



## **Friends of Los Altos, Inc. (FOLA)**

A non-profit, non-partisan, volunteer-run organization

### **Clouded Vision — Does Los Altos have cataracts?**

Cataracts create blurred vision and prevent the individual so afflicted from seeing clearly. Perhaps the same might be said for Los Altos with respect to the Downtown Vision Plan and a possible downtown theater. Let us explain:

Three years ago, the City Council, with great fanfare and some enthusiasm, unveiled the Downtown Vision Plan – a blueprint for how Los Altos could develop in order to revitalize the downtown to better meet the needs of residents, retailers, restaurants, office workers, etc.. The plan, while ambitious, suffered from the typical issue, which is that those groups advocating for a particular activity or feature were more likely to get it by consistently showing up at community meetings and voting for their pet project. Of course, the financial sources to fund these various projects were ignored in the plan. The final document had its fair share of supporters and detractors, but ultimately the City Council agreed to accept the report, NOT adopt it. The difference was hotly debated during the Council meeting, with the accepting folks winning out, since there was disagreement on some of the specific recommendations. And bizarrely enough, even though that is what the Council voted, the minutes from the meeting do not reflect what actually took place. Go figure.

The Vision Plan did not address several key questions, such as how to pay for some of the proposed plans and how to phase various activities. One such example was the proposal to re-purpose the parking plazas. In the long term the idea was to build parking garages to replace the parking lost by conversion of the lots to other purposes, for activities including outdoor dining. But the consultant never did explain how Los Altos was to develop the parking plazas (which in theory will generate new downtown visitors and business) when you haven't yet built the replacement parking and, by the way, don't have the money to do so. But we digress.

So why are we raising the Downtown Vision Plan now? The Downtown Theater Task Force was blessed by the Council back in March 2021. The task force was to evaluate the feasibility of replacing the Bus Barn Theater with a new, larger theater downtown. Furthermore, the Downtown Vision Plan had specifically proposed such a project. One of the rationales for a downtown location is that it would increase restaurant and retail patronage versus the existing location of the Bus Barn Theater at the Civic Center.

The task force completed its evaluation and has asked the City for an MOU between Los Altos Stage Company and the City of Los Altos that designates a specific plaza for a new theater and a 4-5 year feasibility study period. Additionally the group is asking the City to fund \$50K (cash and in-kind staff services) as part of an anticipated \$200K budget to do a feasibility study of a theater.

What was also included in the presentation are some additional conditions and specific assumptions. Those include a lease of parking plaza 2 (behind the post office) at minimal lease cost, an ongoing subsidy of unknown magnitude to operate the new theater building, a waiver of any net new parking to

support the theater, and a willingness on the part of the City to agree to a net loss of parking due to the new building replacing part of the parking plaza.

FOLA was asked to meet with several of the task force members as they were seeking our support of their effort. We declined to take a position on a downtown theater (even though we do support having a theater in Los Altos), as there were too many unanswered questions about their proposal. However we did outline a number of questions and issues that we thought the group should address prior to making a recommendation or request of Council to proceed. Those issues and questions included the following:

1. **Supply and demand for downtown parking.** Office use is down, restaurants up, retail down. But there are at least a dozen housing projects on First Street that have or will be built since the Vision Plan was completed. Each of those projects is under-parked by 3-10 parking spots or more. How will those changing dynamics affect parking demand, particularly nights and weekends when the theater is in use? Will the post-pandemic demands be different?
2. **Financial cost of a building and financial feasibility of a self-supporting theater operation.** As we learned, somewhat to our surprise and disappointment, from the Community Center project, which clocked in at over \$37M, excluding the half million dollars in annual interest on the loan, new construction is very, very expensive. And most, if not all cities that operate a theater have to subsidize the operation which needs to be financially backfilled, either through City funding or grants/donations. Is there financial support for building and operating a theater without a City contribution?
3. **Community interest in a theater?** Theaters have, in the past, polled relatively low in residents' interest for funding compared to other civic projects, such as parks. To date the only survey done was by Los Altos Residents which found that 43% of those surveyed were in favor of a theater and an even smaller percentage were supportive of covering operating expenses. Does the community really support a theater over other possible projects?
4. **Issues around parking plaza use for other than parking.** Until the City completes its housing plan and submits its plan to meet the aggressive State housing targets, City land may need to remain available as a possible place for some of the required housing. Of course, where to put that housing and how to pay for replacement parking will need to be factored into any final decision. How can the City commit to a project (and the theater group commit to possible donors) when the City may have to renege on such a commitment?

So while we believe a theater is good for Los Altos, where a new theater gets placed and who pays for it and who covers the operating costs are still issues we think the City Council will need to weigh in on.

However the reality is that at present the City lacks the staff to support any concerted effort to assist the task force. The updated housing plan and new objective standards for single-family residential have to be completed in the next months. The City is still trying to dig itself out of the financial hole as a result of Covid-related revenue shortfalls and the cost of the \$10M loan still outstanding for the new Community Center. There is a long list of existing capital projects that the City needs to fund.

So the question before City Council at their November 30<sup>th</sup> meeting is whether or not to enter into an MOU with the group for the parking plaza and help fund the feasibility study. Our bottom line is that the Downtown Vision Plan may have some or many aspects that are no longer viable given the changes that

have occurred in the past 2 years. Overriding consideration such as housing targets and locations need to be sorted out before the City should commit any of its land to other purposes. Understanding the new normal that will affect parking supply and needs will need to be factored in so that patrons to restaurants, service providers and whatever retailers remain in our downtown will have adequate parking. While we appreciate that the theater group wants to move ahead with its plans, hoping that the (theater group) squeaking wheel gets greased, right now for Los Altos, looking at the future is a bit like having cataracts — things look sort of fuzzy.

We think Los Altos residents need to let the City Council know their thoughts about a downtown theater and specifically:

1. Committing City funds for a feasibility study at this point in time
2. The City donating (or leasing at nominal cost) public land to an organization
3. The City funding the construction, in whole or in part
4. The City subsidizing a theater long term

Please send your comments before the Tuesday November 30<sup>th</sup> meeting to: [council@losaltosca.gov](mailto:council@losaltosca.gov)

## **Friends of Los Altos**

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