



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 08/06/2019

ITEM NO: 11

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DATE: July 30, 2019  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Planned Development Application PD-17-002 and Negative Declaration ND-19-002. Project Location: 16212 Los Gatos Boulevard.  
Property Owner/ Applicant: 16212 Los Gatos Blvd. LLC.  
Requesting approval of a Planned Development to re-zone two properties zoned CH to CH:PD to allow for construction of a new commercial building.  
APN 523-06-010 and -011

**RECOMMENDATION:**

It is recommended that the Town Council accept the Planning Commission's recommendation to deny the Planned Development (PD) application.

**BACKGROUND:**

The 0.94-acre site (41,038 square feet) is comprised of two parcels and contains a 2,312-square foot commercial building currently occupied by Artisan Wine Depot. The subject site is a corner lot, fronting on both Los Gatos Boulevard and Shannon Road. The site was previously redeveloped in 1997 as the used car sales lot for the Honda Dealership previously located at 16213 Los Gatos Boulevard.

On February 24, 2016, the Planning Commission reviewed a PD proposal at the subject site for demolition of the existing 2,312-square foot commercial building and construction of 11 single-family homes on individual lots (Attachment 2, Exhibit 4). On April 19, 2016, the Town Council denied the application, stating that a future application at this site should be for commercial, not residential development.

On August 10, 2016, the Conceptual Development Advisory Committee (CDAC) reviewed a revised proposal at the subject site for commercial development with three different conceptual design options. The minutes from that meeting are included in Attachment 2, Exhibit 5.

**PREPARED BY:** Ryan Safty  
Associate Planner

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

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BACKGROUND (continued):

On February 24, 2017, the applicant submitted a development application for construction of a new, two-story commercial building. A Negative Declaration (ND) was prepared for the development application and circulated for a 20-day public review period from May 17, 2019 through June 6, 2019 and was previously provided to the Planning Commission and Town Council on May 17, 2019.

The Council is the final deciding body for the PD application. The application was considered by the Planning Commission on June 12, 2019. The Commission forwarded a recommendation for denial to the Town Council as discussed in more detail in this report.

A future Architecture and Site application (including roadway and right-of-way improvements, and recordation of easements) would be required for the construction of the new commercial building if the PD application is approved.

DISCUSSION:

A. Project Summary

The applicant is requesting approval of a PD overlay which would include the following elements on the 0.94-acre site:

- Maintain the existing 2,312-square foot commercial building;
- Construct a new two-story commercial building with 7,047 square feet of retail space on the ground floor and 4,270 square feet of office on the second floor;
- Provide 58 parking stalls; and
- Complete landscaping, parking lot, and other right-of-way improvements.

The proposed project would include the removal of 12 protected trees (seven on-site trees and five street trees). Four existing trees will be transplanted elsewhere on the site.

A PD application is being requested because the applicant is seeking a reduced front setback.

B. Traffic

The project is in compliance with the Bicycle and Pedestrian Master Plan (BPMP) adopted by the Town Council on March 7, 2017. The BPMP incorporates the earlier Traffic Study Around Schools (aka Safe Routes to School Plan) as referenced in Attachment 2, Exhibits 6 and 10. Attachments 2, 3, and 4 contain additional information about the proposed project.

DISCUSSION (continued):

A Transportation Impact Analysis (TIA) was prepared for the proposed project by Hexagon Transportation Consultants, Inc. (see Appendix E of the ND), and reviewed by the Town's traffic engineer, traffic consultant, and environmental consultant. The TIA found that the proposed project would not cause a significant impact in accordance with CEQA and the Town's Traffic Impact Policy.

In addition to the calculation of trip generation and impacts to intersection level of service, the report provides recommendations on frontage improvements. The applicant has incorporated these recommendations into the project description, and Parks and Public Works staff have included the dedication of a public access easement, frontage improvements, upgrades to traffic signals, and traffic impact mitigation fees in the proposed PD performance standards in compliance with the adopted BPMP, as well as a Transportation Demand Management plan. Attachment 7 contains the performance standards and Attachment 8 contains a project information sheet with more details regarding transportation considerations.

