



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/18/2022

ITEM NO: 5

DATE: October 13, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt an Extension to June 30, 2023 to the Town's Economic Recovery Resolution to Allow for the Continued Support of the Town's Economic Recovery Efforts, including the Completion of the Construction and Implementation of the Semi-Permanent Parklet Program

RECOMMENDATION:

Adopt an extension to June 30, 2023 to the Town's Economic Recovery Resolution, to allow for the continued support of the Town's Economic Recovery efforts, including the completion of the construction and implementation of the Semi-Permanent Parklet Program.

BACKGROUND:

The Town Council remains proactive, adaptive, and flexible in its efforts and actions to support the business community through the dynamic economic recovery environment created by the COVID-19 pandemic. The Council has been steadfast in its support of the Town's business community, while delicately balancing competing interests and continuing to consider additional options to provide available assistance.

One key element of continued economic recovery support is the currently adopted Economic Recovery Resolution, Resolution 2021-051, which provides flexibility and additional opportunities for businesses to adapt to the dynamic environment. Some of the ongoing opportunities of note in the Resolution include: Town-subsidized business permits; the ability for private commercial properties to flex their space for outdoor dining and other business opportunities; the subsidized semi-permanent parklet program with grant funding allocated by the Town Council using America Recovery Plan Act (ARPA) funds; streamlined opportunities

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Economic Vitality Manager

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

BACKGROUND (continued):

that reduce cost and timelines for businesses to locate, relocate, bifurcate and evolve within the Town; and time extension on the expiration of permits.

At the direction of the Town Council, these efforts and initiatives have provided many businesses with new options and flexibility to pivot during some of the most trying economic times.

The Economic Recovery Resolution was first adopted on May 26, 2020, then extended on two subsequent occasions with the current, Resolution 2021-051, extending until December 31, 2022. As the Town Council continues to acknowledge the successful support and process streamlining the Resolution provides the Town's business community, staff is recommending another extension to the Resolution (Attachment 1), until June 30, 2023.

DISCUSSION:

Since the semi-permanent parklet program and grant funding structure were adopted on April 20, 2021, Town staff has been working continuously with stakeholders to implement the semi-permanent parklet program. This project originally set a completion date of December 31, 2022, requiring all parklets to be fully built with final inspection approval, and the required paperwork filed for grant payment.

The Town's recovery efforts, including the semi-permanent parklet program, have become a model recovery program throughout the Bay Area on account of the Town Council's proactive direction and support of economic recovery and community vitality. With such swift action and subsequent scale of programming, there has also been a bit of a learning curve that has presented a fair number of challenges along the way. This coupled with rising material costs, delayed material deliveries, and stretched contractor resources, has resulted in the timeline for the semi-permanent parklet program becoming longer than originally anticipated. Staff has worked with stakeholders to navigate these challenges; however as a result, it is not feasible to assume that the original project completion deadline of December 31, 2022 can be met.

Aside from these challenges, the Economic Recovery Resolution continues to bring incentives and a smoother path forward for many stakeholders, offering new opportunities for business recovery and success. For example, the ability to enact an Economic Recovery Agreement in lieu of a Conditional Use Permit for new personal services in the C2 and Office zones, has allowed for small business owners to expand, relocate, or open their own location, in most cases, in small, harder to fill vacancies much quicker and at less of a financial investment. This change offers a savings of nearly \$9,000 and months in a Conditional Use Permit review process for the small businesses, a process that must be completed before a business may begin applying for building permits for tenant improvements.

DISCUSSION (continued):

Staff estimates that extending the Resolution until June 30, 2023, should provide ample time for semi-permanent parklet program completion.

The chart below offers a snapshot of general phases in the parklet design and construction process, with the column on the right noting the number of semi-permanent parklets in that phase, at the time of this report. The construction, inspection, and reporting processes are dynamic thus some parklets will move through the phases rather quickly, while others will take longer in a particular phase for project specific reasons.

PARKLET PHASES	# OF PARKLETS
Parklet complete, full grant issued	3
Parklet complete, awaiting grant documents or grant payment in process	15
Parklet in construction	8
Parklet building permit issued and agreements executed	3
Parklet in design, building permit review, or agreement processing phase	7

CONCLUSION:

Town staff recommends that the Town Council adopt an extension to the Town's Economic Recovery Resolution until June 30, 2023, to allow for the continued support of the Town's Economic Recovery efforts, including the completion of the construction and implementation of Semi-Permanent Parklet Program.

COORDINATION:

The preparation of this report was coordinated with the Community Development Department.

FISCAL IMPACT:

Funding for the Economic Recovery efforts supported by the Economic Recovery Resolution have been previously allocated by the Town Council.

ENVIRONMENTAL ASSESSMENT:

The program extended by this resolution is statutorily and categorically exempt from CEQA as outlined in the resolution.

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SUBJECT: Approve an extension to the Economic Recovery Resolution

DATE: October 10, 2022

Attachment:

1. Draft Economic Recovery Resolution