

**MINUTES OF THE TOWN COUNCIL/PARKING AUTHORITY MEETING  
AUGUST 16, 2016**

The Town Council of the Town of Los Gatos conducted a Special Meeting on Tuesday, August 16, 2016, to hold a Closed Session at 6:00 p.m. and a Regular Meeting at 7:00 p.m.

**CLOSED SESSION – 6:00 P.M.**

CS-1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR (*Government Code Section 54956.8*)

Property: 75 Church St. (Forbes Mill) (APN: 529-54-050)  
Negotiating Parties: Town of Los Gatos  
(Negotiator: Matt Morley, PPW Director) Potential Buyers and/or Tenants  
Negotiations: Price and terms of potential sale or lease

Property: 4 Tait Avenue (Museum) (APN: 510-44-054)  
Negotiating Parties: Town of Los Gatos  
(Negotiator: Matt Morley, PPW Director) Potential Buyers and/or Tenants  
Negotiations: Price and terms of potential sale or lease.

Property: 14850 Winchester Avenue (APN: 424-31-055)  
Negotiating Parties: Town of Los Gatos  
(Negotiator: Matt Morley, PPW Director) Potential Buyers and/or Tenants  
Negotiations: Price and terms of potential sale or lease.

Property: 4 New York Avenue (Venue) (APN: 529 -27 -024)  
Negotiating Parties: Town of Los Gatos  
(Negotiator: Laurel Prevetti, Town Manager) KCAT (Negotiator: Melissa Toran)  
Negotiations: Price and terms of lease.

Property: 20 Dittos Lane (APN: 529-29-034)  
Negotiating parties: Town of Los Gatos  
(Negotiator: Matt Morley, PPW Director) Potential Buyers and/or Tenants  
Negotiations: Price and terms of potential sale or payment of lease

**MEETING CALLED TO ORDER AT 7:00 P.M.**

**ROLL CALL**

Present: Mayor Barbara Spector, Vice Mayor Marico Sayoc, Council Member Marcia Jensen, Council Member Steve Leonardis, Council Member Rob Rennie.  
Absent: None

**PLEDGE OF ALLEGIANCE**

Annalisa Wales led the Pledge of Allegiance. The audience was invited to participate.

## **PRESENTATIONS**

Mayor Spector presented a Small Business, Big Applause Commendation to Valerie Speno of Nailworks. Ms. Speno and her son, Joseph, thanked the Town.

## **CLOSED SESSION REPORT**

Robert Schultz, Town Attorney, stated Council met in Closed Session as duly noted on the agenda and there is no report.

## **COUNCIL/TOWN MANAGER REPORTS**

### **Council Matters**

- Council Member Marcia Jensen stated she had nothing to report.
- Council Member Rob Rennie stated he chaired the Silicon Valley Clean Energy Authority Board meeting and attended the Executive Committee meeting, and he attended the Council Ad Hoc Parking and Infrastructure Committee meeting.
- Mayor Barbara Spector stated she attended the Council Ad Hoc Parking and Infrastructure Committee meeting, the Chamber of Commerce ribbon cutting for Kumon Math, and the Conceptual Development Advisory Committee (CDAC) meeting.
- Vice Mayor Marico Sayoc stated she attended the CDAC meeting, the Council Policy Committee meeting along with Council Member Marcia Jensen, the Los Gatos-Monte Sereno Police Promotional Ceremonial along with Council Member Rob Rennie, and the Student Commissioner Orientation.
- Council Member Steve Leonardis stated he attended the West Valley Sanitation District (WVSD) Board of Directors meeting.

### **Manager Matters**

- Welcomed the students back to school and encouraged everyone to walk or bike to school.

