

## CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION  
STAFF REPORT  
WEDNESDAY, AUGUST 21, 2024

### 5. PUBLIC HEARINGS

#### 5.1 Minor Downtown Precise Plan Amendments

#### RECOMMENDATION

That the Environmental Planning Commission:

1. Rescind the Environmental Planning Commission's recommendation on Item 5.1— Minor Downtown Precise Plan Updates made at the June 26, 2024 meeting; and
2. Recommend the City Council adopt a Resolution of the City Council of the City of Mountain View Amending the Downtown Precise Plan to Update Land Use Table for Areas D, E, H, I, and J, to be read in title only, further reading waived (Exhibit 1 to the Staff Report).

#### PUBLIC NOTIFICATION

The agenda for the Environmental Planning Commission (EPC) is advertised on Channel 26, and the agenda and this report appear on the City's internet website. All property owners and apartments within a 750' radius and other interested stakeholders were notified of this meeting. Following a recommendation from the EPC, the City Council will hold a hearing on this project, and property owners and interested parties will be noticed.

#### BACKGROUND

Originally adopted in 1988 with subsequent amendments in 2000, 2001, 2004, 2015, 2018, 2019, and 2022, the [Downtown Precise Plan](#) (DTPP or Precise Plan) has served as a foundational framework for guiding both private development and public improvements within the City's core. This Precise Plan has been instrumental in shaping the evolution of downtown, characterized by a vibrant mix of civic functions, cultural events, thriving residential community, and historic commercial district.

Over the past 25 years, the downtown area has undergone significant transformations, driven by shifts in economic markets and changing urban dynamics. Concurrently, the City's priorities and vision have evolved, necessitating a comprehensive reevaluation of the goals and policies outlined in the Precise Plan.

**DTPP Update Phase 1**—In 2019, the City Council endorsed a two-phased approach to updating the DTPP and added Phase 1 to the Council Fiscal Year 2020-22 Work Plan. The DTPP Update Phase 1 focused on limited topics related to the Precise Plan Areas A, G, and H regarding design guidelines and minimal ground-floor land use changes. Phase 1 updates were adopted in [December 2022](#). At the adoption hearing, the City Council discussed reviewing land use, design, and parking standards in the entire DTPP Area as part of Phase 2 updates in the future.

**DTPP Update Phase 2**—The project is included in the City Council’s [Fiscal Years 2023-25 Work Plan](#) outlining key projects aligned with their Strategic Priorities, including “Intentional Development and Housing Options.” The update will include developing objective development standards, evaluating current design standards, land uses, parking, signage regulations, and other strategies.

On November 7, 2023, the City Council held a Study Session (see [City Council Study Session Memorandum](#)) to provide direction on the scope of work for the preparation of the DTPP Comprehensive Update and authorized a professional services agreement for the project on [May 28, 2024](#). Public outreach and the preparation of an existing conditions report will begin in Q3 2024. The comprehensive update is expected to take approximately 24 to 30 months and includes extensive community outreach and publicly noticed meetings.

### **Economic Vitality Strategy**

On April 23, 2024, the Mountain View City Council unanimously approved the Economic Vitality Strategy (EV Strategy). The EV Strategy is a guiding document to achieve the City’s vision to create a thriving community whereby small business, innovation, entrepreneurship, and diversity are encouraged to flourish and to be a global leader that balances a thriving economy with the health and well-being of the community and the environment.

Goal No. 2 of the EV Strategy is specifically focused on downtown Mountain View and includes five strategies:

1. Updating the Precise Plan;
2. Improving connections to downtown from major employment centers;
3. Expanding cultural and civic activities;
4. Improving parking management, supply, access, and regulation; and
5. Creating an authentic and unique sense of place in and experience of downtown.

During the adoption hearing held on April 23, 2024, Council endorsed expedited initiatives aimed at addressing the proposed minor amendments to alleviate regulatory obstacles hindering downtown businesses.

Two action items within the above strategies focused specifically around engaging and supporting restaurants and pursuing more flexible zoning and incentives to encourage innovative sectors and businesses to locate in downtown. The EV Strategy identifies these two action items for short-term implementation, consistent with Council's direction.

### **Downtown Vacancies**

Addressing downtown vacant properties remains a top priority for the City. Along Castro Street, between Evelyn Avenue and El Camino Real, there are currently 18 ground-floor vacancies. Of these vacancies, eight spaces have tenants working through the permitting process, while six have been vacant for more than three years. In the greater downtown area, excluding Castro Street, there are an additional 12 ground-floor vacancies with four of these also in the permitting process.

