



**TOWN OF LOS GATOS  
PLANNING COMMISSION  
REPORT**

MEETING DATE: 05/27/2020

ITEM NO: 3

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DATE: May 22, 2020  
TO: Planning Commission  
FROM: Joel Paulson, Community Development Director  
SUBJECT: Forward a Recommendation to the Town Council for Approval of Amendments to Chapter 29 (Zoning Regulations) of the Town Code Regarding Vehicle Sales, Town Wide. Town Code Amendment Application A-20-003.  
Applicant: Town of Los Gatos

**RECOMMENDATION:**

Forward a recommendation to the Town Council for approval of amendments to Chapter 29 (Zoning Regulations) of the Town Code regarding vehicle sales.

**CEQA:**

The proposed project is exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15061(b)(3), in that it can be seen with certainty that there is no possibility that the amendments to Chapter 29 of the Town Code will have a significant effect on the environment.

**FINDINGS:**

- As required, the project is exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15061(b)(3); and
- The amendments to Chapter 29 of the Town Code are consistent with the General Plan.

**BACKGROUND:**

Sections 29.20.180 through 29.20.200 of the Town Code regulate conditional uses. The Table of Conditional Uses in Section 29.10.185, requires approval of a Conditional Use Permit (CUP) for new vehicle sales and rental in the C-2, LM, and CH zones. Additionally, used vehicle sales are allowed with approval of a CUP in the C-2, LM, and CH zones only when their sale is

**PREPARED BY:** Sean Mullin, AICP  
Associate Planner

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Reviewed by: Planning Manager and Community Development Director

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BACKGROUND (continued):

incidental to new vehicle sales and rental. Standalone used vehicle sales are not currently allowed as a permitted or conditional use in any zone.

The Town was approached by a business seeking to locate a standalone used vehicle sales business in the C-2 zone. Given the unique business model proposed by the business owner, staff forwarded the issue to the Town Council Policy Committee to seek input and direction on the appropriateness of standalone used vehicle sales in commercial and industrial zones.

On January 28, 2020, the Policy Committee discussed the matter and recommended that standalone used vehicle sales be allowed with an approved CUP for vehicle sales and rental in the C-2, LM, and CH zones (Exhibit 2). The Policy Committee recognized that vehicle sales would continue to require a CUP, and that the Planning Commission would consider whether a vehicle sales and rental use at a specific site is appropriate or not when reviewing the CUP application.

DISCUSSION:

A. Amendments to the Town Code

The Policy Committee recommended that the Town Code be amended to allow standalone used vehicle sales with an approved CUP for vehicle sales and rental in the C-2, LM, and CH zones. Section 29.20.185, Table of Conditional Uses would be amended by striking “new” from the new vehicle sales and rental category and eliminating the used vehicle sales category. This change would eliminate the distinction between new and used vehicle sales, allowing standalone used vehicle sales in the C-2, LM, and CH zones with an approved CUP.

TABLE OF CONDITIONAL USES	RC	HR	R1	RD	R-M	RMH	R-1D	O	C-1	C-2	CH	LM	CM
(7) Automotive (Vehicle sales, services, and related activities)													
a. <del>New</del> Vehicle sales and rental										X	X	X	
b. <del>Used vehicle sales only incidental to new vehicle sales and rental.</del> Reserved										X	X	X	

DISCUSSION (continued):

B. Public Outreach

Public input has been requested through the following media and social media resources:

- A poster at the Planning counter at Town Hall;
- The Town's website home page, What's New;
- The Town's Facebook page;
- The Town's Twitter account;
- The Town's Instagram account; and
- The Town's Next Door page.

PUBLIC COMMENTS:

At this time, the Town has not received any public comments.

CONCLUSION:

A. Recommendation

Based on the direction of the Policy Committee, staff recommends that the Planning Commission review the information included in the staff report and forward a recommendation to the Town Council for approval of the amendments to Chapter 29 of the Town Code in the draft Ordinance. The Commission should also include any comments or recommended changes to the draft Ordinance in taking the following actions:

1. Make the finding that the proposed project is exempt, pursuant to the adopted Guidelines for the implementation of the California Environmental Quality Act, Section 15061 (b) (3), in that there is no possibility that the amendments to Chapter 29 of the Town Code in the draft Ordinance will have a significant effect on the environment (Exhibit 1);
2. Make the finding that the amendments to Chapter 29 of the Town Code in the draft Ordinance are consistent with the General Plan (Exhibit 1);
3. Forward a recommendation to the Town Council for approval of the amendments to Chapter 29 of the Town Code in the draft Ordinance (Exhibit 3).

