



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 11/16/2021

ITEM NO: 21

DATE: November 8, 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. Receive an Update on the Status and Progress of the Semi-Permanent Parklet Program;
b. Provide Direction on the Addition of Public Parklet Areas; and
c. Extend the Economic Recovery Resolution to December 31, 2022.

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. Receive an update on the status and progress of the semi-permanent parklet program;
- b. Provide direction on the addition of public parklet areas; and
- c. Extend the Economic Recovery Resolution to December 31, 2022.

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 continues to consider how to provide available assistance. A high-level summary of these efforts includes rent forgiveness for Town-owned properties, expanded support through community grants, and community and economic vitality efforts such as adopting an Economic Recovery Resolution that provides flexibility and additional opportunities for businesses to adapt to the dynamic environment. Some of the ongoing opportunities

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Economic Vitality Manager

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

SUBJECT: Discuss and Provide Direction on Actions to Continue the Town's Support of
Economic Recovery and Community Vitality

DATE: November 8, 2021

BACKGROUND (continued):

specifically related to economic recovery include Town-subsidized business permits, temporary and semi-permanent parklet programs, and funding for destination marketing efforts provided by the Chamber of Commerce.

Specifically related to the Economic Recovery Resolution, the Town Council has adopted the Resolution that currently remains in effect until December 31, 2021. The Resolution memorializes the Town's effort to streamline and update business processes and provide modernized provisions with greater flexibility as businesses look to adapt and recover from the pandemic and is applicable to a variety of business uses throughout the commercial zones in the Town.

The temporary krail parklet program, adopted in May of 2020, has been a lifeline for many businesses as they were given the opportunity to use public on-street parking spaces for their private business operations at no cost to the business. Maintaining these spaces past the reopening of indoor dining has afforded the restaurants the ability to serve more patrons and enhance their business recovery efforts while offering the community a more comfortable option to indoor dining. Given the success and desirability of this program, the Town Council adopted a semi-permanent parklet program on January 19, 2021, with a subsidy of 75% of construction costs up to \$40,000, and a subsidy of design and permit fees at its April 20, 2021, meeting. Since this time, the Town staff team has been working with the Town's architect vendor, businesses, property owners, and other stakeholders to implement a process for applications, design, review, and construction of the new semi-permanent parklets. After a higher than expected level of interest from downtown businesses, staff returned to the Town Council on August 17, 2021, for an increase in the parklet program budget to accommodate the number of applications received.

Per Council direction, the temporary krail parklets are scheduled to be removed as businesses with semi-permanent parklet applications transition into the construction of their new parklets, on or before January 31, 2022. On August 17, 2021, the Town Council directed the extension of the temporary krail parklets for businesses that offer outdoor dining to allow for a smoother transition to the semi-permanent parklet program. Krail that was not providing outdoor dining opportunities was removed in early September 2021; however, in some cases, extra krail was left in place as there was not enough space to reinstate parking in these locations, or there were not enough krail pieces to fill a truck for cost effective removal. As the temporary krail program transitions into the semi-permanent program, these extra areas will be returned to on-street parking spaces. In some cases, there may be a desire by the Town Council to opt for an option other than on-street parking, which will be discussed later in this report.

SUBJECT: Discuss and Provide Direction on Actions to Continue the Town's Support of Economic Recovery and Community Vitality

DATE: November 8, 2021

BACKGROUND (continued):

Through discussions of economic recovery and community vitality, the Chamber of Commerce requested funding to provide the Town with an emergency destination marketing campaign and a series of events that included the closure N. Satna Cruz Avenue weekly throughout the summer. Subsequently, the Town Council allocated \$55,000 to emergency destination marketing, and \$80,000 to the event series. Both efforts were proposed to promote the Town of Los Gatos as a premier Silicon Valley destination to shop, dine, stay, and experience the Town.

The emergency destination marketing campaign is slated to provide a Visit Los Gatos website and offer opportunities for residents and visitors to engage with the Town's offerings when searching the term "Los Gatos" online, connecting through various social media platforms, and visiting merchants in person. Additionally, the event series leverages the messaging that Los Gatos is open for business and is excited to welcome back residents and visitors for safe in-person shopping and dining experiences.

The Summer Promenade events were considered a success and thus, the Chamber has filed a special event permit to provide a similar all-day Holiday Promenade event in December that promotes downtown Los Gatos as a destination to shop, dine, and celebrate this holiday season. The Visit Los Gatos webpage and Instagram page have been created and the Chamber of Commerce continues to maintain these online platforms. Metrics and data regarding online searches and direct clicks for Visit Los Gatos are expected to be provided by the Chamber of Commerce by the end of December 2021.

