At their August 6th regular meeting, the City Council adopted an ordinance which amends the Downtown District Specific Plan to allow active ground floor office uses at buildings located along Monterey Road north of 4th Street and south of 6th Street without a conditional use permit (CUP). This temporary allowance will be in effect for two years, beginning on September 6th.

This ordinance was passed in response to the continued vacancy rates in the Downtown Historic District (DHD), north of 4th Street and south of Sixth Street. The City had previously allowed ground floor office uses in downtown during times of high vacancy rates. In 2011, in response to the Great Recession, City Council approved such allowance throughout the DHD by right (i.e. without a CUP) for a period of three years. The effort was seen as an economic incentive by alleviating the application process and associated cost of obtaining a conditional CUP for potential business owners. In 2014, the Council extended the temporary allowance for another three years to May 21, 2017. Since then, there has been a slight increase in the occupancy rate since these exemptions were put into effect. However, vacancies continue to be a major concern.

City Staff and Community Leaders meet with Economic Consultant

On August 13th, City Staff and Community Leaders met with David Zehnder from Economic & Planning Systems, Inc. (EPS). Mr. Zehnder gathered input from attendees regarding existing conditions and ongoing efforts of economic development in Gilroy. The meeting touched on the aspects of the consultant’s forthcoming evaluation which will include looking at potential site opportunities, corridor studies, and market analysis in an effort to attract businesses that set the City of Gilroy up with long-term revenue generation and job creation.

The evaluation is expected to last up to 12 weeks and will culminate into a report and presentation that will include recommendations to the City on boosting economic development in Gilroy.
Sue O’Strander Promoted to Deputy Director of Community Development

Sue O’Strander was promoted to Deputy Director of Community Development this month. Since 2013, Sue has served as the City of Gilroy’s Planning Manager and Development Center Manager. In addition to overseeing land use entitlements and long-range planning for the City, she provides liaison coordination with the City’s economic development partners. Prior to Gilroy, she has two decades of development and planning experience primarily working for a several Southern California jurisdictions. She is a graduate of Leadership Gilroy (Class of 2014) and is currently completing her session in the Santa Clara County Leadership Academy.

In her position as Deputy Director, Sue will focus on implementing recommendations by Management Partners, including streamlining Development application processes, improving customer service, and creating/maintaining relationships and partnerships.

Building Division Updates

Final Approvals have been issued this past month for the following businesses:

- **Tea Leaf; located at 1275 1st Street.** An Asian Tea Café serving sandwiches and other over the counter meals.
- **Torque-O-Matic; located at 8440 Church Street.** Producing custom screws for the hardware industry.
- **H Skate; located at 7600 Monterey Street, Suite 110.** Providing sales and servicing of skateboards.

Economic Development Study Session Recap:

On August 13th, City Council held a study session that continued their discussion on how to best spur Economic Development in the City of Gilroy. Carl Ribaudo from SMG Consulting facilitated the discussion, bringing with him years of experience in marketing and tourism consultation. During the study session, City Council, Staff, community partners and members of the public discussed varying ways to encourage economic activity in Gilroy while balancing the needs of the community as a whole. Discussions on this topic will continue as leaders develop priorities and strategies to guide future progress.

[Watch Video of Study Session](#)