To effectively tackle ongoing vacancies, a multi-faceted approach involving both private property owners and the City of Mountain View is necessary. Within the private sector's purview is proactive leasing and marketing, facilitating flexible lease terms in response to market demands, and maintaining and improving a property. Some of the opportunities for the City to address vacancies include streamlining the permitting process, facilitating zoning changes in response to market demands, developing incentive programs, and investing in public amenities and infrastructure.

### **Previous Meetings**

#### **Downtown Committee—June 4, 2024**

On [June 4, 2024](#), the Downtown Committee heard a presentation by City staff on the draft amendments to the DTPP. The Downtown Committee was supportive of the proposed amendments and had no other comments.

#### **Environmental Planning Commission—June 26, 2024**

The EPC held a public hearing on [June 26, 2024](#), to review proposed minor amendments to the Downtown Precise Plan (see Exhibit 2—EPC Public Hearing Staff Report, June 26, 2024), where a unanimous recommendation was made to approve the amendments. However, after the meeting occurred, City staff discovered errors with the addresses that had been used to mail the notices. To address the error, and to ensure compliance with the noticing requirements in Section 36.56.20 [Notice of hearing] of the City Code, the EPC's previous

recommendation made on June 26, 2024 will be rescinded. The proposed amendments will be reevaluated by the EPC on August 21, 2024, and new notices have been sent to the correct mailing list.

## **ANALYSIS**

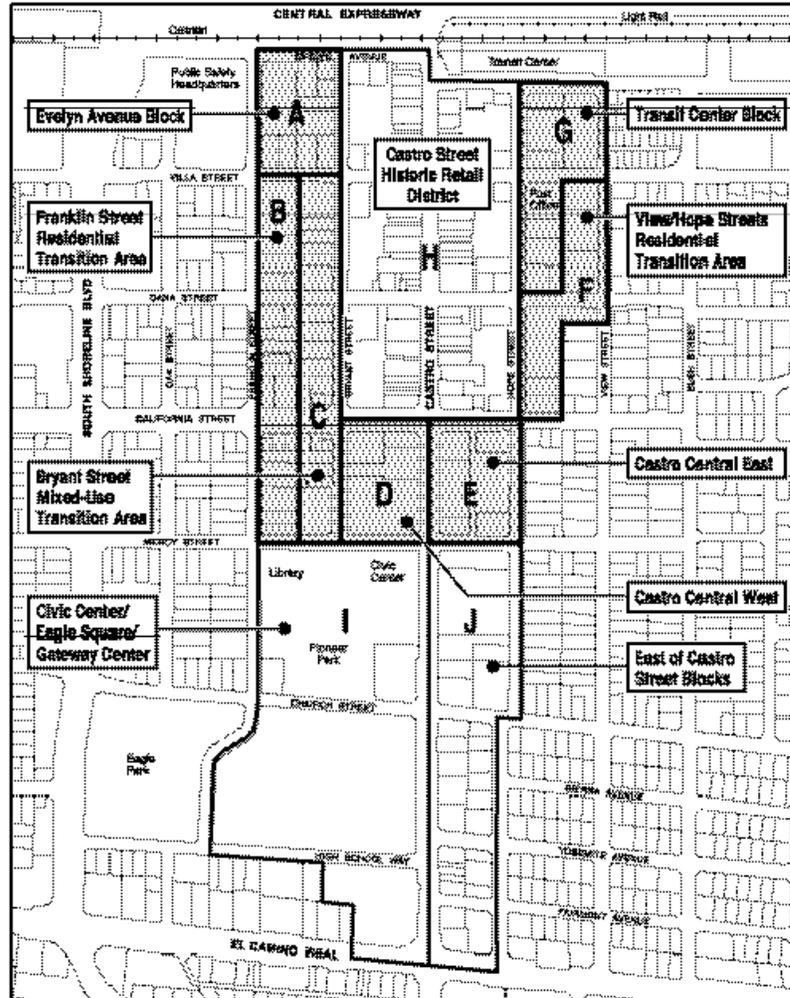
With the recent adoption of the EV Strategy, significant shifts in retail market trends, changes in state law regarding parking requirements (Assembly Bill (AB) 2097), and the City's prioritization of addressing downtown vacancies, staff is proposing near-term, beneficial amendments in advance of the full DTPP update. The goals of these amendments are to:

- Position downtown Mountain View to be responsive to changing trends and create immediate opportunities for businesses that complement the existing retail mix.
- Reduce barriers and ensure consistency for key uses across all areas along Castro Street and side streets between Evelyn Avenue and El Camino Real.

