 feet to 55 feet for hotel uses more than 25 feet from Los Gatos Boulevard.
- Maximum height for residential would need to be increased:
 - Increase the maximum height for residential from 35 feet to 55 feet.

DISCUSSION (Continued):

- Require additional open space when increased height is allowed:
 - Increase the required Green Open Space requirement from 20 to 25 percent for allowed height increases.

- Height would need to be measured from finished grade:
 - Change the height definition to allow height to be measured from finished grade rather than natural or finished grade, whichever is lower.

- Allow additional residential types in the Transition and Northern Districts:
 - Modify Table 2-1 Permitted Land Uses to include Cottage Cluster Townhomes/Garden Cluster, and Rowhouses as permitted uses.

- Guest parking would need to be reduced:
 - Reduce required guest parking from 0.5 per unit to 0.25 per unit.

- The common open space requirement for multi-family residential would need to be eliminated:
 - Eliminate the 200-square foot common open space requirement for multi-family residential other than condominiums.

- Other clean up amendments associated with the items listed above.

Staff recommends that the Town Council discuss the items outlined above and provide staff specific direction for potential amendments that are agreed upon by a majority of the Town Council.

- **Development Agreement process.**

A development agreement is an agreement negotiated between a city, town, or county and a developer with regard to a particular development. Development agreements allow a developer to lock into the rules, regulations, and policies governing permitted uses, density, design, improvements, and construction that are in effect at the time the agreement is executed. As such, development agreements are a tool developers may use to gain some certainty regarding the requirements that may be imposed on a proposed development. This affords a developer the ability to better estimate the scope and cost of a project.

DISCUSSION (Continued):

Cities, towns, and counties also benefit from development agreements by negotiating development terms that are beneficial to the goals of the public agency. Because the courts have determined that development agreements are “contracts,” a city, town, or county can exact “public benefits” that the United States Constitution prevents them from requiring through the permit process.

In 1979 the California Legislature enacted legislation setting forth the procedures by which cities, towns, and counties may enter into development agreements with developers. The legislation is codified in the Government Code commencing at Section 65864. The legislation prescribes the following elements and requirements:

- (a) Prior to approval of a development agreement, a public hearing must be held by the planning agency of the city or county;
- (b) Notice of the hearing must be given to the public;
- (c) A development agreement must be adopted by a city or county by way of ordinance; and
- (d) The development agreement must be consistent with the general plan and any applicable specific plan.

For a more detailed discussion of Development Agreements, Attachment 38 is a white paper prepared by the Institute for Local Self Government entitled Development Agreement Manual.

CONCLUSION:

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

The proposed amendments that have been considered by the Town Council at previous meetings are provided in Exhibit A of Attachment 27. The potential amendments are shown in red underlined font and all deletions are shown in red ~~striketrough~~ font. The amendments submitted by Grosvenor Americas to make the conceptual site plan viable are included in Attachment 37. If the Town Council determines that any of the amendments submitted by Grosvenor Americas are appropriate then modifications would need to be made to Attachment 27 and Exhibit A of Attachment 27, and brought back to the Town Council for adoption.

CONCLUSION (Continued):

Staff recommends that the Town Council:

1. Discuss the amendments outlined above and provide staff specific direction for potential amendments;
2. Direct staff to prepare a revised resolution with potential amendments;
3. Continue the matter to a date certain.

ALTERNATIVES:

Alternatively, the Council may:

1. Continue this item to a date certain with specific direction to staff; or
2. 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.

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 previously received with the February 6, 2018 Staff Report:

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

Attachments previously received with the Addendum Report:

23. Public Comments received 11:01 a.m., Thursday, February 1, 2018 to 11:00 a.m., Monday, February 5, 2018

Attachments previously received with the February 6, 2018 Desk Item Report:

24. Public Comments received 11:01 a.m., Monday, February 5, 2018 to 11:00 a.m., Tuesday, February 6, 2018

Attachments previously received with the March 6, 2018 Desk Item Report:

25. Required Findings (Previously received as Attachment 15 with the January 16, 2018 Staff Report)
26. Resolution with Exhibit A (Previously received as Attachment 16 with the January 16, 2018 Staff Report)

Attachments previously received with the June 5, 2018 Staff Report:

27. Revised Resolution (including revised Exhibit A)
28. City of Los Altos - Exceptions for Public Benefit Excerpt (one page)

29. City of Mountain View - San Antonio Precise Plan Excerpt (seven pages)
30. City of Mountain View - North Bayshore Precise Plan Excerpt (three pages)
31. City of Mountain View - El Camino Real Precise Plan Excerpt (four pages)
32. City of Mountain View - Resolution for Public Benefits Minimum Value for El Camino Precise Plan (two pages)
33. Culver City - Resolution Establishing the Community Benefit Incentive Program (seven pages)
34. City of Glendale - Incentives and Bonuses Chapter of Downtown Specific Plan (six pages)
35. Greenbelt Alliance – Public Benefit Bonus Policy Brief (15 pages)
36. Public Comments received between 11:01 a.m., Tuesday, February 6, 2018 to 11:00 a.m. Thursday, May 31, 2018

Attachments received with this Staff Report:

37. Letter from Grosvenor Americas regarding requested Specific Plan amendments with the conceptual site plan, received July 31, 2018 (17 pages)
38. White paper prepared by the Institute for Local Self Government entitled Development Agreement Manual