



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 11/15/2022

ITEM NO: 9

DATE: November 8, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve the Assignment of the North 40 Market Hall Transportation Demand Management Agreement from SummerHill N40 LLC to Yuki Farms, a California General Partnership

RECOMMENDATION:

Approve the assignment of the North 40 Market Hall Transportation Demand Management (TDM) Agreement from SummerHill N40 LLC to Yuki Farms, a California general partnership.

BACKGROUND:

On August 1, 2017, the Town Council approved the planning application for Phase 1 of the North 40 Specific Plan. The Phase 1 planning application was approved with conditions of approval, including the requirement for a TDM Program and Plan to reduce vehicle miles travelled to and from the site with a target goal of 15% daily trip reduction.

On August 18, 2020, the Town Council approved Resolution 2020-036 to authorize the Town Manager to execute the North 40 TDM Agreement for Market Hall with SummerHill (Attachment 1). The Market Hall Development includes approximately 20,761 square feet of commercial space with 2,772 square feet of community space, which is referred to collectively as the "Market Hall Commercial Condo." The Market Hall Development also includes 50 affordable senior housing units and a garage structure, which are separate from Market Hall Commercial Condo.

PREPARED BY: WooJae Kim
Town Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Parks and Public Works Director

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DISCUSSION:

The North 40 TDM Agreement for Market Hall established an annual contribution amount to the TDM Program for the Market Hall Commercial Condo, which would be adjusted annually by the San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index for All Urban Consumers (CPI). TDM Program and fees shall continue in perpetuity or until the Town acts to cancel the TDM Program.

The TDM Agreement for Market Hall allows for SummerHill to assign the TDM program responsibilities and requirements to the future Market Hall Commercial Condo owner. The TDM Agreement further provides that SummerHill shall give written notice of such assignment to the Town, and any assignment shall be considered for approval by the Town. The TDM Agreement and case law require that the Town's approval not be unreasonably withheld. In this instance, there are no grounds on which to deny approval of the assignment. Once the TDM Agreement has been assigned, the annual payments will be made by the assignee, which is Yuki Farms.

SummerHill has provided the Town with notice of its intent to assign the TDM Agreement to Yuki Farms. Staff has reviewed the proposed Assignment and Assumption of North 40 TDM Agreement for Market Hall (Attachment 2) and recommends that the Town Council approve the assignment.

CONCLUSION:

Staff recommends that the Town Council approve the assignment of the North 40 Market Hall Transportation Demand Management Agreement from SummerHill N40 LLC to Yuki Farms, a California General Partnership.

COORDINATION:

This memorandum has been coordinated with the Town Attorney.

FISCAL IMPACT:

There is no fiscal impact to this item. The TDM payments required in the original TDM agreement will be made by a new entity.

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ENVIRONMENTAL ASSESSMENT:

This item is not a project defined under the California Environmental Quality Act, because it can be seen with certainty that it will not impact the physical environment [CEQA Guidelines Section 15061(b)(3)].

Attachments:

1. North 40 Transportation Demand Management Agreement (Market Hall)
2. Assignment and Assumption of North 40 TDM Agreement (Market Hall)