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SUBJECT: Vehicle Sales

DATE: May 22, 2020

CONCLUSION (continued):

B. Alternatives

Alternatively, the Commission can:

1. Forward a recommendation to the Town Council for approval of the draft Ordinance with modifications; or
2. Forward a recommendation to the Town Council for denial of the draft Ordinance; or
3. Continue the matter to a date certain with specific direction.

EXHIBITS:

1. Required Findings
2. January 28, 2020, Town Council Policy Committee Report
3. Draft Ordinance

**PLANNING COMMISSION – May 27, 2020**  
**REQUIRED FINDINGS FOR:**

**Town Code Amendment Application A-20-003**

Forward a recommendation to the Town Council for approval of amendments to Chapter 29 (Zoning Regulations) of the Town Code regarding vehicle sales.

**FINDINGS**

**Required Findings for CEQA:**

- The proposed project is exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15061(b)(3), in that it can be seen with certainty that there is no possibility that the amendments to Chapter 29 of the Town Code will have a significant effect on the environment.

**Required Findings for General Plan:**

- The proposed amendments to Chapter 29 of the Town Code are consistent with the General Plan.



**TOWN OF LOS GATOS  
COUNCIL POLICY COMMITTEE REPORT**

MEETING DATE: 01/28/2020

ITEM NO: 5

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DATE: January 23, 2020  
TO: Council Policy Committee  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Discuss the Town's interpretation of "used vehicles" in the Town Code and determine if an exemption for indoor showrooms is appropriate.

**RECOMMENDATION:**

Discuss the Town's interpretation of "used vehicles" in the Town Code and determine if an exemption for indoor showrooms is appropriate.

**BACKGROUND:**

The Town's Zoning Code, Chapter 29 of the Town Code, does not specifically define used vehicles; however, it does regulate them in the Table of Conditional Uses in Section 29.20.185 by requiring used vehicle sales to be incidental to new vehicle sales and rentals. Town staff interprets the intent of this language to be prohibitive of standalone used vehicle lots that occupy outdoor commercial spaces as parking lots for a large quantity of vehicles (i.e., over twenty cars). Outdoor lots can be a potential visual blight on a shopping area. Town staff seeks the Policy Committee's input and direction on excluding indoor only showrooms from the intent of the current Town Code language.

**DISCUSSION:**

The Town has been approached by a business who would like to locate in the C-2 zoning district. In this case, the business is a used vehicle dealership wherein only previously owned vehicles are sold; however, the vehicles are those that are vintage, rare, exotic, or of a class that are not obtained at a typical dealership. This business model offers a high-end niche retail sales experience coupled with an experience for vehicle enthusiasts to enjoy as a spectator.

**PREPARED BY:** Monica Renn  
Economic Vitality Manager

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

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SUBJECT: Discuss the Town's interpretation of "used vehicles."

DATE: January 23, 2020

DISCUSSION (continued):

The business is requesting to have an indoor only showroom with approximately six to ten used vehicles onsite at any given time. The business would also offer customers the ability to request a specific make, model, and vintage of a vehicle, which the dealer would then work to locate the desired vehicle. All vehicles for sale would remain on display indoors, and the point of sale origin for sales tax purposes would be the same Los Gatos location as the showroom.

CONCLUSION:

Town staff believes that a differentiation could be made that exempts indoor only showrooms for the sale of used vehicles to allow for specialty and niche businesses which do not occupy any outdoor commercial spaces with used vehicles. The exemption of indoor showrooms would allow for the sale of used vehicles alone; however, it would require that they be completely contained indoors in a commercial zone. Given the Town Council's Strategic Priority to create greater opportunities for Community Vitality and business interests, staff believes it could be appropriate to make this interpretation, thus we have brought the item forward for the Policy Committee to discuss and provide direction.

COORDINATION:

This report has been prepared with collaboration between the Town Manager's and Town Attorney's Offices, and the Community Development Department.

FISCAL IMPACT:

No fiscal impact would be realized by this item.

