



## AGENDA REPORT SUMMARY

**Meeting Date:** August 22, 2023

**Subject** Authorize License Agreement for Parking at Los Altos Grill

**Prepared by:** Nick Zornes, Development Services Director

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Draft License Agreement – Los Altos Grill – 2023
2. Previous Los Altos Grill License Agreement – 2004

**Initiated by:**

Request of Los Altos Grill, Hillstone Restaurant Group Inc.

**Previous Council Consideration:**

- February 9, 1995 – Original Approval of Conditional Use Permit (CUP) and Memorandum of Understanding (MOU)
- September 4, 2003 – Approval of Original License Agreement

**Fiscal Impact:**

In consideration of the granting of this License, Licensee would pay to City, \$486.00 per parking stall for the thirty-five (35) Licensed Parking Stalls, or \$17,010.00 per year/\$1,417.50 per month, commencing on the Effective Date, on a pro-rated basis, if applicable. This amount was calculated by multiplying the \$3/ sq ft fee by a standard 9' x 18' parking stall which is how the Council valued parking spaces for parklet permits. Said License Fee shall be deposited into a City of Los Altos General Fund.

**Environmental Review:**

Not applicable.

**Policy Question(s) for Council Consideration:**

- Does the City Council wish to authorize the execution of the Draft License Agreement with Los Altos Grill for the expanded hours of operation and use of the City's Parking Plaza?

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**Reviewed By:**

City Manager

GE

City Attorney

JH

Finance Director

JE

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**Summary:**

The License Agreement is necessary for Los Altos Grill to be able to open during lunch service each day, in that it provides the required parking for the site. The draft License Agreement mirrors the original agreement which was executed in 2004 and utilizes the recently approved price per square foot of \$3.00 for parking. If the agreement is executed as proposed the City would receive \$17,010.00 annually for the use of the parking plaza to meet the required parking of the site. This amount was calculated by multiplying the \$3/ sq ft fee by a standard 9' x 18' parking stall.

**Background:**

In 1995, the City Council approved a use permit and variance to allow Los Altos Grill (formerly called Bandera) to open at 233 Third Street. When the restaurant initially opened the Bandera franchise was typically operated as dinner-only restaurants. As such, the original allowed hours of operations were after 4:00pm, 7 days a week.

The original approvals granted were a use permit for the sale and consumption of alcohol onsite, and a variance for a deviation from the required parking stall dimensions and configuration. At the time, the City Council approved the use permit and variance requests based on an MOU to allow the restaurant to use the parking plaza spaces during the evening hours.

In 2003, the City denied a variance request made by the owners of Los Altos Grill. The variance request was to allow the restaurant to operate at lunch without providing additional parking. The variance request was initially denied by the Planning Commission and appealed to the City Council. At its hearing the City Council directed staff to work with the applicant on alternative solutions to meet the parking requirements.

In 2004, the City of Los Altos executed a License Agreement with Los Altos Grill for the use of thirty-five (35) parking stalls in the parking plaza immediately adjacent to the existing establishment. The executed agreement allowed for the use of the parking plaza to meet its required parking demand and thus provide continuous service from lunch to dinner time 7 days a week. The initial term expired in 2007, and no request to extend was received which required Los Altos Grill to revert to dinner service hours only.

In January 2023, the Development Services Department received complaints to Code Enforcement regarding the expanded hours of operation at Los Altos Grill. It was discovered at that time that Los Altos Grill had re-established hours of operation for lunch service without the appropriate approvals from the City. The expanded hours of operation and use of parking plazas is in violation of the conditions of approval from the 1995 Conditional Use Permit, Variance, and Memorandum of Understanding.

The Development Services Department has worked closely with the local restaurant manager, and the Hillstone Corporate Attorney Glenn Viers on determining an appropriate method to allow for



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the expanded hours of operation and use of the parking plaza. After consultation with the City Attorney, it was determined that a new License Agreement would again be necessary and appropriate in order to allow the expanded hours of operation and use of parking plazas.

**Analysis:**

Based on the City Council action on April 7, 2023, the price per square foot for the use of parking stalls downtown was established as \$3.00/square foot. The standard parking stall dimension is nine feet by eighteen feet (9'x18'). Utilizing the standard parking stall dimensions, the square footage of a standard parking stall is 162 square feet.

Standard Parking Stall	Cost Per Square Foot	Total Per Stall
162/sq. ft.	\$3.00	\$486.00

The cost per parking stall is \$486.00. Los Altos Grill needs thirty-five (35) parking stall total as part of the proposed License Agreement.

Cost Per Stall	Number of Stalls Required	Total Annual Cost
\$486.00	35	\$17,010.00

**Discussion:**

The proposed License Agreement is necessary based on the required parking Pursuant to Chapter 14.74 of the Los Altos Municipal Code. Since 1995, since the original project was approved the site has been deficient in meeting the required parking onsite. The parking deficiency has previously been resolved based on the executed 1995-Memorandum of Understanding for evening parking use and the 2004-License Agreement for daytime parking use. Since January 2023, Los Altos Grill has been out of compliance with the approved 1995-Conditional Use Permit, Variance, and Memorandum of Understanding, and the existing Los Altos Municipal Code regulations. In order to come into compliance with the required parking for the site, the business owner must enter into the proposed License Agreement similar to the 2004 executed agreement.

**Staff Recommendation:**

Authorize the City Manager to execute the proposed License Agreement with Los Altos Grill for the use of City's Parking Plaza to meet its parking demand as required in the Los Altos Municipal Code.