



DISCUSSION ITEMS

Agenda Item # 11

AGENDA REPORT SUMMARY

Meeting Date: November 15, 2016

Subject: Downtown Vision Community Engagement Strategy and Economic Study Update

Prepared by: Jon Biggs, Community Development Director

Approved by: Chris Jordan, City Manager

Attachment:

1. Land Econ Group's Downtown Los Altos Visioning and Economic Strategy

Initiated by:

City Council Goal

Fiscal Impact:

The City Council has allocated \$300,000 for this effort

Environmental Review:

A planning study is statutorily exempt from environmental review per the California Environmental Quality Act (CEQA) Guidelines Section 15262

Policy Question for Council Consideration:

- Does the City Council concur with the strategy for development of the 3-4 envisioned scenarios and community engagement effort and economic study outline?

Summary:

- This is an update on the Downtown Vision Community Engagement Strategy and Economic Analysis

Staff Recommendation:

Provide feedback on the Community Engagement Strategy and Economic Analysis



Subject: Downtown Vision Community Engagement Strategy and Economic Study Update

Purpose

In order to provide the Community an extensive and comprehensive opportunity to evaluate and participate in discussions on appropriate guidance for the Downtown's future, the City Council adopted a goal of developing and implementing a visioning process for the Downtown.

Background

In September of this year, the City Council authorized the City Manager to enter into an agreement with the RRM Design Group to conduct the Downtown Vision effort. Staff has been working with RRM Design Group to refine the Community Engagement effort and gain information that can be used to support the three to four envisioned futures. The City Council also sought a broader evaluation of the economic drivers for the Downtown through the Downtown Visioning process.

Discussion/Analysis

A very important component of this Downtown Vision effort will be its community outreach. The Citizens of Los Altos seek to be informed and to help inform the process by which they will be determining a Vision for the Downtown.

In line with that, staff is proposing a process by which it and the consultant will be gathering information and holding stakeholder interviews that will provide background information that will be used to support the Council's decision on the three to four envisioned future scenarios. In addition staff will be seeking Council concurrence on an engagement strategy where these three to four envisioned future scenarios will serve as a basis for input on the Community's vision for the Downtown. The reason for this approach is to provide the City Council with information that it can use to determine the appropriate scenarios and engage the Community early in this process so that it can share how best to solicit its input and feedback on these scenarios and the Downtown's future.

Following is an outline of steps leading to development of the scenarios and community engagement:

- A. Stakeholder/Focus Group Meetings (including individual meetings with Council and PTC members) – Collect Data and Information
- B. Develop Visioning Identity – “Branding Effort”
- C. Develop Outline of 3-4 Vision scenarios & Final Community Outreach Strategy
- D. City Council Study Session #1 - Confirm 3-4 Vision Scenarios & Final Community Outreach Strategy
- E. Economic Market Analysis and developing the Drawings that Support the 3-4 Vision Scenarios
- F. Develop Downtown Vision Scenarios
- G. City Council Study Session #2 – Review 3-4 Vision Scenarios



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- H. Engage Community to Review Downtown Scenarios – (to be refined based on input and concurrence from Council)
 - a. Community Workshop #1
 - b. Two (2) Pop-up workshops (at event, city hall, downtown storefront, front porch talk, or farmers market...)
 - c. On-line engagement – Including a Downtown Visioning web page on the City’s Website
 - d. Newsletter/postcard

The process noted above includes two study sessions with the City Council. The first is intended to arrive at concurrence on the form of the 3-4 scenarios and the second is intended, following development of the scenarios, to review and verify with Council that they reflect what it seeks to have the Community respond to.

Also included with this agenda report is an updated economic analysis scope from Land Econ Group. The updated scope provides for early input and market analysis, which will help form the 3-4 envisioned future scenarios, meetings and evaluation of data from our economic development staff, an opportunities and constraints study, and identification of the trade area served by Downtown Los Altos. The results of this effort will be used to prepare a final report on economic development strategies for the Downtown that will be a part of the overall Downtown Vision.

Options

- 1) Concur with the strategy outlined in this report

Advantages: Provides supporting information for the 3-4 envisioned future scenarios to the City Council and provides for Community input on engagement process

Disadvantages: None identified

- 2) Provide alternate guidance on this strategy

Advantages: Would provide an opportunity for an alternate course of action

Disadvantages: May result less information to support the 3-4 envisioned futures scenarios and fewer opportunities for public participation

Recommendation

The staff recommends Option 1.



