



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 01/18/2022

ITEM NO: 8

DATE: January 12, 2022
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. Extend the Temporary Krail from January 31, 2022 until May 1, 2022 to Allow for Construction to Begin on the Semi-Permanent Parklets;
- b. Authorize an Expenditure Budget Adjustment in the Amount of \$28,000 from ARPA funding for Krail Rental;
- c. Consider Delaying the Decision to Program Some of the Identified Public Parklet Locations until the Completion of the Semi-Permanent Parklet Program; and
- d. Receive update on Grays Lane Plans and Provide Additional Direction on Programming the Public Areas for Placemaking.

RECOMMENDATION:

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. Extend the temporary krail from January 31, 2022 until May 1, 2022 to allow for construction to begin on the semi-permanent parklets;
- b. Authorize and expenditure budget adjustment in the amount of \$28,000 from the American Rescue Plan Act (ARPA) funding for krail rental;
- c. Consider delaying the decision to program some of the identified public parklet locations until the completion of the semi-permanent parklet program; and
- d. Receive update on Grays Lane plans and provide additional direction on programming the public areas for placemaking.

PREPARED BY: Monica Renn
Economic Vitality Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Police Chief, Community Development Director, Parks and Public Works Director, and Finance Director

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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, health orders, and shifting timelines. Since March 2020, the Town Council has been working to support the Town's business stakeholders, delicately balancing competing interests, and continuing to consider how to provide available assistance. One of these assistance opportunities is the Town's subsidized semi-permanent parklet program in which businesses may enter into a public-private partnership with the Town to construct and operate an outdoor dining area, known as a parklet, within existing public on-street parking spaces. When the operating business is closed, the area is open for public use. Parklets enhance the downtown experience through offering placemaking and al fresco dining opportunities, while providing an outdoor dining environment that lends itself to having a higher comfort level for gathering in the wake of the COVID-19 pandemic.

Attachment 1 provides a high-level overview of the meeting dates and Town Council actions taken specifically addressing economic and community vitality as it relates to COVID-19.

On November 17, 2021, during the Town Council's most recent discussion on the semi-permanent parklet program, the Town Council provided guidance on programming five public parking space areas that are in between or bookend parklets as on-street parking, public parklets, bike parking, and other public amenities. During this discussion, the Town Council also had specific questions regarding Grays Lane for which staff had limited information given this topic was not identified as a specific agenda item.

Following the meeting, staff realized that there was more information and questions that need consideration in order to gain clarity and ensure that everyone is working from the same information. Given this, staff is bringing back the discussion on public parklet areas and Grays Lane specifically to share additional information and receive the related direction from the Town Council.

DISCUSSION:

Temporary Krail Extension

The construction industry continues to be heavily impacted with projects and material acquisition delays and December proved to be an exceptionally wet and stormy month, thus the launch of parklet construction is taking longer than originally anticipated. Additionally, many businesses are experiencing a spike in prices for the construction and materials and are spending time reworking their parklet plans to reduce costs. Contractors are also reporting that some of the materials, such as the concrete planters, are going to take at least ten to twelve weeks to secure once the contract is signed with the business due to logistics and supply issues.

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DISCUSSION (continued):

Many won't plan to start construction until they have a delivery date for materials so that the project doesn't sit half-finished for several weeks when the space could continue to be used to help support the business.

With this in mind, staff is recommending that the temporary krail be extended until May 1, 2022. This extension would support the current desire of diners and restaurant staff to be outdoors more than indoors as the community navigates the significant increase in COVID-19 cases due to the transmissibility of the Omnicron variant.

Temporary Krail Options: The Town Council may wish to consider other options for extending the krail, including adding a qualifying benchmark for those in the parklet process. For example, if a business provides proof they are moving forward in the semi-permanent parklet process then they may keep the krail for an extended period of time; however, those who do not have an application or are no longer moving forward in the process would have their krail removed and on-street parking returned.

Another option would be to allow businesses willing to pay the rental costs for the krail to keep it until a date certain. The Town is currently paying to rent the krail at a rate of \$240 per 50 linear feet, totaling about \$7,000 per month. Managing such a rental program would be time intensive for staff and may reduce the resources available to work on the semi-permanent parklet program. If this is the direction of the Town Council, staff recommends managing it with a three-month rental fee option paid upfront by the business, directly to the Town.

Of the building permits ready to issue, several of the businesses have not provided the documents necessary to execute agreements with the Town or communicated a tentative schedule to move forward. In these cases, an earlier krail removal date or rental charge incurred could provide motivation to move forward. Staff recognizes that there is a balance that the Town Council must consider with this option between supporting the spirit of economic recovery, accommodating the construction environment, and providing clear deadlines to keep the parklet applicants motivated to move forward.