DISCUSSION:

Semi-Permanent Parklet Update

The semi-permanent parklet program continues to move forward. The timeline has been slow and difficult to predict due to the responsibilities and preparation for both the Town and businesses to complete for each application.

While the Town worked with its contracted architecture firm to design, review, and pre-approve the basic parklet plans ahead of the program start date, each business has unique circumstances and must complete an individual design and engineering phase with the architect. Street slope, frontage configuration, neighboring businesses, property owner input, and other existing conditions create these unique circumstances. Addressing these site specific issues can take anywhere from a few weeks to a month or two depending on the situation.

In addition to the standard pre-approved parklet plans, several businesses have opted to build a solid, relatively flat, roof structure approved by the Town Council in April. Given that this

SUBJECT: Discuss and Provide Direction on Actions to Continue the Town's Support of Economic Recovery and Community Vitality

DATE: November 8, 2021

DISCUSSION (continued):

structure is not part of the pre-approved options nor is it eligible for the parklet grant and subsidy, it is a separate process that must be added on top of the design and engineer phase noted above and can add a couple of additional weeks to the process. Once all of the design and engineering elements are complete, the firm submits the plans to the Town for a building permit. Prior to the building permit being issued, the operation and grant agreements are executed with the Town, and a contractor is brought onboard by the business.

The construction industry remains impacted with projects in general. Thus, it has been slow for businesses to easily identify a contractor, produce a bid for the construction, which is a required attachment to the grant agreement, or anticipate a construction timeline specific to their parklet.

The Chamber of Commerce continues to be a strong partner with the Town and the parklet program by providing businesses and contractors with an outlet to connect. They hosted a meeting in October that brought together stakeholders for an in-person discussion and continue to be a support as businesses look for general contractors, subs, materials, and other parklet resources.

Based on discussions at this meeting, aside from contractor workload, staff understands that material acquisition may be a challenge, specifically the concrete planters that are a vital part of the design. While staff is not requesting an extension to the krail parklets at this time, it may be necessary to return to the Town Council in January to extend a few of the krail parklets. Staff still anticipates that it is achievable to have all parklets completed with final permits no later than December 31, 2022.

Attachment 1 provides a high-level process map that outlines the steps in the semi-permanent parklet program, and an update of the number of businesses in each phase of the project. Even with the streamlined efforts in place, it remains difficult to predict how long each parklet will take from start to finish as there is a large number of variables with each.

Public Space Programming

As the staff works with stakeholders on parklet design and placement, there have been a few instances where the discussion has come up regarding the programming of public parklets or pocket areas where adding back parking (in place of krail parklets) may not be ideal.

Staff understands there may be an interest from members of the Town Council to add some public programming such as a pocket parklet with public benches or a space that could accommodate bike and stroller parking off the main flow of pedestrian travel on the sidewalks.

SUBJECT: Discuss and Provide Direction on Actions to Continue the Town's Support of
Economic Recovery and Community Vitality

DATE: November 8, 2021

DISCUSSION (continued):

Attachment 2 illustrates some areas staff recommends the Town Council considers, if it wishes to add public parklets.

Throughout the parklet planning process when staff considers how parklets will blend with on-street parking spaces, there has been an effort to not leave a single parking space between two parklets that could create a parallel parking challenge for drivers. Staff has consistently looked for a gap that is the size of at least one and a half to two parking spaces, which would ultimately be striped as one space to provide drivers with some cushion space to park and navigate the parklets.

At the time of this report there is one location that only a single parking space remains between a proposed parklet and a bump-out near a cross walk, located at approximately 17 N. Santa Cruz Avenue (location number 2 on Attachment 2). There are two other existing instances where a single spot remains between a bump out and an original pilot parklet, which since construction completion has been designated for twenty-minute parking, located at approximately 9 N. Santa Cruz Avenue (locations 3 and 4 on Attachment 2).

While locations 3 and 4 on Attachment 2 have been functioning as short-term parking spaces for over two years, these spaces are near the turn lane at the intersection of N. Santa Cruz Avenue and Main Street and exist in an area where the sidewalk seems to become especially congested, thus could be a good option for public programming to eliminate the need to accommodate parallel parking when the road configuration switches to support a turn lane and to support more sidewalk space for pedestrian flow.

Location number 1 on Attachment 2 will have a space the size of three parking spaces that the Town could program as parking, or as a public parklet area that supports seating and/or bike parking. This location is central to downtown and provides a larger area if the Town Council would like to only program one public area for multi-purposes; however, another option may be to retain a couple of consecutive on-street parking spaces.