MEMO

To: Debbie Lagomarsino Rudd, RRM
From: Bill Lee of the Land Econ Group
RE: Second Iteration of Revised LEG Scope and Fee Downtown Los Altos Visioning and Economic Strategy
Date: November 2, 2016

In response to your e-mails today, I have expanded the scope discussion. Once we are under contract or at least receive authorization to proceed with the work, I will send Jennifer Quinn a detailed wish list of our data needs. She has CoStar market data, which will be very helpful.

REVISED LEG SCOPE

LEG will serve as subconsultant to RRM and contribute the following revised scope of work to respond to the "Economic Development and Land Use Mix" consideration mentioned in the RFP and to the concerns expressed in the September 13th City Council meeting and the follow-up phone meeting with City staff on September 26th.

- 1) LEG will participate in the project initiation meeting to gain a solid understanding of the background economic and demographic materials that the City's economic development staff has available for review.
- 2) LEG will participate with RRM in the City Council interviews to explore the level of Downtown vitality desired by the City Council and how that vitality may be quantified and measured. Some of the issues that we wish to explore with the Council Members include:
 - Which downtowns are ones that Los Alto would like to emulate and which ones not.
 - Which areas or land parcels in or near the downtown should be considered for new development or redevelopment.
- 3) For the future of Downtown Los Altos to be truly successful, the perspectives and requirements of Downtown business owners and operators will provide value and perspective. LEG will draft an on-line survey and cover letter intended for Downtown Los Altos businesses. The survey will be designed to gain a better understanding of Downtown's strengths, weaknesses, opportunities and threats from a business perspective. It is our assumption that the Town of Los Altos will implement the survey. LEG will tabulate and analyze the survey results.



- 4) LEG will prepare a market opportunities and constraints study of Downtown Los Altos covering retail, restaurants, residential, hotel and office uses. This market analysis will examine the economic momentum of Silicon Valley, the changing demographics of Los Altos, the trade area effectively served by Downtown Los Altos, competition from surrounding communities and on-line sales and how parking requirements facilitate or inhibit commercial property turnover. The market study will include interview with selected developers and real estate brokers active in town, and will rely heavily on the data that the City has available such as retail sales, hotel revenue, CoStar and ERSI data.

In the market opportunities analysis, LEG will analyze the level of demand for “economic drivers” of future downtown vitality. These will include:

- New multi family housing that caters to a younger generation of renters and condominium owners who will patronize local shops, restaurants and entertainment venues primarily during evenings and weekends.
- New hotel developments that will generate new demand for restaurants and bars in the evenings and also new transient occupancy tax revenue.
- New shops, restaurants and entertainment venues that will stimulate new patronage and spending by local residents and/or recapture sales leakage to surrounding communities and shopping centers.
- New office development that will generate demand for local housing and for local shops and restaurants primarily associated with the workday.

In a city like Los Altos, an affluent community in the midst of a Silicon Valley economy that has been undergoing rapid expansion, the challenge is not to maximize market opportunities but rather to balance strong market demand with the community’s vision of its future as expressed by its citizens and particularly by its elected leaders.

- 5) The results of the survey of Downtown businesses, interviews with the City Council and the market analysis will be integrated with the other visioning work to formulate three or four alternative futures for the Downtown. For each of the alternatives, LEG will suggest the magnitude of the development program over the next ten years including the number and type of residential units, hotel units, square footage of office space and square footage and type of new retail and restaurant space.

LEG will then participate in the evaluation of these alternatives by attending one work session at the RRM project office. Examples of the LEG’s evaluation criteria could include:

- Strength of market support.
- Level of outside (non Los Altos or Los Altos Hills resident) support expected.
- Likelihood of private redevelopment.
- Generation of evening activity and patronage by the millennial generation.



- Generation of additional retail sales, sales tax and other significant General Fund revenues.
- 6) We will participate in one City Council or Planning Commission Study Session to provide the economic development and fiscal health perspectives as requested by RRM.

Deliverable: A report, *Downtown Los Altos Revitalization Strategy*, covering the Downtown Business survey findings, development opportunities over the next decade plus suggested economic development strategies for Downtown Los Altos in light of community objectives uncovered in the visioning process.