## **CONSENT ITEMS (TO BE ACTED UPON BY A SINGLE MOTION)**

1. Approve Council Minutes of August 2, 2016
2. Authorize the Town Manager to execute the Restated Silicon Valley Regional Interoperability Authority Joint Powers Agreement to accommodate Santa Clara Valley Transportation Authority as an Additional Member to the Authority (Continued from 8/2/16)
3. Adopt a Resolution making determinations and approving the reorganization of territory designated as Marchmont Drive No.4, approximately 0.28 acres located at 16709 Marchmont Drive. APN 532-09-044. File #AN16-004. **RESOLUTION 2016-044**

**MOTION:**                    **Motion by Vice Mayor Marico Sayoc to approve the consent items 1 through 3. Seconded by Council Member Steve Leonardis.**

**VOTE:**                    **Motion passed unanimously.**

## VERBAL COMMUNICATIONS

There were no verbal communications.

## PUBLIC HEARINGS

4. Architecture and Site Application S-13-090 and Vesting Tentative Map Application M-13-014. Property Location: Southerly Portion of The North 40 Specific Plan Area, Lark Avenue to South of Noddin Avenue. Applicant: Grosvenor USA Limited. Property Owners: Yuki Farms, ETPH LP, Grosvenor USA Limited, Summerhill N40 LLC, Elizabeth K. Dodson, and William Hirschman. Consider a request for the construction of a new multi-use, multi-story development consisting of 320 residential units, which includes 50 affordable senior units; approximately 66,800 square feet of commercial floor area, which includes a market hall; on-site and off-site improvements; and a Vesting Tentative Map. APNS: 424-07-024 through 027, 031 through 037, 070, 083 through 086, 090, and 100.

Item #4 continued from August 9, 2016 and August 11, 2016 - *The Town Council opened and closed the Verbal Public Comments for this item at the August 9, 2016 Special Meeting of the Town Council.*

Council discussed the matter.

**MOTION:**           **Motion by Council Member Marcia Jensen** to approve the application based on the history and content of the Specific Plan, the Housing Element, and other factors. **Motion failed for lack of a second.**

**MOTION:**           **Motion by Mayor Barbara Spector** to deny the residential component of the application for failure to comply with the Specific Plan provisions and other items as follows: 1) the Specific Plan suggests smaller cottage clusters in the Lark District and it speaks to lower intensity residential in the vision for the Lark District in paragraph 2.3.1; 2) Lower intensity shops, offices, and residential land uses are envisioned in the southern portion of the Specific Plan Area, paragraph 2.4. 3) Appendix C of the Plan says that the development should address Los Gatos unmet needs, identified as Generation Y and Baby Boomers. 4) Development Standards in Section 2 provide that we should ensure future development is compatible with surrounding areas, complement the downtown, and contribute to the small town charm of Los Gatos. The application should be consistent with the land uses and vision as outlined in this chapter; 5) the Architecture and Site Ordinance states in paragraph 4 that we must examine site layout, including its appearance and harmony of the building, with adjacent development. Paragraph 6 states we must address exterior architectural design of the building and structures. The effect of the

height, width, shape, and exterior construction and design must be examined; 6) The Specific Plan states in paragraph 3.4 that the application for the development must seamlessly fit, must complement the existing Town character and charm, and must connect this part of Los Gatos to the rest of the Town; 7) On January 9, 2012, the Council did a “reset” on the Specific Plan and asked for a vision statement and guiding principles to answer the question, should the North 40 be a continuation of Los Gatos past Lark to Highway 85 or a distinct district; 8) On March 5, 2012, Council unanimously answered the question with a vision statement and guiding principles that continued the Los Gatos look and feel past Lark to Highway 85. 9) The look and feel was identified in the applicants’ Exhibit G to Attachment 17, where they talk about a blend of elements, a variety, and the look and feel are identified by pictures taken throughout the Town. That look and feel is consistent with what is identified as the look and feel of what the Town looks like. It is not uniformity, it doesn’t match, Los Gatos doesn’t have uniformity, but it blends. This application is a disconnect, not a blending. There is a disconnect in the style, the size, and the massing. It isn’t that Los Gatos does not want modern buildings or flat roof buildings, that’s not the point. The point is that Los Gatos wants an application, a development that blends. Los Gatos does not want to have a distinct district that the Council in 2012 unanimously voted against. **Motion failed for lack of a second.**