Even with the timeline challenges outlined above, staff believes at this point that it is feasible for all parklets to be completed by December 31, 2022, the current adopted deadline, for those businesses truly committed to the moving forward in the process.

Public Spaces

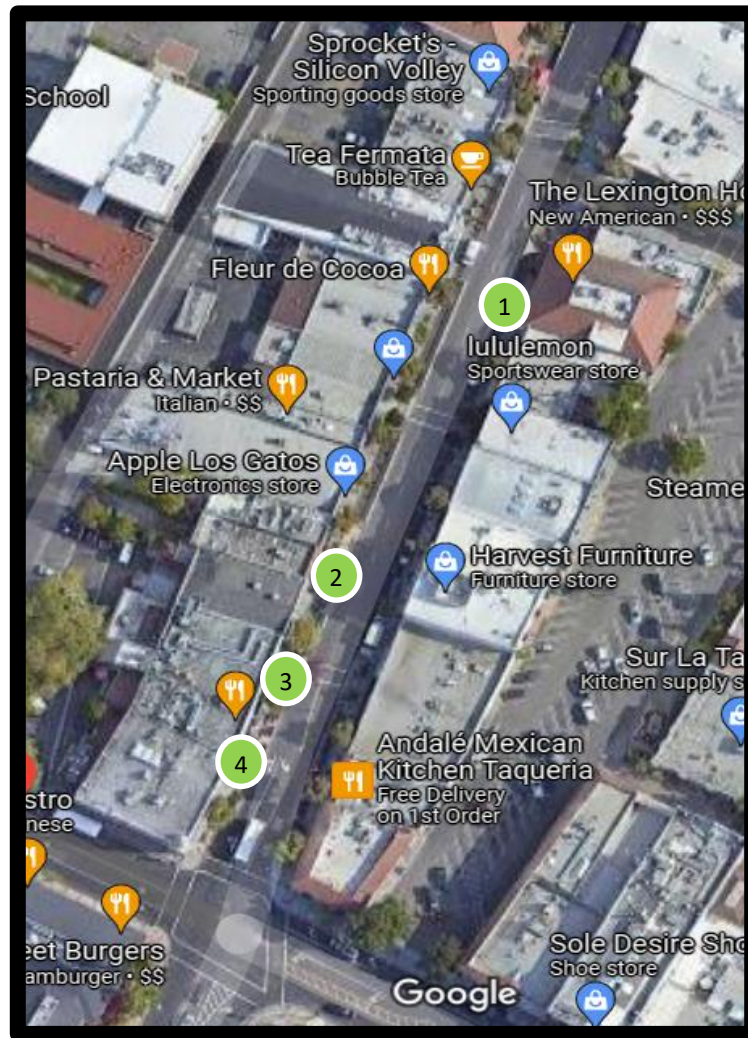
Direction was provided at the November 17, 2021 Town Council meeting for the programming of single parking spaces left between two parklets, or for those that have organically grown into public placemaking spaces. Staff presented five locations as options for consideration, corresponding with the maps on the next page.

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DISCUSSION (continued):

The Town Council voted to have location #1 remain as on-street parking, locations #2,3, and 4 become public placemaking/parklet areas, and location #5 become a public parklet area that includes a bike corral.



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DISCUSSION (continued):

Location #1 would remain as on-street parking and location #5 could move forward soon with a public parklet and bike corral area. For location #5, staff estimates that the cost of building a one stall parklet would be approximately \$85,000 total (\$75,000 for construction and \$10,000 for the design and engineering). This could be funded from the current allotted budget for the semi-permanent parklets since a couple of businesses originally considered in the budget subsidy have since declined to move forward.

Given that the bulk of the semi-permanent parklets have not started construction and that there are still businesses and property owners considering a variety of options, the final count and placement of the semi-permanent parklets remains fluid. Given this dynamic environment, staff is recommending that the Town Council defer the placemaking investments for locations #2, 3, and 4 until the completion or near completion of the semi-permanent parklet construction. Staff would return to the Council at that time with specific placemaking ideas and costing for these three locations. The Town Council would then need to identify a funding source.

Grays Lane

During the November 17, 2021 meeting, Grays Lane was discussed and the Council asked questions that needed additional staff consideration. With this report, staff is providing the history and outline of the plans for this public right-of-way to date. The Town Council should discuss and provide additional direction prior to investing the allocated \$20,000 for additional design options.

When the closure of Grays Lane was approved by the Town Council in April of 2020, the closure was deemed temporary to allow for pilot placemaking. As the COVID-19 pandemic persisted, the use of the space transformed into a large parklet for the adjoining restaurant Loma Brewing, and a pop-up venue for music, outdoor activities, and group gatherings.

