



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 04/20/2021

ITEM NO: 16

DESK ITEM

DATE: April 19, 2021

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Discuss and Provide Direction on the Following Actions to Continue the Town's Support of Economic Recovery and Community Vitality in Response to the Ongoing COVID-19 Pandemic, Including:

- a. Temporary Krail Parklets:
 1. Confirm Sunset Date of September 19, 2021;
 2. Provide Direction on the Temporary Tents and Other Weather Protection Structures;
- b. Semi-Permanent Parklets:
 1. Provide Direction on Timeline for Grant Distribution and Parklet Construction;
 2. Provide Direction on Awnings and Other Weather Structures;
 3. Provide Direction on Maximum Number of Spaces for Parklets; and, Approve the extension of Personal Services Businesses in Office Commercial Zones (Zone O) with an Economic Recovery Agreement

REMARKS:

After the distribution of the staff report, staff received the following questions from a Council Member. The questions are in italics and the staff responses follow each of the questions below.

I have a few of questions about the temporary and semipermanent parklets.

- *Are there any other restaurants besides Pedro's and Palms that have a parklet exceeding two parallel parking spaces in length? I realize there are businesses that have combined to create larger parklets, but I'm interested in space per business.*
 - The semi-permanent parklet located in front of Rootstock is equivalent to three parallel parking spaces.

PREPARED BY: Monica Renn
Economic Vitality Manager

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

- Potential locations for parklets greater than two parking spaces include:
- Pedro's krail is currently on Petticoat Lane and N. Santa Cruz Ave., and occupies the equivalent of more than two spaces on each street.
 - The Palms has a large enough frontage to accommodate a parklet over two spaces.
 - Coup de Thai has an application in the process for a space that spans from their store frontage north to the door of the Black Watch which is approximately three parking spaces.
 - The building that houses Lexington House has a large enough frontage for a parklet greater than two parking spaces. While Lexington House is currently the only restaurant located in this building, staff anticipates a second restaurant may join the building in which case the parklet would be shared.
 - Loma Brewing has shown interest in a parklet on Gray's Lane. Initial conversations with the business indicate that their parklet would be the equivalent of more than two, but less than three parallel parking spaces.
 - The new restaurant that will be occupying the former William Sonoma building has indicated interest in a parklet on Gray's Lane that would span the length of their building, approximately the length of three to four parking spaces, and has shown additional interest in a two stall parklet in front of their location on N. Santa Cruz Ave.
 - The current Gardino's krail is larger than two parking spaces, although may be limited to a smaller parklet based on building property line and the current guidelines for the semi-permanent parklets.
 - The current Oren's Hummus krail parklet is larger than two parallel parking spaces and given the building frontage on Main Street, could potentially have a parklet that spans a distance of three or more spaces.
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- *What is the Town's legal liability in the semipermanent parklets?*
 - Businesses will be required to sign an agreement requiring indemnity, insurance, and maintenance before building permits are issued.

 - *Does the construction by a landlord or business include responsibility for the space?*
 - Yes, the agreement requires that the applicant fully maintain the parklet.

 - *The parklets belong to the public outside the specific businesses' hours, correct?*
 - Yes, this is the intent of the program; however, we need clear Town Council direction on this. It has been difficult to enforce as many businesses believe there is a need to lock and secure furniture during non-operating hours and is difficult to do so while creating a space open for full public use.

- *If the Town pays for 50% or even 100% of the cost of building a parklet, does anything change in terms of liability?*
 - It does not, we are still able to execute an agreement for the maintenance of the parklet with the business and/or adjacent property owner.

- *If the Town paid completely for the parklets, would this be materially different than if we revamped all of downtown with wider sidewalks (in the future) and allowed restaurants to have dining right against their buildings, but on that public sidewalk?*
 - The restaurants take a “pride of ownership” and this may be easier to maintain if they have some investment. We would also need to be clear on capital maintenance responsibilities – who fixes the rail when a customer stands on it and breaks it? If the Town were to pay completely for the construction of the parklets, it would be recommended that the furnishing, maintenance, and some level of repairs be the responsibility of the businesses.

- *Could we build the parklets and rent them to businesses? Maybe not much/anything this year, but more as the economy for the businesses recover?*
 - We could. The Town would need to produce a full Public Works project, including plans, specifications, engineering and a bid package. Contractors would be required to pay prevailing wage. The cost estimate is approximately 60% more than having it contracted for privately.

- *If we pay for the parklets, how do we know landlords won't just raise the rent, and the business will have no advantage from the Town? Can we require a rent freeze for businesses that receive parklets? For some period of time?*
 - The Town does not currently involve itself in the private commercial agreements between a landlord and tenant. Properties with parklets are likely to provide more value to a space, thus landlords are likely to capture that value when possible. Property owners can recoup any expenses if they pay for parklet construction or maintenance; however, cannot charge directly for an area they do not own.
 - Commercial rent control is prohibited in California. The laws around commercial rent control vary greatly from those of residential rent control.

- *Can we reclaim Grays Lane as a Town Park? Another parklet in the street will wipe this out. The big chess, games, and piano should be in a public place.*
 - We can reclaim Grays Lane simply by limiting the parklets on that space. Because of the proximity of Loma, Grays Lane will likely continue to be a hangout for those customers. After discussions with both Loma and the future restaurant that will occupy the adjacent building, staff is anticipating two parklets on Grays that run along side each curb line respectively, with space for a ten-foot-wide walkway up the center of the street that connects pedestrians with N. Santa Cruz Ave. Loma

anticipates stopping their parklet prior to the business next door to them, thus some public open space will remain, albeit smaller than the current space. The addition of this second business' parklet and the walkway may activate the space in a different way, and balance the use by Loma.

- The chess game and the Piano can go into a number of places, including Plaza Park, Civic Center, or in temporary parklets.

- *Do we have thoughts on any public parklets?*
 - Based on experience during the one-way pilot closure, these tend to be gathering places that are difficult to maintain regularly. There is quite an investment required in staff time and materials, not currently included in the budget or workplans, to provide the upkeep that is required for incidents such as spilled ice cream on Saturday afternoons and trash left behind by guests using the spaces.

Attachment 7 contains public comment received between 11:01 a.m., Monday, April 19, and 11:00 a.m. Tuesday April 20, 2021.

ATTACHMENTS:

Attachments received with the Staff Report:

1. Timeline of Council Discussions and Actions to Date on Economic Recovery
2. Map of existing Temporary Krail and Semi-Permanent Parklets
3. Renderings and photos of Semi-Permanent Parklets and Weather Covering Options
4. Proposed Revised Economic Recovery Resolution
5. Public Comment received before 11:00 a.m. on Thursday, April 15, 2021

Attachment received with previous Addendum Report:

6. Public Comment received between 11:01 a.m., Thursday, April 15, and 11:00 a.m. Monday April 19, 2021.

Attachment received with this Desk Item Report:

7. Public Comment received between 11:01 a.m., Monday, April 19, and 11:00 a.m. Tuesday April 20, 2021.