**MOTION:**

**Motion by Council Member Rob Rennie** to approve the application with the following modifications to the satisfaction of the Community Development Director: 1) replace some of the trees that block the view corridor down the west facing streets toward Highway 17 with a shorter variety; 2) change the Highway 17 tree screen type of tree to an evergreen type with a 40 to 45-foot high tree at maturity; 3) plant the Highway 17 and Lark Avenue screen trees as soon as possible and before the first building as is feasible, insuring the survival of the trees; 4) the applicant to work with the consulting architect to change the architecture of market hall and the surrounding commercial buildings to choose materials that are less cold steel and glass to materials that blend a little more with the farm setting and the housing units; 5) change the architecture and possibly materials on buildings 24 and 25 on Los Gatos Blvd. to better blend with the existing commercial buildings and the rest of the site; 6) change the flat roof row house elevation A style to a Spanish or Mediterranean style; 7) change buildings numbers 1, 6, 12, 18, and 21 on Lark Avenue to either Spanish or Craftsman to blend better with the neighborhood; and 8) integrate 10 more first floor flats in the market rate condominium clusters to provide an additional housing opportunity for seniors. **Amendment by Council**

**Member Jensen:** for items 6 and 7, have the applicant work with the consulting architect to develop alternative styles to the satisfaction of the Community Development Director. **Seconded** by **Council Member Marcia Jensen.**

**VOTE:** **By show of hands, Motion failed 2/3. Mayor Barbara Spector, Vice Mayor Marico Sayco, and Council Member Steve Leonardis voting no.**

The Council discussed the matter further.

**MOTION:** **Motion by Mayor Barbara Spector** to deny the application based on the economic considerations of the application related to paragraph 2.4.2 that requires an economic study to assess economic competitiveness of the proposed application vis-a-vis the downtown. Appendix A of the Specific Plan contains a Market Study. Attachment 17, Exhibit 7 (sic Exhibit F) contains the applicants' additional economic analysis in an attempt to address issues raised by the Planning Commission's recommendation for denial when it found the economic study inadequate. The new economic study found in Attachment 17 also fails because its central opinion is that the North 40 does not have a leasing advantage. The leasing advantage was not the information that the economic study was intended to address based on the Specific Plan. The economic study did not: (1) define the specific uses for the 26,000 square feet of commercial space other than the market hall; (2) address the Town's identified commercial leakages, such as general merchandising; (3) address the Town's identified need for commercial units 10,000 square feet or greater in size; (4) address the new office and hotel uses which were suggested; (5) address the number of commercial units by square footage (i.e., x percentage at a certain square footage). For all of these noted deficiencies in the economic study, it does not meet the mandated requirement in the Specific Plan. **Motion failed for lack of a second.**

**MOTION:** **Motion by Council Member Marcia Jensen** to direct staff to return with more information on the following questions: 1) have the density bonus units been replaced adequately under the law (legal opinion required); 2) how does the density bonus apply as asked in public comment; 3) what are the Town's litigation risks and their ramifications; 4) how does this application comport with our RHNA requirements - do we need to supply more low income housing, what gets credited, and how does it get credited; and 5) provide more information on economics study recognizing three studies

were done and included in the EIR. The information should be provided in advance of the hearing continuance to September 1, 2016 with a closed session to discuss litigation matters if necessary. **Amendment by Council Member Leonardis:** staff to contact the State to confirm the previously submitted RHNA numbers are accurate, determine if there is an error in the Specific Plan, and if the housing units do not add up, what would the ramifications be. **Seconded by Council Member Steve Leonardis.**

**VOTE: Motion passed 4/1. Mayor Barbara Spector voting no.**

**ADJOURNMENT**

The meeting adjourned at 8:34 p.m.

Attest:

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Shelley Neis, Clerk Administrator