As the Town Council considered the semi-permanent parklet program on January 19, 2021, it provided direction to continue the temporary closure of Grays Lane to support placemaking and the addition of parklets for the current and prospective (HK Group) restaurants with business frontage on Grays Lane. The direction did not include a permanent closure of the public street; thus, it is necessary that the street remain configured in such a way that it could return to allow traffic flow if deemed necessary. During this discussion, staff presented the idea that parklets could run parallel to the sidewalks and a thoroughfare could remain up the center of the street, allowing the right-of-way to be available for parklets, pedestrian access, and small gathering areas. Staff understood there to be consensus on this general layout.

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DISCUSSION (continued):

During this meeting, Councilmembers also inquired about noise levels and noise complaints from Grays Lane and how staff can continue to monitor and mitigate concerns. Staff understood it to be a priority that programming on Grays Lane should remain low key to balance the various neighbors and stakeholders.

As the use of Grays Lane evolved over the course of 2021, Loma was provided with flexibility to arrange and rearrange their parklet set up using fencing in lieu of rail provided by the Town. Staff considers the fencing and parklet area operated by Loma to be part of the Town's temporary rail parklet program, thus would apply any rail extension or removal equitably with this space.

There is one other tenant (retail) currently open for business that shares the Grays Lane frontage, so the size and location of Loma Brewing parklet was able to be dynamic as its placement and size impact on other businesses has been minimal. Opposite of Loma on Grays Lane is HK Restaurant Group's project for a new restaurant. As we look to the future of Grays Lane and the semi-permanent parklet program, it is important to consider how this new business may integrate into this space and further liven and enhance the placemaking experience.

Once the direction was provided at the January 19, 2021 Town Council meeting regarding parklets and Grays Lane, staff moved forward with working with the stakeholders on Grays Lane to apply for semi-permanent parklets. Staff relayed the direction to the stakeholders on Grays Lane that parklets would run adjacent to the sidewalks to allow for the pre-approved parklet design to be utilized, and to maintain paths of travel for pedestrians up the center of Grays Lane and along the existing sidewalks.

Such a configuration allows for the most flexibility for current and future needs, including the possibility of reopening the street for vehicular traffic with the elimination of one side of parklets while not disturbing the other. Aside from the placemaking, flexibility, and business preference aspects, there are other outside factors that must be considered when locating service areas and marking pedestrian paths of travel on Grays Lane including the Americans with Disabilities Act (ADA) and Alcohol Beverage Control (ABC) provisions.

The sidewalks are currently part of the required accessible route for the pedestrian paths of travel from ADA parking spaces in the municipal parking lots 3 and 4 to N. Santa Cruz Avenue. As a public street, Grays Lane must retain an accessible path of travel from Town parking lots and sidewalks must remain open with appropriate clearance consistent with ADA standards to allow for the access. It may still be feasible for a restaurant to place tables on the sidewalk in addition to the parklet; however, it is not feasible to encapsulate the sidewalk seating within a parklet barrier as that would inhibit pedestrian travel.

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DISCUSSION (continued):

ABC regulations for alcohol service require a business to provide a fixed barrier around the alcohol service area if it is outside the confines of their establishment. Also, should any alcohol need to cross over public right-of-way to reach a service area, it must be served to the guest at the table by an employee of the establishment, rather than carried to the table by the guest. This regulation is consistently applied to all the semi-permanent parklets and has been accommodated by all establishments operating within this program.

Staff received feedback from stakeholders at Loma Brewing that they did not prefer a tableside service model and thus requested an exemption to have their parklet built to include the sidewalk so guests could carry their own alcohol from inside to outside the restaurant without crossing public right-of-way. Staff discussed with business owners that this is not a viable option given the need for ADA sidewalk access and then they decided to move forward with the standard parklet model.

Staff received a semi-permanent parklet application from Loma in May of 2021, and began conversations with them regarding their layout and design, including working with the property owner to understand their expectations. By late fall, Loma had fulfilled all of the preliminary requirements for the application process and in November confirmed they decided on a size and placement for the parklet and were ready to move forward with the architect.

Staff also received an application for a semi-permanent parklet from HK Group in May of 2021. Staff worked with HK Group on their parklet design and layout and how it could be integrated with public placemaking space. HK Group applied for a parklet that utilized the pre-approved plans by the Town's architecture vendor. They also submitted a separate building permit application that provides an integrated public placemaking space that includes an asphalt treatment of the entire closed Grays Lane area, potted trees at both ends of the closure, and trees and seating areas clustered together on the side of west side of Grays Lane, closest to N. Santa Cruz Ave. Attachment 2 provides an overview of the submittal with space for Loma to construct a parklet of varying size and placement.