With the anticipated three-year timeline for the DTPP Comprehensive Update, staff proposes advancing these minor adjustments to address immediate needs and capitalize on current opportunities. These adjustments aim to remove barriers to filling vacant storefronts and attract new businesses to downtown while preparing for future comprehensive updates. Delaying these amendments until the DTPP Comprehensive Update is complete could prolong challenges for downtown businesses, hinder economic growth, and miss the benefits of aligning with recent state legislation and market trends. Prioritizing the implementation of these strategic amendments will support existing and prospective businesses while preparing for the forthcoming comprehensive updates.

## **Proposed Amendments**

In order to address the challenges, opportunities, and goals outlined above, staff is proposing minor targeted changes to Precise Plan land use tables. The Precise Plan Area is divided into 10 planning areas (A through J) and includes specific development and design frameworks, characteristics, and development potential specific to each subarea (see Figure 1—Downtown Precise Plan Area Map). Changes are being proposed to the permitted land use sections of areas along Castro Street frontage: D, E, H, I, and J (see Exhibit 3—Redlined Draft Precise Plan Amendments).



**Figure 1: Downtown Precise Plan Area Map**

The proposed land use amendments include changes to: (1) restaurant use; (2) indoor recreation use; and (3) minor code cleanup for consistency in business services use.

1. **Restaurant Uses:** Allowing restaurant uses that do not include drive-up or drive-in services to include serving alcoholic beverages ancillary to food service in Areas E and H (ground floor only) as a principally permitted use.<sup>1</sup>

Currently, certain areas (D, I, and J) within the Precise Plan allow restaurant uses as principally permitted while others necessitate a Provisional Use Permit (PUP).<sup>2</sup> In

<sup>1</sup> As used in this report, the term “principally permitted” means “permitted by right,” or allowed without further discretionary review.

<sup>2</sup> A PUP is a discretionary permit requiring a public hearing prior to a decision to approve, conditionally approve, or deny the application.

Areas E and H along Castro Street, a PUP is currently required to accommodate restaurant uses. This means that restaurants are permitted in Area D but require a PUP just across Castro Street in Area E or just across California Street in Area H.

To streamline the permitting process, address downtown vacancies, and align with EV Strategy goals and observed best practices in other cities, this proposed amendment suggests permitting restaurants, including those serving alcoholic beverages ancillary to food service, as principally permitted uses in Areas D, E, H, I, and J. This adjustment would eliminate the need for a PUP requirement for restaurant uses in these areas. The intention behind these changes is to foster a more conducive environment for restaurant businesses, potentially attracting increased investment and reducing administrative burdens, such as the time and money for businesses to undertake the discretionary review process.

Many neighboring cities have already identified restaurant development as a core component of their urban revitalization strategies (see Table 1). Allowing restaurants, including those that serve alcohol, without added layers of review has proven effective in promoting economic growth and fostering vibrant, appealing urban environments. Updating the City's plan to reflect this progressive approach will reduce barriers for new and growing businesses, align Mountain View with forward-thinking regional jurisdictions, and further facilitate City goals for a thriving downtown.

**Table 1: Regional Jurisdictions Permitting of Restaurants**

City	Permitting of Restaurant Uses in Downtown
Burlingame	Permitted
Cupertino	Restaurants without separate bar facilities are permitted
Fremont	Permitted
Los Altos	Permitted
Palo Alto	Permitted
Redwood City	Permitted
Santa Cruz	Permitted
Sunnyvale	Miscellaneous Plan Permit (MPP) for restaurants with beer; and Special Development Permit (SDP) for restaurants serving alcohol
Walnut Creek	Permitted as long as business hours do not extend past midnight

Proposed Amendments: Staff is proposing to modify the land use table for Areas E and H (ground floor only) to allow restaurant uses that do not include drive-up or drive-in services to include serving alcoholic beverages ancillary to food service as a principally permitted use.

2. **Indoor Recreation and Fitness Center Uses:** Indoor recreation and fitness centers are primarily indoor establishments providing amusement, entertainment, or physical fitness services for a fee or admission charge and include fitness centers, gymnasiums, indoor tennis, mini-golf, escape rooms, and other indoor sports activities. Currently, indoor recreation and fitness uses are provisionally permitted in Areas E, H, I, and J of the Precise Plan. There has been interest from indoor recreation businesses in establishing locations in downtown Mountain View, but these businesses have found the current Precise Plan land use tables prohibitive. As a result, indoor recreation and fitness center businesses make up less than 1% of current ground-floor space in downtown Mountain View.