ENVIRONMENTAL ASSESSMENT:

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

**DRAFT ORDINANCE 2020-\_\_**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS  
AMENDING CHAPTER 29 (ZONING REGULATIONS) OF THE TOWN CODE  
REGARDING VEHICLE SALES**

**WHEREAS**, Chapter 29 (Zoning Ordinance) of the Town Code of the Town of Los Gatos regulates vehicle sales in the C-2, LM, and CH zones by requiring the approval of a Conditional Use Permit; and

**WHEREAS**, Section 29.20.185 of the Town Code allows used vehicle sales only when incidental to new vehicle sales in the C-2, LM, and CH zones with an approved Conditional Use Permit; and

**WHEREAS**, the Town was approached by a used vehicle sales business seeking to locate in the C-2 zone; and

**WHEREAS**, given the unique characteristics of the request, the issue was forwarded to the Town Council Policy Committee to seek input and direction on the appropriateness of standalone used vehicle sales; and

**WHEREAS**, on January 28, 2020, the Town Council Policy Committee considered the matter and recommended that standalone used vehicle sales be allowed with an approved Conditional Use Permit in the C-2, LM, and CH zones; and

**WHEREAS**, this matter was regularly noticed in conformance with State and Town law and came before the Planning Commission for public hearing on May 27, 2020; and

**WHEREAS**, on May 27, 2020, the Planning Commission reviewed and commented on the proposed amendments regarding vehicle sales in the C-2, LM, and CH zones and forwarded a recommendation to the Town Council for approval of the proposed amendments; and

**WHEREAS**, this matter was regularly noticed in conformance with State and Town law and came before the Town Council for public hearing on \_\_\_\_\_, \_\_\_\_\_; and

**WHEREAS**, on \_\_\_\_\_, \_\_\_\_\_, the Town Council reviewed and commented on the amendments to Chapter 29 of the Town Code and the Town Council voted to introduce the Ordinance.

EXHIBIT 3



**NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION I**

Chapter 29 of the Los Gatos Town Code is hereby amended as follows:

**ARTICLE II. DIVISION 3. APPROVALS**

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**Sec. 29.20.185. Table of Conditional Uses.**

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<i>TABLE OF CONDITIONAL USES</i>	<i>RC</i>	<i>HR</i>	<i>R1</i>	<i>RD</i>	<i>R-M</i>	<i>RMH</i>	<i>R-1D</i>	<i>O</i>	<i>C-1</i>	<i>C-2</i>	<i>CH</i>	<i>LM</i>	<i>CM</i>
(7) Automotive (Vehicle sales, services, and related activities)													
a. <del>New</del> Vehicle sales and rental										X	X	X	
b. <del>Used vehicle sales only incidental to new vehicle sales and rental.</del> <u>Reserved.</u>										X	X	X	

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**SECTION II**

With respect to compliance with the California Environmental Quality Act (CEQA), the Town Council finds as follows:

A. These Town Code amendments are exempt from review under CEQA pursuant to sections and 15061(b)(3), in that it can be seen with certainty that there is no possibility that the amendments to the Town Code would have a significant effect on the environment; and

B. The amendments to the Town Code are consistent with the General Plan.

### **SECTION III**

If any provision of this Ordinance or the application thereof to any person or circumstances is held to be invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The Town Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

### **SECTION IV**

Except as expressly modified in this Ordinance, all other sections set forth in the Los Gatos Town Code shall remain unchanged and shall be in full force and effect.

**SECTION V**

This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the \_\_\_\_ day of \_\_\_\_\_ 2020 , and adopted by the following vote as an ordinance of the Town of Los Gatos at a regular meeting of the Town Council of the Town of Los Gatos on the \_\_\_\_ day of \_\_\_\_\_ 2020 . This ordinance takes effect 30 days after it is adopted. In lieu of publication of the full text of the ordinance within fifteen (15) days after its passage a summary of the ordinance may be published at least five (5) days prior to and fifteen (15) days after adoption by the Town Council and a certified copy shall be posted in the office of the Town Clerk, pursuant to GC 36933(c)(1).

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS  
LOS GATOS, CALIFORNIA

DATE: \_\_\_\_\_

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS  
LOS GATOS, CALIFORNIA

DATE: \_\_\_\_\_