Grays Lane has a few infrastructure challenges that have been taken into consideration in the overall plan for the public area and parklet placements. There are multiple in-ground utility access points and large in-ground transformers that exist near the curbs of both restaurants that must remain free and clear of obstruction. HK has shifted the start of their parklet to the west of the utilities on their side of the street, which allows for the road closure to also be shifted, shrinking the footprint of the Grays Lane closure, providing full access to the in-ground utilities here, and providing the ability to add back the loading parking space formerly in this location, which is crucial to the function of the restaurant and other businesses in and around this area. There is also the ability to add a loading space on the Loma side as well.

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DISCUSSION (continued):

For Loma, the in-ground transformer on their side of the street creates a bit more of a dividing point on their business frontage. Their parklet would need to start on the west side of the transformer and continue towards N. Santa Cruz Ave., at a size and placement they design with the architects.

Staff was recently made aware of a Mercury News article published on January 5, 2022, where Loma Brewing leadership is quoted stating that they will not be building a parklet on Grays Lane. Caught by surprise of this information, staff connected with Loma to request clarification on their plans for a parklet and have not heard back from them as of the publish date of this report.

Grays Lane Options: Should Loma Brewing choose to not move forward with a semi-permanent parklet, the Town Council may wish to provide direction to: (1) increase the public programming for the remainder of Grays Lane with furnishing, potted trees, and group seating areas that mimic what is being provided by HK Group on the east side of Grays Lane; (2) explore different placemaking options; or (3) re-open the street to one-way vehicular traffic. Future consideration of Grays Lane would then be deferred to the longer term downtown streetscape project. Enough space exists for Grays Lane to support a parklet on one side of the street with one lane of traffic. While this is not the most ideal option in staff's opinion, it is one that the Town Council may wish to discuss.

If the Town Council would like to pursue options 1 and 2 above, the exploration could begin by staff working with the HK Group to understand the extent of their ability to provide partnership with this area, determine cost sharing options for additional furnishings and enhancement in the remaining closed area of Grays Lane, and identify funding sources for future Council consideration.

Before staff does this research and prices other options for programming this potential area, it hopes to gain clarity and commitment from Loma on their application status and direction from the Town Council on next steps given the new information.

The Chamber of Commerce continues to be an invested partner with the Town providing support with destination marketing, convening stakeholder groups, gathering input, and creating ideas and opportunities to draw residents and visitors to downtown. Attachment 3 includes a written communication from Catherine Somers, Executive Director of the Los Gatos Chamber of Commerce, prior to the distribution of the staff report. In addition to communication with the Chamber, staff emailed a large business stakeholder group and welcomed participation on this agenda item. Additional outreach and social media posts are occurring in an effort to encourage input from the business and greater Los Gatos community.

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CONCLUSION:

After discussing the recommendations and options provided with this report, staff looks to the Town Council to provide direction on next steps. Below are the staff recommendations:

1. Extend the temporary kral from January 31 2022, until May 1, 2022 to allow for more time for construction to begin on the semi-permanent parklets and support the move towards more outdoor dining given the significant increase in COVID cases.
2. Move forward with retaining on-street parking in location #1; defer the programming of the public parking spaces in locations #2, 3, and 4; and construct a single space parklet and bike corral in location #5 at the approximate cost of \$85,000 which may be funded from the current allotted semi-permanent parklet budget.
3. After receiving an update on the current status of the applications and tentative plans for placemaking on Grays Lane, the Town Council may want to provide additional direction on programming the public areas for placemaking.

COORDINATION:

This report was drafted in collaboration with the Town Manager and Town Attorney's Offices, and the Community Development and Parks and Public Works Departments.

FISCAL IMPACT:

Based on the direction of the Council, the fiscal impact will vary.

Extending all of the kral requires an allocation of funds of in the amount of \$7,000 per month, which is not currently budgeted for beyond January. The requested \$28,000 expenditure budget adjustment would cover the additional rental cost. Staff recommending using the unallocated American Rescue Plan Act funds. A more comprehensive discussion of ARPA and additional allocations is tentatively scheduled for February 15, 2022; however, Council could identify ARPA for this purpose with this agenda item.

The implementation of a parklet and bicycle corral for location #5 would come from the expected savings in the semi-permanent parklet program.

The Town Council previously allocated \$20,000 to support design options for Grays Lane, depending on the direction for this space, these funds could be used for their original purpose, or reallocated to purchase furnishings to implement a cohesive Grays Lane design.

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ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Timeline of Town Council discussions and actions to date on Economic Recovery Efforts specifically as they relate to parklets and placemaking in the public right-of-way.
2. Proposed improvements for Grays Lane
3. Written input on Grays Lane provided by the Chamber of Commerce
4. Public Comment received before 11 a.m. on January 13, 2021