C. Planning Commission

On June 12, 2019, the Planning Commission considered the application and received public comment. Verbatim minutes are included as Attachment 5. Staff recommended approval of the project to the Planning Commission because of its compliance with the General Plan, Town Code, Commercial Design Guidelines, Los Gatos Boulevard Plan, and BPMP, with the exception of the front setback and landscaping along Los Gatos Boulevard as requested in the PD application.

Following discussion, the Commission recommended denial of the application based on the following concerns:

- The minimal front setback along Los Gatos Boulevard;
- The loss of hillside views; and
- The traffic related to the increased activity at the site and the reduction in traffic lanes.

Following the Planning Commission hearing, the applicant submitted an exhibit which identifies existing street setbacks in the neighborhood and highlights how right-of-way improvements per the BPMP have impacted the proposal over the years (Attachment 6).

DISCUSSION (continued):

D. Environmental Review

An ND was prepared for the project. As part of the environmental review process a number of technical reports were prepared, including an Arborist Report, Architectural Design Review, Geotechnical Investigation, and Traffic Impact Analysis. Reports that were prepared by the applicant's consultants were peer reviewed by Town Consultants.

The Notice of Completion and Availability for the ND was distributed on May 17, 2019, with the 20-day public review period ending on June 6, 2019.

PUBLIC COMMENTS:

Written notice was sent to property owners and tenants within 300 feet of the subject property. Neighborhood outreach completed by the applicant is summarized in Attachment 2, Exhibit 10. Public comments received prior to 11:00 a.m. on June 12, 2019 are included in Attachments 2 through 4. Public comments received between 11:01 a.m., June 12, 2019 and 11:00 a.m., August 1, 2019 are included as Attachment 8.

CONCLUSION:

Summary

A. The project complies with the General Plan, Town Code, Commercial Design Guidelines, Los Gatos Boulevard Plan, and BPMP, except for the front setback and landscaping along Los Gatos Boulevard. The applicant discusses the proposed exceptions and compliance with the General Plan, Town Code, Commercial Design Guidelines, Los Gatos Boulevard Plan, and BPMP in Attachment 2, Exhibits 6, 9, and 10. A draft PD Ordinance has been prepared with performance standards to require the project to adhere to the aforementioned requirements (Attachment 7).

B. Recommendation

The Planning Commission recommended denial of the application based on concerns related to setbacks, hillside views, and traffic. Therefore, it is recommended that the Town Council accept the Planning Commission's recommendation and deny the application.

CONCLUSION (continued):

C. Alternatives

Alternatively, the Town Council may:

1. Approve the PD application and adopt the ND by taking the following actions:
  - a. Find that no significant impacts are associated with the application and adopt the ND;
  - b. Make the required finding that the zone change is internally consistent with the General Plan and its elements (Attachment 2, Exhibit 3) and approve the PD application (PD-17-002) subject to the performance standards and development plans included in the Planned Development Ordinance (Attachment 7), or as otherwise modified by the Town Council;
  - c. Waive the reading of the Ordinance and ask the Town Clerk to read the title of the proposed Ordinance; and
  - d. Introduce the Ordinance effecting the zone change; or
2. Approve the PD application with modifications and/or additional performance standards; or
3. Continue the PD application to a date certain with specific direction; or
4. Remand the PD application to the Planning Commission with specific direction.

COORDINATION:

The Community Development Department coordinated with the Town Attorney's Office, Parks and Public Works Department, and the Santa Clara County Fire Department in the review of the project.

Attachment previously received under separate cover:

1. May 2019 Draft Initial Study and Negative Declaration

Attachments received with this Staff Report:

2. June 12, 2019 Planning Commission Staff Report (with Exhibits 2-11, and 13)
3. June 11, 2019 Planning Commission Addendum Report (with Exhibits 14-15)
4. June 12, 2019 Planning Commission Desk Item Report (with Exhibit 16)
5. June 12, 2019 Planning Commission Verbatim Minutes (86 pages)
6. Setback Exhibit from the Applicant, received July 18, 2019 (3 pages)
7. Planned Development Ordinance (31 pages) with Exhibit A Rezone Area (one page) and Exhibit B Development Plans received May 30, 2019 (38 sheets)
8. Project Information Sheet from Engineering Division (4 sheets)
9. Public Comments received 11:01 a.m. Wednesday, June 12, 2019 to 11:00 a.m. Thursday, August 1, 2019