Location 2, 3, and 4 on Attachment 2, discussed earlier in the report, each offer a single parking space size area that could support either bike parking or a public seating area. As the parklets have been constructed, there have been several instances where public benches have needed to be relocated. These could potentially be used as the furniture for small public seating areas. Location 5 presents a unique opportunity to provide bike parking on Main Street. A small area could be programmed for the bikes, then at least one parking spot could remain on the end of the block to accommodate short-term parking.

SUBJECT: Discuss and Provide Direction on Actions to Continue the Town's Support of Economic Recovery and Community Vitality

DATE: November 8, 2021

DISCUSSION (continued):

To date there have been three businesses that have opted out of the semi-permanent parklet program since applying, and another two to three that remain unsure if they will proceed thus, there may be extra funds that have been allocated to the parklets that could be re-directed into public parklets or bike corral areas if the Town Council desires.

There are a number of ways to construct public space between two parklets. The most obvious include the Town contracting for the construction of the space to match existing parklet design or having the adjacent business construct the space as part of their project with the Town providing additional reimbursement for the added cost.

These public spaces would come with an additional cost. Approximately twelve months ago, PPW brought on an additional 0.5 FTE Maintenance Worker to keep up with the new demands in the downtown. Although the services have been important to the overall appearance of the downtown, this is not a sustainable cost within the PPW budget and adding Town managed parklets would compound that need. Pursuing these improvements would require a budget add to supplement the additional labor needs.

Additional costs for the equipment programmed for the space would also need to be addressed. Uses might include bicycle parking (requiring lockers or racks), seating (requiring cleaning and replacement), entertainment such as a piano (requiring tuning and replacement), or other ideas. Based on Council direction, staff would request budget adjustments through the Mid-Year Budget process.

With the addition of another restaurant coming to Grays Lane with a parklet, this area will see a shift in the layout; however, it will continue to have a pedestrian walkway and sitting area. Throughout the temporary parklet program, the Town has done minimal upkeep on this area, and the existing business has been a great partner in keeping the area neat and clean.

Economic Recovery Resolution

Since its original adoption on June 3, 2020, the Economic Recovery Resolution has been providing opportunities for support, flexibility, and reduced permit fees for new and existing businesses in Los Gatos. Staff believes the early adoption of this Resolution, the extension of the resolution until December 31, 2021, and expansions of allowances the Town Council has directed over the past eighteen months have provided both business retention and attraction. Given that the business community at large is still recovering from and navigating the COVID-19 pandemic and that the future of public health orders and course of the pandemic are widely unknown, staff recommends that the Town Council extend the Economic Recovery Resolution until December 31, 2022 (Attachment 3). This date aligns with the anticipated completion of the semi-permanent parklet construction and provides for more time for businesses to recover

SUBJECT: Discuss and Provide Direction on Actions to Continue the Town's Support of
Economic Recovery and Community Vitality

DATE: November 8, 2021

DISCUSSION (continued):

and adapt their services and business models as consumer behavior and demands continue to shift.

CONCLUSION:

After receiving the staff update on the semi-permanent parklet program, staff is recommending that the Town Council discuss and provide feedback on the program including providing direction on:

- Should public parklets be added in specific locations to support pocket sitting areas, bike/stroller parking, or additional programming?
- If this is the direction of the Council, funds should be identified to cover the additions and could be re-directed from excess funds that will likely remain in the semi-permanent parklet program budget due to the attrition of parklet applications.
- Additionally, staff is recommending that the Town Council extend the Economic Recovery Resolution until December 31, 2022, to continue to provide businesses with options for recovery, expansion, support, flexibility, attraction, and retention.

COORDINATION:

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

FISCAL IMPACT:

No additional direct funding is being requested with the actions of this report; however, may be necessary based on the direction of the Town Council. There may be a shift in how the American Rescue Plan Act (ARPA) funds allocated to the semi-permanent parklet program are expended if the Town Council directs staff to add public parklet areas downtown in lieu of parklet applicants who have rescinded their applications. Additional fee subsidy may also be needed for the 50% fee absorption of Conditional Use Permits that is included in the Economic Recovery Resolution.

ENVIRONMENTAL ASSESSMENT:

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

PAGE 8 OF 8

SUBJECT: Discuss and Provide Direction on Actions to Continue the Town's Support of
Economic Recovery and Community Vitality

DATE: November 8, 2021

Attachments:

1. Semi-Permanent Parklet Process Map and Applicant Information
2. Map of Potential Public Parklet Areas
3. Draft Economic Recovery Resolution Showing Mark-ups