In recent years, retail market trends have shifted significantly with a notable move toward experiential offerings that enhance consumer engagement and satisfaction. As traditional retail faces increased competition from e-commerce, cities across the country are reimagining their commercial landscapes to attract foot traffic and create vibrant, multi-functional urban spaces. Shoppers are increasingly seeking unique, memorable experiences, and this shift has led to the rise of experiential retail, where activities and entertainment play a central role in drawing customers to commercial areas—indoor recreation provides this opportunity.

Indoor recreation is also a complementary use to dining and food services. Restaurants and indoor recreational venues have been shown to thrive in proximity to one another as the combination of food and fun appeals to consumers seeking a complete evening out. Indoor recreation venues also attract visitors from outside the community, boost local spending, and serve as viable tenants for vacant retail spaces.

The proposed adjustments aim to be responsive to market shifts and create a pathway for experiential retail and entertainment by allowing indoor recreation as a permitted use in key DTPP areas. To further enhance their appeal and economic viability, it is recommended that these establishments be allowed to serve beer and wine ancillary to their primary recreational use. This addition can make venues like escape rooms and mini-golf more attractive to adult patrons, encouraging longer visits and higher spending, benefiting both the recreation business and surrounding establishments. Similar establishments in other jurisdictions have shown that serving beer and wine in a controlled, ancillary manner does not typically lead to increased Police calls for service. These businesses typically have structured environments with clear regulations and oversight, reducing the likelihood of disruptive behavior.

Additionally, patrons who engage in indoor recreational activities tend to be focused on the entertainment aspect, leading to a more family-friendly and controlled atmosphere.

Many neighboring cities have already identified indoor recreation use as a core component of their urban revitalization strategies which has proven effective in promoting economic growth and fostering vibrant, appealing urban environments (see Table 2); however, most require a conditional use permit to allow the use in downtown areas.

**Table 2: Regional Jurisdictions Permitting of Indoor Recreation Uses**

City	Permitting of Recreation Uses in Downtown
Burlingame	Conditional Use Permit
Cupertino	Conditional Use Permit
Fremont	Permitted in limited concentration
Los Altos	Conditional Use Permit
Palo Alto	Permitted*
Redwood City	Conditional Use Permit
Santa Cruz	Permitted
Sunnyvale	Special Development Permit (SDP)
Walnut Creek	Conditional Use Permit

\* Conditional Use Permit required if more than 5,000 square feet of gross floor area or if fronting on University Avenue.

In the past few years, staff has received several inquiries from businesses exploring opportunities to establish indoor recreation types of uses in downtown but were deterred due to permitting procedures. Updating the City's Precise Plan to reflect this progressive approach will reduce barriers for new and growing businesses, align Mountain View with forward-thinking regional jurisdictions, and further facilitate City goals for a thriving downtown.

Proposed Amendments: Staff is proposing to introduce the "Indoor Recreation and Fitness Center" use with or without serving beer and wine clearly ancillary to recreation use in Areas D, E, H, I, and J as a principally permitted use.

Additionally, staff proposes to introduce the "Indoor recreation and fitness centers serving liquor clearly ancillary to recreation use" as a provisional use in the same areas.

3. **Business Services Uses:** Staff is proposing a minor modification to the term “Business Services” identified in the land use tables for in Areas H, I, and J to “Business Support Services” consistent with the City’s Zoning Ordinance land use definitions (refer to [Section 36.60.07 – Definitions—“B.”](#)). This is a minor code cleanup and does not have any policy implications.

## **ENVIRONMENTAL ANALYSIS**

The City previously certified/adopted the 1999 City of Mountain View Downtown Precise Plan (Precise Plan) Initial Study/Negative Declaration (IS/ND), the 2004 City of Mountain View Downtown Precise Plan IS/ND, and the 2012 Mountain View 2030 General Plan Environmental Impact Report (collectively called “Previous CEQA Documents”). None of the circumstances necessitating further CEQA review are present, and no further environmental review is required under CEQA Guidelines Sections 15162 and 15163.

## **NEXT STEPS**

Following a recommendation from the EPC at this public hearing, the proposed amendments will be considered at a City Council public hearing tentatively scheduled for September 10, 2024.

## **CONCLUSION**

Staff recommends the EPC conduct a public hearing and recommend the City Council adopt the Downtown Precise Plan Amendments attached to this report as Exhibit 3.

## **ALTERNATIVES**

1. Recommend approval of the Downtown Precise Plan Amendments with modifications.

2. Request additional information from staff and continue the item.
3. Recommend disapproval of the Downtown Precise Plan Amendments.

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- Exhibits:
1. Draft Resolution
  2. [EPC Public Hearing Staff Report, June 26, 2024](#)
  3. Redlined Draft Precise Plan Amendments